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## NOTICE OF ANNUAL GENERAL MEETING

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TO THE HOLDERS OF COMMON SHARES OF TREE ISLAND STEEL LTD.

The Annual General Meeting (the “Meeting”) of Tree Island Steel Ltd. (the “Company” or “Tree Island”) will be held **at the offices of Stikeman Elliott LLP, Suite 1700, 666 Burrard Street, Vancouver, BC V6C 2X8, on Thursday, May 4, 2023 at 1:00 p.m.** (Vancouver time) for the following purposes:

1. To place before the shareholders of the Company (the “Shareholders”) the consolidated financial statements of the Company for the year ended December 31, 2022, and the Auditors’ Report thereon;
2. To elect the directors for the ensuing year;
3. To appoint the Auditor for the ensuing year; and
4. To transact such other business as may properly come before the Meeting.

The directors have fixed the close of business on Thursday, March 16, 2023 as the record date (the “Record Date”) for determining Shareholders who are entitled to attend and vote at the Meeting.

As a Shareholder of record as of the close of business on March 16, 2023, you have the right to attend and vote at the Meeting as set out in the Circular. In order to protect the health and safety of Shareholders and the broader community, we strongly encourage Shareholders to vote by the means described on pages 3 and 4 of the Circular in advance of the Meeting instead of attending the Meeting in person. We reserve the right to take any additional precautionary measures we deem appropriate in relation to the Meeting in response to developments in respect of public health including, if we consider necessary or advisable, hosting the Meeting solely by means of remote communication. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release. Please monitor our Company press releases as well as our Company website at [www.treeisland.com](http://www.treeisland.com) for updated information. We advise you to check our Company website one week prior to the Meeting date for the most current information. We do not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

Information relating to the matters to be brought before the Meeting is set forth in the management information circular (“Circular”) which accompanies this notice of Meeting (the “Notice”) and which is expressly made a part of this Notice.

In lieu of mailing the Notice, Circular and the consolidated financial statements and management’s discussion and analysis of the Company for the year ended December 31, 2022 (collectively, the “Meeting Materials”), the Company is using notice-and-access to provide access to an electronic copy of these documents to registered and beneficial Shareholders.

Copies of the Meeting Materials are also available at:

<http://www.envisionreports.com/Tree-Island-2023AGM>

-or-

[www.sedar.com](http://www.sedar.com)

Under notice-and-access, instead of receiving paper copies of the Meeting Materials, registered and beneficial Shareholders will be receiving a notice with information on how they may access the Meeting Materials electronically. Registered and beneficial Shareholders will also receive a proxy or voting instruction form, as applicable, enabling them to vote at the Meeting. The Company will also mail paper copies of the Meeting Materials to those registered and beneficial Shareholders who have previously elected to receive paper copies of the Meeting Materials. You may also request a paper copy of the Meeting Materials by contacting the Company at 1-800-663-0955 prior to Friday, April 28, 2023.

Shareholders who wish to vote at the Meeting (either in person or by proxy) must date, execute and deliver their forms of proxy or voting instructions in accordance with the instructions set forth on such form to the Company, c/o Proxy Department, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 prior to 4:00 p.m. ET / 1:00 p.m. PT on Tuesday, May 2, 2023.

DATED at Vancouver, British Columbia, as of the 16<sup>th</sup> day of March, 2023.

By order of the Board of Directors

*(signed)* "Amar S. Doman"

Executive Chair of the Board

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**MANAGEMENT INFORMATION CIRCULAR**

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**Table of Contents**

FORWARD LOOKING STATEMENTS.....	2
GENERAL PROXY INFORMATION .....	2
BUSINESS OF THE MEETING.....	6
INFORMATION ON THE NOMINATED DIRECTORS.....	7
EXECUTIVE COMPENSATION .....	10
BOARD COMPOSITION AND GOVERNANCE PRACTICES .....	18
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS.....	25
INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON .....	26
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS.....	26
MANAGEMENT CONTRACTS.....	26
ADDITIONAL INFORMATION.....	26
DIRECTOR'S APPROVAL .....	26
SCHEDULE "A" .....	27

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## MANAGEMENT INFORMATION CIRCULAR

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Dated as of March 16, 2023

Except where otherwise indicated, all dollar amounts in this management information circular (the “Circular”) are expressed in Canadian dollars.

**The directors (the “Directors”) of Tree Island Steel Ltd. (the “Company” or “Tree Island”) have fixed the close of business on Thursday, March 16, 2023 as the record date (the “Record Date”) for determining shareholders of the Company (“Shareholders”) who are entitled to attend and vote at the Meeting.**

Pursuant to applicable securities laws, the Company has chosen to provide the Notice Of Meeting, Circular and the consolidated financial statements and management’s discussion and analysis of the Company for the year ended December 31, 2022 (collectively, the “Meeting Materials”) to registered and beneficial Shareholders using notice-and-access under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”)* and National Instrument 51-102 – *Continuous Disclosure Obligations*.

Under notice-and-access, instead of receiving paper copies of the Meeting Materials, registered and beneficial Shareholders will be receiving a notice with information on how they may access the Meeting Materials electronically.

Registered and beneficial Shareholders will also receive a proxy or voting instruction form, as applicable, enabling them to vote at the Meeting.

The Company will mail paper copies of the Meeting Materials to those registered and beneficial Shareholders who have previously elected to receive paper copies of the Meeting Materials.

Copies of the Meeting Materials, including our financial statements and management’s discussion and analysis for the year ended December 31, 2022, are available on the Internet at:

<http://www.envisionreports.com/Tree-Island-2023AGM>

-or-

[www.sedar.com](http://www.sedar.com)

You may also request a paper copy of the Meeting Materials by contacting the Company at 1-800-663-0955 prior to Friday, April 28, 2023.

As a Shareholder of record as of the Record Date, you have the right to attend and vote at the Meeting as set out in this Circular. In light of COVID-19 and in order to protect the health and safety of Shareholders and the broader community, we strongly encourage Shareholders to vote by the means described on pages 3 and 4 of this Circular in advance of the Meeting.

We reserve the right to take any additional precautionary measures we deem appropriate in relation to the Meeting in response to public health developments including, if we consider necessary or advisable, hosting the Meeting solely by means of remote communication. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release. Please monitor our Company press releases as well as our Company website at [www.treeisland.com](http://www.treeisland.com) for updated information. We advise you to check our Company website one week prior to the Meeting date for the most current

information. We do not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

### **FORWARD LOOKING STATEMENTS**

This Circular includes forward-looking information with respect to Tree Island and its subsidiaries (collectively "Tree Island"), including their business, operations and strategies, as well as financial performance and conditions. The use of forward-looking words such as, "may", "will", "expect" or similar variations generally identify such statements. Any statements that are contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Although management believes that expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties including the risks and uncertainties discussed under the heading "*Risks Relating to Our Business*" in the Company's annual information form for the year ended December 31, 2022.

By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward looking statements. In evaluating these statements, prospective purchasers should specifically consider various factors including the risks outlined herein under the heading "*Risks Relating to Our Business*" in the Company's annual information form for the year ended December 31, 2022, which may cause actual results to differ materially from any forward looking statement. Such risks and uncertainties include, but are not limited to: general economic, market and business conditions, the impact of global health pandemics on the Company, the economy and potentially its supply chain, the cyclical nature of our business and demand for our products, financial condition of our customers, competition, deterioration in Company's liquidity, leverage, and restrictive covenants, disruption in the supply of raw materials, volatility in the costs of raw materials, dependence on the construction industry, transportation costs and availability, foreign exchange fluctuations, labour relations, trade actions, dependence on key personnel and skilled workers, reliance on key customers, environmental matters, intellectual property risks, energy costs, un-insured loss, credit risk, operating risk, relocation of certain production equipment from the Etiwanda operations, management of growth, success of acquisition and integration strategies, and other risks and uncertainties set forth in our publicly filed materials

This Circular has been reviewed by the Company's Board of Directors (the "Board") and contains information that is current as of the date hereof, unless otherwise noted. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. Readers are cautioned not to place undue reliance on this forward-looking information and management of the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

### **GENERAL PROXY INFORMATION**

#### **Persons Making the Solicitation**

This Circular is furnished in connection with the solicitation of proxies on behalf of the Directors by management of the Company for use at the Meeting to be held on Thursday, May 4, 2023 at the time and place and for the purposes set out in the accompanying Notice of Meeting.

Proxies may be solicited by mail, telephone, email, facsimile or other electronic means as well as by newspaper or other media advertising. Proxies may also be solicited personally, by telephone, email or facsimile by regular employees of the Company, or by agents of the Company hired for that purpose. All costs of solicitation will be borne by the Company.

### **Appointment of Proxyholders**

The persons named in the enclosed form of proxy are officers and/or Directors of the Company.

**A Shareholder has the right to appoint a person or company (who need not be a Shareholder) to represent the Shareholder at the Meeting other than the persons named in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy and striking out the names now designated.**

**Failure to properly complete or deposit a proxy may result in its invalidation. The time limit for the deposit of proxies may be waived by the Executive Chair of the meeting at its discretion without notice.**

To be valid, a proxy must be signed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney. Proxies must be delivered to the Company c/o Proxy Department, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 prior to 4:00 p.m. ET / 1:00 p.m. PT on Tuesday, May 2, 2023 or, in the case of any adjournment or postponement of the Meeting, no later than 48 hours before the time of such reconvened meeting.

### **Voting by Proxies**

Common shares of the Company (the "Shares") represented by properly executed proxies will be voted for, withheld from voting or voted against in accordance with the instructions of the Shareholder on the proxy and on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon, such Shares will be voted accordingly.

If a choice is not so specified for any such matter, the Shares represented by a proxy given to the Directors will be voted in accordance with the recommendation of management of the Company.

The form of proxy gives discretionary authority to the proxy nominee for any amendments or variations to the matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. The Directors are not aware of any amendments to the matters to be presented for action at the Meeting or of any other matters to be presented for action at the Meeting.

### **Advice to Beneficial Shareholders**

Certain shareholders of the Company hold their Shares through their brokers, intermediaries or other persons including, CDS & Co. (the registration name for The Canadian Depository for Securities Limited) ("CDS") and as a result, are considered beneficial Shareholders of the Company.

Each intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by beneficial Shareholders to ensure that their Shares are voted at the Meeting. Typically, intermediaries will use a service company to forward the Meeting Materials to beneficial Shareholders.

