

GOODFELLOW INC.  
ANNUAL INFORMATION FORM  
FOR THE YEAR ENDED NOVEMBER 30, 2023

February 19, 2024

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## ITEM 1 - CORPORATE STRUCTURE OF GOODFELLOW INC.

### 1.1 Organization of Goodfellow Inc.

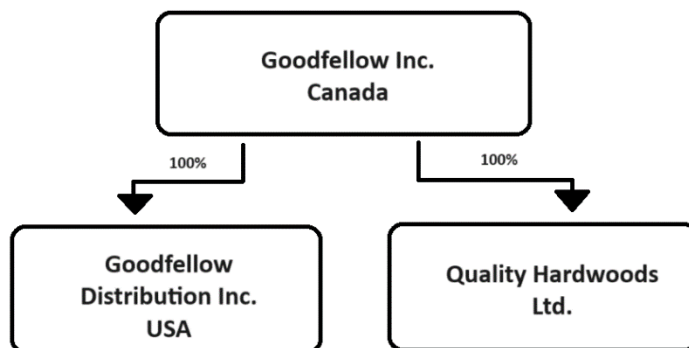
Goodfellow Inc. was incorporated under the Canada Corporation Act on January 18, 1972 under the name Goodfellow Lumber Sales Ltd. and during 1972, acquired the assets of Goodfellow Lumber Ltd. Its name was changed to Goodfellow Lumber Ltd. by Supplementary Letters Patent dated March 25, 1977. It was continued under the Canada Business Corporation Act on November 30, 1978 and its name was changed to the current name by Articles of Amendment dated October 5, 1984. It is referred to in this Annual Information Form as "Goodfellow", the "Corporation" or the "Company". Goodfellow has its principal and registered offices at 225 Goodfellow Street, Delson, Quebec, J5B 1V5.

Goodfellow carries on the business of re-manufacturing, distribution and brokerage of lumber and wood products at the wholesale level. Goodfellow, as it currently exists, was incorporated for the purpose of purchasing the assets of its predecessor corporation, Goodfellow Lumber Ltd. That Corporation and its predecessors had been engaged in the lumber business since 1898. In 1984, the share capital was split on a 5 for 1 basis, and 1 million common shares were sold to the public. The common shares of Goodfellow were then listed on the Montreal Exchange. Pursuant to the reorganization of the Canadian stock exchanges, trading in the common shares of Goodfellow has been transferred to the Toronto Stock Exchange and the common shares of Goodfellow continue to trade under the symbol "GDL". Finally, on January 19, 2007, the Corporation split its common shares on a two-for-one basis.

The Corporation's head office is located in Delson, Quebec, where its main distribution and remanufacturing plants are located. The Delson yard is a 3.5 million square foot facility and consists of warehouses, wood-drying kilns and pre-dryer, re-manufacturing mills, wood staining facilities, glulam and wood treating plants. The Corporation has sales and distribution offices and warehouses in Canada in Richmond BC, Calgary and Edmonton AB, Saskatoon SK, Winnipeg MB, Campbellville, Ottawa and Powassan ON, Quebec City QC, Moncton NB, Dartmouth NS, and Deer Lake NL. It also operates wood treating plants in Elmsdale NS and Deer Lake NL and wood drying kilns and grading chains in Drummondville, Trois-Rivieres, Mont Tremblant, Quebec and Powassan ON. The Corporation's U.S. sales office is in Manchester NH.

### 1.2 Intercorporate Relationships

Goodfellow Inc. owns all the outstanding shares of Goodfellow Distribution Inc. (a Delaware Corporation). Goodfellow Distribution Inc. operates as a distributor of lumber and wood products in the United States. Goodfellow Inc completed the acquisition of 100% of the shares of Quality Hardwoods Ltd in December 2015.



## **BUSINESS COMBINATIONS**

On December 31, 2015, the Company completed the acquisition of 100% of the shares of Quality Hardwoods Ltd. located in Powassan, ON. Quality Hardwoods Ltd. manufactures, sells, and distributes hardwood lumber products in Ontario and in the US which is core to our business development strategy. Sales of the acquired company recognized since the acquisition date amounted to approximately \$13.9 million for 11 months. The purchase price was \$6.3 million, subject to post-closing adjustments. The Company has financed the acquisition through its existing revolving credit facility, from the holdback provision an amount of \$0.6 million has been paid during the year 2016. The remaining balance was settled for \$150 thousand during the year 2017.

