

# **SECURE**

## **ANNUAL INFORMATION FORM**

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

**February 20, 2025**

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## GENERAL MATTERS

### Forward-Looking Statements

*Forward-looking statements are based on certain assumptions that the Corporation has made in respect thereof as at the date of this AIF regarding, among other things: SECURE's expectations and priorities for 2025 and beyond and its ability to achieve such priorities; economic and operating conditions, including commodity prices, crude oil and natural gas storage levels, interest rates, exchange rates, and inflation; the changes in market activity and growth will be consistent with industry activity in Canada and the United States ("U.S.") and growth levels in similar phases of previous economic cycles; the impact of any pandemic or epidemic and geopolitical events, including government responses related thereto and their impact on global energy pricing, oil and natural gas industry exploration and development activity levels and production volumes; the ability of the Corporation to realize the anticipated benefits of acquisitions or dispositions; anticipated sources of funding being available to SECURE on terms favourable to SECURE; the success of the Corporation's operations and growth projects; the impact of seasonal weather patterns; the Corporation's ability to attract and retain customers; that the Corporation can maintain its existing contracts on substantially the same terms; that counterparties comply with contracts in a timely manner; the ability of the Corporation to achieve its key priorities, including, but not limited to, by growing the volumes handled across the network, investing capital in infrastructure that has contracted and/or recurring cash flows and optimizing the assets of its business to maximize free cash flow; increasing stability of cash flows to reduce the risk of the Corporation's investments; integrating sustainable considerations into the Corporation's business strategy, risk management and business development; that there are no unforeseen events preventing the performance of contracts or the completion and operation of the relevant facilities; that there are no unforeseen material costs in relation to the Corporation's facilities and operations; that prevailing regulatory, tax and environmental laws and regulations apply or are introduced as expected, and the timing of such introduction; increases to the Corporation's share price and market capitalization over the long-term; disparity between the Corporation's share price and the fundamental value of the business; the Corporation's ability to repay debt and return capital to shareholders; the Corporation's ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the Corporation's ability to access capital and insurance; the Corporation's ability to support the communities in which it operates through economic and social development, community investment programs, partnerships, sponsorships and charitable programs; operating and borrowing costs, including costs associated with the acquisition and maintenance of equipment and property, and the ability of the Corporation and our subsidiaries to successfully market our services in the Western Canadian Sedimentary Basin ("WCSB") and the U.S.; an increased focus on ESG, sustainability and environmental considerations in the oil and natural gas industry; the impacts of climate-change on the Corporation's business; the current business environment remaining substantially unchanged; present and anticipated programs and expansion plans of other organizations operating in the energy service industry resulting in an increased demand for the Corporation's and our subsidiaries' services; future acquisition and maintenance costs; the Corporation's ability to achieve its ESG and sustainability targets and commitments; and other risks and uncertainties described in this AIF and from time to time in filings made by SECURE with securities regulatory authorities.*

*Many of these factors, expectations and assumptions are based on management's knowledge and experience in the industry and on public disclosure of industry participants and analysts relating to anticipated exploration and development programs of oil and natural gas producers, the effect of changes to regulatory, taxation and royalty regimes, expected industry equipment utilization in the WCSB and certain regions of the U.S., and other matters. The Corporation believes that the material factors, expectations and assumptions reflected in the forward-looking statements and information are reasonable; however, no assurances can be given that these factors, expectations and assumptions will prove to be correct.*

*Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in these forward-looking statements, including, but not limited to, those factors discussed below and under the heading "Risk Factors" herein and those discussed in the Corporation's Management's Discussion & Analysis of the December 31, 2024 audited financial statements ("MD&A"), SECURE's most recent information circular and*

quarterly reports, material change reports, business acquisition reports and news releases, and other documents the Corporation files with securities regulators from time to time. The Corporation cannot assure investors that actual results will be consistent with the forward-looking statements and readers are cautioned not to place undue reliance on them.

The Corporation's actual results could differ materially from those anticipated in such forward-looking statements as a result of the risk factors set forth below and elsewhere in this document including, but not limited to: general global financial conditions, including general economic conditions in Canada and the U.S.; the impact of tariffs and responses thereto (including by governments, trade partners and customers), which may include, without limitation, retaliatory tariffs, export taxes, restrictions on exports to the U.S. or other measures; the effect of any pandemic or epidemic, inflation and geopolitical events and governmental responses thereto on economic conditions, commodity prices and the Corporation's business and operations; continued demand for the Corporation's infrastructure services and activity linked to long-term and recurring projects; changes in the level of capital expenditures made by oil and natural gas producers and the resultant effect on demand for oilfield services during drilling and completion of oil and natural gas wells; volatility in market prices for oil and natural gas and the effect of this volatility on the demand for oilfield services generally; a transition to alternative energy sources; the Corporation's inability to retain customers; risks inherent in the energy industry, including physical climate-related impacts; the Corporation's ability to generate sufficient cash flow from operations to meet our current and future obligations; the seasonal nature of the oil and natural gas industry; increases in debt service charges including changes in the interest rates charged under the Corporation's current and future debt agreements; inflation and supply chain disruptions; the Corporation's ability to access external sources of debt and equity capital and insurance; disruptions to our operations resulting from events out of our control; the timing and amount of stimulus packages and government grants relating to site rehabilitation programs; the cost of compliance with and changes in legislation and the regulatory and taxation environment, including uncertainties with respect to implementing binding targets for reductions of emissions and the regulation of hydraulic fracturing services and services relating to the transportation of dangerous goods; uncertainties in weather and temperature affecting the duration of the oilfield service periods and the activities that can be completed; ability to maintain and renew the Corporation's permits and licenses which are required for its operations; competition; impairment losses on physical assets; sourcing, pricing and availability of raw materials, consumables, component parts, equipment, suppliers, facilities, and skilled management, technical and field personnel; the Corporation's competitive position, operating, acquisition and sustaining costs remaining substantially unchanged; supply chain disruption; current commodity prices, forecast taxable income, existing tax pools and unplanned capital expenditures; the Corporation's ability to effectively complete acquisition and divestiture transactions on acceptable terms or at all; failure to realize the benefits of acquisitions or dispositions and risks related to the associated business integration; the inaccuracy of pro forma information prepared in connection with acquisitions; risks related to a new business mix and significant shareholder; liabilities and risks, including environmental liabilities and risks, inherent in SECURE's operations; the Corporation's ability to integrate technological advances and match advances of our competition; credit, commodity price and foreign currency risk to which the Corporation is exposed in the conduct of our business; compliance with the restrictive covenants in the Corporation's current and future debt agreements; the Corporation's or our customers' ability to perform their obligations under long-term contracts; misalignment with our partners and the operation of jointly owned assets; the Corporation's ability to source products and services on acceptable terms or at all; the Corporation's ability to retain key or qualified personnel; uncertainty relating to trade relations and associated supply disruptions; the effect of changes in government and actions taken by governments in jurisdictions in which the Corporation operates, including in the U.S.; the effect of climate change, and related activism, on our operations and ability to access capital and insurance; cyber security and other related risks; the Corporation's ability to bid on new contracts and renew existing contracts; potential closure and post-closure costs associated with landfills operated by the Corporation; the Corporation's ability to protect our proprietary technology and our intellectual property rights; legal proceedings and regulatory actions to which the Corporation may become subject, including in connection with any claims for infringement of a third parties' intellectual property rights; the Corporation's ability to meet its ESG targets or commitments and the costs associated therewith; claims by, and consultation with, Indigenous Peoples in connection with project approval; disclosure controls and internal controls over financial reporting; and other

*risk factors identified in this AIF and from time to time in filings made by the Corporation with securities regulatory authorities. Many of these factors are discussed in further detail throughout this document.*

*Although forward-looking statements contained in this AIF are based upon what the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements in this document are made as of the date hereof and are expressly qualified by this cautionary statement. Unless otherwise required by law, SECURE does not intend, or assume any obligation, to update these forward-looking statements.*

### **Non-GAAP and Other Financial Measures**

This AIF contains certain specified financial information that does not have a standardized meaning as prescribed under International Financial Reporting Standards (“**IFRS**”), which are also generally accepted accounting principles (“**GAAP**”) for publicly accountable entities in Canada, and, therefore, are considered non-GAAP financial measures. These measures are described and presented in order to provide information regarding the Corporation’s financial results, liquidity and our ability to generate funds to finance our operations. These measures should not be used as an alternative to IFRS measures because they may not be comparable to similar financial measures used by other companies. These non-GAAP financial measures, and other specified financial measures used by the Corporation, are further explained and reconciled to the equivalent IFRS measures in the Non-GAAP and Other Financial Measures section of the Corporation’s MD&A for the three and twelve months ended December 31, 2024 (available on the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)), which section is incorporated by reference herein.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

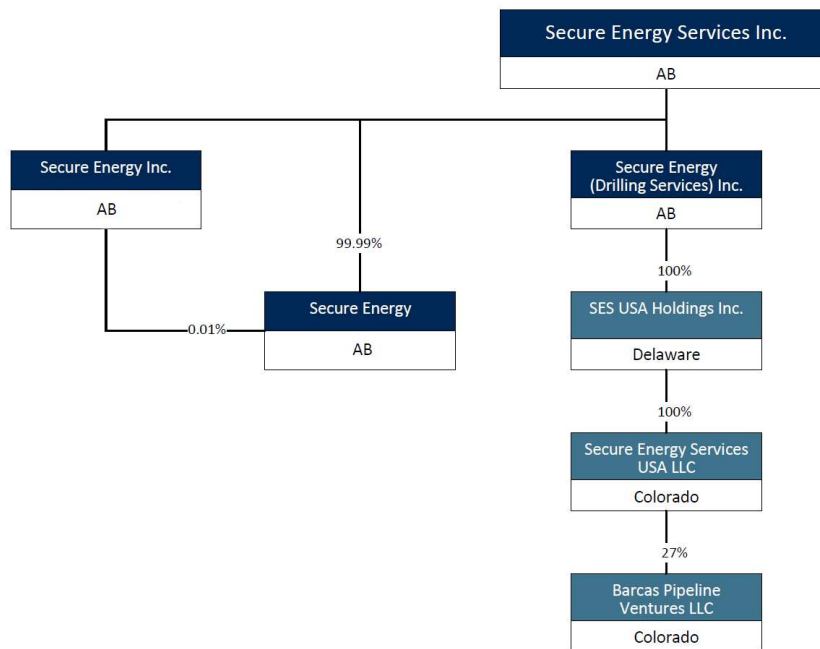
SECURE Energy Services Inc. was amalgamated on April 24, 2007, in accordance with the *Business Corporations Act* (Alberta) (“**ABCA**”), and is the successor entity of 1232711 Alberta Ltd. On July 2, 2021, SECURE completed its acquisition of Tervita Corporation (“**Tervita**”) and Tervita was amalgamated with SECURE by way of a short-form vertical amalgamation under the ABCA. On January 1, 2025, SECURE Energy Services Inc. changed its name to SECURE Waste Infrastructure Corp.

The head office of the Corporation is located at 2300, 225 – 6<sup>th</sup> Avenue S.W., Calgary, Alberta, Canada, T2P 1N2. The registered office of the Corporation is located at 4000 – 421 7<sup>th</sup> Avenue S.W. Calgary, Alberta, Canada T2P 4K9.

SECURE is a publicly traded waste management and energy infrastructure business. SECURE's common shares (“**Common Shares**”) are listed on the Toronto Stock Exchange (“**TSX**”) under the symbol “SES” and is a constituent of the S&P/TSX Composite Index.

### Intercorporate Relationships

The following diagram provides the name and jurisdiction of significant subsidiaries of the Corporation as at December 31, 2024.



SECURE Energy Services Inc. changed its name to SECURE Waste Infrastructure Corp. on January 1, 2025.

SECURE Energy (Drilling Services) Inc. changed its name to SECURE Specialty Chemicals Corp. on January 1, 2025.

SECURE Energy was dissolved on January 1, 2025.

SECURE Energy Services USA LLC changed its name to SECURE Waste Infrastructure USA LLC on January 1, 2025.

Other than those listed above, none of SECURE's subsidiaries individually had total assets that exceeded 10% of SECURE's consolidated assets as at December 31, 2024, or annual revenues that exceeded 10% of SECURE's annual revenues for the year ended December 31, 2024. In aggregate, SECURE's subsidiaries and

partnerships not listed above did not exceed 20% of the Corporation's total consolidated assets or total consolidated revenues as at and for the year ended December 31, 2024.

## GENERAL DEVELOPMENT OF THE BUSINESS

SECURE is a leading waste management and energy infrastructure business headquartered in Calgary, Alberta. See “*Description of the Business and Facilities*” for a description of SECURE’s business.

SECURE's extensive infrastructure network located throughout Western Canada and North Dakota includes waste processing and transfer facilities, industrial landfills, metals recycling facilities, crude oil and water gathering pipelines, crude oil terminals and storage facilities. Through this infrastructure network, SECURE carries out its principal business operations, including the collection, processing, recovery, recycling and disposal of waste streams generated by our energy and industrial customers and gathering, optimization, terminalling and storage of crude oil and natural gas liquids. The solutions SECURE provides are designed not only to help reduce costs, but also seek to lower emissions, increase safety, manage water, recycle by-products and protect the environment.

### Three Year History

The following summary highlights some key developments in the Corporation’s business over the last three completed financial years and more recently, as applicable.

#### *Competition Tribunal – Asset Divestiture*

On March 8, 2021, the Corporation announced an arrangement agreement to acquire Tervita. On July 2, 2021, pursuant to a plan of arrangement under the ABCA, SECURE acquired all of the issued and outstanding common shares of Tervita and Tervita was amalgamated with SECURE (the “**Merger**”).

On June 29, 2021, the Commissioner of Competition (the “**Commissioner**”) filed an application (the “**Section 92 Application**”) under Section 92 of the Competition Act (Canada) (the “**Competition Act**”) with the Competition Tribunal (the “**Tribunal**”) and served SECURE with a notice of application to block the closing of the Merger. The application to block the closing of the Merger was unsuccessful and at the subsequent hearing of the Section 92 Application, during the second quarter of 2022, the Commissioner sought the divestiture of 41 facilities of the combined entity.

On March 3, 2023, the Tribunal issued its decision regarding the Section 92 Application. The Tribunal issued an order requiring SECURE to divest 29 facilities (the “**Facilities**”) all formerly owned by Tervita. On March 24, 2023, SECURE filed a Notice of Appeal to the Federal Court of Appeal. On March 31, 2023, SECURE received a partial stay of the Tribunal’s order which remained in place until the appeal was complete.

On August 1, 2023, the Federal Court of Appeal dismissed SECURE's appeal of the Tribunal's order. Subsequent to such decision, SECURE sought leave to appeal to the Supreme Court of Canada and on September 15, 2023, SECURE received from the Federal Court of Appeal a stay of the Tribunal’s order while the Supreme Court of Canada determined whether to hear the appeal. On February 22, 2024, the Supreme Court of Canada denied the Corporation’s application for leave to appeal, ending the litigation related to the Merger.

On December 11, 2023, the Corporation entered into a definitive purchase and sale agreement with Waste Connections, Inc. (through its wholly owned subsidiary) (“**Waste Connections**”), to sell the Facilities (including related assets) that were ordered to be divested by the Tribunal for cash proceeds of \$1.15 billion. On February 1, 2024, the Corporation closed the sale transaction with Waste Connections (the “**Sale Transaction**”), which was completed by R360 Environmental Solutions Canada Inc., an affiliate of Waste Connections (“**R360**”).

## 2024

### Operations

Operationally, the Corporation made additional capital investments to expand capacity at its Clearwater heavy oil terminal, which began operations in Q4 2023, with further capacity increases achieved in Q3 2024.

The Corporation also invested in processing equipment for Phase 3 at the Clearwater heavy oil terminal, which is expected to become operational in Q1 2025.

Additionally, the Corporation completed a produced water pipeline connection to a waste processing facility, further enhancing infrastructure capabilities.

On December 16, 2024, the Corporation announced that it executed a definitive agreement and received all material regulatory approvals for an acquisition in the metals recycling business. Establishing a new hub for our metals recycling network in the Edmonton market strengthens our business with the vertical integration of a mega shredder and greater diversification of scrap supply from increased exposure to residential and industrial waste streams. The acquisition closed on January 31, 2025.