Management of the Company does not intend to pay for intermediaries/brokers to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-107 – Request for Voting Instructions Made by Intermediary, and in the case of an objecting beneficial owner, the objecting beneficial

owner will not receive the materials unless the objecting beneficial owner's intermediary/broker assumes the cost of delivery.

Beneficial Shareholders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit beneficial Shareholders to direct the voting of the Shares they beneficially own. Beneficial Shareholders should follow the procedures set out below, depending on which type of form they receive.

- A. Voting Instruction Form. In most cases, a beneficial Shareholder will receive a voting instruction form. If the beneficial Shareholder wishes to vote their Shares, the voting instruction form should be completed, signed and returned in accordance with the directions on the form. If a beneficial Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the beneficial Shareholder must contact their broker/intermediary to seek further instructions on obtaining a valid proxy from the broker/intermediary;

- or -

- B. Form of Proxy. Less frequently a form of proxy has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Shares beneficially owned by the beneficial Shareholder but which is otherwise incomplete. If the beneficial Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Beneficial Shareholder's behalf), the beneficial Shareholder should complete the form of proxy and deposit it with the Company, c/o its agent, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, as described above. If a beneficial Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the beneficial Shareholder must strike out the names of the persons named in the proxy and insert his or her (or such other person's) name in the blank space provided.

**Beneficial Shareholders should follow the instructions on the forms they receive and contact their broker or intermediaries promptly if they need assistance. We recommend voting by internet, telephone or facsimile as the preferred method.**

If you are a beneficial Shareholder, and the Company or its agent has sent Meeting Materials to you directly, your name and address and information about your holdings of the Shares have been obtained in accordance with applicable securities laws from the intermediary holding the Shares on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding the Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions in accordance with the directions on the voting instruction form or proxy.

### **Revocability of Proxies**

A Shareholder executing and delivering a proxy can revoke it by an instrument in writing signed by the Shareholder, or by his or her attorney authorized in writing, delivered (i) to the chair of the Meeting on the day of the Meeting or any adjournment thereof, (ii) to the registered office of the Company at any time up to and including at least two business days preceding the day of the Meeting, or an adjournment thereof, at which the proxy is to be used, or (iii) in any other manner provided by law. A proxy is valid only in respect of the Meeting.

## Voting Shares

The Company is authorized to issue an unlimited number of common shares (the “Shares”). As of the Record Date of March 16, 2023, there were 28,221,526 Shares issued and outstanding entitled to be voted at the Meeting and each Share is entitled to one vote.

## Votes Necessary to Pass Resolutions

A simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the resolutions referred to in the accompanying Notice of Meeting.

## Principal Holders

To the knowledge of the Directors and the executive officers of the Company and based solely upon a review of the public filings, no person or company beneficially owns, or controls or directs, directly or indirectly, ten per cent or more of the outstanding Shares, except as follows:

Shareholder	Number of Shares Held	Percentage of Issued Shares
The Futura Corporation	9,806,246 <sup>(1)</sup>	34.7%
Arbutus Distributors Ltd.	6,489,350 <sup>(2)</sup>	23.0%

Notes:

- (1) Based solely upon a review of the public filings, these Shares are owned indirectly by Amar S. Doman through The Futura Corporation.
- (2) Based solely upon a review of the public filings, these Shares are owned indirectly by Peter Bull through Arbutus Distributors Ltd.

## CBCA Requirements for Election of Directors

The election of directors at the Meeting will be governed by the new majority voting requirements under the *Canada Business Corporations Act* (the “CBCA”) which took effect in August 2022. These requirements are such that in an uncontested election of directors of the Company, a nominee must receive 50% or more of the total votes cast “for” or “against” such nominee by shareholders in favour of their election in order to be elected as a director. If a nominee does not receive a majority of votes cast by shareholders in favour of their election, they will not be elected and the Board position will remain open, except that an incumbent director will be permitted to remain in office until the earlier of (a) the 90th day after the day of the election or (b) the day on which their successor is appointed or elected. These statutory majority voting requirements only apply to “uncontested elections of directors”, meaning elections (such as the election of directors to take place at the Meeting) where the number of director nominees is the same as the number of directors to be elected to the Board and that no proxy material is circulated in support of one or more nominees who are not part of the candidates supported by the Board. In order to ensure compliance with the new provisions in the CBCA, the Board has revoked the Company’s majority voting policy as such policy was based on the requirements of the TSX. While the provisions of the CBCA with respect to director elections are substantively similar to what was included in the majority voting policy, they are not identical, and following confirmation from the TSX that a majority voting policy was no longer required for a CBCA corporation, the Board revoked the majority voting policy to ensure that it did not have a policy in place that ran counter to the new requirements under the CBCA.



## **BUSINESS OF THE MEETING**

### **1. Financial Statements**

At the Meeting, the consolidated financial statements of Tree Island for the year ended December 31, 2022 and the auditors' report thereon will be presented to the Shareholders. These consolidated financial statements and management's discussion and analysis relating thereto are included in the 2022 annual report of Tree Island (the "Annual Report"), and are available at [www.treeisland.com](http://www.treeisland.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### **2. Election of Directors**

The number of Directors to be elected at the Meeting is determined from time to time by resolution of the Board, such number being not more than ten and not less than three. The Board currently consists of six (6) directors and the term of office of each of the current Directors expires at the close of the Meeting.

The Board has fixed the number of Directors to be elected at the Meeting at six (6).

It is intended that the Shares represented by proxies solicited on behalf of the Board will be voted in favour of the election of all of the nominees whose names are set forth below as Directors of the Company if no choice in respect of such election is specified in the proxy.

The following six nominees are proposed by Tree Island as the nominees for election as Directors of the Company to serve until the next annual meeting of Shareholders or until their successors are duly elected or appointed:

Amar S. Doman

Peter Bull

Sam Fleiser

Ted A. Leja

Harry Rosenfeld

Joe Downes

Information about the individual director nominees can be found on page 7 of this Circular under the heading "Information on the Nominated Directors".

**The representatives named in the accompanying form of proxy intend to vote for the election of the nominees whose names are set forth herein unless a Shareholder's proxy indicates a vote against any nominee. The Board recommends that Shareholders vote FOR the election of the nominees whose names are set forth herein as Directors of the Company.**

### **3. Appointment of Auditor**

Action is to be taken at the Meeting with respect to the appointment of KPMG LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as auditor of the Company to hold office until the next annual meeting of Shareholders and to authorize the Board to set their remuneration. KPMG LLP has acted as auditor of the Company since September 6, 2018. Details as to the remuneration paid to the auditor for the fiscal year ended December 31, 2022 can be found in the Company's Annual Information Form for the year ended December 31, 2022 available on SEDAR at [www.sedar.com](http://www.sedar.com).

Unless such authority is withheld, the representatives named in the accompanying form of proxy intend to vote for the appointment of KPMG LLP, Chartered Professional Accountants, as auditor of the Company, for the ensuing year at a remuneration to be fixed by the Board. The Board recommend that Shareholders vote FOR the appointment of KPMG LLP, Chartered Professional Accountants, as auditor of the Company, at a remuneration to be fixed by the Board.

## **INFORMATION ON THE NOMINATED DIRECTORS**

### **Director Biographies:**

Set out below are biographies for each of the nominees:

**Amar S. Doman** – Mr. Doman is the founder, sole shareholder, President and Chief Executive Officer of The Futura Corporation (“Futura”) and Chairman of the Board of Directors and Chief Executive Officer of Doman Building Materials Group Ltd. (“DBM”) which trades on the Toronto Stock Exchange under the symbol “DBM”. Mr. Doman has over 30 years of experience in the building materials manufacturing and distribution industries. Mr. Doman was a member of the board of the Heart and Stroke Foundation of Canada and is a former director of the Canadian Institute of Treated Wood and the Building Supply Dealers Association of British Columbia. Mr. Doman was also named Ernst & Young Pacific Region Business to Business Entrepreneur of the Year in 2005.

**Peter Bull** – Mr. Bull is the Chairman of the West Pender Property Group, the President of P.M. Bull & Company Ltd (a commercial real estate business), and holds interests in a number of real estate and building material companies. Mr. Bull is also on the Board of Directors for Adentra Inc., which trades on the TSX under the symbol TSE: ADEN, and also on the Board for Vancouver’s Providence Health Care. Adentra is one of North America’s largest distributors of architectural building products to the residential and commercial construction sector.

**Sam Fleiser** – Mr. Fleiser is the President of Fleiser Holdings Limited (“FHL”), a privately held company providing debt financing and consulting and mentoring services to start-ups and distressed companies in both North America and Europe. From January 2013 until December 2015, Mr. Fleiser was President of Alignvest Private Debt Ltd., a privately held finance company providing financing to distressed or under-performing companies. Prior to his role at Alignvest, he was founder and President of Callidus Capital Corporation from 2003 until his resignation on December 31, 2011. Mr. Fleiser has more than 30 years of experience in managing, building and restructuring numerous businesses in a wide variety of industries. Prior to forming Callidus in 2003, Mr. Fleiser specialized in assisting distressed businesses facing serious financial or management crisis. Mr. Fleiser is a director of DBM (TSX:DBM) and numerous private companies. Mr. Fleiser has a B.Comm equivalent from The University of the Witwatersrand, Johannesburg, South Africa and is a member of the Chartered Professional Accountants of Ontario.

**Ted A. Leja** – Mr. Leja is a past President and CEO of Tree Island and retired from the Company in 2006. He possesses significant wire and steel industry experience. In addition to his experience at Tree Island, he served as President of the Bar, Rod and Wire division of Bethlehem Steel Corporation (1984-1992) and President of Georgetown Texas Steel Company (1980 to 1984). From 1977 to 1980, Mr. Leja was instrumental in the start-up of the Raritan River Steel Company and prior to that, spent 10 years with North Star Steel Company in a number of positions, ultimately becoming its President. Mr. Leja returned to Tree Island as President and Chief Executive Officer in July, 2009 and then retired again in July 2011.