## **ITEM 2 - GENERAL DEVELOPMENT OF GOODFELLOW INC.**

### **2.1 Three-Year History**

Fiscal 2021 was characterized by continued pandemic conditions, such as surging demand in commodities and seasonal products, supply chain disruptions and labor shortages. Despite this context, the Company performed very well in all regions realizing the highest sales revenue on record. This was achieved by committing to needed inventory levels and ensuring superior customer service, as well as focusing on operational efficiencies in all areas which lead to substantially more output. The Company faced a commodity price collapse in the third quarter and was exposed to its repercussions. Product diversity, value-added wood manufacturing, specialty distribution lines and effective relationships with suppliers allowed the Company to successfully weather this crisis and capitalize on unprecedented circumstances.

Fiscal 2022, the Company performed very well in realizing the highest sales revenue on record. These results were achieved despite extremely challenging and shifting market conditions resulting from surging inflation, rising energy costs, labour shortages and changes in international markets. The Company's success is attributed to its strengths in operations, product diversity, value-added and customization offering, and customer service.

Fiscal 2023, Goodfellow concluded its 125<sup>th</sup> anniversary year on a positive note, demonstrating resilience in the face of volatile and ever-changing market conditions to achieve adjusted sales and income objectives. Sales for the year amounted to \$513 M, with notable increases generated by commercial project activity driven by infrastructure-related spending. Unfortunately, the retail sector experienced a significant downturn in demand, leading to an oversupply in the market, with the flooring category suffering the most significant setback in the second quarter of 2023. In addition, demand and prices for hardwoods softened considerably, with signs of recovery becoming evident only in the early months of fiscal 2024. Goodfellow's ability to meet expectations in such a dynamic environment can be attributed to its diversified offering and the unwavering dedication of its talented team.

## **ITEM 3 - BUSINESS OF GOODFELLOW INC.**

### **3.1 General**

#### **Summary**

##### *Economic Segment and Main Markets*

Goodfellow sells to over 5,000 customers with only one account representing more than 10% of its annual sales volume. The Corporation operates in one single economic segment as stated in the financial statements. There are 3 main categories of end-use market for Goodfellow's product: new home building, renovations and industrial (manufacturing). These categories are directly affected by the economy, the trends and general demand. Most of the 5,000 clients that Goodfellow supplies can be classified within one of the following categories: home centres/lumber dealers and large chains, specialty retailers, government, manufacturers and industrial.

Goodfellow has a significant presence throughout Canada. In 2023, approximately 35% of total Corporation sales are in Quebec, 19% in the Atlantic provinces, 27% in Ontario, 9% in Western Provinces and 10% in the U.S. and other export markets.

### *Distribution Methods and Products*

The Corporation purchases its lumber and lumber products from over 1,200 sawmills, and re-manufacturing plants in Canada, the United States and abroad. Goodfellow in turn distributes or re-manufactures the lumber and wood products. Some of these products are re-manufactured and recycled timber, pressure treated lumber, machine coated or stained siding, hardwood and softwood panel products, laminated veneer lumber, engineered wood products including laminated timber, rough and dressed imported and domestic hardwoods, hardwood flooring products and various grades, species, and sizes of softwood lumber. Over the last few years, the Corporation has added many new products to its product lines such as wire products and building products including foil insulation, house wrap insulation, ceiling products, Trus Joist®, composite decking and hardware. Goodfellow is one of the largest distributors of hardwood flooring in Canada.

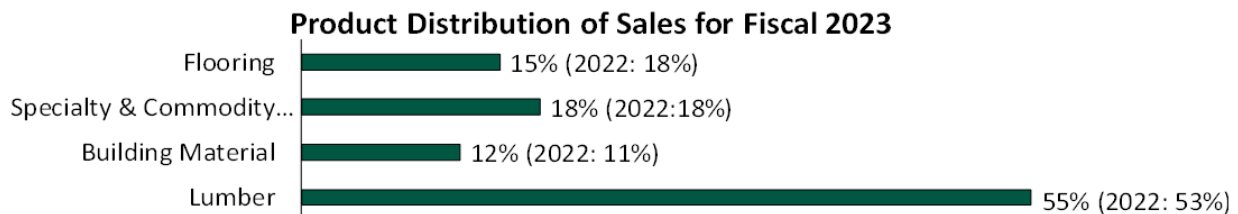
In addition to the selling activity, Goodfellow also sells to its client a wide range of services, such as kiln facilities, paint shop for customized products, millwork, pressure treatment facilities and engineering.

Goodfellow keeps a broad range and quantity (over 50,000) of items in inventory to satisfy its customers' demand in a timely fashion. In addition to this purchased inventory, Goodfellow also distributes products under its own name.

Purchased products are mostly received at one of our 18 locations and then shipped to the client. Goodfellow uses the services of independent transportation companies for its deliveries as well as its own fleet (mostly used for local distribution). But, from time to time, Goodfellow will request that its supplier ship directly to its customer. These direct sales significantly reduce shipping time because the product does not have to transit through our facilities and because, in some cases, the supplier is closer to our client.