Growth projects planned for 2025 include:

- Expanding the processing and disposal capacity of our water infrastructure network in the Alberta Montney region to accommodate growing producer volumes with a new pipeline-connected water disposal facility and expansions of the existing network with the addition of new pipelines and a disposal well. The new facility is expected to be operational in the fourth quarter of 2025, with existing facility expansions in service date targeted for early 2026.
- Completing the expansion of the Clearwater heavy oil terminal and gathering infrastructure for incremental clean heavy oil delivery, and adding treating capabilities for trucked-in emulsion volumes. Following the expansion, the terminal will have total capacity of 75,000 barrels per day.
- Reopening a suspended industrial waste processing facility located in Alberta's Industrial Heartland to meet local demand. Capital expenditures are underway and include replacing and upgrading critical infrastructure to increase capacity and allow for broader waste acceptance and treatment, which is expected to occur in the second quarter of 2025.
- Purchasing incremental rail cars, bringing SECURE's fleet to approximately 200 rail cars, and increasing the efficiency of our metals recycling logistics and distribution operations.
- Optimizing our waste infrastructure network to debottleneck, increase throughput, achieve cost saving, and drive higher Adjusted EBITDA from same store sales.

### Debt transactions

On February 5, 2024, the Corporation fully repaid the outstanding balance on the Revolving Credit Facility (as defined below) with proceeds from the Sale Transaction.

On February 22, 2024, the Corporation also used proceeds from the Sale Transaction to redeem the outstanding US\$153 million aggregate principal amount of 11% senior secured notes due December 1, 2025 (the "**2025 senior secured notes**") at the redemption price of 105.50% of the principal amount, plus accrued and unpaid interest. The total payment was \$223 million, comprised of principal of \$207 million (US\$153 million), unpaid interest of \$5 million and a premium of \$11 million.

On March 22, 2024, the Corporation closed an offering of \$300 million aggregate principal amount of 6.75% senior unsecured notes due March 22, 2029 (the "**2029 unsecured notes**") at an issue price of \$100.00 (the "**Offering**"). The Corporation used the net proceeds of the Offering, along with cash on hand, to fund the redemption of the outstanding \$340 million aggregate principal amount of 7.25% senior unsecured notes due December 30, 2026 (the "**2026 unsecured notes**") at the redemption price of 103.63% of the principal amount, plus accrued and unpaid interest. The total payment was \$358 million, comprised of principal of \$340 million, unpaid interest of \$6 million and a premium of \$12 million.



On May 31, 2024, the Corporation entered into an amended and restated credit agreement for its \$800 million Senior Secured Revolving Credit Facility ("**Revolving Credit Facility**"), extending the maturity until May 31, 2027.

#### *Share repurchases*

On April 29, 2024, the Corporation entered into an agreement with an affiliate of TPG Angelo Gordon to purchase for cancellation an aggregate of 13,181,020 common shares at a price of \$11.38 per share, for total consideration of \$150 million.

The Corporation completed a substantial issuer bid on June 10, 2024, with the Corporation repurchasing 21,929,818 common shares at a price of \$11.40 per share, representing an aggregate purchase of \$250 million.

During 2024, the Corporation purchased 22,181,067 or 8% of total common shares through its normal course issuer bid ("**NCIB**"), which was the maximum allowable, at a weighted average price per share of \$11.54 for a total of \$256 million.

On December 16, 2024, the Corporation renewed the previous NCIB. Pursuant to the renewed NCIB, the Corporation is authorized to purchase and cancel up to a maximum of 19,367,434 common shares of the Corporation representing approximately 8% of the Corporation's outstanding shares as at December 10, 2024, or 10% of the Corporation's public float.

Subsequent to December 31, 2024, the Corporation repurchased 4,088,400 additional shares at a weighted average price per share of \$15.16 for a total of \$62 million.

#### *Dividends*

The Corporation declared dividends to holders of common shares for the year ended December 31, 2024, in the aggregate amount of \$99 million.

#### *Executive and Board of Directors Changes*

Effective May 1, 2024, Rene Amirault retired as Chief Executive Officer with Allen Gransch succeeding Mr. Amirault as President and Chief Executive Officer. Mr. Amirault remained on SECURE's Board of Directors (the "Board") as Vice Chair. Mr. Gransch was elected to the Board at SECURE's Annual General Meeting of Shareholders on April 26, 2024. As part of the Board renewal process, Brad Munro retired and did not stand for re-election as a director in 2024.

## **2023**

#### *Operations*

The expansion of the Corporation's Montney disposal facility was substantially completed in the second quarter of 2023, significantly boosting its capacity. In the fourth quarter of 2023, the Corporation's Clearwater heavy oil terminal began its operations, supported by commercial contracts. Additionally, the Corporation made further capital investments to improve and grow our metals recycling operations.

SECURE executed a strategic initiative to divest the following non-core oilfield services focused business units that did not fit into SECURE's core waste management and infrastructure strategy during 2023:

- Project management services focused on mobile yellow iron used for demolition and remediation;
- Oilfield water management and water pumping services, focused on oil and gas completion activity;
- Consulting services related to oilfield environmental and regulatory matters;
- Redundant heavy-duty equipment; and
- Various real estate assets not required for ongoing core business operations.

### *Debt transactions*

SECURE maintained a \$30 million unsecured letter of credit facility guaranteed by Export Development Canada, which was subsequently increased to \$50 million in March 2023 (the “**Letter of Credit Facility**”).

### *Share repurchases*

As at September 30, 2023, the Corporation had purchased and cancelled the maximum number of Common Shares under its NCIB which commenced on December 14, 2022. On December 11, 2023, the TSX accepted the Corporation’s application to renew its NCIB. Pursuant to the renewed NCIB, the Corporation was allowed to repurchase up to a maximum of 23,196,967 Common Shares representing approximately 8% of the Corporation’s outstanding shares as at December 8, 2023, or 10% of the Corporation’s public float.

### *Dividends*

The Corporation declared dividends to holders of common shares for the year ended December 31, 2023, in the aggregate amount of \$117 million.

### *Board of Directors Changes*

On January 5, 2023, the Corporation appointed Michael (Mick) Dilger as Chairman of the Board effective January 5, 2023. Mr. Dilger succeeded interim Chairman Brad Munro, who remained a director of the Corporation. On March 15, 2023, SECURE appointed Wendy Hanrahan to the Board, continuing SECURE’s ongoing process of Board renewal. Former Board members Kevin Nugent and Jay Thornton did not stand for re-election at the Corporation’s annual meeting of shareholders held in 2023, marking the end of their term on the Board.

## **2022**

### *Operations*

The strategic plan following the Merger with Tervita was to achieve \$75 million in synergies, to continue to pay down debt and restructure the balance sheet. In the 15 months following the close of the Merger, the Corporation succeeded in achieving the synergy and debt targets.

### *Debt transactions*

On August 11, 2022, SECURE renewed and extended its \$800 million Revolving Credit Facility to July 2025. There were no changes to the remaining terms, conditions, and covenants of the Revolving Credit Facility, which was supported by commitments from nine financial institutions and Chartered Banks.

During 2022, SECURE repurchased US\$138 million principal amount of 2025 senior secured notes, which were subordinate to the Revolving Credit Facility.

### *Share repurchases*

On December 8, 2022, the TSX accepted for filing the Corporation’s notice of intention to make a NCIB. Pursuant to the NCIB, SECURE was allowed to repurchase up to a maximum of 22,055,749 Common Shares, representing approximately 7.1% of the Corporation’s issued and outstanding Common Shares outstanding as at December 7, 2022, or 10% of the Corporation’s public float. The NCIB period commenced on December 14, 2022, and ended in September 2023 as the maximum number of Common Shares were repurchased.

### *Dividends*

On December 15, 2022, SECURE announced that its Board declared a quarterly dividend of \$0.10 per Common Share, to shareholders of record on January 1, 2023. The dividend payable on or about January 16, 2023, represented a material increase of over 13 times from the previous dividend paid by SECURE on October 15, 2022. This higher dividend was a first step to carrying out our commitment of delivering meaningful returns to shareholders in connection with the Corporation’s increased discretionary free cash flow generation capabilities and the strengthening of our balance sheet.

### *Board of Directors Changes*

Grant Billing, Chairman of the Board and Michael Colodner retired from the Board effective June 6, 2022, and June 15, 2022, respectively. Brad Munro was appointed interim Chairman of the Board upon Mr. Billing's retirement.

On November 1, 2022, the Corporation appointed Joseph Lenz to the Board, pursuant to the shareholder agreement (the "**Shareholder Agreement**") among SECURE and Angelo, Gordon & Co. L.P. and certain of its affiliates (collectively, "**Angelo Gordon**" at the time and which has since merged with another investment firm and changed its name to "**TPG Angelo Gordon**"). See "*Material Contracts – Shareholder Agreement*" for further information.

## **DESCRIPTION OF THE BUSINESS AND FACILITIES**

### **General**

SECURE provides customer-driven solutions in two operating segments, Waste Management and Energy Infrastructure.

SECURE's Waste Management segment includes a network of waste processing facilities, wastewater disposal facilities, industrial landfills, waste transfer stations, metals recycling facilities, and specialty chemical formulation, blending, storage and distribution infrastructure. Through this infrastructure network, the Corporation carries out business operations including the collection, processing, recovery, recycling and disposal of waste streams generated by our energy and industrial customers.

SECURE's Energy Infrastructure reportable segment includes a network of crude oil gathering pipelines, terminals and storage facilities. Through this infrastructure network, the Corporation engages in the transportation, optimization, terminalling and storage of crude oil.

In 2023, SECURE's segments included the Oilfield Services segment which included drilling fluid management and project management services. Due to the divestiture of project management services in December 2023, the specialty chemicals drilling fluid management business was included in the Waste Management segment prospectively beginning on January 1, 2024.

### **Waste Management**

SECURE operates a fully integrated network of waste processing facilities, produced water pipelines, industrial landfills, waste transfer stations and field & industrial solutions capable of handling all major waste streams in Western Canada and North Dakota. Services include produced and wastewater disposal, hazardous and nonhazardous waste collection, processing and transfer and treatment of crude oil emulsions.

The Corporation also manages ferrous and non-ferrous metals for industrial, energy, mining, residential, and commercial customers in Western Canada through our network of metals recycling facilities, and rail services, and project management services. SECURE collects, processes, and recycles metals to be used in new steel manufacturing.

SECURE also develops specialty chemical solutions designed to aid in the breakdown of waste products, optimize operations and increase production.

For the years ended December 31, 2024, and 2023, the Waste Management segment comprised 84% and 79%, respectively, of the total consolidated revenue (excluding oil purchase and resale) of the Corporation. The Waste Management segment generated approximately 5% of its total revenue (excluding oil purchase and resale) from operations conducted in the U.S. in 2024 compared to 3% in 2023.

As a result of the Sale Transaction, SECURE divested of 17 treatment, recovery and disposal facilities, 6 landfills, 4 water disposal wells and 2 disposal caverns all formerly owned by Tervita, all within the Waste Management segment.

## *Waste Processing Facilities*

Our waste processing infrastructure includes a network of owned and operated facilities throughout Western Canada, and North Dakota. These facilities provide waste processing, treatment and disposal. Processing services performed at facilities include waste processing and crude oil emulsion treating. Crude oil that does not meet pipeline specifications is processed through a crude oil emulsion treater. Clean crude oil and treated crude oil may be aggregated and stored on site temporarily until the volumes are ready to be shipped through gathering, transmission or feeder pipelines. Disposal services include produced and wastewater disposal services through a network of disposal wells. SECURE also transports water through pipelines direct to SECURE facilities.

As at December 31, 2024, the Corporation's waste processing infrastructure services were provided at 55 locations in total, including 40 facilities operating in Alberta, six facilities in Saskatchewan, five facilities in British Columbia, and four facilities in North Dakota.

The Corporation's waste processing facilities are designed to enhance the recovery of hydrocarbons and reduce the volume of waste requiring disposal. Our solutions are provided through the following types of infrastructure and services:

### *Waste Processing Facility*

A facility that provides a combination of produced and wastewater disposal, waste processing, and treatment of crude oil. All processing facilities but one, are connected to a Class IB Disposal Well for the disposal of produced and wastewater. Waste is generated from drilling, completions, and production related activities. SECURE's waste processing separates waste into three components: recoverable oil, wastewater and residual solids. Recovered oil is treated and sold. Residual wastewater is deep well injected into Class IB Disposal Wells and separated solids are processed and transported to one of the Corporation's Class II or Class I landfills. Crude oil production or emulsion contains by-products such as water, suspended solids, and water soluble salts. These contaminants must be removed before crude oil can be shipped through a pipeline to a refinery. SECURE's emulsion treating service separates oil from other by-products to create pipeline specification crude oil.

Recovered and recycled crude oil is delivered to the waste processing facility by truck. SECURE separates the waste as discussed above. As at December 31, 2024, SECURE had 13 facilities that included a connection to an oil gathering or transmission pipeline for the injection of crude oil after it is processed.

As at December 31, 2024, the Corporation owned nine produced water pipelines in Alberta and North Dakota which transport produced water from producer facilities and gas plants to SECURE's processing facilities.

The Corporation provides produced and wastewater disposal services through a network of Class IB Disposal Wells in Canada and Class II disposal wells in North Dakota. Disposal wells are approved by the Alberta Energy Regulator ("**AER**"), British Columbia Energy Regulator ("**BCER**"), and the Saskatchewan Ministry of Energy and Resources in Canada and the Industrial Commission Department of Mineral Resources Oil and Gas Division in North Dakota. The wells dispose of the following fluids:

- Produced water associated with production of oil, bitumen, natural gas, NGLs or coalbed methane;
- Produced water and specific common oilfield waste fluids;
- Waste water from oilfield waste processing facilities; and
- Waste fluids from drilling and completion operations.

Below is an aerial photograph of SECURE's Tulliby waste processing facility.



### ***Cavern Disposal***

As at December 31, 2024, SECURE operated a cavern in Hughenden, Alberta. Caverns are purchased from salt producers or are created by injecting non-saturated water into underground salt deposits to develop new cavern space. The water dissolves the salt and creates a large, completely sealed cavern. Generally, a cavern has one well where waste is injected down the tubing and displaced fluid is returned through the inner casing. Surface facilities are constructed with an elaborate pumping system to enable a fast and reliable waste injection process.

SECURE utilizes salt formations deep below the surface to allow for the disposal of most solid or liquid wastes, including those that are difficult to process or not appropriate for placement in water disposal facilities or landfills, such as high pH fluids, chemicals, NORMs, processed sludges and other contaminants.

Once received, waste is slurried and injected into the cavern disposal facility. As waste slurry is pumped into the cavern, it displaces brine, which is brought to the surface and injected into a disposal well. Inside the cavern, solids, oils and other liquids separate into distinct layers due to: (i) the different densities of solids, oils and other liquids in the cavern; (ii) temperature; and (iii) time. Crude oil generally rises to the top and is extracted and then sold.

### ***Waste Services (hazardous and non-hazardous materials that are recycled and/or safely disposed)***

SECURE provides a suite of solutions spanning the waste and by-product management life cycle of industrial and energy customers. Through this service line, SECURE offers solutions to help its customers operate in an environmentally compliant manner. The waste services business unit operates a network of four hazardous waste transfer stations within Western Canada. This network of facilities includes a collection fleet of over 45 specialized trucks and over 10,000 containment bins. SECURE collects and processes waste bins that contain hazardous and non-hazardous materials and recycles or disposes of the collected waste products. Some of SECURE's additional waste management services at the field level include waste characterization, packaging, and tracking. SECURE also operates three sludge pads in Western Canada, which are engineered containments that are capable of, and permitted to, receive hazardous and non-hazardous waste sludges and fluids for dewatering, solidification, and disposal. In addition, SECURE offers onsite management of waste projects, through its field services team, which provides customers with onsite supervision, site clean-up, transportation,

and disposal of various waste streams. The field services team also offers emergency response, spill containment and impact assessment services.

### ***NORM Management***

In many geographic areas, the energy and mining industries require service providers capable of managing and disposing of NORMs, which may include production waste, impacted equipment and materials, water treatment, residuals and waste, and spills. The Corporation provides a full line of services for managing NORMs, including site assessments, remediation, waste collection and disposal, and NORM safety training and consulting.

### ***Industrial Landfills (Class I and II Disposal)***

The Corporation's landfills provide solid waste management services to the oil and gas and industrial sectors. The Corporation's landfills in Alberta are approved as Class II Landfills by the Alberta Ministry of Environment and Protected Areas ("**AEP**"); in British Columbia as secure landfills by the B.C. Ministry of Environment and Climate Change Strategy; in Saskatchewan as engineered landfills by the Saskatchewan Ministry of Environment and in North Dakota as a special volume and industrial waste landfill by the North Dakota Department of Environmental Quality. These landfills are approved to receive oilfield and industrial waste that meet specified criteria for non-hazardous waste associated with activities including but not limited to:

- Reclamation – contaminated soil associated with the cleanup of past operating facilities;
- Production – disposal of soil contaminated as a result of spills or pipeline breaks; and
- Drilling – cuttings removed from the wellbore are contaminated based on the type of drilling mud used.