**Harry Rosenfeld** – Mr. Rosenfeld is retired and a member of the DBM board of directors. From 2004 to 2022, Mr. Rosenfeld was Executive Vice President of Futura. Prior to this, from 1997 to 2004, Mr. Rosenfeld was employed by Congress Financial Corporation of Canada, where as Senior Vice President and Portfolio Manager he directed the Credit and Administration functions for one of the largest asset based lenders in Canada. A former Vice President with Bank of New York Financial Corporation, Mr. Rosenfeld has over 35 years of financing, mergers and acquisition and banking experience. Mr. Rosenfeld is a former Treasurer and Director of the CFA (Commercial Finance Association) and has been a guest speaker at various financing and industry seminars. Mr. Rosenfeld holds a B.A. from the University of Waterloo.

**Joe Downes** – Mr. Downes is retired Senior Vice President of Leggett and Platt, Inc. (“L&P”) an NYSE listed diversified manufacturer headquartered in the US. During a 38-year career with L&P he held various sales and operating management positions culminating as President of the Industrial Materials Segment in the last fourteen years prior to retirement. The Industrial Materials Segment consisted of a steel mill producing wire rod, four wire producing facilities, three wire fabricating companies, one distribution company and an Aerospace Tubular products Unit with plants in the US, France and UK. Mr. Downes has served as an officer and board member of American Wire Producers Association and Wire Association International.

**Shares held by Directors:**

In December 2006, the Board approved securities ownership guidelines for the Directors that require the Directors to acquire Shares or convertible instruments of the Company, to three times the Directors’ annual retainer, calculated based on the Share purchase price or principal amount of any convertible instruments held. The purchases are to be made within a period of five years of such Director’s election or appointment. The number of Shares referred to in respect of each individual is the number of Shares beneficially owned, directly or indirectly, or over which control and direction is exercised by each individual as of the Record Date.

All director nominees have met the securities ownership guidelines to own directly or indirectly Shares equal in value to three times the Directors’ annual retainer.

<b>Name and Residence</b>	<b>Role on the Board</b>	<b>Present Principal Occupation</b>	<b>Shares Held<sup>(1)</sup></b>
<b>Amar S. Doman</b> <i>British Columbia, Canada</i>	Executive Chair <i>Director since January 30, 2009</i>	President and Chief Executive Officer, The Futura Corporation (an asset management and investment firm)	9,806,246 <sup>(2)</sup>
<b>Peter Bull</b> <i>British Columbia, Canada</i>	Non-independent Director <i>Director since May 7, 2015</i>	President, P.M. Bull & Company Ltd.(a commercial real estate company)	6,489,350 <sup>(3)</sup>
<b>Sam Fleiser</b> <i>Ontario, Canada</i>	Independent Director Chair of the Audit Committee Member of the EHSCG Committee <i>Director since June 24, 2009</i>	President, Fleiser Holdings Ltd. (a financing company)	111,000
<b>Ted A. Leja</b> <i>Washington, USA</i>	Independent Director Member of the EHSCG Committee <i>Director since November 12, 2002</i>	Former President and Chief Executive Officer, Tree Island (retired in 2011).	40,000

<b>Name and Residence</b>	<b>Role on the Board</b>	<b>Present Principal Occupation</b>	<b>Shares Held<sup>(1)</sup></b>
<b>Harry Rosenfeld</b> <i>British Columbia, Canada</i>	Non-independent Director Member of the Audit Committee <i>Director since January 30, 2009</i>	Executive Vice President, The Futura Corporation (an asset management and investment firm)	Nil <sup>(4)</sup>
<b>Joe Downes</b> <i>Florida, USA</i>	Independent Director Chair of the ESHCG Committee Member of the Audit Committee <i>Director since January 1, 2017</i>	Corporate Director	56,800

Notes:

- (1). Represents the number of Shares beneficially owned, directly or indirectly, or over which control and direction is exercised by such individual. The nominees for election as Director together with the senior executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control or direction over 16,633,896 or 58.9% of the Shares outstanding as of the date of this Circular.
- (2). These Shares are held through Futura, of which Mr. Doman is the President and Chief Executive Officer.
- (3). These Shares are held through Arbutus Distributors Ltd.
- (4). Mr. Rosenfeld retired in 2022 from his role as Executive Vice President of Futura.

**Other Information about the Directors:**

Each of the individuals nominated for election as Director has been engaged for more than five years in his present principal occupation or with the organization in which he currently holds his principal occupation except for Mr. Rosenfeld who retired from Futura in December 2022.

The Company is not required to have an executive committee. Mr. Doman, Executive Chair, has served as chair of the Board of the Company since its 2009 Annual Meeting.

To the knowledge of management, none of the individuals named above is at the date hereof or has been within the past ten years: (i) a director, chief executive officer or chief financial officer of any company that, while such individual was acting in such capacity, was the subject of an event that resulted in, after such individual ceased to act in such capacity, an order within the meaning of Form 51-102F5 of National Instrument 51-102 - *Continuous Disclosure Obligations*; (ii) a director or executive officer of any company that, while such individual was acting in such capacity or within a year of such individual ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or director appointed to hold its assets; or (iii) been bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold any of his or her assets.

To the knowledge of management, none of the individuals named above has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for such individual as Director of the Company.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### Compensation Governance

The Board is responsible for the oversight of compensation policies and programs and management of compensation risk at Tree Island. The EHS, Compensation and Governance Committee (the “EHSCG Committee”) assists the Board in fulfilling its responsibilities relating to matters of human resources and compensation and is responsible for: (i) establishing a plan of continuity and development of senior management and (ii) evaluating and making recommendations to the Board regarding compensation of senior management and the Company’s incentive compensation plans, policies and programs.

The oversight of risk in relation to Tree Island’s compensation policies and practices rests initially with the EHSCG Committee with recommendations made by the EHSCG Committee to the Board for final approvals required for executive compensation matters. In assessing risk associated with compensation policies and programs, the EHSCG Committee has balanced the risk of employee retention resulting from incentive programs against the financial risks to Tree Island of incentive awards to management in circumstances where financial performance has not met Shareholders’ expectations.

The members of the EHSCG Committee and the Board use their own experience and familiarity with the industry to determine what they believe to be reasonable salaries. The base salaries of senior management of the Company are set at levels which are considered by the members of the EHSCG Committee and the Board to be competitive, thereby enabling the Company to compete for and retain executives critical to the long term success of the Company. Initially, salaries are set through negotiation when an executive officer joins the Company and are subsequently reviewed each fiscal year to determine if adjustments are required.

#### Composition of the EHSCG Committee during 2022

Messrs. Downes, Leja and Fleiser serve on the EHSCG Committee and all three individuals are independent within the meaning of *National Instrument 52-110 – Audit Committees (“NI 52-110”)*.

No member of the EHSCG Committee during fiscal 2022 (i) had any interest in any material transactions involving Tree Island; (ii) was indebted to Tree Island, (iii) or was an officer or employee of Tree Island. Each member of the EHSCG Committee has acquired significant experience in executive compensation and risk management:

*Joe Downes (Chair):* Mr. Downes spent over 25 years in senior management positions overseeing various types of comprehensive compensation and incentive plans. During his tenure at L&P he was responsible for initiating and implementing compensation and incentive plans within L&P’s Industrial Materials Segment. He had oversight responsibilities for collective bargaining with several unions within segment business units/companies.

*Sam Fleiser:* During Mr. Fleiser’s 30 year business career he served as the Chief Executive Officer, Interim CEO or Chief Restructuring Officer for numerous public and private companies in a wide variety of industries. In all of those roles he was involved in the development and implementation of corporate remuneration and incentive plans and obtained broad exposure to human resources issues relating to employment, union negotiations and severance issues.

*Ted Leja:* Mr. Leja spent over 40 years as an officer of significant and leading steel companies, both private and public. He spent the first 10 years as Vice President Operations with responsibility for establishing

and overseeing a comprehensive compensation and incentive plan. During the ensuing 30 years Mr. Leja served as President of three steel companies, two public and one private. During that time he was responsible for initiating and implementing compensation and incentive plans in each company. Mr. Leja was President and Chief Executive Officer of Tree Island, with final responsibility for both union and non-union employees in both Canada and the United States.

#### Responsibilities of the EHSCG Committee

The EHSCG Committee is generally responsible for recommending to the Board human resources and compensation policies and guidelines for application to Tree Island and for implementing and overseeing human resources and compensation policies approved by the Board. In particular, the EHSCG Committee has the responsibility to:

- (1) review and make recommendations to the Board with respect to the compensation of the Company's Directors to ensure that the compensation is appropriate and adequately reflects their responsibilities;
- (2) review and recommend to the Board compensation strategies and policies for senior management and administer the executive compensation and benefits program in accordance with the strategies and policies approved by the Board. In its review, the EHSCG Committee will assess the linkage of executive compensation to Tree Island's financial and non-financial performance, its business strategy and alignment with Tree Island's compensation strategies and policies for employees generally;
- (3) review, as appropriate, and provide recommendations in its discretion to the Board regarding certain matters relating to all employees, including annual salary and incentive policies and programs, and material new benefit programs, or material changes to existing benefit programs;
- (4) identify any risks arising from the Company's compensation policies and practices that could reasonably have a material adverse effect on the Company and ensure that any compensation policies and practices that could encourage individuals within the Company to take inappropriate or excessive risks are identified and mitigated;
- (5) review and approve the total compensation package and evaluate the performance of the President & Chief Operating Officer ("COO") and make recommendations to the Board with respect to the compensation of the President & COO. In determining any long-term incentive component of the compensation of the President & COO, the EHSCG Committee would consider the performance and relative Shareholder return of the Company.
- (6) in consultation with the President & COO, oversee the evaluation of members of senior management (including executive officers) other than the President & COO and make recommendations to the Board with respect to the total compensation package for the senior management other than the President & COO. The EHSCG Committee may consider comparative compensation surveys and such other factors as the EHSCG Committee considers appropriate in determining executive compensation packages;
- (7) review and assess the Company's executive employment agreements, including the severance and change of control provisions, to ensure that (a) the terms and conditions of the applicable employment agreement are consistent with the standard form executive employment agreement approved by the EHSCG Committee; (b) the compensation for such individual falls within the salary band and related bonus target approved by the EHSCG Committee, and (c) the compensation and other terms meet any requirements established by the Board and are otherwise fair and reasonable. The hiring of executive

officers requires prior review and approval by the Board and the hiring of a Chief Financial Officer (“CFO”) requires prior review and approval by the Audit Committee.