### *Sales*

Goodfellow sales of products or services which accounted for more than 10% of its total consolidated revenue for 2023 are set out below. Approximately 90% of its sales are made in Canada.



*Premises*

The following constitutes a complete list of the premises owned or leased by Goodfellow and used in carrying on its business:

<b>Municipality or Region</b>	<b>Use of property</b>	<b>Owned Or leased</b>	<b>Lease Expires</b>	<b>Area (Sq. Ft.)</b>
Delson, QC 225 Goodfellow St. Delson, QC J5B 1V5	Head office, sales office, distribution centre and manufacturing facilities	Owned		3,500,000
Quebec City, QC 5100 John Molson St. Quebec City, QC G1X 3X4	Sales office and distribution centre	Owned		296,000
Moncton, NB 660 Edinburgh Drive Moncton, NB E1E 4C6	Sales office and distribution centre	Owned		15,000
Moncton, NB 682 Edinburgh drive Moncton, NB, E1E 4C6	Sales office and distribution centre	Leased	Aug. 2028	11,000
Dartmouth, NS 20 Vidito Dr Dartmouth, NS B3B 1P5	Sales office and distribution centre	Owned		150,000
Deer Lake, NL 4 Wellon Drive Deer Lake, NL A8A 2G5	Sales office, distribution centre and manufacturing facility	Owned		65,000
Campbellville, ON P.O. Box 460 9184 Twiss Road Campbellville, ON L0P 1B0	Sales office, distribution centre and manufacturing facility	Leased	Feb. 2027	525,000
Ottawa, ON 3091 Albion Road North Ottawa, ON K1V 9V9	Sales office and distribution centre	Leased	Jan. 2027	315,000
Winnipeg, MAN 1431 Church Avenue Unit B Winnipeg, MAN R2X 1G5	Sales office and distribution centre	Leased	Jul. 2026	24,297
Calgary, AB 2600 – 61st Avenue SE Calgary, AB T2C 4V2	Sales office, distribution centre and manufacturing facility	Leased	Mar. 2028	64,939

<b>Municipality or Region</b>	<b>Use of property</b>	<b>Owned Or leased</b>	<b>Lease Expires</b>	<b>Area (Sq. Ft.)</b>
Edmonton, AB 11128-158, 112th Avenue Edmonton, AB T5M 1Y4	Sales office and distribution centre	Leased	Aug. 2027	35,330
Saskatoon, SK 802 58th street East Saskatoon, SK S7N 1Z1	Sales office and distribution centre	Leased	Feb. 2025	15,000
Richmond, BC 2060 Van Dyke Place Richmond, BC V6V 1X9	Sales office and distribution centre	Leased	Oct. 2024	47,362
Manchester, NH 368 Pepsi Road Manchester, NH 03109	Sales office and distribution centre	Leased	July 2028	25,400
St-André, QC 4 rue du Moulin St-André-d'Argenteuil, QC J0V 1X0	Leasing space facility	Owned		60,000
Elmsdale, NS 731 Highway #2 Elmsdale, NS B0N 1M0	Manufacturing facility	Owned		160,000
Trois-Rivières, QC 75, rue Philippe-Francoeur Trois-Rivières, QC G8T 9L7	Manufacturing facility	Owned		350,000
Mont Tremblant, QC 226, chemin David Lac-Supérieur, QC J0T 1P0	Manufacturing facility	Owned		3,250,000
Drummondville, QC 1750 Haggerty Drummondville, QC J2C 5P8	Manufacturing facility	Owned		436,000
Quality Hardwood 196 Latour Cres. Powassan, ON P0H 1Z0	Sales office, manufacturing facility and distribution centre	Owned		979,664

### *Quality Control System*

The Corporation has established a quality control system at its Delson plant in accordance with the ISO 9001 International Quality Standards for which it received certification in 1995. This facility produces specialty treated products such as guard rail posts, treated products for industrial construction and laminated beams. This ISO 9001 quality system is in place to satisfy the requirements of the Quebec government's "Direction de la Qualité" and has enabled the Corporation to be included on an exclusive bidders list for these products.

### *Research and Development*

The Corporation undertakes research and development activities, due to the nature of its business. The R&D is mainly focused on engineered and treated wood products to develop better manufacturing methods. The Corporation conducts its own research and development activities.

### *Competition*

The Corporation offers a wide range of products to many customers in diverse business sectors. Its competition is varied and includes large integrated forest product companies as well as numerous smaller distributors link with vendors going direct.

### *Cyclical Nature*

The Corporation business follows a seasonal pattern with merchandise sales traditionally higher in the fiscal second and third quarters than other quarterly periods. As a result, a higher share of the total earnings is typically earned in the second and third quarter. This business seasonality results in performance that can vary from quarter to quarter and is not necessarily indicative of performance for the balance of the year.