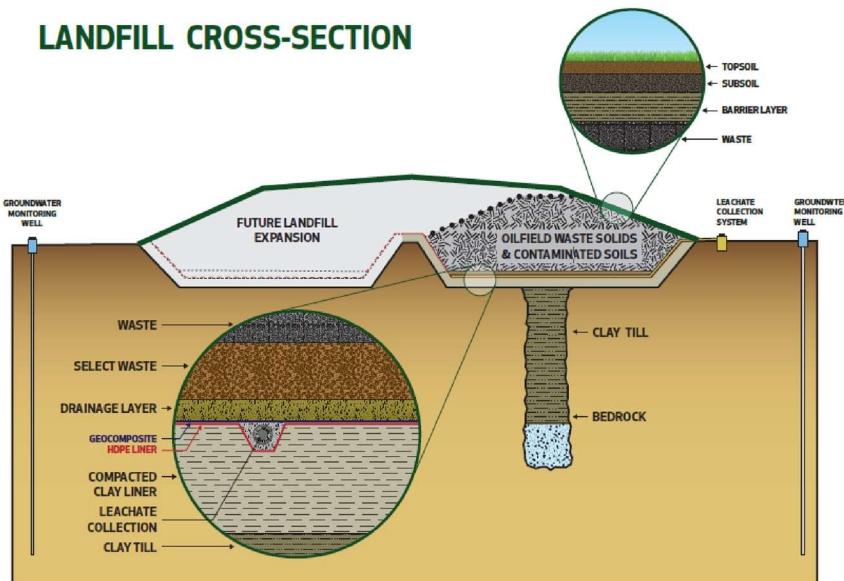
A Class II Landfill provides disposal of contaminated soil and drill cuttings associated with oil and natural gas drilling, production and reclamation activities. Class II Landfills also dispose of waste solids that have been separated from liquid waste delivered to SECURE's processing facilities. Prior to delivery to the landfill, the waste must receive pre-approval by way of third-party analytical testing to ensure that the material meets the acceptance criteria stipulated in the facility license. Random samples are tested at the facility and compared against prior analytical testing to ensure compliance.

Landfills are located on land that meets stringent geological standards and are constructed with two separate liner systems. Liquids are removed from the landfill cells and treated and disposed of at one of SECURE's processing facilities or water disposal facilities.

SECURE also owns and operates the Pembina Area Landfill, which is a Class I, hazardous waste landfill permitted by AEP. Class I Landfills are constructed with three liners and have additional monitoring requirements. The Class I cell allows for the disposal of industrial hazardous solids and dangerous oilfield wastes, including filters, tank bottoms, soils, pipeline pigging waste, demolition waste, and non-usable/non-recyclable equipment. The Pembina Area Landfill is also approved for NORM disposal, allowing SECURE to provide customers with a safe, economical and environmentally responsible disposal option for NORM impacted solids. At some of its landfills, SECURE provides sulphur by-product solutions to its clients, including sulphur forming/ blocking, re-melting, logistics services and disposal.

As at December 31, 2024, SECURE's landfill portfolio consisted of 12 owned sites (eight are located in Alberta, three in Saskatchewan, one in British Columbia); two sites operated under contract (one in each of Saskatchewan and Manitoba); and three sites that it markets under contract for other landfill operators (all located in Alberta).

Below is a cross-section of an industrial landfill, highlighting the principal components.



### **Metals Recycling Facility (ferrous and non-ferrous)**

SECURE is a full service ferrous and non-ferrous recycler that provides both onsite collection and offsite clean-up service to a wide range of oil, gas, mining, and industrial and manufacturing customers throughout Alberta, Manitoba, Saskatchewan and southeastern British Columbia. This geographical footprint is intended to allow SECURE to respond quickly to its customers' metals recycling needs. SECURE purchases both ferrous and non-ferrous scrap metals collected from demolition projects, rail services, onsite scrap clean-up services and bins placed at industrial customers' sites. SECURE has a 1,200 scrap metal collection bins in a range of sizes, which, when combined with the Corporation's fleet of scrap hauling trucks and trailers, provide an opportunity to recover large volumes of material more efficiently. SECURE has 10 metals recycling facilities (four in Alberta, one in BC and five in Saskatchewan).

SECURE has one of the largest mobile equipment fleets in Western Canada, which allows the Corporation to offer processing capabilities in the region, in a responsive manner, that SECURE believes are superior to those offered by its competitors. SECURE sorts, processes and sells the recovered scrap metal products to customers (primarily direct to steel mills or designated steel mill brokers) across North America and overseas.

SECURE has agreements with two major oil sands producers to manage and operate their scrap metals recycling programs in the Fort McMurray region of Alberta. These agreements provide an opportunity for SECURE to combine volumes of material to maximize economies of scale in processing and selling recovered metals and other materials on these sites.

On January 31, 2025, SECURE completed the acquisition of a metals recycling company operating in Edmonton, Alberta. This acquisition establishes a new hub for our metals recycling network, enhancing diversification of scrap supply from residential and industrial waste streams. It includes two metals recycling facilities in Edmonton, approximately 8,000 collection bins and strengthens our business through the vertical integration of a 5,000HP mega shredder.

Below is a photograph of SECURE's Red Deer Metals Recycling Facility.



### ***Emergency Rail Response Services***

The Corporation provides rail emergency response and maintenance services in connection with the Class I railway operators in Canada. This service is offered in conjunction with the Corporation's existing facilities and network to provide services from the initial response through to disposal and final regulatory cleanup requirements. The Corporation has specialized heavy equipment and personnel for immediate response and emergency containment across Western Canada. The Corporation assists rail customers by clearing derailments, which allows for rail line repairs, and carrying out the subsequent clean-up operations to remove damaged rail cars, recover lading and remediate the site to return it to its original condition.

### ***Specialty Chemicals***

The Corporation's specialty chemicals business focuses on chemical solutions that optimize exploration and production. Specialty chemicals is comprised of two business lines, drilling solutions and production solutions.

The production solutions business specializes in providing chemical solutions designed to optimize well output by addressing issues with problematic oil conditions including viscous oils, paraffin and asphaltenes. SECURE also provides customized formulations that effectively separate oil and water emulsions prior to further downstream treatment at refineries. The Corporation offers a wide range of corrosion and scale inhibitor products to maintain the integrity of pipelines and other production assets. This includes over 100 fully formulated proprietary products for flow assurance, asset integrity, product optimization, and various fracturing and stimulation solutions.

The drilling solutions business provides drilling fluids and surface rentals for drilling operations in the WCSB. Advanced chemical solutions are essential for borehole integrity, cuttings removal, wellbore pressure control, and overall drilling efficiency. SECURE's solutions are designed to maximize fluid lifespan while ensuring environmental compliance. Drilling solutions include the design and implementation of drilling fluid systems for oil, bitumen, natural gas, NGLs, CO<sub>2</sub> injection, and disposal wells. These fluids facilitate cuttings removal, formation stabilization, subsurface pressure control, drilling rate enhancement, friction reduction and environmental protection. SECURE's fluid systems are adaptable to diverse drilling and completion scenarios, helping clients eliminate inefficiencies while maintaining operational and regulatory standards. Drilling solution's surface rentals provides equipment including high-speed centrifuges, bead recovery units, Target



Tanks™, dewatering systems shale bins, hydraulic centrifuge stands, polymer/lubricant injection tanks, and bulk barite units to help provide the continue conditioning and reuse of the drilling fluids while at customer sites.

SECURE's infrastructure for specialty chemicals features a blending facility in Red Deer, Alberta to manufacture proprietary products for both drilling and production solutions. SECURE operates two laboratories in Calgary and Leduc. Each lab is led by a team of PhD chemists providing innovative product development, research and development and operational support. The focus on testing, research and new product development conducted at the laboratory allows SECURE to provide solutions to industry problems and unique and tailored products to customers. The Leduc lab is located within SECURE's main distribution hub consisting of 110,000 ft<sup>2</sup> of heated indoor storage on a parcel of 3.5 acres. Additionally, SECURE maintains chemical distribution points across the WCSB and operates multiple invert (oil-based mud) blending and mixing facilities in Grande Prairie, Drayton Valley, and Fox Creek, Alberta. The Grande Prairie facility offers warehouse storage for liquid and dry products, including bulk materials and an oil-based mud testing laboratory for quality control and assurance. The Drayton Valley and Fox Creek facilities, located near SECURE's processing sites, specialize in invert fluid manufacturing and reconditioning. To support SECURE's surface rentals it operates a 23,400 ft<sup>2</sup> repair and service shop spanning two acres in Leduc, AB. This facility is also SECURE's surface rental's main operation center and has been the site of innovative enhancements improving the operational effectiveness of their rental fleet.

### **Energy Infrastructure**

The Energy Infrastructure segment has two separate business lines: energy infrastructure and oil purchase and resale.

Energy Infrastructure includes a network of crude oil gathering pipelines, terminals and storage facilities. Through this infrastructure network, the Corporation engages in the transportation, optimization, terminalling and storage of crude oil.

SECURE's oil purchase and resale enhances the service offering associated with SECURE's business of terminalling and marketing. By offering this service, SECURE's customers gain efficiencies in transporting and handling of their crude oil to the pipeline. At the Corporation's terminals, SECURE meters the crude oil volumes and purchases the crude oil directly from customers. The Corporation then processes and manages the shipment of crude oil through its own or third-party pipelines. The Corporation may also purchase and resell crude oil to take advantage of changing market prices and price differentials to enhance profitability.

For the year ended December 31, 2024, the Energy Infrastructure segment comprised 16% of the total consolidated revenue (excluding oil purchase and resale) of the Corporation and 12% in 2023.

The Energy Infrastructure segment generated approximately 3% of its total revenue (excluding oil purchase and resale) from operations conducted in the U.S. in 2024 and 2% in 2023.

### **Energy Infrastructure**

SECURE's waste processing facilities that are connected to export oil pipelines provide customers with an access point to process and/or treat their crude oil for shipment to market.

#### *Crude Oil Terminalling, Storage and Marketing*

Of the Corporation's waste processing facilities, as at December 31, 2024, 15 provided customers with an access point or terminal to transport their produced clean oil to market by pipeline. At the majority of the Corporation's pipeline connected facilities, this oil is delivered by customers to SECURE's facilities by truck and is stored on site until it is shipped downstream through feeder pipelines and/or transmission pipelines. SECURE manages both the purchase of the oil and the subsequent payment to the producer for the delivered oil based on the initial quality received. SECURE may upgrade the oil quality and enhance its value, thereby enabling SECURE to generate incremental crude oil profits. The Corporation also has crude oil storage at certain pipeline connected facilities to optimize pricing and manage pipeline transportation constraints.

### *Crude Oil Terminals*

Crude oil terminals are an integrated component of SECURE's waste processing facilities, and provide clean oil terminalling, crude oil marketing and optimization, crude oil storage, and crude oil purchase and resale solutions. The Corporation has three stand-alone operational crude oil terminals: one in Alberta (Clearwater), one in Saskatchewan (Kerrobert) and one in Oklahoma (Cushing) through its 27% interest in Barcas Pipeline Ventures LLC. SECURE's Kerrobert Crude Oil Terminal forms part of the Kerrobert Light Pipeline System and is connected to the Enbridge Inc. Mainline. The Clearwater heavy oil terminal along with a pipeline gathering system, provides producers in the area a local convenient shipping point for their crude oil. The Clearwater heavy oil terminal commenced operations in 2023 and terminals crude oil down for transport through Pembina's Clearwater pipeline to Enbridge's North 40 tank in Edmonton.

### *Crude Oil Pipelines*

SECURE currently operates two crude oil pipeline systems, the Kerrobert Light Pipeline System in Saskatchewan, and the East Kaybob Pipeline System in Alberta. The Kerrobert Light Pipeline System is a feeder system that gathers crude oil from multiple oil producers and transports the product to the Corporation's Kerrobert Crude Oil Terminal. This culminates in a connection to the Enbridge Inc. Mainline acting as a downstream carrier allowing access to Eastern Canada and export markets. The Corporation's Kerrobert Light Pipeline System began operations in the fourth quarter of 2018. The 16.5 kilometre four to eight inch feeder pipeline system located in the Viking oil region of Saskatchewan gathers crude oil from multiple oil producers, before feeding into SECURE's existing Kindersley processing facility. A larger 27 kilometre pipeline, with a diameter of 10 inches, adjacent to SECURE's Kindersley processing facility transports crude oil from the feeder system and processed oil from the Kindersley processing facility to SECURE's Kerrobert Crude Oil Terminal, and then onto the Enbridge Inc. Mainline at Kerrobert. The entire system stretches approximately 43.5 kilometres with a total capacity of 50,000 barrels per day.

The East Kaybob Pipeline System, commissioned in 2020, gathers light oil and condensate from multiple producers and transports the product to the Corporation's Fox Creek processing facility. Several producer facilities are tied into the East Kaybob Pipeline System by way of four inch diameter lateral pipelines, joining together into a six inch line stretching approximately 25 kilometres to the Fox Creek processing facility. In total, the East Kaybob Pipeline System spans approximately 120 kilometres and has initial capacity of 15,000 barrels per day.

Below is an aerial photograph of SECURE's Kerrobert Crude Oil Terminal, highlighting this facility's principal components:



SECURE's crude oil pipelines create value for our customers operating in the region by providing a capital efficient transportation solution that enhances operating netbacks. Additionally, the use of pipelines significantly reduces or eliminates trucking logistics and constraints, reduces carbon dioxide ("CO<sub>2</sub>") emissions associated with trucking, increases safety by reducing the number of trucks required to transport producers' product, and reduces repairs and maintenance expenses on municipal road infrastructure.

#### ***Oil Purchase and Resale***

SECURE's oil purchase and resale services enhance SECURE's produced water disposal, crude oil emulsion treating, terminalling, and marketing operations. By offering this service, SECURE's customers gain efficiencies in transportation and handling of their crude oil to the pipeline. At SECURE's waste processing facilities and crude oil terminalling facilities, SECURE meters the crude oil volumes and purchases the crude oil directly from our customers. The Corporation then processes, transports to a pipeline-connected processing facility and, if necessary, handles the shipment of crude oil to a saleable point downstream. The Corporation may also purchase and resell crude oil to take advantage of changing relative market prices and increase profitability.

## BUSINESS STRATEGY

The Corporation's business strategy over the past few years focuses on increasing market share in both its waste management and energy infrastructure business segments through organic growth and mergers and acquisitions. The strategic priorities focus in on increasing recurring revenue sources and entering into long-term contracts. The business strategy allowed the Corporation to maintain financial resiliency and balance sheet strength while maximizing free cash flows and rate of return from the assets of the business. These key strategic priorities for SECURE remain as we strive to reduce the risk of our capital investments and maximize the return and value from our existing assets, promoting profitable growth for our shareholders, and positioning the Corporation for sustained success. The Corporation strives to achieve these priorities by:

- Enhancing the business with best-in-class customer service and effective optimization of our infrastructure;
- Growing the volumes handled across the network;
- Investing capital in infrastructure that has contracted and/or recurring cash flows;
- Strategically locating our waste management and energy infrastructure in high impact areas;
- Targeting strategic partnerships for opportunities that reduce inefficiencies and redundant assets;
- Executing a digital transformation of the business; and
- Optimizing the assets of our business to maximize free cash flow.

With SECURE's strong balance sheet and free cash profile, the Corporation's capital allocation priorities are:

- Paying a regular dividend;
- Opportunistically buying back Common Shares;
- Growth capital focused on opportunities to provide committed capital backed by long-term contracts;
- Evaluating potential acquisition opportunities that fit our core competencies; and
- Maintaining an appropriate level of debt.

### Create Long-Term Contracts and Partnerships with Customers

Creating long-term contracts and partnerships with customers to share in the risk and upside associated with constructing and operating new waste processing infrastructure is critical to SECURE's priority of increasing the stability of our cash flows to reduce the risk of our investments and provide stable returns to our shareholders. SECURE works transparently with customers to identify opportunities where we can provide innovative solutions that help our customers reduce costs and emissions and invest their capital where it generates the highest returns. As a result, customers are willing to share in the risk and commit dedicated volumes to our waste processing infrastructure that provides predictable, recurring cash flows for the Corporation. By bringing multiple customers together, SECURE can create economies of scale to support new infrastructure, including pipelines to transport production volumes, while eliminating redundant assets and striving to reduce the carbon intensity associated with transportation of these materials industry.