- (8) review periodically, and make recommendations to the Board regarding, incentive compensation or equity plans, programs or similar arrangements that Tree Island establishes for, or makes available to, its employees and consultants, including the designation of the employees and consultants who may participate. In addition, the EHSCG Committee reviews periodically the extent to which these forms of compensation are meeting their intended objectives and makes recommendations to the Board regarding modifications that will more accurately relate such compensation to employee performance;
- (9) review existing management resources and plans, including recruitment, training and evaluations, to ensure that qualified personnel will be available for succession to senior management positions at Tree Island. The EHSCG Committee also periodically discusses with the President & COO his views as to a successor for the position of President & COO. The EHSCG Committee reports on this matter to the Board at least once a year;
- (10) with respect to retirement matters the EHSCG Committee:
  - (a) oversee and monitor the administration of the Company’s retirement plans by management, with a view to ensuring fiscal effectiveness, legal compliance, and good governance practices;
  - (b) review and recommend for approval by the Board any material changes in the retirement plans;
  - (c) where appropriate, give direction concerning retirement program matters to the management group that supervises the retirement programs; and
  - (d) where appropriate, receive reports from management on any retirement program matters that may be of concern to the Board and report to the Board on such matters.
- (11) review and approve the disclosure on executive compensation, including the Compensation Discussion & Analysis, required to be published by applicable securities laws, rules and regulations and recommend approval of the same to the Board;
- (12) at least annually and otherwise as considered necessary, review the labour relations environment for Tree Island and report to the Board with respect to any potential financial implications related thereto; and
- (13) other than those boards that an executive is asked by Tree Island to join as part of that individual’s employment duties, receive notice of proposed membership by an executive and will have the right to approve or deny such membership.

The EHSCG Committee meets regularly in in-camera sessions without members of management to ensure it effectively carries out its mandate.

#### Hedging Company Securities

No Director or officer of Tree Island is permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of any of Tree Island securities granted as compensation or held, directly or indirectly, by such Director or officer.

## Compensation Philosophy

The compensation philosophy for Tree Island has been to provide a performance-oriented compensation package that accomplishes the following objectives:

- to attract executive officers who have demonstrated superior leadership and management skills;
- to retain the services of valued members of the executive team;
- to link the personal interests of the executive officers with those of the Shareholders; and
- to motivate executive officers to achieve excellence within their respective areas of responsibility.

The Board believes that to accomplish these objectives effectively the total compensation package should reward achievement of operational and strategic goals and should align the interests of executives with Shareholders. The Board believes these objectives are best achieved with a total compensation package comprising a combination of base salary, benefits and perquisites and payments under an incentive plan or plans. The Board has applied this compensation philosophy with the necessary adjustments to ensure that Tree Island’s compensation programs are financially prudent and cost-effective within the context of the Company’s financial performance.

## Elements of Compensation

The main potential elements of the compensation structure are base salary, incentives programs, perquisites and benefits, and retirement benefits through capital accumulation plans. The actual compensation mix varies by executive level, which reflects their relative responsibility for Tree Island’s results. In addition, Tree Island may enter into retention agreements with certain executives when the Board considers it appropriate in the circumstances.

For fiscal 2022, the group of named executive officers (“NEOs”) are comprised of the Company’s President & COO, and the Company’s CFO (collectively the “Executive Officers”) as described in the “*Summary Compensation Table*”. The Company did not have a long-term incentive plan for NEO’s during fiscal 2022. The elements of compensation applicable to the members of the NEO group are more fully described below and summarized in the following table.

Element	Component	Performance Period
Annual Salary and Benefits	Fixed	Annual
Retirement Benefits	Fixed	Ongoing
Short Term Incentive	Variable	Annual

### a) Annual Base Salary and Benefits

Each position is assigned a salary and a benefit and perquisite program which is adjusted to maintain the desired competitive position in the marketplace. Salaries, benefits and perquisites are generally reviewed annually and adjustments are made when appropriate. Incentive plans for eligible individuals are established based on corporate goals and targets.

Tree Island offers group life, health and dental benefits, paid time off and other benefits to salaried and other eligible employees, ensuring that benefit costs are prudently managed. Vehicle allowances may be provided to eligible individuals that also may include reimbursement for certain operating costs.



**b) Retirement Benefits**

Tree Island offers retirement benefits through capital accumulation plans to employees in Canada and the United States. Under the Group RRSP eligible salaried employees contribute 5% of their base salary and Tree Island provides a contribution of 7.5% of the base salary. Tree Island sponsors a 401(k) Plan for eligible salaried employees in the United States and employee contributions of 5% of base salary are matched 100% by contributions from Tree Island. As a result of these programs, Tree Island has no exposure to the financial issues associated with defined benefit plans.

**c) Incentive Plans**

The Board believes that senior management compensation should include an element of pay at risk through short term incentives to emphasize performance-based compensation.

**d) Short-Term Incentives**

The EHSCG Committee and the Board have determined that the short-term incentive program (the “STIP”) and targets will be established annually. The STIP is reviewed annually to align the cash bonuses payable with: (1) the target financial performance of Tree Island (measured by EBITDA<sup>1</sup> and return on net assets employed) for the fiscal period; and (2) the individual performance of the eligible participants. The eligible participants include the NEO’s.

For fiscal 2022, the Board determined that the financial performance objectives were achieved and a total of \$0.9 million in performance bonuses be distributed under the 2022 STIP to eligible participants, with the President & COO being awarded \$243,750 and the CFO awarded \$156,000.

**e) NEO Compensation**

As President & COO, Mr. Stachowiak participated in the compensation programs as described above.

Pursuant to his employment agreement with Tree Island (the “Stachowiak Agreement”), Mr. Stachowiak receives an annual salary of \$300,000 and is entitled to participate in Board approved short-term incentives at a target rate of 62.5% of annual salary. His award was to be determined based in part on achievement of performance of financial targets and goals approved by the Board.

Mr. Stachowiak participated in Tree Island’s Group RRSP program. He is also entitled to benefits and perquisites including a vehicle allowance and payment of operating expenses in accordance with Company policy.

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(1) References to “EBITDA” are to operating income plus depreciation and for purposes of the STIP excludes foreign exchange gains or losses. EBITDA is a measure used by many investors to compare companies on the basis of ability to generate cash flows from operations. EBITDA is not a measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. We believe that EBITDA is an important supplemental measure for evaluating our performance. You are cautioned that EBITDA should not be construed as an alternative to net income or loss determined in accordance with IFRS, nor should it be used as an indicator of performance, cash flows from operating, investing and financing activities, as a measure of liquidity or cash flows. Our method of calculating EBITDA may differ from methods used by other issuers and, accordingly, our EBITDA may not be comparable to similar measures presented by other issuers.

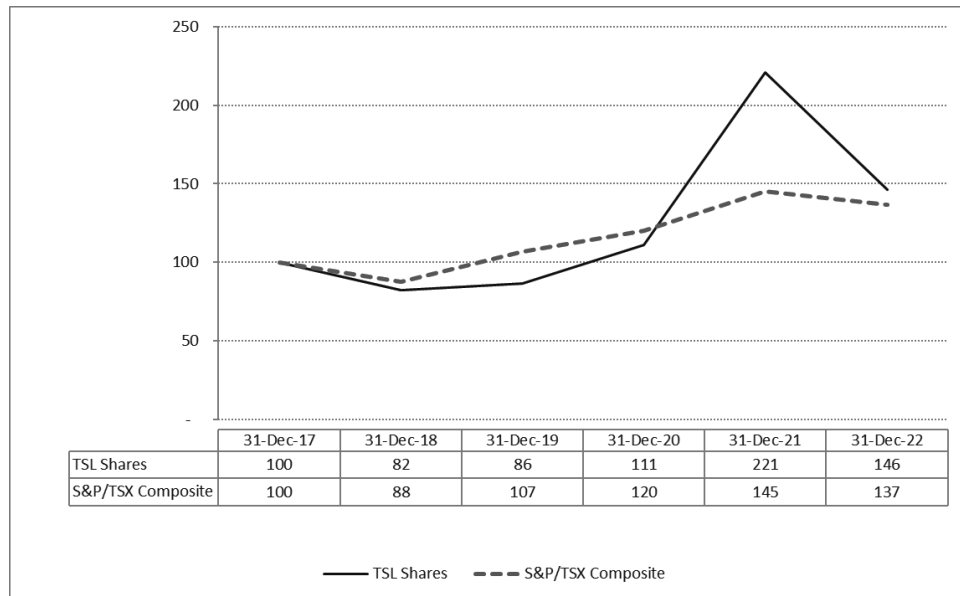
In the 2022 performance period, the Board determined that Mr. Stachowiak was eligible for a performance award under the 2022 STIP and as noted above was awarded \$243,750 in relation to fiscal 2022 performance. In the 2021 performance period, Mr Stachowiak was awarded a performance bonus of \$906,508 under the 2021 STIP and in the 2020 performance period, was awarded a performance bonus of \$215,250 under the 2020 STIP.

Pursuant to her employment agreement with Tree Island (the “Davies Agreement”), Ms. Davies receives and annual salary of \$240,000 and was entitled to participate in Board approved short-term incentives at a target rate of 50% of annual salary. Her award is determined based in part on achievement of performance of financial targets and goals approved by the Board and as noted above, for fiscal 2022 a performance bonus was awarded.

Awards granted for fiscal years 2020 to 2022 are detailed further in the “Summary Compensation Table”.

**Performance Graph**

The following graph compares the cumulative total Shareholder return from an investment of \$100 in Share of the Company for the period from December 31, 2017 to December 31, 2022 with the cumulative total return of a \$100 investment in the group of issuers comprising the S&P / TSX Composite Index (assuming reinvestment of dividends). The performance of the Shares as set out below does not necessarily indicate future price performance.



The performance graph set forth above had a 46.4% shareholder return in the cumulative total for the last five years. Over the same period, the total compensation received by NEO’s was lower by 49.7% on account of fewer NEO’s in 2022 than in 2017.

## Summary Compensation Table

The following table reflects compensation paid in relation to the fiscal years ended December 31, 2022, 2021 and 2020 to the NEOs of Tree Island, determined in accordance with Form 51-102F6 *Statement of Executive Compensation*.