### *Employee Relations*

As at November 30, 2023, the Corporation employed 687 persons of which 386 were located in Quebec. There were 286 classified as management, sales, and administration, 36 classified as plant, mill and yard supervisors and 365 classified as skilled workers. The Corporation's employees are not represented by a labour union except for the Delson, Drummondville and Trois-Rivieres sites. The Corporation considers its labour relations to be good. No work stoppage has ever occurred due to labour unrest. The Corporation, in consultation with employee representatives, regularly reviews working conditions, wages and benefits with a view to establishing competitive compensation arrangements acceptable to its employees.

## **3.2 Risk Factors**

The business as conducted by the Company involves numerous risks and uncertainties. The main risk factors and uncertainties facing the Company are disclosed in the "Risk and Uncertainties" section of the Company's Annual report for the year ended November 30, 2023 which is incorporated herein by reference, as supplemented in the "Risk and Uncertainties" section of the Company's quarterly reports to shareholders. These risks and uncertainties should be considered in conjunction with the other information included in this Annual Information Form.

## **ITEM 4 - DIVIDENDS**

The following dividends were declared and paid by the Company:

November 30, 2023						
Declared			Payment date	November 30, 2022		
Record date	Per share	Amount		Record date	Per share	Amount
	\$	\$			\$	\$
Mar. 2, 2023	0.50	4,274	Mar. 16, 2023	Mar. 4, 2022	0.40	3,425
Oct. 19, 2023	0.50	4,265	Nov. 2, 2023	Oct. 27, 2022	0.50	4,281
	<b>1.00</b>	<b>8,539</b>			<b>0.90</b>	<b>7,706</b>



The dividend paid within the last 3 financial years was as follow:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Dividend</b>	\$1.00	\$0.90	\$0.85

## ITEM 5 - DESCRIPTION OF CAPITAL STRUCTURE

At November 30, 2023, there were 8,521,454 common shares issued (8,557,954 in 2022). The Company has authorized an unlimited number of common shares to be issued, without par value. At February 19, 2024, there were 8,512,954 common shares outstanding.

On November 20, 2023, following approval of the Toronto Stock Exchange (the "TSX"), the Company implemented a share repurchase program in the form of a normal course issuer bid ("NCIB"). All Shares purchased under the NCIB will be acquired on the open market and in accordance with the rules and policies of the TSX and applicable securities laws at the prevailing market prices, plus applicable brokerage fees, and cancelled. The share repurchase period will end no later than November 19, 2024. Moreover, the Company has entered an automatic share purchase plan ("ASPP") with a designated broker in connection with the NCIB. The ASPP will allow for the purchase for cancellation of shares, subject to certain trading parameters, by its designated broker during times when the Company would ordinarily not be active in the market due to applicable regulatory restrictions or self-imposed blackout periods. Outside these periods, shares may be repurchased by the Company at its discretion under the NCIB. During fiscal year 2023, the Company bought back 36,500 shares.

## ITEM 6 - MARKET FOR SECURITIES OF GOODFELLOW

The common shares of Goodfellow are listed on the Toronto Stock Exchange under the symbol "GDL". The following table sets forth the market price range, in Canadian dollars, and trading volumes of the Corporation's Common Shares on the Toronto Stock Exchange for each month of the most recently completed financial year.

Trading price and volume:

<b>Fiscal Year ended November 30, 2023</b>							
<b>Date</b>	<b>Open</b>	<b>High</b>	<b>Low</b>	<b>Close</b>	<b>Average daily volume</b>	<b>Adj Close</b>	<b>Monthly Volume</b>
2023-11-01	\$14.20	\$14.35	\$13.65	\$14.07	3,382	\$14.07	74,400
2023-10-01	\$13.50	\$15.70	\$13.37	\$14.25	5,276	\$14.25	110,800
2023-09-01	\$14.61	\$15.00	\$13.25	\$13.50	735	\$13.04	14,700
2023-08-01	\$13.55	\$15.25	\$13.26	\$15.15	3,136	\$14.64	69,000
2023-07-01	\$12.26	\$14.74	\$12.11	\$13.99	2,700	\$13.52	54,000
2023-06-01	\$12.50	\$12.77	\$11.95	\$12.26	2,564	\$11.85	56,400
2023-05-01	\$11.50	\$12.90	\$11.46	\$12.50	3,786	\$12.08	83,300
2023-04-01	\$14.60	\$15.00	\$11.15	\$11.76	7,989	\$11.36	151,800
2023-03-01	\$15.05	\$15.45	\$13.60	\$15.00	3,304	\$15.00	76,000
2023-02-01	\$14.75	\$15.76	\$14.69	\$15.45	4,584	\$14.95	87,100
2023-01-01	\$12.50	\$15.60	\$12.50	\$14.75	8,281	\$14.27	173,900
2022-12-01	\$12.10	\$12.50	\$11.77	\$12.49	2,300	\$12.09	46,000

## ITEM 7 - DIRECTORS AND OFFICERS

As at November 30, 2023, the Directors and Officers of Goodfellow, as a group, beneficially owned, directly or indirectly, or exercised control or direction 53.9% of the common shares of Goodfellow, the only class of voting or other securities of Goodfellow.