### Business Resiliency

During recent years, SECURE has deployed strategies to affirm its position as a leader in waste management and energy infrastructure in Western Canada and North Dakota. These efforts have resulted in industry leading margins, and a stable cash flow profile supported by recurring volumes driven by industrial waste, metals, and energy markets. Our extensive infrastructure network maintains significant capacity to support customers, accommodates increased volumes for collection, processing, disposal, recycling, recovery, and terminalling, drives higher same store sales with minimal incremental fixed costs or additional capital. SECURE continues to realize a sizable organic opportunity to partner with our customers in areas where infrastructure and additional capacity are required to match production growth.

## Enhanced Environmental, Social and Governance Practices

SECURE is committed to operating in a safe, ethical, legal, environmentally and socially responsible manner. Integrating sustainability considerations into our overall business strategy, risk management and business development are critical to the long-term success of the Corporation. We strive to assess our operations and to pursue new processes to further enhance the sustainability of our operations, and to deliver solutions that help our customers achieve their own sustainability goals.

Sound corporate governance is important to guide sustainable operations and achieve long-term success through corporate policies that provide clear direction for all business activities. SECURE has formalized social, health and safety, and environmental policies and procedures to govern the way in which the Corporation conducts business in order to achieve the following commitments:

### *Serving our Customers and Conducting Ourselves Ethically at All Times*

SECURE has established a formal human rights policy (titled Workplace Non-Discrimination, Violence, Harassment and Bullying Policy) and a Code of Business Conduct that govern the way in which the Corporation and our employees, directors and consultants conduct business.

SECURE is committed to providing a healthy, harassment-free work environment for all employees where diversity is embraced, differences are appreciated, and everyone can expect to be treated with dignity and respect. The Corporation's Workplace Non-Discrimination, Violence, Harassment and Bullying Policy outlines that the Corporation will not condone or tolerate any form of discrimination, violence, harassment or bullying by anyone associated with the organization. The policy specifically covers the protected groups identified in the *Canadian Human Rights Act* and outlines procedures for complaints under the policy, all of which the Corporation is required to thoroughly investigate.

SECURE's Code of Business Conduct addresses the identification and management of ethical situations and provides guidance in making ethical business decisions. The Code of Business Conduct requires that all directors, officers, employees and consultants comply with all laws, regulations and requirements that are applicable in jurisdictions where the Corporation operates. SECURE provides training to all staff on the Code of Business Conduct. The following additional policies are incorporated by reference into the Code of Business Conduct:

- Workplace Non-Discrimination, Violence, Harassment and Bullying Policy (*see above*);
- Human Rights Policy;
- Diversity & Inclusion Policy;
- Alcohol and Drug Use Policy;
- IT Acceptable Use Policy;
- Privacy Policy;
- Whistleblower Policy;
- Policy on Trading in Securities; and
- Corporate Disclosure Policy.

SECURE has adopted other corporate governance policies, including a Majority Voting Policy requiring the resignation of any director if the votes cast in favour of the election of such director nominee represent less than a majority of the Common Shares voted and withheld, a Clawback Policy for our executive officers, including the CEO, which provides that the Board may seek reimbursement for compensation awarded (including any bonus or incentive compensation or equity-based compensation award) under circumstances where SECURE's financial statements were restated, and a Delegation of Authority Policy that governs the Board's grant of financial approval authority to the management of the Corporation.

Each director, officer, employee and consultant of the Corporation is required to regularly review the Code of Business Conduct. In 2022, we launched our mandatory 45-minute online Code of Business Conduct training

and recertification for all employees and contractors, which is required every three years. Individuals subject are accountable for applying the policy to their own conduct and work.

All directors, officers, employees and consultants are encouraged to report violations of our policies in accordance with the procedures described in the Corporation's Whistleblower Policy. Violations of our policies will result in the Corporation taking remedial action commensurate with the severity of the violation. In 2024, the Whistleblower Hotline received a total of three complaints related to the Code of Business Conduct - one involving contractor conduct and two involving employee conduct. Each complaint underwent a comprehensive investigation and was reported to the Board. The investigations determined that two of the complaints were unfounded. For the remaining employee complaint, appropriate remediation actions were taken; however, the incident was not deemed a violation of the Code of Business Conduct, and as a result, no disciplinary measures were necessary.

In 2020, SECURE introduced a Supplier Code of Conduct to establish standards and principles with respect to labour and human rights, business ethics, health and safety, environmental sustainability, and stakeholder engagement for our vendors, contractors and consultants. The Corporation expects all suppliers to adhere to this Supplier Code of Conduct.

### *Putting the Health and Safety of our People and the Public Above All Else*

SECURE is committed to fostering a strong safety culture that prioritizes the well-being of employees, contractors, consultants, and the public. Our goal is simple: everyone goes home safe every day. This commitment is embedded in SECURE's Health and Safety Policy, which outlines our philosophy of care, competency, compliance, and continuous improvement. We ensure that all personnel receive the necessary training, resources, and development opportunities to safely perform their work while striving to exceed compliance with applicable laws, regulations, and industry best practices.

SECURE's Health and Safety program is built on four critical principles:

- Situational Awareness – Encouraging vigilance and proactive risk identification.
- Ownership – Empowering employees and contractors to take responsibility for safety.
- Accountability – Ensuring adherence to safety policies and expectations.
- Sharing of Learnings – Promoting continuous improvement through knowledge exchange.

To address high-risk activities, SECURE developed the 8 Life Saving Rules, which are fully integrated into our safety management system. In July 2022, we implemented a company-wide Health, Safety, and Environment Management System (HSEMS), consisting of 14 elements that define operational safety requirements and organizational responsibilities. The system incorporates industry-leading best practices, including standardized forms, templates, codes of practice, and guidelines.

In June 2024, an independent HSEMS audit was conducted using the Certificate of Recognition (COR) Audit Protocol, resulting in an overall score of 88%. To further enhance safety performance, worksite-specific audit summary reports were introduced, enabling each operations team to establish site-specific safety goals and improvement targets. These initiatives, combined with corporate safety goals, ensure a targeted and measurable approach to safety enhancement.

In 2022, SECURE launched Journey to Zero, an internal program designed to drive safety culture transformation. This initiative complements our HSEMS by increasing engagement and reinforcing expectations across all levels of the organization. Journey to Zero supports the shift towards a self-sustaining, values-driven safety culture, where continuous improvement is ingrained in daily operations.

A strong safety culture depends on effective training and competency development. SECURE provides both corporate and field personnel with the knowledge they need to make sound safety decisions. Core training includes first aid, fire prevention, and confined space entry, while competency-based training is delivered through the Training and Retention Competency Program (TRAC) for field employees. This approach ensures that employees are not only trained but also competent in applying their safety knowledge in real-world scenarios.

To minimize risk to our business, stakeholders, and the environment, SECURE has established a comprehensive Emergency Response Program (ERP). In 2023, we developed or updated 103 site-specific ERPs for our Waste Processing Facilities, Production Chemicals, and Metals Recycling operations. Additionally, we maintain a core All Risks and Hazards ERP, ensuring a standardized response framework across all locations. Employees are trained on their specific ERPs through regular practice scenarios and training exercises to ensure readiness and identify areas for continuous improvement.

In 2022, SECURE expanded its safety performance metrics by introducing proactive indicators to complement traditional reactive measures. These metrics include:

- Reactive Indicators: Lost Time Injury Rate (LTIR), Total Recordable Injury Rate (TRIR), and Motor Vehicle Incident Rate (MVIR).
- Proactive Indicators: Serious Incident or Fatality Potential (SIF(P)), Hazard Identification, Safety Stand-Up Meetings, and Inspections.

SECURE mitigates safety risks associated with safety-sensitive contractors by using a third-party screening platform. This system verifies that contractors:

- Meet minimum safety requirements before performing work for SECURE.
- Have adequate safety programs and protocols in place to comply with all regulatory and operational requirements.

Contractors who meet the screening requirements receive a “compliant” status, allowing them to operate at SECURE locations. Contractors who do not meet the requirements must submit a safety improvement plan, which is reviewed and approved by SECURE’s Health and Safety team and a senior operations leader before they can be engaged. This ensures that only qualified and safety-conscious contractors are permitted to work on our worksites.

The Board is committed to the health and safety of SECURE’s personnel and the public. As part of its governance responsibilities, the Board monitors compliance with SECURE’s key policies, including the Health and Safety Policy. Additionally, in consultation with the Environment, Social, and Governance (ESG) Committee, the Board oversees the identification, assessment, and management of ESG risks, including those related to health and safety.

The ESG Committee plays a critical role in oversight of safety, health, security, and operational risk management programs. This includes reviewing emergency response plans, monitoring internal controls, and assessing management systems that address key risks in health, safety, and sustainability. The ESG Committee also receives regular updates from management on ESG performance, ensuring alignment with SECURE’s formalized ESG targets, including safety-specific goals.

To drive continuous improvement, SECURE monitors and analyzes safety statistics to benchmark performance, set strategic targets, and identify opportunities for enhancement. The Corporation is also advancing its approach to leading safety metrics, shifting towards a more proactive strategy for incident prevention.

## ***Mitigating and Minimizing the Environmental Impacts of our Operations***

### ***Climate Change***

SECURE recognizes that addressing climate change requires collective action from industry, government, and society. We aim to reduce our operational emissions while also supporting our customers in meeting their own emission reduction targets.

Our operations generate greenhouse gas (GHG) emissions through the use of electricity, natural gas, and fuel to operate our fleet. Additionally, some facilities emit fugitive emissions, contributing to our overall GHG footprint. Our largest use of natural gas is for heating processing facilities and blanketing storage tanks—a safety measure that displaces oxygen to reduce flammable vapor risks. When new fluids enter storage tanks,

the natural gas blanketing each tank is diverted to the tank vapor gathering system, where it is combusted, producing CO<sub>2</sub>.

To formalize our commitment, SECURE introduced its Climate Action Plan in 2022, focusing on energy efficiency and emissions reduction. Climate considerations are now integrated into our business strategy, risk management, and daily operations.

SECURE actively participates in industry initiatives to manage and reduce GHG emissions while seeking business opportunities that support our customers' emission reduction goals. As we continue to expand and enhance our services, our Corporate Sustainability Strategy provides a roadmap to help us achieve our long-term emission reduction targets.

Our efforts began with a focus on understanding emission data, improving efficiency, and developing reduction programs. In 2022 and 2023, SECURE implemented a GHG data management system to streamline data collection, reporting, and analysis. This initiative aligns with our broader corporate strategy of digitizing and optimizing business processes.

The system enables effective quantification and management of emissions across SECURE's diverse operations, improving monitoring, data accuracy, and reporting. These advancements help us identify targeted emission reduction opportunities and establish additional short- and medium-term goals to support our long-term climate commitments.

SECURE plans to leverage its GHG data management system to evaluate projects based on their ESG benefits, incorporating emissions reductions into cost modeling and decision-making. We remain committed to clear and transparent climate reporting, with our updated Task Force on Climate-Related Financial Disclosures (TCFD) report set for release in 2025.

To further strengthen our climate strategy, SECURE will continue to assess the financial impacts of climate-related risks and opportunities. This includes incorporating both physical and transitional risks into our operations, development, and acquisition plans. The materiality of climate risks will be regularly reviewed by key stakeholders and the leadership team to ensure that priorities remain aligned with our long-term sustainability objectives.

### *Water Usage*

SECURE is committed to responsible water management, striving for the efficient use of water while considering environmental impact. Many of our processing facilities operate water source wells to supply fresh or brackish groundwater for operational needs such as process makeup, flushing, washing, and office sanitation. Additionally, some facilities utilize trucked-in municipal water or surface water from on-site storage ponds, in full compliance with applicable water use regulations.

Water is essential to SECURE's operational activities, including chemical processes, vacuum truck washouts, dust control, maintenance, and cleaning. To reduce overall consumption, we prioritize using poor-quality and non-potable water sources whenever feasible. We also implement water efficiency measures to improve sourcing and discharge processes, reducing dependence on freshwater supplies.

Recognizing the need for enhanced water management, SECURE launched a series of initiatives in 2022, beginning with a short-term target to reduce freshwater usage by 5%. As part of this effort, we enhanced data collection, management, and measurement systems, creating digital dashboards to track progress. These tools empower our operations personnel to leverage data insights and develop strategies to further reduce water consumption within their facilities.

SECURE employs a comprehensive water management strategy based on the reduce-reuse-release principle, which focuses on limiting water consumption through efficiency improvements, enhancing water reuse to decrease freshwater demand, mitigating water contamination risks to protect water quality, and referencing best practices for returning water to the natural cycle. This approach facilitates the responsible use of water across our operations while supporting long-term environmental sustainability objectives.

Additionally, SECURE strives to preserve freshwater availability within local communities by evaluating investments in innovative technologies and considering the adoption of industry-leading practices.



Looking ahead, we continue to seek opportunities to enhance our water management practices, leverage data-driven insights, and explore sustainable solutions to facilitate efficient and responsible water use across our operations.

### *Waste Generation*

SECURE's processing facilities are designed to maximize hydrocarbon recovery, reduce water and solid waste, and mitigate environmental impact, ultimately adding value for customers while extending the lifespan of disposal wells and landfills. Our facilities utilize heat, additives, retention time, and specialized physical separation equipment to separate incoming fluids into water-based, oil-based, and solid streams. After processing, the recovered materials are managed as follows:

Recovered oil is shipped to market, while residual water-based fluids are permanently injected into disposal wells, supporting safe and responsible disposal. Solids generated from processing are stored on purpose-built solids pads, where they undergo additional treatment to maximize hydrocarbon recovery, remove contaminants, and minimize fluid content before being transported for disposal at an approved landfill.

A portion of the solids from SECURE's operations are classified as hazardous waste, requiring specialized handling. These materials are safely transported and disposed of at SECURE's Pembina Area Landfill, which is approved for hazardous waste disposal.

### *Asset Retirement Obligations and Land Use*

As a proponent of environmental stewardship, we aim to execute sustainable asset development throughout an asset's lifecycle. Our goal is to meet or exceed regulatory requirements and return disturbed land to an equivalent pre-disturbance land capability or to meet the environmental criteria required for its next intended use.

### *Environmental Business Opportunities*

SECURE is in a unique position to help reduce the environmental impact, including emissions, from our customers' operations. Our strategy is to continue challenging what is possible for our customers by providing innovative solutions that help reduce costs and emissions associated with delivering energy responsibly to the world. Consistent with our growth strategy outlined above, this includes:

- Building oil and water pipelines that connect customer production to SECURE processing facilities, reducing the GHG emissions associated with trucking;
- Consolidating volumes from multiple producers in fit for purpose facilities, reducing our customers' capital requirements and the overall environmental impact of waste processing infrastructure;
- Offering cost effective waste recycling options in addition to disposal options when viable; and
- Providing scrap metals recycling services.

SECURE is committed to mitigating the impacts of climate change by reducing our emissions and providing services that support our customers in transitioning to a lower carbon economy. We see many transformation and technology opportunities on the sustainability path, including:

- **Optimizing Our Fleet** – SECURE is monitoring and evaluating our heavy equipment and transport fleets to identify opportunities to reduce fuel consumption. We are also exploring the use of alternative fuels for use in both fleet trucks and heavy equipment.
- **Industry and Service Diversification** – we strive to continuously improve and diversify our business by seeking new opportunities that complement our existing service offerings and further assist our customers in meeting their climate action plans. Many of SECURE's business segments provide services to diversified industry sectors including oil and gas, industrial infrastructure, mining, and municipal sectors.

### *Managing the Integrity of our Processing Facilities and Pipelines*

SECURE's asset integrity management programs are an important component of protecting the environment and the health and safety of the communities in which we operate. These programs are embedded into every stage of the asset lifecycle, beginning at the engineering and design phase and continuing through construction, operation, and eventual decommissioning.

The regions where SECURE operates are governed by some of the world's most stringent environmental regulations, overseeing the entire life cycle of energy infrastructure assets. Our integrity management programs are designed to meet or exceed the regulatory requirements applicable to us and seek to facilitate proactive management, safety, reliability, and longevity across our waste processing infrastructure. These programs incorporate advanced systems, processes, analysis, and documentation to uphold environmental and operational standards.

SECURE's operations involve handling production fluids at our waste processing facilities and providing fluid management services at customer sites. To reduce environmental impact and prevent spills, SECURE reintroduced the "Every Drop Matters" campaign in 2022 within our waste processing operations. This initiative reinforces how every employee and contractor plays a role in spill prevention and limiting environmental impacts, ultimately supporting our social license to operate. The program emphasizes timely and consistent spill reporting, asset integrity management, fluid transfer protocols, operating procedures, and site engineering and design to support best practices in environmental protection.