Name and Principal Position	Year	Salary	Share-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation		Pension Value <sup>(1)</sup>	All Other Compensation <sup>(2)</sup>	Total Compensation
					Annual	Long-Term			
Remy Stachowiak President & COO	2022	300,000	-	-	243,750	-	17,526	19,865	581,141
	2021	300,000	-	-	906,508	-	16,580	23,458	1,246,546
	2020	283,333	-	-	215,250	-	16,375	20,592	535,550
Nancy Davies CFO & VP Finance	2022	240,000	-	-	156,000	-	17,526	26,129	439,655
	2021	240,000	-	-	580,165	-	16,830	17,892	854,887
	2020	235,000	-	-	137,760	-	15,807	20,834	409,401

Notes:

- (1) These amounts represent Tree Island's contributions to the Group RRSP plan in Canada
- (2) These amounts represent other compensation which includes benefits such as insurance premium payments, vehicle allowances and certain operating costs.
- (3) In the reported performance periods, Mr. Stachowiak was awarded performance bonuses in accordance with the terms of the 2020 STIP, 2021 STIP and 2022 STIP plans respectively.
- (4) In the reported performance periods, Ms. Davies was awarded performance bonuses in accordance with the terms of the 2020 STIP, 2021 STIP and 2022 STIP plans respectively.

## Share Based Plans

Tree Island has no securities authorized for issuance under equity compensation plans and there are no outstanding share-based or option-based awards for the NEOs.

## Retirement Benefits

As noted above, Tree Island offers retirement benefits through capital accumulation plans to employees in Canada and the US in either a Group RRSP or 401(k) Plan. NEO participation depends on whether the NEO resides in Canada or the United States. Tree Island provides contributions in relation to the contributions made by each individual. As a result, Tree Island has no exposure to the financial issues associated with defined benefit plans.

Name	Accumulated value at start of year <sup>(1)</sup>	Compensatory	Accumulated value at the end of the year <sup>(1)</sup>
Remy Stachowiak	-	17,526	-
Nancy Davies	-	17,526	-

Notes:

- (1) Tree Island does not have access to the accumulated value of these plans at the start or end of year, nor the annual investment returns.

## Termination and Change of Control Benefits

### *President & Chief Operating Officer*

The Stachowiak Agreement provides that in the event of termination without cause Mr. Stachowiak is entitled to receive payment equal to 12 months of his base salary plus one month for each full year employed up to an aggregate maximum of 24 months. In addition, the Stachowiak Agreement includes provisions that Mr. Stachowiak is also entitled to receive payment equal to his annual bonus entitlement in the year of termination, pro-rated for the period employed, plus the average annual short-term and long-term incentives awarded over the two most recently completed consecutive financial years.

The Stachowiak Agreement also stipulates that in the event of a change in control and if Mr. Stachowiak is terminated without cause or terminates his employment for good reason (as defined in the Stachowiak Agreement) within one year after a change in control (as defined in the Stachowiak Agreement), he is entitled to receive payment of his base monthly salary for an aggregate of 24 months. In addition Mr. Stachowiak is entitled to receive his annual bonus entitlement, prorated for the period employed, plus twice the average short-term and long-term incentives awarded over the two most recently completed consecutive fiscal years.

### *Chief Financial Officer*

The "Davies Agreement" provides for Ms. Davies' base annual salary, participation in Board approved short term incentives at a target rate of annual salary based on achieving certain financial targets and other goals, and participation in Board approved long-term incentives and customary benefits and perquisites.

In the event of termination without cause, the Davies Agreement provides that Ms. Davies is entitled to receive payment of 12 months of her base salary plus one month for each full year employed, to an aggregate maximum of 24 months. In addition, the Davies Agreement includes provisions that Ms. Davies is also entitled to receive payment equal to her annual bonus entitlement in the year of termination, prorated for the period employed, plus the average annual short-term and long-term incentives awarded over the two most recently completed consecutive financial years, plus benefits and perquisites.

The Davies Agreement also stipulates that in the event of a change in control and if Ms. Davies is terminated without cause or terminates her employment for good reason (as defined in the Davies Agreement) within one year after a change in control (as defined in the Davies Agreement), she is entitled to receive payment of her base monthly salary for an aggregate of 24 months. In addition Ms. Davies is entitled to receive her annual bonus entitlement, prorated for the period employed, plus twice the average short-term and long-term incentives awarded over the two most recently completed consecutive fiscal years, plus benefits and perquisites.

The following table details the payments that each NEO would have been eligible to receive under the terms of their employment contract in the event of involuntary termination or termination following a change in control.

<b>Termination Benefits</b>	<b>Involuntary Without Cause <sup>(1)</sup></b>	<b>Following Change of Control <sup>(1)</sup></b>
Remy Stachowiak	1,822,028	1,965,508
Nancy Davies	1,424,573	1,424,573

Notes:

(1) Amounts are based on the assumption that the NEOs have been employed for the entire duration of the performance period.

## **BOARD COMPOSITION AND GOVERNANCE PRACTICES**

The affairs of the Company are supervised by the Board. The Board is committed to ensuring that it has identified and implemented effective corporate governance practices. National Policy 58-201 – *Corporate Governance Guidelines*, establishes corporate governance guidelines which apply to all reporting issuers, including the Company. The Company has reviewed its own corporate governance practices in view of those guidelines. The Board periodically reviews the corporate governance practices of the Company to ensure that they are sound practices for effective and efficient decision making.

### **Board of Directors Composition**

The Board reviews its composition and size on an ongoing basis. Directors are recruited when considered desirable with a view to achieving and maintaining a majority of independent directors while at the same time maintaining an adequate level of industry representation and experience.

The Board has determined that Futura and Arbutus Distributors Ltd. (“Arbutus”) acting in concert have the direct or indirect power to direct or cause the direction of the management and policies of the Company. Therefore Mr. Doman and Mr. Rosenfeld (who retired from his position with Futura in December 2022), as representatives of Futura, and Mr. Bull, as representative of Arbutus, are not considered to be independent. Mr. Fleiser, Mr. Downes and Mr. Leja are all considered to be independent.

If all of the proposed nominees are elected as Directors, the Board would consist of three independent Directors and three non-independent Directors. The Board considers that this is an appropriate composition for the Board at this time to ensure that Tree Island is able to sustainably grow its business and be governed in the best interests of Shareholders.

Since the Company’s 2009 Annual Meeting, Mr. Doman has served as either Executive Chair or Chairman of the Board and, for the reasons discussed above, is not presently considered independent. The Executive Chair of the Board is responsible for the management, development and effective performance of the Board and provides leadership to the Board for all aspects of its work. The Executive Chair acts in an advisory capacity to the President & COO concerning the interests and management of Tree Island and, in co-ordination with the President & COO, may play a role in Tree Island’s external relationships. The Board considers that Mr. Doman’s continued service as Executive Chair of the Board is in the best interest of Tree Island for the reasons discussed above. Mr. Doman is also not directly involved in managing the business of Tree Island on a day to day basis and therefore it is not considered that the appointment of a lead Director is necessary or appropriate at this time.

To the extent necessary, the independent directors have the ability to hold in-camera sessions in order to facilitate open and candid discussions among the independent directors.

No Board nominee is a director of another public issuer other than Mr. Doman, Mr. Rosenfeld and Mr. Sam Fleiser who are directors of DBM and Mr. Bull who is a director at Adentra.

## **Board Mandate**

The text of the terms of reference for the Board of Directors is attached as Schedule “A” to this Circular.

## **Committees of the Board**

To facilitate the exercise of independent judgment, the Audit Committee is composed of a majority of independent Directors and the EHSCG Committee is composed of independent Directors. Both the Chair of the Audit Committee and the EHSCG Committee are independent.

In addition, in-camera sessions of the Directors are held at almost all meetings of Directors without members of management. In-camera sessions with the auditors without members of management present are also held when the auditors are present at meetings of the Audit Committee. In-camera sessions without members of management present are also held as considered necessary at meetings of the EHSCG Committee. There is no indication that open and candid discussion among independent Directors is inhibited by the presence of non-independent Directors and the Board believes that their exclusion from meetings or in-camera sessions is not needed in the present circumstances.

### **EHSCG Committee**

The EHSCG Committee has the duties and responsibilities of a compensation committee and is composed entirely of independent Directors. The EHSCG Committee is generally responsible for recommending to the Board human resources and compensation policies and guidelines for application to Tree Island and for implementing and overseeing human resources and compensation policies approved by the Board. The EHSCG Committee’s specific responsibilities are described above under “*Compensation Governance – Responsibilities of the Committee*”.

The EHSCG Committee is also responsible for reviewing and monitoring the policies and activities of Tree Island relating to environment, health and safety matters on behalf of the Board.

No compensation consultant or advisor has been engaged since the beginning of Tree Island’s most recently completed financial year.

### **Officer Compensation**

NEO compensation comprises a combination of base salary, benefits and perquisites and payments under an incentive plan or plans. The EHSCG Committee reviews executive compensation on an annual basis and reports to the Board accordingly.

### **Director Compensation**

Directors are compensated through annual retainer fees and a fee per meeting attended, as well as reimbursement for expenses. The EHSCG Committee periodically reviews the adequacy and form of compensation of Directors to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective Director of the Company and reports and makes recommendations to the Board accordingly.

### **Audit Committee**

For fiscal 2022, the Audit Committee of the Company is composed of Messrs. Fleiser (chair), Downes, and Rosenfeld. Each member of the Audit Committee is considered to be financially literate under NI 52-110. Messrs. Fleiser and Downes are considered to be independent and, for the reasons discussed above, Mr. Rosenfeld is not considered to be independent. The Company has relied on an exemption in NI 52-110, which is described further in the Company’s most recent Annual Information Form, to retain Mr.

Rosenfeld as a member of the Audit Committee. The Board has determined that Mr. Rosenfeld, as a member of the Audit Committee, is able to exercise the impartial judgement necessary to fulfill his responsibilities and his appointment is in the best interests of the Company.

### **Relevant Education and Experience**

Each member of the Audit Committee has acquired significant financial experience and exposure to accounting and financial issues.

Sam Fleiser (Chair) – Mr. Fleiser is the President of FHL, a privately held company providing debt financing and consulting and mentoring services to start-ups and distressed companies in both North America and Europe. From January 2013 until December 2015, Mr. Fleiser was President of Alignvest Private Debt Ltd., a privately held finance company providing financing to distressed or under-performing companies. Prior to his role at Alignvest, he was founder and President of Callidus Capital Corporation from 2003 until his resignation on December 31, 2011. Mr. Fleiser has more than 30 years of experience in managing, building and restructuring numerous businesses in a wide variety of industries. Prior to forming Callidus in 2003, Mr. Fleiser specialized in assisting distressed businesses facing serious financial or management crisis. Mr. Fleiser is a director of DBM (TSX:DBM) and numerous private companies. Mr. Fleiser has a B.Comm equivalent from The University of the Witwatersrand, Johannesburg, South Africa and is a member of the Chartered Professional Accountants of Ontario.