<b>Name and Place of Residence</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Common Shares Owned, Controlled or Directed</b>
Robert Hall Hatley, Quebec Independent	Chair of the Board	June 7, 2022	3,447
G. Douglas Goodfellow <sup>(4)</sup> Beaconsfield, Quebec Non independent	Director	November 26, 1975	1,673,968 <sup>(1)</sup>
David A. Goodfellow Ville de Léry, Quebec Non independent	Director	October 22, 1993	1,755,067 <sup>(2)</sup>
Stephen A. Jarislowsky <sup>(3)</sup> Westmount, Quebec Independent	Founder of Jarislowsky, Fraser Ltd. and Director	May 23, 1973	1,066,498 <sup>(5)</sup>
Alain Côté <sup>(3)(4)</sup> Boucherville, Quebec Independent	Director & Chair of the Audit Committee	April 13, 2018	1,000
James Hewitt <sup>(3)</sup> Dorval, Quebec Independent	Director	February 17, 2022	Nil
Sarah Prichard <sup>(4)</sup> Montreal, Quebec Independent	Director & Chair of the Executive Compensation Committee	June 7, 2022	500

<sup>(1)</sup> All common shares are held indirectly through holding companies.

<sup>(2)</sup> Includes 1,674,467 common shares held indirectly through holding companies and 76,600 common shares held through 171 107 Canada Inc. and 4,000 common shares held by Mr. David A. Goodfellow personally.

<sup>(3)</sup> Member of the Audit Committee.

<sup>(4)</sup> Members of the Compensation Committee.

<sup>(5)</sup> Includes 1,046,298 common shares held by SA Jarislowsky Investments and 20,200 common shares held by Mr. Jarislowsky personally.

## OFFICERS

On November 30, 2023, the Officers of Goodfellow Inc. were as follows:

Name of officer	Office	Common Shares
Patrick Goodfellow Dorval, Quebec	President and Chief Executive Officer	76,000
Charles Brisebois Saint-Basile-le-Grand, Quebec	Chief Financial Officer and Secretary of the Board	1,000
Mary Lohmus Mississauga, Ontario	Executive Vice President, Ontario and Western Canada	15,500
Jeffrey Morrison Georgetown, Ontario	Vice President, National Accounts	Nil
Luc Dignard Candiac, Quebec	Vice President, Quebec Dealer Sales	Nil
Luc Pothier Saint-Guillaume, Quebec	Vice President, Operations	Nil
Eric Bisson Quebec, Quebec	Vice President, Quebec	3,200
Harry Haslett Dartmouth, Nova-Scotia	Vice President, Atlantic Sales and Marketing	Nil
Eric McNeely Rockland, Ontario	Vice President, Business Development - Flooring	Nil

All the directors and officers of Goodfellow have held senior positions with the Corporation for five years or more except for Eric Bisson, Harry Haslett, James Hewitt, Robert Hall, Sarah Prichard and Eric McNeely. Éric Bisson was appointed Vice-President, Quebec on December 30, 2019. Harry Haslett was appointed Vice-President Atlantic Sales & Marketing on January 1<sup>st</sup>, 2021. James Hewitt was appointed Director on February 17, 2022. Robert Hall and Sarah Prichard were appointed Directors on June 7, 2022. Eric McNeely was appointed Vice-President Business Development – Flooring on October 5, 2022.

## ITEM 8 - TRANSFER AGENT AND REGISTRAR

Goodfellow's transfer agent and registrar is Computershare Investor Services Inc. The register of transfers of the common shares of Goodfellow maintained by Computershare Investor Services Inc. is located at its offices in Montreal, Quebec.

## ITEM 9 - AUDIT COMMITTEE

### General

As required since Multilateral Instrument 52-110 in 2004, the Audit Committee was composed of three independent directors (Stephen A. Jarislowsky, James Hewitt, and Alain Côté). All Audit Committee members can read and understand financial statements that present a breadth and complexity of the issues that can be reasonably expected to be raised by the Corporation's financial statements. All the Audit Committee members have in depth experience and knowledge of the preparation and analysis of financial statements, an understanding of the accounting principals and internal controls and procedures used for financial reporting by the Corporation and an understanding of Audit Committee functions. The Audit Committee examines the financial statements quarterly and annual reports including the management discussion and analysis to provide assistance to the directors in fulfilling their responsibilities in connection with the supervision of the accounting and reporting practices of the Corporation, and the quality and integrity of the financial reports and public disclosure documents of the Corporation. The Audit Committee has direct and open communication with the directors and the independent auditors. A new version of Audit Committee Charter, which you can find at Appendix A, has been approved by the Audit Committee and by the Board of Directors on October 3, 2023, respectively October 4, 2023.