In the event of a reportable spill, SECURE conducts a comprehensive investigation to determine the root cause and implement preventative measures to mitigate future occurrences and limit environmental impact.

### *Creating Positive Relationships with Stakeholders in the Communities Where We Live and Work*

Building lasting, positive relationships with stakeholders in the communities where we operate is critical to SECURE's success, providing us social license to conduct our business where we live, work and play. SECURE proactively engages with stakeholders to create an open and transparent dialogue to gain a better understanding of the issues most important to them and works together with stakeholders to address these issues in a respectful, collaborative and inclusive way. SECURE is committed to continuing to build and maintain relationships that will create mutually beneficial relationships within our communities. The following fundamental components form the Corporation's Stakeholder Relations program:

- Empowering our people;
- Early and frequent engagement;
- Respecting diverse cultures;
- Understanding the community;
- Creating outreach and education opportunities and building capacity;
- Seeking and responding to feedback; and
- Training our people.

The Corporation has developed a reputation as a good neighbour by delivering on our commitments and sharing success with the local communities where we operate. This is achieved through both economic and social development support and community investment programs, including partnerships, sponsorships and charitable programs guided by our four pillars of charitable giving:

- **Health & Safety:** Safety is an essential piece of our values. We invest in programs that support the health and safety of our employees and the communities where we live and work.
- **Environmental Stewardship:** As an environmentally-centred organization, we seek opportunities to invest in charitable initiatives that protect and conserve the environment.
- **Education & Training:** Education and training is a building block for the future, and we believe the empowerment and employment of future generations will benefit us all.

- Youth Development: Development and empowerment of younger generations is critical in supporting their path to personal and economic success.

### *Indigenous Peoples Consultation, Claims and Relationships*

SECURE recognizes that Indigenous Peoples hold Aboriginal and treaty rights, including asserted or established title, over significant portions of land in Western Canada. We are committed to respecting these rights and interests by fostering respectful, long-term relationships with Indigenous communities. Our approach emphasizes early and ongoing engagement, allowing us to proactively address concerns, identify opportunities, and strengthen partnerships with local Indigenous groups.

A key aspect of SECURE's commitment is the promotion of socio-economic opportunities for Indigenous communities, including business partnerships, employment, and capacity-building initiatives. Since our inception in 2007, we have actively collaborated with Indigenous businesses and communities to support local economic development. In 2020, we formalized this commitment by publishing our Indigenous Relations Policy, reinforcing our dedication to meaningful consultation and economic inclusion.

SECURE has developed a formalized framework to guide our Indigenous engagement efforts, built on three key pillars:

1. Respectful Community Engagement – Fostering open communication and collaboration with Indigenous communities.
2. Employment, Capacity Building and Community Investment – Providing training, employment, and career development opportunities.
3. Economic Inclusion and Capital investment – Establishing partnerships, joint ventures, and equity participation with Indigenous businesses.

Since 2018, SECURE has dedicated resources to our Indigenous and stakeholder relations program, supporting proactive relationship-building efforts.

SECURE's Indigenous Relations Policy aligns with the Canadian Council for Indigenous Business (CCIB) definition of Indigenous Business ownership and incorporates specific measures to support Indigenous participation in our supply chain. These include:

- Preferential selection of Indigenous and local vendors that meet SECURE's business and safety requirements, with increased weight in the competitive selection process.
- Strengthening company-to-community and business-to-business relationships to build long-term capacity, with the goal of awarding more work over time.

SECURE has continuously evolved its Indigenous Relations program, achieving key milestones towards Partnership Accreditation in Indigenous Relations (PAIR) accreditation through the CCIB. The four PAIR pillars—Leadership Actions, Indigenous Employment, Business Development, and Community Relationships—provide a structured framework for expanding and enhancing our Indigenous engagement initiatives. This certification process encourages us to explore diverse ways to engage with Indigenous communities, deepen our understanding of Indigenous culture, and strengthen long-term partnerships.

To further support Indigenous business development and community engagement, SECURE maintains active memberships with:

- Canadian Council for Indigenous Business (CCIB)
- Circle for Aboriginal Relations (CFAR)
- Northeastern Alberta Aboriginal Business Association (NAABA)

## INDUSTRY FACTORS

The following industry factors impact the Corporation.

### **Market for Services**

The Corporation's Waste Management and Energy Infrastructure segments largely share the same customer base consisting primarily of oil and gas producers, mining, transportation, forestry, utility, construction and property development companies as well as various governmental organizations. Most of the Corporation's operations and customers are located in Western Canada. The Waste Management segment also has facilities located in North Dakota. Approximately 5% of the Corporation's revenue (excluding oil purchase and resale) was generated in the U.S. in 2024 compared to 3% in 2023.

### **Waste Management Segment**

Demand for third party waste processing infrastructure solutions is largely dependent on oil and natural gas customers outsourcing these needs. In recent years, the volatility of the oil and gas sector has resulted in oil and gas customers increasing financial and capital discipline as they strive for resiliency and free cash flow generation through volatile commodity price cycles. SECURE works transparently with customers to identify opportunities where we can provide innovative solutions that help our customers reduce costs, emissions and waste, and invest their capital where it generates the highest returns.

The maturation of the WCSB and the increasing number of wells in production, and the complexity of these wells, drives growth in demand for our waste processing infrastructure solutions. Concentrated pad drilling with multiple wells creates large, centralized volumes and have improved the economics of building pipelines to connect production volumes to facilities.

Completion fluids and processing volumes are also elevated as high intensity fracs continue to be applied in shale reservoirs like the Montney and Duvernay formations. The increased use of proppants, the number of completion stages and length of the horizontal wells are all factors that produce more by-products that require treatment and disposal.

#### *Landfill Disposal*

The demand for our industrial landfills is linked to the oil and gas sector's operational dynamics and environmental regulations. As exploration and production activities are necessary to meet global energy needs, the generation of waste materials—ranging from drilling muds and cuttings to contaminated soils—necessitates disposal solutions. Industrial landfills designed to accommodate such wastes play a critical role, ensuring that the byproducts of oil and gas extraction processes are managed in an environmentally responsible manner. This demand is further amplified by stringent regulatory frameworks that mandate the safe disposal of hazardous materials to protect soil, water, and air quality. Moreover, the push towards more sustainable practices within the industry has led to an increased focus on landfills that not only offer disposal solutions but also prioritize waste minimization and recycling efforts. Consequently, as the oil and natural gas industry continues to evolve, the need for specialized industrial landfills is expected to grow, reflecting the sector's commitment to environmental stewardship and regulatory compliance.

#### *Transfer Stations*

SECURE provides collection, consolidation, recycling, and disposal services through its network of waste transfer stations to a diverse range of energy, industrial, commercial, and institutional clients across Western Canada. Demand for these services is influenced by activity in the oil and gas, energy, and mining sectors, as well as petrochemical production, infrastructure development, construction, and decommissioning projects. Additionally, evolving regulatory requirements and policy changes such as stricter waste disposal regulations and implementation of sustainable waste management practices and recycling initiatives are driving the need for increased waste sorting and diversion at transfer stations. SECURE's waste transfer stations serve as key operational hubs for field service operations whose experience with waste regulations, classification and transportation of dangerous goods support client regulatory compliance and risk management. The growing demand for onsite waste management expertise drives expansion in SECURE onsite field operations and

collection services, resulting in increased waste volumes through transfer stations, waste processing facilities and landfills.

### *Metals Recycling*

SECURE provides full service ferrous and non-ferrous recycling to a wide range of oil, gas, mining, and industrial and manufacturing clients throughout Alberta, Manitoba, Saskatchewan and southeastern British Columbia. The demand for metals recycling services has seen a continued increase, driven by a growing recognition of the environmental, economic, and social benefits of recycling metals over sourcing various materials. This growing demand is fueled by industries ranging from automotive to construction, which rely on recycled metals for their sustainability goals and cost-efficiency. Recycling metals reduces the need for mining, conserves energy, and decreases greenhouse gas emissions, aligning with global efforts to combat climate change and promote circular economies. Additionally, technological advancements and stringent environmental regulations have further bolstered the metals recycling sector, making it an integral part of waste management and resource conservation strategies. The increasing consumer awareness about the environmental impacts of their choices has also played a crucial role in elevating the demand for recycling services. As a result, metals recycling has become a dynamic industry, characterized by innovation and a commitment to sustainable development.

SECURE is impacted by commodity price fluctuations in the pricing of metals. These prices are influenced by global supply and demand trends, economic conditions including tariffs, and specific industry dynamics, making the metals recycling industry highly responsive to fluctuations in the market value of recycled metals.

### *Specialty Chemicals*

Production chemicals in the oil and natural gas industry are essential for enhancing the efficiency, safety, and longevity of oil and gas extraction and production processes. These chemicals serve a variety of purposes, including flow assurance, corrosion control, emulsion breaking, and enhanced oil recovery. Once a well begins production, equipment and chemical solutions for production services are employed to enhance output, ensure continuous flow, and preserve the condition of production facilities. With the trend of wells becoming longer and deeper due to horizontal drilling, there is a corresponding rise in the need for additional chemicals. Moreover, the growing amount of water in the fluids extracted poses challenges for oil and gas extraction companies, necessitating the use of chemicals to address these issues. Typically, as oil wells mature, the proportion of water to hydrocarbon in the extracted fluid increases, often leading to a greater reliance on chemical treatments.

Demand for drilling fluids and fluids and solids equipment is closely correlated with the overall oil and natural gas drilling activity and the related capital budgets of oil and gas producers. In recent years, oil and gas producers have been directing a larger percentage of capital to resource plays that are often drilled deeper with increasingly longer horizontal sections. Deep wells and other technically complex wells, including wells drilled horizontally, require sophisticated drilling fluid systems, a high level of drilling fluid expertise and technical support.

The combination of increased depth and complexity of wells being drilled has led to an increase in the cost to drill and complete wells. Effective drilling systems can significantly reduce costs and improve recovery economics for oil and gas producers. Properly designed drilling fluid systems can reduce the time to drill by increasing wellbore stability as well as maximize recovery from the reservoir by minimizing formation damage.

### *Energy Infrastructure Segment*

#### *Energy Infrastructure*

SECURE offers storage, terminal services, and pipeline transportation for oil across major resource locations in Western Canada, North Dakota, and Oklahoma. Our energy infrastructure creates a pathway from production sites to market hubs in Western Canada, assisting our clients in bringing their products to the market efficiently.

### *Oil purchase and resale*

Volatile price differentials experienced in prior years caused by limited pipeline capacity as supply growth outpaced takeaway capacity has created additional opportunities for crude oil storage as producers continue to seek flexibility to optimize the price per barrel of oil sold and transporting their product to market.

## **Competition**

### *Waste Management Segment*

SECURE's Waste Infrastructure differentiates itself from competitors by its geographical locations, working transparently with customers to understand their operational requirements and strives to form long-term partnerships with customers to share the risks and benefits associated with owning and operating environmental waste management infrastructure.

The Corporation's competition for waste processing and disposal includes oil and gas producers who manage their own treatment and disposal requirements and third-party volumes at their facilities. SECURE's business is dependent on the willingness of its customers to outsource their waste management and other environmental services generally, and to SECURE specifically, rather than to its competitors.

SECURE closed the Sale Transaction to sell the facilities formerly owned by Tervita that were ordered to be divested by the Tribunal (see "*General Development of the Business*"). Following the Sale Transaction, Waste Connections subsidiary R360 is positioned as a notable competitor in the market.

The industrial waste and transfer station business is highly competitive, with major competitors operating as vertically integrated entities that control the waste stream from collection to final disposal. SECURE's growth strategy focuses on expanding its position in the waste value chain through full integration of waste management services, strategic capital investments, and acquisitions. By leveraging organic growth and enhancing service capabilities, SECURE aims to strengthen its competitive position and increase market share within the industry.

North America's recycling and steel industry is becoming more competitive with the commissioning of new Electric Arc Furnace ("**EAF**") steel mills in North America. Since the EAFs will rely solely on scrap metal as feedstock, there will be increased demand for recycled scrap from Western Canada. The new EAF equipped mills will be looking to pull recycled metals from across North America and the current coal-based steel mills will continue to pull and compete for the same volumes increasing demand throughout the industry. Increase in demand should cause pricing to increase and we expect to see offshore sales of recycling scrap be pulled into the U.S. interior rather than export in a non-tariff environment. However, the implementation of tariffs could result in more domestic or offshore sales.

The production chemicals business is a very competitive and a highly consolidated industry in North America. SECURE's organic growth and acquisitions, have created a complete suite of proven production chemical solutions, providing SECURE with economies of scale and efficiencies.

The drilling fluids business operates in a competitive market with approximately 11 drilling fluid companies in the WCSB. Competition is driven by factors such as pricing, product quality, technological innovation, and technical expertise. SECURE differentiates itself through specialty fluids that enhance productivity, reduce drilling costs, and address environmental and downhole challenges, including water/oil separation and wellbore ballooning. Maintaining state-of-the-art technology, superior customer service, and integrated solutions is essential to sustaining our competitive position.

### *Energy Infrastructure Segment*

For crude oil terminalling, storage and transportation, competition is based on location, connectivity of assets and the range of services provided. Significant competitors include pipeline companies (Pembina Pipeline Corporation, Plains Midstream Canada ULC, and Inter Pipeline Ltd. (Brookfield)), other energy marketing companies (Gibson Energy Inc., Tidal Energy Marketing Inc., Trafigura Canada General Partnership, Shell Canada and Macquarie Group Limited).

## Seasonality of Operations

In Western Canada, the level of activity is influenced by seasonal weather patterns. As warm weather returns in the spring, the winter's frost thaws (commonly referred to as "spring break-up"), rendering many secondary roads incapable of supporting heavy loads. As a result, road bans are implemented, prohibiting the transportation of heavy loads in certain areas. This limits the movement of heavy equipment, and the transportation of heavy waste loads is restricted, leading to smaller loads and a general reduction in the volume of waste delivered to SECURE's facilities. Accordingly, while the Corporation's facilities remain open and accessible year-round, spring break-up reduces the waste volumes received and specialty chemical sales. The second quarter has generally been the slowest due to spring break-up. These seasonal trends typically lead to quarterly fluctuations in operating results and working capital requirements, which should be considered in any quarter-over-quarter analysis of performance.

Connecting volumes by pipeline from customer sites to SECURE's facilities will help reduce the impact of seasonality on the Waste Management segment's business.

For rail services, the impact of rapid temperature fluctuations on rail infrastructure experienced in the first and fourth quarters of each year generally causes increased activity and project work.

## Regulatory Environment

In each market that the Corporation operates, the oil and natural gas and environmental services industries are subject to a complex and increasingly stringent array of laws addressing the actual and potential environmental impacts inherent to the business, including laws governing waste management, reclamation and remediation and the blending, storage, transportation, use and handling of fluids used in oil and gas drilling and completion operations.

### Canada

Both federal and provincial environmental legislation exists in Canada. Federal legislation generally governs activities that cross provincial boundaries or are national in scope. Provincial environmental legislation generally governs environmental issues within their provincial jurisdiction, with the provinces having primary responsibility for regulating activities conducted by the environmental services sector and for issuing permits for environmental facilities. Principal federal legislation includes the *Canadian Environmental Protection Act 1999* and the *Transportation of Dangerous Goods Act 1992*.

The Corporation and our customers are subject to a variety of regulations applicable to the treatment and disposal of oilfield waste. In Alberta, all aspects of oilfield waste management are regulated, primarily by the AER and Alberta Environment and Protected Areas. The AER regulates under the following relevant legislation: the *Responsible Energy Development Act*, the *Oil and Gas Conservation Act*, the *Oil Sands Conservation Act*, the *Environmental Protection and Enhancement Act*, the *Water Act*, the *Public Lands Act*, and the *Pipeline Act*. AEP regulates all of SECURE's landfills and hazardous waste facilities under Alberta's *Environmental Protection and Enhancement Act*, the *Waste Control Regulation* and the *Activities Designation Regulation*.

In British Columbia, the primary regulatory bodies are the BCER and the British Columbia Ministry of Environment and Climate Change Strategy. Following amendments in 2022, the BCER is the single-window regulator under British Columbia's *Energy Resources Act*, the *Petroleum and Natural Gas Act*, and the *Environmental Management Act*. The 2022 amendments also expand the BCER's mandate to act as the single-window regulator for the production of hydrogen, ammonia and methanol, and having an expanded role in carbon capture and storage. The British Columbia Ministry of Environment and Climate Change Strategy administers the *Environmental Management Act*.