Harry Rosenfeld – Mr. Rosenfeld is retired and is a director of DBM (TSX:DBM). Between 2004 and 2022 Mr. Rosenfeld was Executive Vice President of Futura where he was involved in numerous mergers and acquisitions and financing arrangements for the Futura group of companies. Prior to this, from 1997 to 2004, Mr. Rosenfeld was employed by Congress Financial Corporation of Canada, where as Senior Vice President and Portfolio Manager he directed the Credit and Administration functions for one of the largest asset based lenders in Canada. A former Vice President with Bank of New York Financial Corporation, Mr. Rosenfeld has over 35 years of financing, mergers and acquisition and banking experience and holds a B.A. from the University of Waterloo.

Joe Downes – Mr. Downes is retired Senior Vice President of L&P an NYSE listed diversified manufacturer headquartered in the USA. During a 38-year career with L&P he held various sales and operating management positions culminating as President of the Industrial Materials Segment in the last fourteen years prior to retirement. The Industrial Materials Segment consisted of a steel mill and four wire producing facilities. Other Segment businesses included wire fabricating, equipment distribution and Aerospace Tubular products production. Mr. Downes has served as an officer and board member of American Wire Producers Association and Wire Association International.

The Audit Committee is responsible for overseeing the conduct of the Company's accounting and financial reporting process and systems of internal accounting and financial control. This responsibility includes the review of financial statements, management discussion and analysis, annual information forms and financial press releases.

The Audit Committee has established a policy of pre-approving all non-audit services to be provided by the Company's external auditors and does so in accordance with the requirements of the Audit Committee Terms of Reference. The external auditor fees are further described in the Company's most recent Annual Information Form.

For information regarding the Company’s Audit Committee, please refer to Schedule A – “Terms of Reference of the Audit Committee” of the Company’s Annual Information Form for the year ended December 31, 2022 available on SEDAR at [www.sedar.com](http://www.sedar.com).

### Position Descriptions

The Board has developed written position descriptions for the Executive Chair of the Board and the chairs of the committees of the Board (the “Committee Chairs”). The Executive Chair of the Board is responsible for the management, the development and the effective performance of the Board and provides leadership to the Board for all aspects of its work. The Committee Chairs are responsible to lead and oversee the applicable Committee to ensure it fulfills its mandate as set out in its terms of reference.

The President & COO is expected to develop an effective and cohesive management team for Tree Island; set the tone for Tree Island by exemplifying consistent values of high ethical standards, integrity and fairness; lead Tree Island in defining its strategic direction and vision; be the main spokesperson for Tree Island; and bear the chief responsibility to ensure Tree Island meets its short-term operational and long-term strategic goals and objectives.

### Board and Committee Attendance

The attendance record for each director during the fiscal year ended December 31, 2022 and for Committee meetings of which they are or were a member during such period is set out below:

	Board	Audit Committee <sup>(1)</sup>	EHSCG Committee <sup>(2)</sup>	Special Committee <sup>(3)</sup>
<b>Meetings Held</b>	6	5	5	--
<b>Director Attendance</b>	<b>Board</b>	<b>Audit Committee</b>	<b>EHSCG Committee</b>	<b>Special Committee</b>
Amar Doman	6	--	--	--
Sam Fleiser	6	5	5	--
Joe Downes	6	5	5	--
Ted Leja	6	--	5	--
Harry Rosenfeld	6	5	--	--
Peter Bull	6	--	--	--

Notes:

- (1) The members of the Audit Committee are Mr. Fleiser (chair), Mr. Downes and Mr. Rosenfeld.
- (2) The members of the EHSCG Committee are Mr. Downes (chair), Mr. Fleiser and Mr. Leja.
- (3) There were no Special Committee meetings in fiscal 2022.

### Compensation of Directors

The compensation of Directors is intended to attract and retain highly qualified, experienced and committed individuals to act as Directors of the Company and promote the long-term interests of Tree Island. The Board seeks to ensure that Directors are competitively compensated, having consideration to the size and nature of Tree Island’s business and the expected contribution of Directors.



The Board has approved the following amounts to be paid as compensation for services rendered to the Company by Directors:

Compensation Item	Amount
Annual retainer	40,000
Board meeting fees	1,500
Committee meeting fees	1,500
Special Committee meeting fees	1,500
Board Chair retainer	65,000
Audit Committee Chair retainer	20,000
EHS, Compensation and Governance Committee Chair retainer	10,000
Special Committee Chair retainer	10,000

Directors are also entitled to be reimbursed for reasonable travel and other expenses properly incurred by them in attending meetings of the Board or any committee thereof, or in connection with their services as Directors. Messrs. Leja and Downes have agreed to provide consulting services in support of the Company and receive cash compensation of US\$3,000 per month plus US\$750 per day of on-site meetings. Mr. Leja or Mr. Downes do not participate in any incentive plans or receive any other perquisites other than reimbursement for reasonable expenses.

The following table sets out the compensation of Directors of the Company for services rendered during the fiscal year ended December 31, 2022:

Name	Fees Earned <sup>(2)</sup>	Share-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation <sup>(3)</sup>	Total Compensation
Amar Doman	114,000	-	-	-	-	-	114,000
Sam Fleiser	84,000	-	-	-	-	-	84,000
Harry Rosenfeld	56,500	-	-	-	-	-	56,500
Peter Bull	49,000	-	-	-	-	-	49,000
Joe Downes <sup>(1)</sup>	96,544	-	-	-	-	46,808	143,351
Theodore Leja <sup>(1)</sup>	73,679	-	-	-	-	46,808	120,487

Notes:

- (1) Fees paid to Mr. Leja and Mr. Downes are denominated in US currency and have been translated into Canadian dollars.
- (2) Director's fees are paid as cash compensation.
- (3) All other compensation includes amounts paid to Mr. Leja and Mr. Downes related to the consulting fees earned in 2022.

## Orientation and Continuing Education

All Directors receive the Board terms of reference and timetables for the Board and the committees, position descriptions for the Executive Chair of the Board of Directors, Committee Chairs and individual Directors and other relevant corporate and business information. The Executive Chair of the Board also meets with new members to provide an overview of the operations of the Board and its committees.

New Board members meet with senior management to be briefed on operational matters and visit Tree Island's facilities. In addition, new members spend time with the President and the CFO to understand Tree Island's strategic objectives, operational structure and financial and compliance matters.

The senior management team makes presentations to the Board on matters with significant impact on Tree Island's business and on relevant legal developments as they arise. Periodically, the Board meets in California to provide the Directors the opportunity to tour Tree Island's US facilities. Directors meet when considered advisable over dinner prior to the Board meetings to discuss current issues facing Tree Island. The Board also receives periodic circulation by the Company's professional advisors and/or corporate secretary of legal opinions and briefings, informational publications and other materials describing new developments in the law, industry trends and best practices guidelines. Tree Island also funds attendance by new and existing Board members at education courses as considered appropriate.

### **Ethical Business Conduct**

The Board has adopted a written code of business ethics (the "Code") for its Directors, officers and employees. The Code is available at [www.sedar.com](http://www.sedar.com).

The Code is reviewed annually by the EHSCG Committee. The Code has been disseminated to employees and every salaried employee is required to certify that he/she has read the Code and understands it. In addition, Tree Island has advised employees that violations of the Code can be reported to the chair of the Audit Committee and has provided contact information for the chair. Any violations would be communicated to the Audit Committee.

There have been no material change reports filed since the beginning of the Company's most recently completed financial year that pertain to any conduct of any Directors or executive officer that constitutes a departure from the Code.

Directors are required to disclose any actual or potential conflicts of interest. Directors having an interest in a matter coming before the Board declare that interest and abstain from voting on the matter. In addition, the Directors are able to request in-camera sessions to discuss such matters without the presence of the interested Director or executive officer and, if necessary, the Board is able to convene a special committee composed of disinterested Directors to consider the applicable issue. The Board is also able to engage outside advisors at Tree Island's expense to assist Directors in discharging their responsibility to exercise independent judgment. In addition, materials provided to Directors relating to a matter that gives rise to the actual or potential conflict of interest are not provided to the conflicted director. The Board has approved a conflict of interest policy that sets out these requirements.

The Board has approved the Code, a whistleblower policy, a communications policy, a conflicts of interest policy and an insider trading policy. These policies have been disseminated throughout the organization and certain employees are required to certify their receipt and understanding of the Code and the insider trading policy. Management clearly demonstrates ethical behavior and sets the tone from the top for a culture of ethical business conduct.

### **Nomination of Directors**

The Board, either on its own or through the EHSCG Committee, considers the skills and experience of the existing Board and the skills and experience that would be required of a new Director. Current Directors and senior management are requested to advise both the Executive Chair of the Board and Chair of the EHSCG Committee of potential candidates. Once candidates are identified, the Executive Chair of the Board, alone or with other Directors, interviews the individuals and advises the Chair of the EHSCG Committee of the results of the interviews. The EHSCG Committee considers the report of the Executive Chair of the Board of Directors together with the resumes of the candidates and the requirements of the Board and makes a recommendation on a candidate to the Board for its approval.

The EHSCG Committee of the Board has the duties and responsibilities of a nominating committee and is composed of a majority of independent Directors. The EHSCG Committee has primary responsibility for the search for and recommendation of candidates for election to the Board and seeks to select well qualified candidates with a diversity of background, experience and geographic location to maintain a well-balanced and highly competent group of Directors with the ability to act together effectively. In particular, the Committee's nominating duties are:

- (a) to consider the appropriate size of the Board, the competencies and skills the Board should have (taking into consideration the opportunities, risks and strategic direction of Tree Island), the competencies and skills that the existing Directors have and the competencies and skills required for nominees to the Board and establish criteria for Board membership and recommend Board composition;
- (b) to review, monitor and make recommendations regarding the initial orientation and education of new Board members, and the ongoing education of Board members;
- (c) upon a significant change in a Board member's principal occupation or upon a member assuming any significant outside commitments, to review the continued Board membership of such individual;
- (d) to identify and recommend to the Board individual Directors to serve as members and chairs of Board Committees;
- (e) to identify and recommend to the Board nominees for election or re-election to the Board or for appointment to fill any vacancy that is anticipated or has arisen on the Board; and
- (f) to identify and recommend to the Board individual Directors to serve as members and Committee Chairs.