The following is a summary of the education and experience of each member of the Audit Committee that is relevant to his performance or his responsibilities as a member of the Audit Committee:

**Alain Côté**

Mr. Côté was an audit partner at Deloitte. He has assumed many responsibilities as Quebec's Managing Partner and Co-Director of Operations of the Assurance and Advisory practice.

Having developed an extensive experience in the financial sector, his areas of expertise include audit services, public and private financing, due diligence reviews, and reviews of internal control and risk management systems.

Mr. Côté is a graduate of Laval University in Accounting Science and Fellow of the Ordre des Comptables Professionnels Agréés du Québec.

He was Chair of the board of the Ordre des Comptables Agréés du Québec (now Ordre des Comptables Professionnels Agréés du Québec), Vice-Chair of the board of the Canadian Institute of the Chartered Accountants and Chair of the board of CPA Canada. He was also a member of the board and the finance and audit committee of the Board of Trade of Metropolitan Montreal. He is now a member of the board and the Chair of the audit committee of Caisse de dépôt et placement du Québec and of Aéroports de Montréal.

**Stephen A. Jarislowsky – C.C., G.O.Q., M.A., LL.D**

Mr. Jarislowsky is founder and chairman emeritus of Jarislowsky, Fraser Limited, a director of Goodfellow Inc., the Canadian Coalition for Good Governance, Foundation for advancement of shareholders rights as well as a director of L'institut sur la gouvernance d'organisations privées et publiques. Mr. Jarislowsky was also a director of many prominent Canadian organizations. Mr. Jarislowsky received a B.Sc. from Cornell, a Master of Business Administration from Harvard Graduate School of Business Administration, a M.A. from the University of Chicago and Honourary Law Degrees from Queen's University, University of Montreal, University of Alberta, McMaster University, Laval University, Concordia University, University of Windsor, Simon Fraser University, University of Ottawa, University of Québec, McGill University and Mount St. Vincent in Halifax. He is a Companion of the Order of Canada and a Grand Officier de l'Ordre du Québec and enrolled in the Canadian Business Hall of Fame.

**James Hewitt**

Mr. Hewitt is the Chairman and CEO of Hewitt Group Inc. and of the Hewitt Foundation following the sale of Hewitt Equipment Limited, the Caterpillar dealer for Québec, Labrador West and the Maritimes. Throughout his career, James has been active in both industry and community affairs. He has been a Board member of the Association de Construction de Montréal et Québec (ACMQ), the Canadian Construction Association (ACC) and the Montréal Board of Trade. He is a Past President of the Canadian Association of Equipment Distributors and served on the Board and as a Vice President on the Executive of the Associated Equipment Distributors in the United States. For many years, he was on the Board and the Executive of the Conseil du Patronat du Québec (CPQ) and as its Chair from 1994 to 1997. James currently serves on the boards of the Québec Veterans Foundation and the Thousand Island Boat Museum. In 2012, he was awarded the Queen Elizabeth II Diamond Jubilee Medal by the Government of Canada, a commemorative medal honouring significant contributions and achievements by Canadians.

**9.1 Audit fees**

The aggregate fees billed by the independent auditors to the Corporation and its subsidiaries for audit services and for services normally provided by the independent auditors, such as services in connection with statutory and regulatory filings were \$235,400 in fiscal year 2023 comparative last fiscal year 2022 were \$228,165.

### **9.2 Audit related fees**

The aggregate fees billed by the independent auditors to the Corporation and its subsidiaries for audit related services was nil in fiscal 2023 (same in fiscal 2022).

### **9.3 Tax fees**

The aggregate fees billed by the independent auditors to the Corporation and its subsidiaries for professional services rendered for tax compliance, tax advice, tax planning were \$119,073 in fiscal 2023 (\$92,973 in fiscal 2022).

### **9.4 Other services**

The aggregate fees billed by the independent auditors to the Corporation and its subsidiaries for other professional services rendered were \$30,000 in fiscal 2023 (nil in fiscal 2022). Other fees include fees for services provided other than those included above.

## **ITEM 10 - INTERESTS OF EXPERTS**

During fiscal 2023, Goodfellow Inc. engaged the services of the following experts to provide services to the Corporation:

#### *Auditors:*

KPMG LLP, Montreal – Audit of the financial statements of Goodfellow Inc.