In Saskatchewan, regulatory authority is split between two ministerial jurisdictions. The Saskatchewan Ministry of Energy and Resources regulates the exploration, development, production, and management of oil and gas within the province by administering *Saskatchewan's Oil and Gas Conservation Act*. The Saskatchewan Ministry of Environment regulates environmental standards within the province through the administration of a number of Saskatchewan's provincial acts including: *The Environmental Management and Protection Act* and *The Environmental Assessment Act*, among others.

Environmental legislation in the province of Manitoba is, for the most part, set out in Manitoba's *The Environment Act* and *The Oil and Gas Act*, which are administered by Manitoba's Department of Environment, Climate and Parks and Manitoba Natural Resources and Northern Development, respectively.

In addition, the regulatory environment governing the Corporation's crude oil processing, treatment, terminalling and crude oil marketing services establishes well defined reporting requirements for volumes produced from each well and the tracking of those volumes through to the final sale point. These reporting requirements are established by the applicable provincial government in order to track royalty payments and are required by customers to ensure proper allocations of revenue in joint venture operations and to track volumes.

These provincial environmental regulations include requirements for oilfield waste management that deal with environmental protection, liability management, waste characterization and classification, waste manifesting and tracking, waste management facility design, application requirements and acceptable waste disposal options. These regulations strongly influence the permitting, design, construction, operation and reclamation of waste management facilities.

Transportation of petroleum products and hazardous waste are subject to regulation under the *Transportation of Dangerous Goods Act, 1992* and the *Transportation of Dangerous Goods Regulations* ("**TDG**") legislation in Canada. Key pieces of Canadian legislation pertaining to transporting crude oil and condensate by rail include:

- *Consignor of Petroleum Products* – Under TDG legislation, the Corporation may, in certain circumstances, be considered a consignor of the petroleum products that it ships or that are shipped on our behalf. As a consignor, the Corporation is responsible for determining the classification of the product, preparing the required shipping documents, selecting the appropriate means of containment, and ensuring that the product is properly loaded, labelled and placarded, among other responsibilities.
- *Emergency Response Assistance Plan ("**ERAP**")* – TDG legislation requires parties importing, offering for transport, and in certain circumstances, handling or transporting certain dangerous goods to have an approved ERAP in place. An ERAP is intended to ensure that specialized emergency response personnel and equipment are available in a timely manner, in order to assist and/or supplement primary emergency responders responding to an incident. The Corporation has an ERAP in place for all the Class II and III products that it imports, handles or transports.
- *Rail Car Specifications* – Class 3 Flammable Liquids transported by rail, including crude oil and condensate, must be transported in railcars meeting prescribed requirements set out in the TDG legislation. The Corporation leases all flammable liquids rail cars to ensure that they meet current rail car specifications.

The Kerrobert Light Pipeline System and East Kaybob Pipeline System meet all design and operating specifications under the Canada Energy Regulator's oil and gas pipeline safety standard (CSA-Z662-15). The Kerrobert Light Pipeline System is provincially regulated by the Saskatchewan Ministry of Energy and Resources and the East Kaybob Pipeline System is provincially regulated by the AER.

### *GHG Emissions*

Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. These measures have the potential to significantly affect the future of the oil and natural gas industry in Canada. These impacts are uncertain and it is not possible to predict the extent of future requirements. Any new laws and regulations (or additional requirements to existing laws and regulations) could have a material adverse impact on SECURE's business, financial condition, results of operations and prospects.



### *The Greenhouse Gas Pollution Pricing Act (“GGPPA”)*

Canada’s GHG regime is enacted pursuant to the GGPPA, which has two parts: the OBPS and a regulatory fuel charge (the *Fuel Charge*) imposing an initial price of \$20/tonne of carbon dioxide equivalent (CO<sub>2e</sub>). This system applies in provinces and territories that request it and in those that do not have their own emissions pricing systems in place that meet the federal standards. The effect of the GGPPA is that, regardless of whether a particular province has enacted legislation of its own, there is a uniform price on emissions across the country. In accordance with the HEHE Plan, the price on carbon is set to increase annually at a rate of \$15/tonne of CO<sub>2e</sub> per year commencing in 2023 through to 2030. The federal government established strengthened minimum national standards (the *Federal Benchmark*) for 2023 to 2030, which includes the requirement that all jurisdictions establish systems that align with the federal carbon pricing trajectory and benchmark requirements to 2030. The systems will remain until 2027. The minimum carbon pollution price for 2024 is \$80/tonne of CO<sub>2e</sub>, increasing to \$95/tonne of CO<sub>2e</sub> on April 1, 2025.

The constitutionality of the GGPPA was challenged by several jurisdictions, with the SCC ultimately upholding its constitutionality. Any province or territory has the flexibility to design their own pricing system, so long as it meets the minimum national stringency standards or Federal Benchmarks. Currently the provincial systems, together with the Fuel Charge apply in each of Alberta, Saskatchewan, Ontario, New Brunswick, Nova Scotia and Newfoundland and Labrador. The provincial plans in each of British Columbia, Québec and the Northwest Territories apply in full in those jurisdictions while the OBPS and Fuel Charge apply in each of Yukon, Nunavut, Manitoba and Prince Edward Island. For so long as the provincial systems in Alberta (under the *Technology Innovation and Emissions Reduction (TIER)* regulation), British Columbia and Saskatchewan meet the federal stringency standards for the emissions they cover, these systems will continue to apply, with the backstop covering those emissions not covered by the provincial systems, as applicable.

### *Net-Zero Emissions Accountability Act*

On June 29, 2021, the Canadian *Net-Zero Emissions Accountability Act*, received royal assent and established Canada's federal framework, which legally binds the federal government to a process to achieve net-zero emissions by 2050. The legislation also sets rolling five-year emissions-reduction targets (starting in 2030) and requires emissions reduction plans to reach each target on a reporting basis and enshrines greater accountability and public transparency into Canada's plan for meeting net-zero emissions by 2050 by providing for independent third-party review by the Commissioner of the Environment and Sustainable Development. While the *Canadian Net-Zero Emissions Accountability Act* does not impose direct emission reduction obligations on our operations in Canada, it signifies the Canadian federal government's commitment to achieve GHG emissions reductions.

### *Methane Emissions*

Pursuant to the Government of Alberta’s Emissions Reduction and Energy Development Plan that was published in April 2023, Alberta has committed to reduce methane emissions from upstream oil and gas operations by 45% (related to 2014 levels) by 2025. In November 2023, it was announced that Alberta had achieved its goal of reducing methane emissions by 45% by 2025, years ahead of schedule.

In support of its methane emissions reduction goals, as initially set out in Alberta’s 2015 Climate Leadership Plan the Government of Alberta enacted the Methane Emission Reduction Regulation on January 1, 2020, and the AER simultaneously released an updated edition of Directive 060: Upstream Petroleum Industry Flaring, Incinerating and Venting ("**Directive 060**"). The release of the updated Directive 060 complements a previously released update to Directive 017: Measurement Requirements for Oil and Gas Operations ("**Directive 017**") that took effect in December 2018. Both Directive 060 and Directive 017 were subsequently amended in the spring of 2022. The revisions to Directive 060 include reduced carbon levies in economic evaluations of gas conservation projects, revised measurement and reporting requirements to ensure consistency with the definitions in Appendix 2 and amended vent gas limits for certain applications beginning in 2022, as well as amended exemptions for the overall vent gas limit and defined vent gas limit. The revisions to Directive 017 include lengthening the duration required to test gas production at heavy oil and crude bitumen batteries (not including thermal in situ facilities) from 24 hours to 72 hours, starting in 2023. The

revisions apply to SECURE's processing facilities; but have not had a significant impact to our operations as each of our facilities are well below the overall and defined vent gas limits prescribed in Directive 060.

### *Impact Assessment Act*

In February 2018, the federal government introduced a new piece of legislation (Bill C-69) which, among other things, overhauled the Federal Environmental Assessment process, which are now called Impact Assessments. Changes included a new *Impact Assessment Act*, which came into force in August 2019 and replaced the *Canadian Environmental Assessment Act* and a new Impact Assessment Agency of Canada, which replaced the Canadian Environmental Assessment Agency. For major projects including interprovincial pipelines, the Impact Assessment Act broadens the scope of the assessment considerations beyond the environment to expressly include health, economic, social and gender impacts, as well as considerations related to sustainability and Canada's climate change commitments. In response to the publication of the Impact Assessment Act, the Government of Alberta submitted a reference question to the Alberta Court of Appeal regarding its constitutionality. On May 10, 2022, the Alberta Court of Appeal released its opinion stating that the Impact Assessment Act went beyond the federal Parliament's constitutional authority and reached into areas of exclusive provincial authority. The federal government appealed the Alberta Court of Appeal's opinion to the Supreme Court of Canada (or "SCC"). The SCC held the hearing in March 2023.

On October 13, 2023, the SCC ruled that the "designated projects" scheme set out in the Impact Assessment Act and its accompanying regulations were unconstitutional. However, the SCC reached a unanimous decision affirming the constitutional validity of the section within the Impact Assessment Act that pertains to projects conducted or funded by federal authorities on federal lands or abroad. The SCC found that "designated projects" scheme under the Impact Assessment Act was unconstitutional as it was seen as overreaching federal authority. This portion of the Impact Assessment Act was criticized for regulating entire projects, rather than focusing solely on areas falling under federal jurisdiction.

This decision has significant implications for the development of natural resources, energy and infrastructure projects in Canada. While the federal government works to bring the Impact Assessment Act into compliance with the guidance as set out by the SCC, the Impact Assessment Act ("**Interim Guidance**") was enacted, and will remain in place until the Impact Assessment Act is amended. During this interim period, the federal government will not be using its discretionary process to designate projects under the Impact Assessment Act until the legislation has been revised. The Federal Minister of Environment announced it will work with the provinces and Indigenous groups to ensure the impact assessment process works for all. The revisions to the Impact Assessment Act will require that only those projects that can result in adverse federal effects are targeted. Until such time as the revised Impact Assessment Act has been released, proponents must comply with the Interim Guidance, and it is unknown the potential effects that the Interim Guidance or the revised Impact Assessment Act may have on the development of natural resources, energy and infrastructure projects in Canada.

The federal government may see additional constitutional challenges to the federal Impact Assessment Act. Late in November 2024, Alberta filed a second reference case to the Alberta Court of Appeal to rule on the constitutionality of the amended Impact Assessment Act. Whether other provinces back Alberta's legal challenges is unclear. Further, the outcome of the upcoming federal election could change Alberta's strategy with respect to these challenges.

### *Oil Tanker Moratorium Act*

The Oil Tanker Moratorium Act (Bill C-48), imposes a moratorium on tanker traffic transporting certain crude oil and NGL products from British Columbia's northwest coast which may prevent pipelines from being built, and export terminals from being located on, the portion of the British Columbia coast subject to the moratorium. The Oil Tanker Moratorium Act was scheduled to undergo a review in 2024 to assess its impacts on the environment, social and economic conditions and Indigenous Peoples. No updates have been identified. The Oil Tanker Moratorium Act could have a material impact on the nature of oil and natural gas operations and the ability of producers to access global markets, which may in turn impact the Corporation, our financial conditions or operating results.

### *Clean Fuel Regulations*

On December 19, 2020, the Government of Canada announced the draft of the *Clean Fuel Regulations*, which came into force in June 2022. The aim of this regulation is (i) to lower the GHG emissions from various liquid fossil fuels by requiring producers or importers of gasoline, diesel, kerosene, and light and heavy fuel oils ("**primary suppliers**") to lower the carbon intensity of such fuels; and (ii) to provide a framework for primary suppliers and those who voluntarily participate in the compliance credit market to create and trade credits to the extent they avoid lifecycle emissions of such fuels. Notwithstanding that compliance requirements only apply to liquid fuels; the *Clean Fuel Regulations* provide a framework for credit creation applicable to gaseous fuels as well. The regulation sets a baseline carbon intensity for each type of liquid fossil fuel, against which the primary suppliers must make annual carbon intensity reductions. Beginning in 2023, the carbon intensity reduction requirement started at 3.5 gCO<sub>2e</sub>/MJ, increasing by 1.5 gCO<sub>2e</sub>/MJ each year until reaching 14 gCO<sub>2e</sub>/MJ in 2030.

### *Proposed Oil and Gas Sector GHG Cap Regulation*

On November 4, 2024, the federal government proposed the Proposed Emissions Cap Regulations. The Proposed Emissions Cap Regulations would establish a cap-and-trade system that would apply to a wide range of industrial activities within the oil and gas sector, including onshore and offshore oil and gas production, oil sands production and upgrading, natural gas production and processing and LNG production. Under the cap-and-trade system, the federal government would determine a maximum threshold for annual emissions and freely issue emissions allowances in an amount equal to the cap. The initial cap would be based on 2026 emissions (attributed according to a formula set out in the Proposed Emissions Cap Regulations). The cap for the first compliance period, from 2030 to 2032, will be 27% below 2026 attributed emission levels for affected facilities. This reduction is anticipated to correspond to a 35% decrease from 2019 emission levels.

By December 31, 2025, operators of all existing prescribed oil and gas facilities would be required to register with the Department of Environment and Climate Change Canada, submit comprehensive annual emissions reports, and undergo independent third-party verification of its emissions data. This reporting threshold applies broadly across the oil and gas sector, which includes monitoring GHG emissions from facilities with significant outputs. Any operators that do not register would be prohibited from emitting GHGs from their industrial activities unless and until registration is completed.

In addition to the emissions-based reporting threshold, any operator producing at or above an annual threshold of 365,000 BOE would be classified as a "Covered Operator." Once classified, operators would be subject to remittance obligations under the emissions cap framework. Every Covered Operator would be required to submit one compliance unit for each tonne of emissions produced. There are three categories of compliance units: (i) emission allowances; (ii) decarbonization units; and (iii) certain GHG offset credits.

The cap-and-trade system as well as the reporting obligations would be phased in over a four-year period from 2026-2029. Annual reporting requirements would involve two separate reports. One report would be required for each reporting GHG attributed to the facility and a second report would be required that describes the cumulative production of an operator based upon all of its facilities. Operators producing 30,000 or more BOE in any month from the beginning of 2024 to July 2025 or those subject to reporting their GHG emissions in 2024 under a subsection 46(1) CEPA notice, must start reporting emissions and production levels for 2026 by June 1, 2027. Operators that do not meet either of these criteria would be required to begin reporting through the submission of an annual report no later than by June 1, 2029, for their 2028 emissions and production levels.

New covered facilities are granted a five-year grace period from the start of their industrial activities before they become subject to remittance obligations under the Emission Cap Regulations. A new covered facility's attributed GHGs are deemed to be zero until January 1 of the year that is five calendar years after the year its industrial activities begin.

This cap-and-trade system has been criticized by provinces and industry on the basis that it amounts to a production cap. The cap-and-trade system could have a material adverse impact on the Corporation's business, financial condition, results of operations and prospects. However, with the prorogation of federal

parliament on January 6, 2025 and the federal election to follow, the future applicability and scope of the Proposed Emissions Cap Regulations is uncertain.

### **United States**

The environmental legal regime in the U.S. is comprised of a variety of federal, state, and local laws which require the Corporation to allocate significant capital related to facility construction, maintenance, compliance and addressing closure through abandonment and reclamation. The environmental and regulatory regimes permit the regulators to require the posting of security and direct the completion of closure or remediation work. As most of the Corporation's U.S. operations and facilities are in North Dakota, the disclosure in this document focuses on the regimes and regulations of these locations; however, it should be noted that the Corporation became subject to oil and gas regulatory and environmental regimes of the state of Oklahoma following the April 2019 acquisition of a 27% interest in a crude storage facility located in Cushing, Oklahoma.

The North Dakota Industrial Commission, through its Oil and Gas Division (“**NDIC**”), is the regulatory agency for oil and gas exploration and production activities in North Dakota. The North Dakota Department of Environmental Quality’s (“**NDDEQ**”) Environmental Health Section has the responsibility to safeguard the quality of North Dakota’s air, land, and water resources. The rules administered by the NDIC are codified in Title 43 (Industrial Commission), Article 43-02 (Mineral Exploration and Development) and Chapter 43-02-03 (Oil and Gas Conservation) of the North Dakota Administrative Code. North Dakota’s Standards of Quality for Waters of the State, Solid Waste Management and Land Protection, and Hazardous Waste Management are administered by the Division of Water Quality and the Division of Waste Management in the NDDEQ’s Environmental Health Section.

### **Asset Retirement Obligations and Asset Integrity**

SECURE estimates costs and projected timing of performing abandonment and reclamation operations associated with the Corporation’s well sites, facilities and landfills. Asset retirement obligations are recorded and reviewed at each reporting period and adjusted as necessary. These asset retirement obligations are estimates and are subject to change with site conditions, and technological and regulatory changes.