### **Assessments**

The overall effectiveness of the Board and its committees is assessed through the discussions at meetings of the EHSCG Committee in connection with the review of Board composition. In addition, the Executive Chair of the Board reviews the activities of the Board and the committees over the prior year, including the attendance record of each Board member, and discusses pertinent issues with each Board member as deemed appropriate.

### **Director Term Limits and Other Mechanisms of Board Renewal**

The Board believes that the need to have experienced directors who are familiar with the business of the Company must be balanced with the need for renewal, fresh perspectives and a healthy skepticism when assessing management and its recommendations. As such, no term limits have been implemented and effective in 2016, the Board eliminated the retirement policy under which directors were required to retire by age 70 unless otherwise agreed by the Board. In addition, the Board undertakes an assessment process that evaluates the performance, skills and contribution of each director on an annual basis.

While term limits can help ensure the Board gains fresh perspective, imposing this restriction means the Board would lose the contributions of longer serving directors who have developed a deeper knowledge and understanding of the Company over time. The Board believes that term limits have the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and thereby provide an increasing contribution to the Board as a whole. There is also little empirical evidence that a director's ability to act independently of management declines after any specific period of service.

## **Representation of Diversity on the Board and in Executive Officer Positions**

### *Policies Regarding the Representation of Diversity on the Board*

The Company has not adopted a policy, written or otherwise, relating to the identification and nomination of women or other individuals from designated groups as directors to the Board because the Board generally considers diversity of race, ethnicity, gender, age, cultural background and professional experience in evaluating candidates for Board membership.

### *Consideration of the Representation of Women or other Individuals from Designated Groups in the Director Identification and Selection Process and in Executive Officer Appointments*

In identifying and nominating candidates for election or re-election to the Board, the EHSCG Committee and the Board do not specifically consider the level of representation of women or other individuals from designated groups on the Board. Moreover, in appointing executive officers to the management team, the Company does not specifically consider the level of representation of individuals from designated groups in executive officer positions. Rather, in considering individuals as potential directors or members of senior management, the Company at all times seeks the most qualified persons, regardless of gender or race. The Company believes that this approach enables it to make decisions regarding the composition of the Board and senior management team based on what is in the best interests of the Company and its Shareholders.

### *Targets Regarding the Representation of Individuals from Designated Groups on the Board and in Executive Officer Positions*

The Company has not adopted targets regarding the representation of gender or race on the Board or in executive officer positions. The Company does not believe that any director nominee or candidate for an executive officer position should be chosen nor excluded solely or largely because of membership to a designated group. Rather, directors and executive officers are recruited based on their ability and contributions. Moreover, in selecting a director nominee or a candidate for an executive officer position, the Company considers the skills, expertise and background that would complement the existing Board or management team, as applicable.

### *Number of Individuals from Designated Groups on the Board and in Executive Officer Positions*

As of the date of this Circular, to the Company's knowledge, there is one individual from a designated group on the Board representing 17% of the Board and one of the Company's executive officers is a woman, representing 50% of the Company's executive officers. In addition, one of the executive officers of the Company's major subsidiaries (as that term is defined in National Instrument 55-104 - *Insider Reporting Requirements and Exemptions*) is a woman representing 50% of the executive officers of the Company's major subsidiaries at the end of fiscal 2022.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

To the knowledge of the Directors of the Company, no individual who is or was a Director, executive officer or employee of the Company or any of its subsidiaries, any proposed nominee for election as a Director of the Company or any associate of such Director or officer, is currently or was, at any time during the financial year ended December 31, 2022, indebted to the Company or to any of its subsidiaries, or is or has been indebted to another entity that is or has been the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by the Company or any of its subsidiaries during that period.

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as otherwise disclosed herein, no Director or officer of the Company, or any associate or affiliate of such Director or officer, has any material interest, direct or indirect, by way of beneficial ownership of Shares of the Company or otherwise, in any matter to be acted upon at the Meeting.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as discussed elsewhere in this Circular, no informed person of the Company, nominee for Director, or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction since the beginning of the last financial year of the Company which has materially affected or will materially affect the Company or any of its subsidiaries.

## **MANAGEMENT CONTRACTS**

All management functions of the Company or any of its subsidiaries are performed by the directors and executive officers of the Company and its subsidiaries.

## **ADDITIONAL INFORMATION**

Financial information concerning Tree Island is contained in its comparative financial statements and management's discussion and analysis for the year ended December 31, 2022 and can be found at [www.sedar.com](http://www.sedar.com). Additional information concerning the Company, including the most recent Annual Information Form filed with the provincial securities commissions in Canada, can also be found at [www.sedar.com](http://www.sedar.com).

The Company will provide to any person or company, upon request to the CFO of Tree Island, one copy of the following documents.

- a) the Company's most recent Annual Information Form, together with any document, or the pertinent pages of any document, incorporated therein by reference, filed with the applicable securities regulatory authorities;
- b) the comparative consolidated financial statements of the Company filed with the applicable securities regulatory authorities for the Company's most recently completed fiscal period in respect of which such financial statements have been issued, together with the report of the Auditor thereon, management's discussion and analysis and any interim financial statements of the Company filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements; and
- c) the Circular of the Company filed with the applicable securities regulatory authorities in respect of the most recent annual meeting of Shareholders of the Company which involved the appointment of Directors.

Copies of the above documents will be provided, upon request to the CFO, free of charge to security holders of the Company. The Company may require the payment of a reasonable charge by any person or company who is not a security holder of the Company, and who requests a copy of such document. These documents are also available electronically on SEDAR at [www.sedar.com](http://www.sedar.com).

## **DIRECTOR'S APPROVAL**

The contents and the sending of this Circular have been approved by the Board.

*(signed) "Amar S. Doman"*

Executive Chair of the Board

On behalf of the Board

## **SCHEDULE “A”**

### **TREE ISLAND STEEL BOARD OF DIRECTORS TERMS OF REFERENCE**

#### **1. Introduction**

These terms of reference are intended to identify the specific responsibilities of the Board of Directors (the “Board”) of Tree Island Steel Ltd. (the “Company” and, with its subsidiaries, “Tree Island”). The Board has a fiduciary responsibility to uphold the best interests of the Company, to work towards the enhancement of shareholder value and to oversee the conduct of the business of Tree Island and the activities of management. Management is responsible for the day-to-day conduct of the business. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure Tree Island meets its obligations on an ongoing basis and to ensure that Tree Island operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests of its other stakeholders such as employees, customers and communities.

#### **2. Organization and Procedure**

The Board operates by delegating certain of its authority to management and by reserving certain powers to itself. Certain of the duties and responsibilities of the Board may be carried out by committees of the Board, provided that such committees shall report to the Board on matters for which the Board has responsibility.

##### Number of Directors

The Board has determined the appropriate size for the Board to be between 3 and 10 members. The number of directors shall be determined by an ordinary resolution of the Board. The Board shall periodically review its size in light of its duties and responsibilities from time to time.

##### Retirement

The Board believes that the need to have experienced directors who are familiar with the business of the Company must be balanced with the need for renewal, fresh perspectives and a healthy skepticism when assessing management and its recommendations. As such, no term limits have been implemented nor are there requirements for a Director to retire from the Board once the individual reaches a particular age. Directors who retire from or otherwise change their concurrent position responsibilities do not necessarily need to retire from the Board. However, the Board should, through the EHS, Compensation and Governance Committee, review the appropriateness of continued Board membership.

##### Independence from Management

The Board must be able to function independently of management and shall meet regularly without management present.

##### Meetings

The Board will meet at least four times per year. Directors will receive meeting materials on a timely basis in advance of meetings. Presentations on specific subjects at Board meetings will only briefly summarize

the material sent to Directors so that discussion can be focused on issues relevant to the material. The Board may meet at such location as may be considered appropriate. The Chair is encouraged to invite individuals with insight into issues under discussion to participate in Board meetings

### **3. Duties and Responsibilities**

#### Policies, Procedures and Compliance

The Board has the responsibility to:

- (a) (i) manage the business and affairs of the Company; (ii) act honestly and in good faith with a view to the best interests of the Company; (iii) exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and (iv) act in accordance with its obligations contained in all applicable legislation and regulations;
- (b) ensure that legal requirements applicable to the Company have been met and documents and records have been properly prepared, approved and maintained;
- (c) to ensure that the Company operates at all times within applicable laws and regulations and to the highest ethical and moral standards; and
- (d) to approve and monitor compliance with significant policies and procedures by which the Company is operated.

#### Reporting and Communication

The Board has the responsibility to:

- (a) adopt a communication or disclosure policy for the Company and ensure that the Company has in place effective communication processes with shareholders and other stakeholders (including measures to enable stakeholders to communicate with the independent directors of the Board) and with financial, regulatory and other institutions and agencies;
- (b) approve the content of the Company's major communications to shareholders and the investing public, including the Annual Report, the Management Information Circular, the Annual Information Form, any prospectuses that may be issued, and any significant information respecting the Company contained in any documents incorporated by reference in any such prospectuses;
- (c) ensure that the financial performance of the Company is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- (d) ensure that the financial results are reported fairly and in accordance with generally accepted accounting standards;
- (e) ensure the timely reporting of any other developments that have a significant and material impact on the value of the Company and its securities; and
- (f) report annually to shareholders on its stewardship of the affairs of the Company for the preceding year.