#### *Other:*

- Pricewaterhouse Coopers LLP, Montreal – Income tax, Indirect Tax and transfer pricing consultants
- KPMG LLP, Montreal – Income tax, Indirect Tax and Cybersecurity
- Mercer Human Resource Consulting, Montréal – Pension plan
- IFRS Perspective Inc. (IFRS)
- Guimond Lavallée Inc. – Internal Control

## **ITEM 11 - ADDITIONAL INFORMATION**

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Goodfellow securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Goodfellow 2023 Notice of Annual Meeting and Management Proxy Circular, under the heading "Remuneration of Directors and Executive Officers".

Additional financial information, including comparative audited financial statements and management's discussion and analysis, is provided in the Goodfellow 2023 Annual Report to Shareholders.

A 2023 Annual Report to Shareholders and additional information concerning the Corporation can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and may also be obtained upon request to the Chief Financial Officer, Goodfellow Inc., 225 Goodfellow Street, Delson, Quebec, J5B 1V5.

## **APPENDIX A**

### **GOODFELLOW INC.**

#### **AUDIT COMMITTEE CHARTER**

##### **1. STATEMENT OF POLICY**

The Audit Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of Goodfellow Inc. (the “Company”) which has the responsibilities described under the heading “Responsibilities”. The Committee reports to the Board. The role of the Committee is to assist the Board in its oversight and supervision of (i) the integrity of the Company’s financial reporting, (ii) the Company’s internal controls, (iii) the independence, qualifications and performance of the external auditors, (iv) risk management and (v) the Company’s compliance with applicable securities legislation.

##### **2. STRUCTURE**

- 2.1. The Committee is made up of a minimum of three directors of the Company, each being independent and financially literate, except to the extent permitted under securities legislation. The terms “independent” and “financially literate” each have the meaning provided under the securities legislation.
- 2.2. The mandate of the members is for one year and may be renewed. The members are appointed by the Board at the first meeting following the annual meeting of shareholders, or at any other meeting to fill a vacancy. The Board may dismiss or replace a member at any time.
- 2.3. The Chair is appointed by the Board for a one-year term, which may be renewed. In the absence or failure of the Chair to sit, this role is filled by a member chosen by the Committee.
- 2.4. The Committee meets at least four times annually. The Chair of the Board, any member of the Committee, the external auditors, the Chief Executive Officer or the Chief Financial Officer and Secretary may call special meetings as needed. The Committee determines the place, date and time of its meetings. The meetings may be held by telephone or by any other means allowing the members to communicate with each other. Unless waived by the members of the Committee, the Committee shall meet *in camera* at each meeting.
- 2.5. The quorum for meetings of the Committee is a majority of the members and decisions are made by the majority of the votes cast by the members present.
- 2.6. The Chair of the Committee approves meeting agendas and ensures that documents referred to in the agenda are forwarded to members of the Committee sufficiently in advance for their perusal. Any member of the Committee may propose the inclusion of additional items on the agenda, or at any Committee meeting raise subjects that are not on the agenda for that meeting.
- 2.7. Minutes of meetings of the Committee must accurately reflect the significant discussions and the decisions of the Committee and must be circulated to the members of the Committee for their approval. The Secretary of the Company, their designate or any other person the Committee requests, shall act as secretary of the Committee meetings. Minutes of the Committee meetings shall be recorded and maintained by the Secretary, or any other person acting in such capacity, and subsequently presented to the Board.
- 2.8. To facilitate communication between the Committee and the Board, the Chair must provide a report to the Board on material matters considered by the Committee at the first Board meeting following the Committee’s meeting.

- 2.9. The Committee may invite any person deemed appropriate to a Committee meeting. However, such person does not have voting rights at the Committee's meeting.
- 2.10. The Committee has full access to members of management, other personnel, as well as to documents of the Company and its subsidiaries. The Committee has the authority to retain, at the cost of the Company, independent legal counsel, consultants or other advisors it considers necessary to carry out its mandate and fulfill its responsibilities, and to fix the compensation of such advisors.
- 2.11. The Committee has the power to communicate directly with the external auditors, accounting personnel and management, each of which shall have unrestricted access to the Committee. For the purpose of its duties, the Committee may examine the pertinent books and accounts of the Company and its subsidiaries.
- 2.12. The external auditors report and account directly to the Committee.