At December 31, 2024, the Corporation has recorded a liability of \$125 million. Refer to Note 13 of the Corporation’s 2024 audited consolidated financial statements.

### **Management and Employees**

As of December 31, 2024, the Corporation has approximately 1,817 employees, the majority of which are located at the Corporation’s waste processing facilities. The composition of the employees between the Corporation’s segments are as follows:

- Waste Management: 1,569 employees
- Energy Infrastructure: 78 employees
- Corporate: 170 employees

Each facility and field location operates as a profit center and plays a key role in delivering the Corporation’s strategic objectives by developing goals and budgets that align divisionally and corporately. Centralized corporate functions provide organization-wide support to integrate subject matter expertise and enhance operational performance and customer service.

In 2023, SECURE rolled out an employee engagement survey across the entire organization. This was a crucial effort, as the feedback gathered from this survey provided SECURE with valuable insights into the priorities of our employees, the areas where we excel, and the opportunities for enhancement.

SECURE reached an overall engagement rate of 75%. Following the survey results, our approach involves both recognizing and building upon our strengths, as well as focusing on improvements in areas that will benefit both our employees and the organization.

The Corporation intends to roll out an employee engagement survey every two to three years.

## RISK FACTORS

The following information describes certain significant risks and uncertainties inherent in the Corporation's business. This section does not describe all risks applicable to the Corporation, our industry or our business, and is intended only as a summary of certain material risks. If any of such risks or uncertainties actually materializes, the Corporation's business, financial condition or operating results, or the value of its securities, could be harmed substantially and could differ materially from the plans and other forward-looking statements discussed in this AIF.

### Business Risks

#### *Trade Relations and Tariffs*

On February 1, 2025, President Trump signed an executive order (the "Executive Order") imposing a 25% tariff on all goods originating in Canada and imported into the U.S. and a 10% tariff on "energy and energy resources" from Canada, effective on February 4, 2025. The Executive Order also states that, if Canada introduces retaliatory measures, such as through the imposition of import duties on U.S. exports to Canada (or other similar measures), the U.S. tariffs may be increased or expanded. In response, the Government of Canada imposed 25% tariffs on \$155 billion in goods imported from the U.S., coming into effect in two phases starting on February 4, 2025. Provincial governments across Canada have also responded to the U.S. tariffs, in some cases introducing their own retaliatory measures. On February 3, 2025, Canada and the U.S. agreed to delay the imposition of their respective tariffs on imported goods for 30 days. President Trump has also suggested that a new economic deal may be structured with Canada, though the scope and terms of such a deal, if any, are unknown. Additionally, on February 10, 2025 and notwithstanding the delay on the imposition of broader tariffs referenced above, President Trump signed executive orders imposing 25% tariffs against all steel and aluminum imports into the United States, including from Canada, effective March 12, 2025.

Although discussions continue regarding a potential economic arrangement between the two countries, there remains significant uncertainty over whether tariffs, surtaxes, or other restrictive trade measures or countermeasures will ultimately be implemented and, if so, the scope, impact, and duration of any such measures. Potential measures could include, among others, increased tariffs on Canadian energy exports, restrictions on cross-border supply chains, or additional regulatory barriers that could impact our ability to access international markets and conduct business efficiently.

The imposition of restrictive trade measures or countermeasures, if implemented for any period of time, could have adverse effects on SECURE's operations, supply chain, and overall financial performance. Tariffs on steel, aluminum, and other industrial materials may increase the cost of equipment, infrastructure, and maintenance, potentially impacting capital expenditures and operational efficiency. Additionally, tariffs on energy-related products could reduce cross-border trade competitiveness, affecting the demand for SECURE's services. Any retaliatory measures by Canada or prolonged trade disputes may further increase costs, disrupt supply chains, and introduce regulatory uncertainty. While SECURE continues to monitor trade policies and adapt its procurement and operational strategies, any prolonged restrictive trade measures could negatively impact the Corporation's margins, project timelines, and overall market conditions.

#### *Cyber Security*

The Corporation places significant reliance on its information technology systems ("IT Systems") to operate its business. Such systems are subject to a variety of cyber-related risks, including hacking, phishing, cyberattack, cyber fraud, operator error, and viruses. Any disruption of the Corporation's IT Systems could have a material negative effect on its business, financial condition, and reputation. For example, the unauthorized access to or use of our IT Systems could lead to: (i) the deletion, corruption, exposure or theft of some or all of the information under the Corporation's custody or control (including any confidential, financial, proprietary, personal and other sensitive information and trade secrets); (ii) an interruption of the Corporation's operations and business activities and those of its customers; (iii) a loss or theft of the Corporation's financial resources; (iv) costs required to investigate, mitigate and remediate any potential vulnerabilities; (v) regulatory fines and penalties; and (vi) loss of goodwill.

The Corporation is also dependent on third parties to provide support and/or maintain its IT Systems or elements thereof (“**IT Providers**”). Accordingly, the failure of an IT Provider to provide the Corporation with adequate products or services may result in the disruption of our IT Systems.

The Corporation applies risk management controls in line with industry-accepted standards to protect its IT Systems, including an incident response plan for responding to a cyber security incident, and the adoption of an information technology training policy/program designed to ensure that our management, employees and consultants are adequately trained to prevent cyber security incidents to the extent possible. To help ensure comprehensive cyber security risk oversight, the Audit Committee is regularly advised of cyber security matters by SECURE’s management as required. Although the Corporation, as at the date of this AIF, has not, experienced a material cyber security incident, these policies, practices and controls may not adequately protect against all risks. For example, there is no assurance that the Corporation will not suffer losses in the future arising from a cyber security or any other cyber related risks.

#### ***Weather Conditions***

Climate change could lead to significant fluctuations in weather patterns, including more frequent and intense extreme weather events, such as heavy snow, intense rainfall, floods, landslides, wildfires, hurricanes, tropical storms, ice storms, along with rising average temperatures, sea levels, and alterations in long-term precipitation trends. SECURE’s assets and operations could be disrupted or damaged by such events. There may also be challenges in accessing assets or heightened risks of fatalities, injuries, property damage, and environmental harm. SECURE anticipates facing physical risks associated with climate change in the future, possibly with greater frequency or intensity.

#### ***International Conflict***

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy and financial markets, as well as increased cyber security risks. The Russia-Ukraine conflict, along with geopolitical tensions in the Middle East and Israel, underscores the heightened risks faced by the oil and natural gas industry on a global scale. These regions are pivotal to the world’s energy markets, and disturbances can lead to significant disruptions and volatility in commodity prices. The conflict between Russia and Ukraine, for instance, has led to sanctions being imposed and has severely impacted energy supply chains, given Russia’s role as a major oil and gas exporter. This situation has resulted in increased volatility in global oil prices and has forced companies to reassess their supply routes and dependency on Russian oil and gas. Similarly, tensions in the Middle East and Israel, a region central to global oil production, have been ongoing and may escalate quickly, affecting not only local production but also the security of key shipping routes such as the Strait of Hormuz through which a significant portion of the world’s oil supply is transported. These tensions can cause spikes in oil prices, disrupt supply chains, and lead to a re-evaluation of energy security strategies by countries and companies alike. Volatility in commodity prices may adversely affect our business, financial condition and results of operations. Reductions in commodity prices may affect oil and natural gas activity levels and therefore adversely affect the demand for, or price of, our services.

The extent and duration of international conflicts cannot be accurately predicted at this time and the effects of such conflicts may magnify the impact of the other risks identified by the Corporation in the AIF, including those relating to commodity price volatility and global financial and economic conditions. These events may have unforeseeable impacts, including on SECURE, our stakeholders, and counterparties on which we rely and transact with, and may have an adverse effect on our business, results of operation and financial condition.

#### ***Global Financial Conditions***

Global financial conditions, including changes in commodity and equity markets, remain volatile as investors react to changes in the global economy. As a result of these global conditions, the Corporation is subject to increased counterparty risk and liquidity risk, including, but not limited to: financial institutions that hold the cash of the Corporation or provide available funding on the Revolving Credit Facility; the insurance providers of the Corporation; and counterparties to hedge transactions. As a result, the cash of the Corporation may become exposed to credit related losses in the event of non-performance by counterparties to these financial instruments. If a counterparty fails to complete its obligations or in the event of the default or bankruptcy of a

counterparty, the Corporation would bear the risk of loss of the amount expected to be received under these financial instruments.

The Corporation is also exposed to liquidity risk in the event our cash positions decline or become inaccessible for any reason, or additional financing is required to advance our projects or growth strategy, and appropriate financing is unavailable, or demand for oil and gas falls. Any of these factors may impact the ability of the Corporation to obtain further equity-based funding, loans and other debt sources in the future and, if obtained, on terms favourable to the Corporation. If volatility and market turmoil recur, the Corporation's results of operations and planned growth could be adversely impacted.

### ***Inflation***

The Corporation has experienced inflationary pressures and, if such pressures continue or our development, operation or labour costs become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through corresponding increases in the costs of our products and services to our customers. Our inability or failure to do so could harm our business, financial condition and results of operations. Moreover, it is uncertain whether government measures to curb inflationary trends will succeed. Governmental action, such as the imposition of higher interest rates or wage controls, may also negatively impact SECURE's costs and may magnify the risks identified in this AIF. Continued inflation, any governmental response thereto, or SECURE's inability to offset inflationary effects may have a material adverse effect on our business, results of operations, financial condition or value of our Common Shares.

### ***Availability of Qualified Employees***

The Corporation's ability to provide reliable service is dependent upon attracting and retaining a skilled workforce. The Corporation attempts to achieve this by offering an attractive compensation package and training to enhance skills and career prospects.

An inability to attract and retain an experienced and skilled workforce could have a material adverse effect on the Corporation by increasing labour costs, constraining growth or the level of activity as a result of the inability to expand human resources of the Corporation or through the loss of existing employees to competitive businesses. Additionally, a shortage of skilled oilfield workers may constrain overall activity and growth in the oil and natural gas industry, which could have a material adverse effect on the financial results, cash flows and overall financial condition of the Corporation.

### ***Industry Activity and Oil and Natural Gas Prices***

The demand, pricing and terms for waste processing and landfill infrastructure, waste disposal services, and specialty chemicals on the Corporation's existing or future service areas largely dependent upon continued levels of production and the level of exploration and development activity for both crude oil and natural gas in the WCSB and the U.S and oil and natural gas prices.

Oil and natural gas industry conditions are influenced by numerous factors over which the Corporation has no control, including oil, liquids and natural gas prices, expectations about future oil, liquids and natural gas prices, levels of consumer demand, the cost of exploring for, producing and delivering oil and natural gas, the expected rates of declining current production, the discovery rates of new oil and natural gas reserves, available pipeline and other oil and natural gas transportation capacity, weather conditions, political, regulatory and economic conditions, the impact of tariffs and responses thereto (including by governments, trade partners and customers), which may include, without limitation, retaliatory tariffs, export taxes, restrictions on exports to the U.S. or other measures, and the effect of governmental regulations and policies in general, and particularly relating to GHG emissions and climate change, and the ability of oil and natural gas companies to raise equity capital or debt financing.

The level of drilling and completion activity in the oil and natural gas industry has been unpredictable in the past several years. No assurance can be given that oil and natural gas exploration and production activities will continue at their historical levels. Any addition to, or elimination or curtailment of, government incentives for companies involved in the exploration for and production of oil and natural gas could have a significant effect on the oilfield services industry in the WCSB, and the U.S.

Market events and conditions, including global excess oil and natural gas supply, actions taken by OPEC+, sanctions against, and unrest in oil and gas producing countries, slowing growth in China and emerging economies, market volatility and disruptions in Asia, weakening global relationships, geopolitical tensions or conflicts, isolationist and punitive trade policies, increased U.S. shale production, release of oil from the U.S. Strategic Oil Reserve, sovereign debt levels, global pandemic and political instability in various countries, growing anti-fossil fuel sentiment and decarbonization policies, are among the recent sources of significant weakness and volatility in commodity prices and may cause further weakness or volatility.

While commodity prices have stabilized following the actions taken by OPEC+ and non-OPEC+ members, oil prices, global equity markets and overall supply and demand remain uncertain. These events and conditions, among others, have decreased confidence in the oil and natural gas industry. These difficulties have been exacerbated in Canada by political and other actions resulting in uncertainty surrounding regulatory, tax, royalty and environmental regulation.

In addition, the difficulties and delays encountered by midstream proponents to obtain the necessary approvals on a timely basis to build pipelines, liquefied natural gas plants and other facilities to provide better access to markets for the oil and natural gas industry in the WCSB has led to additional downward price pressure on oil and natural gas produced in Canada in recent years, creating further uncertainty and reduced confidence in the oil and natural gas industry in Canada.

Overall, a material decline in oil and natural gas prices or industry activity could reduce exploration and production levels, decreasing demand for our services or service pricing, which may shrink our customer base and materially impact the Corporation's business, financial condition, operations, and cash flows. Revenue is impacted directly by a change in the price of oil due to the Corporation's sales of recovered oil. In addition, changing prices and associated differentials between crude oil types can impact revenue associated with the Corporation's crude oil handling, marketing and terminalling activities. Volumes of recovered oil and revenue earned from processing, disposal, treatment, terminalling and marketing activities are all affected by oil and natural gas activity in the WCSB, and are thus indirectly impacted by oil and natural gas prices.

Demand for landfills, drilling services, and drilling waste management are closely correlated with overall oil and natural gas drilling activity and the related capital budgets of oil and natural gas companies. Oil and natural gas producers base their capital expenditures on many factors, including, but not limited to, oil and natural gas commodity prices.

Furthermore, SECURE requires a significant amount of fuel to run its operations and any price escalations or reductions in supply could materially reduce SECURE's profit margins if it is unable to correspondingly increase the price of its services.

### ***Force Majeure Events***

Our operations, information systems and environmental waste processing infrastructure may be vulnerable to substantial loss or damage, including the curtailment or suspension of our operations, as a result of certain disruptions, including natural disasters, forest fires, national emergencies, acts of war, acts of terrorism, technological attacks, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, the outbreak of disease or similar events, any of which may have a material adverse effect on our reputation, our business, financial conditions or operating results.

### ***Operating Risks and Insurance***

The Corporation's operations are subject to risks inherent in the industry, such as, equipment defects, malfunctions, cyber security incidents, failures, pipeline leaks (both detected and undetected), explosions, fires, damage or loss from inclement weather, accidents, spills, the handling, blending and transportation of dangerous goods, shut down or loss of a disposal well, and natural disasters. These risks and hazards could expose the Corporation to substantial liability for personal injury, loss of life, business interruption, property damage or destruction, pollution, and other environmental damages.

The Corporation recognizes that potential climate-related impacts are complex and may impact the Corporation's entire enterprise, including having physical impacts on our business as a result of an increased likelihood, severity and frequency of extreme weather events, such as drought, severe storms and flooding,



caused by climate change. These severe weather events may cause acute and chronic physical impacts on our operations. Any physical climate-related impacts may have a material adverse effect on our business, reputation, financial condition, results of operations, and cash flows.

Although the Corporation has obtained insurance against certain of these risks, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Corporation is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Corporation's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Corporation incurs substantial liability and such damages are not covered by insurance or are in excess of policy limits, or if the Corporation incurs such liability at a time when it is not able to obtain liability insurance, the Corporation's business, results of operations and financial condition could be materially adversely affected. Further, insurance providers are adjusting to the risks that climate change poses and as a result, our ability to secure necessary or prudent insurance coverage may also be adversely affected in the event that our insurers adopt more restrictive ESG factors or decarbonization policies. As a result of these policies, premiums and deductibles for some or all of our insurance policies could increase substantially. In some instances, coverage may be reduced or become unavailable, and we may not be able to renew our existing policies, or procure other desirable insurance coverage, either on commercially reasonable terms, or at all.

### **Governmental Risk**

Shifts in government policy by existing administrations or following changes in government in jurisdictions in which we operate or elsewhere can impact our operations and ability to grow our business. Restrictions on fossil fuel-based energy use, cross-border economic activity, and development of new infrastructure can impact our opportunities for continued growth.

On January 6, 2025, Prime Minister Trudeau requested that federal parliament be prorogued until March 24, 2025. There will be a leadership contest within the current governing Liberal party and a possible federal election shortly thereafter, leading to greater uncertainty within the Canadian political landscape. The future applicability and scope of proposed federal regulations that have not yet been enacted is uncertain. A change in federal government, as well as the new administration in the United States could lead to a policy shift that would impact the oil and gas industry in Western Canada and/or the United States, the effects of which may impact SECURE's activities, prospects, financial condition and regulatory environment.