### Management and Human Resources

The Board has the responsibility, with the assistance of the EHS, Compensation and Governance Committee, to:

(a) appoint the President and provide advice and counsel to the President in the execution of the President's duties;

(b) evaluate the President's performance at least annually against agreed upon written objectives and determine and approve the President's compensation level based on this evaluation, taking into account the views and recommendations of the EHS, Compensation and Governance Committee;

(c) approve a comprehensive statement of compensation philosophy, strategy, and principles for the Company's senior management;

(d) satisfy itself as to the integrity of the President and other senior officers and satisfy itself that the President and other senior officers are creating a culture of integrity throughout Tree Island;

(e) approve certain decisions relating to senior management, including the:

(i) appointment and discharge of senior officers;

(ii) compensation and benefits for senior officers;

(iii) acceptance by the President of any outside directorships on public companies (other than non-profit organizations) or any significant public service commitments; and

(iv) employment, consulting, retirement and severance agreements, and other special arrangements proposed for senior officers;

(f) ensure that appropriate succession planning and management development programs are in place, including:

(i) the succession plan for the President;

(ii) in the case of other senior officers, ensuring that plans are in place for management succession and development; and

(iii) ensuring that criteria and processes for recognition, promotion, training, development, and appointment of senior management are consistent with the future leadership requirements of Tree Island;

(g) create opportunities to become acquainted with employees within Tree Island who have the potential to become members of senior management, including presentations to the Board by these employees, visits to their workplace, or interaction with them at social occasions; and

(h) approve certain matters relating to all employees, including incentive policies/programs for employees.



### Strategy and Plans

The Board has the responsibility to:

- (a) at least annually, participate with management, in the development of, and ultimately approve, long-term strategic objectives of the Company, taking into account, among other things, the opportunities and risks of the Company's business;
- (b) approve the annual business plans that implement the strategic objectives;
- (c) approve annual capital and operating budgets that support the Company's ability to meet its strategic objectives;
- (d) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Company;
- (e) approve financial and operating objectives used in determining compensation if they are different from the strategic, capital or operating plans referred to above;
- (f) approve material divestitures and acquisitions;
- (g) monitor the Company's progress towards its strategic objectives, and revise and alter its direction through management in light of changing circumstances;
- (h) conduct periodic reviews of human, technological and capital resources required to implement the Company's strategy and the regulatory, cultural or governmental constraints on the business;
- (i) review recent developments that may affect the Company's strategy, and advise management on emerging trends and issues; and
- (j) evaluate management's analysis of the strategies of competitors or quasi-competitors.

### Financial and Corporate Issues

The Board has the responsibility to:

- (a) take reasonable steps to ensure the integrity and effectiveness of Tree Island's internal control and management information systems, including the evaluation and assessment of information provided by management and others about the integrity and effectiveness of Tree Island's internal control and management information systems;
- (b) review operating and financial performance relative to budgets and objectives;
- (c) approve the financial statements and notes;
- (d) declare dividends;
- (e) approve financings, changes in authorized capital, issue and repurchase of shares, and issue of debt securities;
- (f) approve banking resolutions and significant changes in banking relationships;

(g) approve significant contracts, transactions, and other arrangements or commitments that may be expected to have a material impact on the Company; and

(h) approve the commencement or settlement of litigation that may be expected to have a material impact on the Company.

#### Business and Risk Management

The Board has the responsibility to:

- (a) ensure that management identifies the principal risks of the Company's business and implements appropriate systems to manage these risks;
- (b) review coverage, deductibles and key issues regarding corporate insurance policies;
- (c) receive reports from management on matters relating to, among others, ethical conduct, environmental management, and employee health and safety; and
- (d) understand the principal risks associated with the Company's business and review whether it achieves a proper balance between risk and returns.

#### **4. Responsibilities of Individual Directors**

Each Director (i) shall act honestly and in good faith in the best interests of the Company and its shareholders and (ii) must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, each Director shall have the following responsibilities:

##### Corporate Stewardship

Each Director has the responsibility to:

- (a) advance the interests of the Company and the effectiveness of the Board by bringing his or her knowledge and experience to bear on the strategic and operational issues facing the Company;
- (b) provide constructive counsel to and oversight of management;
- (c) respect the confidentiality of information and matters pertaining to the Company;
- (d) maintain his or her independence, generally and, if applicable as defined under applicable securities laws, and objectivity; and
- (e) be available as a resource to the Board.

### Integrity and Loyalty

Each Director has the responsibility to:

- (a) comply with the Company's Code of Business Ethics and other governance policies applicable to the Company's Directors;
- (b) disclose to the Secretary to the Board, prior to the beginning of his or her service on the Board, and thereafter as they arise, all actual and potential conflicts of interest; and
- (c) disclose to the Executive Chair of the Board, in advance of any Board vote or discussion, if the Board or a committee of the Board is deliberating on a matter that may affect the Director's interests or relationships outside the Company and abstain from discussion and/or voting on such matter as determined to be appropriate.

### Diligence

Each Director has the responsibility to:

- (a) prepare for each Board and committee meeting by reading the reports, minutes and background materials provided for the meeting;
- (b) attend the annual meeting of the Company and attend all meetings of the Board and all meetings of committees of the Board of which the Director is a member, in person or by telephone, video conference, or other communication facilities that permit all persons participating in the meeting to communicate with each other; and
- (c) as necessary and appropriate, communicate with the Executive Chair and with the President between meetings, including to provide advance notice of the Director's intention to introduce significant and previously unknown information at a Board meeting.

### Effective Communication

Each Director has the responsibility to:

- (a) participate fully and frankly in the deliberations and discussions of the Board;
- (b) encourage free and open discussion of the Company's affairs by the Board;
- (c) establish an effective, independent and respected presence and a collegial relationship with other Directors;
- (d) focus inquiries on issues related to strategy, policy, and results; and
- (e) respect the President's role as the chief spokesperson for the Company and participate in external communications only at the request of, with the approval of, and in coordination with, the Executive Chair and the President.

### Committee Work

Each Director has the responsibility to:

- (a) participate on committees and become knowledgeable about the purpose and goals of each committee; and

- (b) understand the process of committee work, and the role of management and staff supporting the committee.

#### Knowledge Acquisition

Each Director has the responsibility to:

- (a) become generally knowledgeable about the Company's business and its industry;
- (b) participate in Director orientation and education programs developed by the Company from time to time;
- (c) maintain an understanding of the regulatory, legislative, business, social and political environments within which the Company operates;
- (d) become acquainted with the senior officers and key management personnel; and
- (e) gain and update his or her knowledge about the Company's facilities and visit these facilities when appropriate.

#### Personal and Professional Development

Each Director has the responsibility to enhance the competencies and qualities that led to the Director's election to the Board, including:

- (a) demonstrated integrity and high ethical standards and an established reputation for honesty and ethical conduct;
- (b) career experience, business knowledge, and sound judgment relevant to the Company's business purpose, financial responsibilities, and risk profile;
- (c) financial literacy or accreditation; and
- (d) experience and abilities that complement those of other Board members so as to enhance the Board's effectiveness and performance.

### **5. Executive Chair**

#### Appointment of Executive Chair

The Executive Chair shall be appointed annually by the Board and shall have such skills and abilities appropriate to the appointment of Executive Chair as shall be determined by the Board. The Executive Chair shall be a duly elected member of the Board and shall, unless otherwise considered desirable and approved by the Board, be independent as defined under applicable securities laws, rules and regulations and the requirements of any applicable stock exchange.

Where a vacancy occurs at any time in the position of Executive Chair, it shall be filled by the Board. The Board may remove and replace the Executive Chair at any time.

#### Outside Consultants or Advisors

The Executive Chair, when he or she considers it necessary or desirable, may retain, at the Company's expense, outside consultants or advisors to advise the Executive Chair or the Board independently on any

matter. The Executive Chair shall have the authority to retain and terminate any such consultants or advisors, including authority to review the fees and other retention terms of such persons.

### Duties

The Executive Chair is accountable to the Board and shall have the duties of a member of the Board as set out in applicable corporate law and in the Company's constating documents. The Executive Chair is responsible for the management, development and effective performance of the Board and leads the Board to ensure that it fulfils its duties as required by law and as set out in these terms of reference. In particular, the Executive Chair shall:

- (a) organize the Board to function independently of management;
- (b) promote ethical and responsible decision making, appropriate oversight of management and best practices in corporate governance;
- (c) ensure the Board has the opportunity to meet without members of management present on a regular basis;
- (d) determine, in consultation with the Board and management, the time and places of the meetings of the Board and of the annual general meeting;
- (e) manage the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities;
- (f) co-ordinate with management and the Secretary to the Board to ensure that matters to be considered by the Board are properly presented and given the appropriate opportunity for discussion;
- (g) provide advice, counsel and mentorship to other members of the Board, the President and other senior members of management;
- (h) preside as chair of each meeting of the Board;
- (i) preside as chair of each meeting of the shareholders of the Company;
- (j) ensure that the duties and responsibilities of the committees of the Board are carried out in accordance with the charters of such committees;
- (k) assist the committees of the Board in bringing their recommendations forward to the Board for consideration;
- (l) communicate with all members of the Board to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Board and its committees as well as to keep members up to date on all major developments concerning the Company; and
- (m) ensure the Company, and where appropriate the Board, is adequately represented at official functions and meetings with major shareholder groups, other stakeholders, financial analysts, media and the investment community.

## **6. Committee Chairs**

### Appointment

The Chair of each Committee shall be appointed annually by the Board. Each Committee Chair shall be a duly elected member of the Board and independent as determined pursuant to applicable securities law, rules and the requirements of any applicable stock exchange.

Where a vacancy occurs at any time in the position of a Committee Chair, it shall be filled by the Board. The Board may remove and replace a Committee Chair at any time.

### Duties

The Chair of a Committee shall lead and oversee the Committee to ensure it fulfills its mandate as set out in its terms of reference. In particular, the Chair shall:

- (a) organize the Committee to function independently of management;
- (b) ensure that the Committee has an opportunity to meet without members of management present at regular intervals;
- (c) determine, in consultation with the Committee and management, the time and places of the meetings of the Committee;
- (d) manage the affairs of the Committee, including ensuring that the Committee is organized properly, functions effectively and meets its obligations and responsibilities;
- (e) co-ordinate with management and the secretary to the Committee to ensure that matters to be considered by the Committee are properly presented and given the appropriate opportunity for discussion;
- (f) provide advice and counsel to the President and other senior members of management in the areas covered by the Committee's mandate;
- (g) preside as chair of each meeting of the Committee; and
- (h) communicate with all members of the Committee to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Committee.

## **7. Secretary of the Board**

The Board shall appoint a Secretary who need not be a director of the Company.

## **8. Outside Consultants or Advisors**

At the Company's expense, the Board may retain, when it considers it necessary or desirable, outside consultants or advisors to advise the Board independently on any matter. The Board shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to review a consultant's or advisor's fees and other retention terms.

## **9. Review of Board Terms of Reference**

The Board shall assess the adequacy of these terms of reference and its calendar annually and shall make any changes deemed necessary or appropriate.

March 2023

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