### 3. RESPONSIBILITIES

In carrying out its mandate and in addition to complying with legal responsibilities that may be attributed to it from time to time, the Committee has the following responsibilities and obligations:

#### 3.1. Financial Disclosure

- Review the interim financial reports and annual financial statements accompanied by the external auditors' report, management's discussion and analysis and press releases regarding the financial results before their public release and recommend their approval to the Board. This review includes discussions with management and the external auditors regarding the interim financial reports and the annual financial statements and material questions concerning the accounting principles and practices of the Company.
- Review as directed by the Board or at the discretion of the Committee the other public documents which may disclose financial information, including all prospectuses, the management information circular, annual information form and annual report of the Company before their public release and recommend their approval to the Board.
- Review and monitor practices and procedures relating to the certifications by the Chief Executive Officer and the Chief Financial Officer and Secretary with respect to internal control over financial reporting and disclosure controls and procedures.
- Review and discuss with management and the external auditors the appropriateness, quality and disclosure of the accounting principles and practices, the underlying assumptions and the reporting practices of the Company, and the appropriateness of any significant changes thereto or any proposed material change, and ensure they comply with the applicable laws and regulations.
- Review, examine and discuss the foreseeable repercussions of any new audit or accounting standards, or new requirement under the securities legislation with management and the external auditors.
- Review, at least annually, the Company's strategy regarding distributions to shareholders generally, including strategy with respect to dividends and making recommendations to the Board with respect to the repurchase of shares of the Company.
- Review the disclosure of the pension plans and other post-employment benefits of the Company in the annual financial statements.

#### 3.2. Risk Management and Internal Control

- Periodically review, evaluate and discuss with management the risk factors inherent to the Company (including reputational, financial, strategic, compliance and operational risks) and ensure that appropriate measures are in place to enable management to identify and manage them effectively.

- Periodically review and monitor the presence and the effectiveness of the Company's internal control over financial reporting through reports prepared by management and the external auditors (which reports would also identify weaknesses or would make recommendations in respect of controls that could have a material impact on the financial information of the Company), as well as the measures implemented to remedy the situation and ensure proper follow-up.
- Periodically evaluate and assess the adequacy of the disclosure controls and procedures of the Company, including the procedures set up by the Company to communicate publicly its financial information taken or derived from its financial statements.
- Review management's report on transactions with related parties.
- Review any legal matters (including litigation proceedings, claims and contingencies) that could have a material effect on the financial statements or on the affairs of the Company and ensure that they are appropriately disclosed in the financial statements.
- Ensure that the annual information form and the management information circular include the required and mandatory information concerning the Committee.
- Review communications with the *Autorité des marchés financiers* or any other regulatory authority regarding the financial statements and continuous disclosure documents.
- Establish and maintain procedures regarding:
  - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
  - the confidential and anonymous submission by employees of the Company and other stakeholders of concerns regarding questionable accounting or auditing matters.

### 3.3. External Auditors

- Oversee the work of the external auditors retained to prepare or issue the auditors' report or render other audit, review, examination or certification services to the Company and resolve disagreements, if any, between management and the external auditors regarding financial reporting.
- Obtain and review annually a report by the external auditors of the Company describing the external auditors' quality control procedures.
- Recommend to the Board the appointment of external auditors for the upcoming fiscal year and the fees for all audit, review or other attest services.
- Review, discuss with the external auditors and adopt annually the audit plan prepared by the external auditors, determine whether it meets the needs of the Company and, at least once per year, obtain an official written declaration from the external auditors attesting to their independence and delineating all relationships the external auditors have with the Company which may affect the independence and objectivity of the external auditors.
- Review and evaluate, at least once per year, the independence and performance of the external auditors, the qualifications and quality of their engagement team and the quality of communications and interactions between the Committee, the external auditors and management.
- Review the external auditors' letters of recommendations to management, management's reply thereto and the implementation of the recommendations.



- Adopt and maintain a policy concerning the prior approval of all services not related to the audit which the external auditors of the Company may render to the Company and its subsidiaries in accordance with applicable laws and regulations, as well as the fees for such services, and ensure the enforcement of and compliance with such policy.
- Assess the independence and approve the hiring by the Company of former or current employees and partners of current and former external auditors of the Company.
- Meet periodically with the external auditors, with and without the presence of management, in regard to the interim financial reports and annual financial statements and discuss with them (i) the results of the audit or review, as applicable, (ii) the assessment of the control systems in place and their recommendations, (iii) any significant risks or exposures identified by the external auditors, and (iv) any other material matter relating to the audit or review of the financial statements, including the level of cooperation received from management and the internal auditor and any material differences of opinion between the external auditors and management that occurred during the course of the audit or review of the financial statements.
- Ensure that there is a rotation of the lead engagement partner, engagement quality review partner and other key audit partners, as per the CPA Code of Professional Conduct.
- Review any other issue which the Board, in the opinion of the external auditors, should be informed about and report thereon to the Board.

#### 3.4. Evaluation of the Committee

- Annually assess the accomplishments and performance of the Committee and submit the result of this assessment to the Board.
- Annually review the mandate of the Committee and recommend any changes to the Board.

#### 3.5. Other Responsibilities

- Carry out any other duty related to the performance of its mandate, including, in particular, any investigations about matters related to its mandate.
- Carry out any other mandate which the Board may entrust to it from time to time.
- Act as a channel of communication between management, the external auditors and the Board.