We are committed to working with all levels of government in the jurisdictions in which we operate to ensure our business benefits and risks are understood, and mitigation strategies are implemented; however, changes in government policy are largely out of our control and may adversely affect our business, results of operations, financial condition or reputation.

### **Governmental Regulation**

#### **General**

The Corporation's operations are subject to a variety of laws, regulations and guidelines (at the federal, provincial and local levels, in Canada, and at the federal, state and local levels, in the U.S.) relating to, among other things, GHG emissions, water, the environment, health and safety, the conduct of operations, and the manufacture, management, transportation by pipeline, storage, and disposal of certain materials used in the Corporation's operations. In addition, the Corporation's securities are sold in Canada and are listed on the TSX, and the Corporation is accordingly subject to regulation by Canadian securities regulators and Canadian federal and provincial laws and regulations. Although regulatory expenditures have not historically been material to the Corporation, such laws, regulations and guidelines are subject to change. Such changes may impact the ability for the Corporation and its customers to carry out its operations through increased costs, regulatory uncertainty or barriers to maintaining or obtaining permits. Accordingly, the cost or effect of changes to such laws, regulations or guidelines on the Corporation's future and continued operations cannot be accurately predicted and may adversely affect our business, results of operations, financial condition or reputation.

### *GHG Emissions*

Governmental regulations and policies continue to focus considerable attention on the effects of GHG emissions in relation to the hydrocarbon industry and their potential role in climate change. Changes in environmental regulations, related to efficiency standards, the requirement for alternatively fueled vehicles or other government initiatives aimed at conserving energy or lowering GHG emissions, may adversely affect our results and financial condition going forward. This may result in a reduction in the demand for hydrocarbons, by moving this demand towards relatively lower carbon energy sources. As societal awareness continues to grow in relation to the potential impact of climate change, consumer demand for alternative fuel sources may continue to rise.

Any prices (including, in each case and without limitation, taxes) placed on carbon emissions may have the effect of decreasing the demand for oil, NGLs and natural gas products and at the same time, increasing the Corporation's operating expenses, each of which may have a material adverse effect on the Corporation's profitability and financial condition. Further, the imposition of carbon pricing in the jurisdictions in which the Corporation operates puts the Corporation at a disadvantage with its counterparts who operate in jurisdictions where there are less costly carbon regulations. In Canada, the SCC's decision to uphold the national carbon tax may influence the regulatory landscape generally, including the introduction of higher carbon pricing, increased energy efficiency standards, energy and emissions reduction targets including cut and cap regulations, and promotion of alternative fuel technologies and clean fuel and electricity regulations. Refer to the "Regulatory Environment" section of the AIF for details on certain regulations and proposed regulations.

Given the evolving regulation of GHGs, management is unable to predict the impact of climate change legislation and regulation on the Corporation and it is possible that such legislation could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

### *Water Related Regulations*

Recent regulatory initiatives have been undertaken in various jurisdictions to address watershed protection and water supplies, including assertions that hydraulic fracturing processes could adversely affect drinking water supplies. Developments regarding environmental protection, including laws and regulations governing chemical usage, water discharges and waste management are starting to be introduced in certain jurisdictions. Some jurisdictions have addressed the levels of water usage for hydraulic fracturing by imposing suspensions on water withdrawals, implementing permitting programs, and requiring more reporting and monitoring, as well as having implemented restrictions on the proximity of fracturing to potable water sources, other surface waters, and aquifers. There can be no assurance that the licences to withdraw water will not be rescinded or that additional conditions will not be added to licences. There is no assurance that if we require new licences or amendments to existing licences, that these licences or amendments will be granted, or granted on favourable terms. This may adversely affect our business, including the ability to operate our facilities.

Further, as a result of increased seismic activity in certain jurisdictions where hydraulic fracturing has or is taking place, regulatory bodies have implemented interim or permanent restrictions and additional compliance requirements on the fracturing process. These actual and proposed legislative changes could lead to a reduced demand for the Corporation's services or increased operating costs for its customers. The adoption of any future federal, provincial, state or local laws or the implementation of regulations in jurisdictions in which the Corporation currently supplies products and services related to fracturing, could have a material adverse impact on the Corporation's financial position and operating results.

### *Competitive Conditions*

The Corporation's business segments are highly competitive, which could have a material adverse effect on the financial condition, operating results, and cash flows of the Corporation. The Corporation competes with a number of outsourcing companies, and oil and gas producers. The Corporation's business is dependent on the willingness of its customers to outsource their waste management and other environmental services generally, and to the Corporation specifically, rather than to its competitors.

There can be no assurance that customers and competitors will not substantially increase the resources devoted to the development and marketing of services that compete with those of the Corporation, or that new

or existing competitors will not enter the various business segments in which the Corporation is active. In addition, reduced levels of activity in the oil and natural gas industry could intensify competition and the pressure on competitive pricing and may result in lower revenues or margins to the Corporation in all segments. The Corporation's customers may elect not to purchase its services if they view the Corporation's financial viability as unacceptable, which would cause the Corporation to lose customers, and may adversely affect the Corporation's results of operation, financial condition and reputation.

SECURE closed the Sale Transaction to sell the facilities formerly owned by Tervita that were ordered to be divested by the Tribunal (see "*General Development of the Business*"). Following the Sale Transaction R360 is positioned as a notable competitor in the market. Due to this increased competition, it is possible that SECURE will not maintain all existing customer relationships.

#### ***Customer Relationships and Retention***

SECURE's business relies on production volumes and customer willingness to outsource waste management and environmental services, both in general and specifically to SECURE rather than its competitors. However, maintaining all existing customer relationships is not guaranteed.

Additionally, merger and acquisition activity among oil and gas exploration and production companies may reduce demand for SECURE's services. Acquiring companies may have existing supplier relationships with competitors or may possess the resources to internalize services currently provided by SECURE. Customers within the oil and gas sector could also choose to process and dispose of their waste internally for strategic or cost-saving reasons, potentially resulting in a material adverse effect on SECURE's business, financial condition, results of operations, and cash flows, as well as its ability to meet debt obligations.

#### ***Environmental Regulations***

The Corporation's operations are subject to a broad range of environmental laws, rules and regulations in both Canada and the U.S. (collectively "environmental regulations"). These environmental regulations regulate, among other things, the generation, use, discharge, management, transportation, treatment, recycling, storage, import, export and disposal of non-hazardous, hazardous, toxic, and other regulated materials, land use (including planning and approval processes) and reclamation, waste management, sustainable resource management, the establishment, operation, decommissioning, closure, abandonment and restoration of facilities or of natural resources, worker and public health and safety, the protection of the environment and natural resources, wildlife, biodiversity, and the reporting, investigation and remediation of releases of, and exposure to, regulated substances. The Corporation may incur substantial costs, including fines, damages, criminal or civil sanctions, and remediation costs, or experience interruptions in the Corporation's operations for violations or liabilities arising under environmental regulations.

Evolving environmental regulations may impose higher standards and potentially more costly obligations on the Corporation and/or the customers of the Corporation. In the case of non-compliance with environmental regulations or a major environmental or safety incident, the Corporation may be exposed to increased public scrutiny, subject to fines, civil suits or criminal charges, or result in an inability to obtain permits required in order to conduct the Corporation's business. These impacts could limit SECURE's operations and may require SECURE to make additional expenditures or could otherwise have a material adverse effect on SECURE's business, financial condition, results of operations and cash flows or our ability to make required payments on our outstanding debts. There can be no assurances made that the Corporation will not be required to incur significant costs to comply with environmental regulations, or that our operations, business, assets or cash flow will not be materially adversely affected by existing conditions or by the requirements or potential liability under current or future environmental regulations.

Where contamination is identified at sites owned or operated by SECURE or its predecessors in interest, SECURE may incur liabilities, be required to investigate or undertake remedial action pursuant to applicable environmental regulations. Liability may be imposed without regard to whether SECURE (or its predecessors in interest) knew of, or caused the contamination and, in some cases, liability may be joint or several. SECURE may also be subject to liability for remediation of third-party contaminated sites where SECURE or its predecessors in interest have sent waste for treatment or disposal. Moreover, current and future remedial obligations, environmental claims or any other environmental liabilities could materially adversely affect

SECURE's business (including its reputation), ability to retain or attract customers, ongoing operations, financial condition, results of operations and cash flows or its ability to make required payments on debt outstanding.

The Corporation may have the benefit of insurance maintained by the Corporation, our customers or others, but such insurance may be subject to coverage limits and exclusions and may not be available. In addition, the Corporation may become liable for damages against which it cannot adequately insure or against which it may elect not to insure because of high costs or other reasons such as fires, blowouts, freeze-ups, equipment failures, pipeline breaks, unplanned and extended pipeline shutdowns, leakage of landfill cell liners, and other similar events affecting the Corporation or other parties whose operations or assets directly or indirectly affect the Corporation.

In addition, the Corporation's customers may elect not to purchase our services if they view our environmental, health or safety record as unacceptable, which could cause the Corporation to lose customers and substantial revenues. These risks may be greater for the Corporation because it may acquire companies that have not allocated significant resources and management focus to safety or have a poor safety record.

#### ***Environmental Obligations – Permits and Monitoring***

Several of SECURE's operations require complex and detailed environmental and other permits and authorizations to establish, operate, expand and ultimately decommission the sites, including the engineered landfill and water treatment businesses. For certain sites, SECURE is required under applicable laws, regulations, and/or permits to conduct periodic monitoring, and internal and third-party testing. In addition, SECURE requires various permits for drilling, access road construction, camp construction, well completion, installation of surface equipment, air monitoring, surface and ground water monitoring in connection with these activities, waste management and access to remote or environmentally sensitive areas. Such permits involve lengthy timelines and significant employee effort to complete and SECURE may experience a delay in obtaining, be unable to obtain or renew, or suffer the suspension or revocation of required permits or regulatory authorizations. In addition, obtaining certain approvals from regulatory authorities can involve, among other things, stakeholder consultation, Indigenous consultation, consensus seeking, collaboration or consent, environmental impact assessments and public hearings. Regulatory agencies may also impose more stringent or burdensome restrictions or obligations on operations when SECURE seeks to renew or amend its permits. For example, permit conditions may limit the amount or types of waste SECURE can accept, require it to make material expenditures to upgrade its facilities, implement burdensome and expensive operational or monitoring programs or increase the amount of financial assurance that it provides to cover future facility closure costs. Any delay or inability to acquire such permits or authorizations, or renew them in a timely fashion on substantially similar terms, could have a material adverse effect on SECURE's business, financial condition, results of operations and cash flows or its ability to make required payments on debt outstanding. In addition, governmental authorities or other third parties may bring claims against SECURE if it fails to comply with environmental laws, regulations or permits or cause environmental damage, which may result in suspension or revocation of necessary permits and authorizations, civil or criminal liability and the imposition of fines, penalties and damages claims.

The occurrence of any of the matters above, including changes to environmental, health and safety new legislation or more rigorous enforcement of existing legislation may result in significant liability to the Corporation or the revocation of existing permits or denial of future permits, which could have a material adverse effect on the financial results, cash flows and overall financial condition of the Corporation.

#### ***Environmental Obligations – Abandonment and Reclamation***

SECURE is required to comply with environmental and regulatory approvals governing the abandonment and reclamation of its projects at the end of their economic life. These obligations are expected to result in substantial abandonment and reclamation costs, and failure to comply with applicable laws, regulations, or approval conditions may lead to fines and penalties. While SECURE has made provisions for these costs, estimating future abandonment and reclamation expenses remains challenging due to potentially evolving

regulatory requirements. For example, regulations may require an accelerated reclamation timeline or the establishment of funded reclamation accounts, which could impact liquidity and cash flows.

Operating and maintaining infrastructure assets—including pipeline systems, processing facilities, cavern disposal facilities, gathering, storage, blending facilities, water disposal sites, landfills, hazardous waste transfer stations, and rail facilities—is capital-intensive and typically necessitates letters of credit or insurance bonds to secure financial and performance obligations. Additionally, SECURE has material financial obligations related to closure and post-closure costs for these assets. While these costs are annually assessed and accounted for, unforeseen regulatory changes—such as new or expedited closure obligations—could significantly increase financial requirements. This could lead to higher letters of credit, additional operational funding diversions, and increased costs, potentially affecting profitability and borrowing capacity under the Corporation's Revolving Credit Facility and Letter of Credit Facility.

### **Credit Ratings**

Credit ratings are intended to provide an independent measure of the credit quality of an issuer of securities and are subject to ongoing evaluation by credit rating agencies. The credit rating assigned by a rating agency is not a recommendation to purchase, hold or sell securities nor does the rating comment on market price or suitability for a particular investor. A rating may not remain in effect for any given period of time and may be revised or withdrawn entirely by a rating agency at any time in the future, if, in its judgment, circumstances so warrant. There can be no assurance that a credit rating will be maintained in the future. Downgrades in SECURE's credit rating could adversely affect SECURE's business, cash flows, financial condition, operating results and share and debt prices.

### **Pandemic Risk**

Pandemics, epidemics, or other disease outbreaks can significantly impact both local and global economies, negatively affecting the Corporation's business, operational efficiency, and financial performance. Government and health authority responses, such as travel bans, quarantines, closures of businesses and educational institutions, and limits on public events, can drastically slow economic activities. This slowdown, in turn, can diminish the demand for and value of commodities integral to SECURE's operations and financial stability. Consequently, the Corporation's financial health, business operations, and overall performance could suffer materially from health crises.

### **Transportation of Dangerous Goods**

The Corporation transports various petroleum products by pipeline and truck. These petroleum products, when transported by truck are considered dangerous goods under transportation of dangerous goods and are subject to TDG legislation. SECURE also transports hazardous waste, which is also considered a dangerous good, by truck as part of its Waste Management business. When SECURE loads petroleum products or hazardous waste, it may be considered the consignor, in which case it has specific responsibilities under applicable laws, including the responsibility to ensure that the product is properly classified, the shipment is properly labelled, and the product is loaded into an appropriate means of containment. Regardless of whether SECURE is a consignor or not, if it imports, offers for transport, handles, or transports dangerous goods it has obligations under TDG legislation.

SECURE's produced water pipelines, processing facilities and water disposal facilities contain pipeline networks to transport produced water and wastewater for disposal. In the event of an incident resulting in the release of large quantities of product, there could be a significant impact to the financial results and continuing operation of the facility. The operation of these pipelines may be affected by changes implemented by federal, provincial or state regulatory agencies and their respective acts and regulations governing pipelines. Refer to the risk factor titled "*Crude Oil Pipeline Transportation*" for information on risks associated with transporting crude by pipeline.

### **Impairment Losses on Physical and Intangible Assets**

The Corporation has significant investments in physical assets. Reduced industry activity or low commodity prices could result in a sustained decrease in the demand for services provided by the Corporation's existing infrastructure. In any such case, the Corporation may be required to record a write down of the carrying value

of the impacted fixed assets and intangible assets on its balance sheet and the recognition of an impairment charge on its income statement. If the Corporation elects to sell such assets, it may receive substantially less in consideration than the carrying book value for such assets.

## ***Merger and Acquisition Activity***

### ***Potential Acquisitions***

The Corporation has undertaken and may undertake future acquisitions of businesses and assets in the ordinary course of business. The completion of any acquisitions will depend in part on SECURE's ability to identify suitable targets, negotiate favorable financial and other contractual terms and obtain all necessary regulatory approvals on acceptable terms. Achieving the benefits of acquisitions depends in part on having the acquired assets perform as expected, successfully consolidating functions, retaining key employees and customer relationships, and integrating operations and procedures in a timely and efficient manner. Such integration may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters, and ultimately the Corporation may fail to realize the anticipated benefits of such acquisitions. Merger and acquisition activity in the oil and natural gas exploration and production sector may impact demand for the Corporation's services as customers focus on reorganizing their business prior to committing funds to exploration and development projects. Further, the acquiring company may have preferred supplier relationships with service providers other than the Corporation.

In addition, the Corporation may discover that it has acquired substantial undisclosed liabilities in connection with an acquisition. The existence of undisclosed liabilities or the Corporation's inability to retain existing customers or employees of the acquired entity could have a material adverse impact on the Corporation's business, financial condition, results of operations and cash flows.

### ***Potential Divestitures***

The Corporation may look to divest specific service lines or other assets that do not have recurring or production-related revenue streams in the future. However, we may not be able to sell any of these service lines or other assets at the desired time, at sales prices acceptable to us or at all. Such divestitures may require the dedication of management effort, time and resources and may divert management's focus and resources from other strategic opportunities and from operational matters during such time.

The completion of any divestitures will depend in part on SECURE's ability to identify suitable buyers, negotiate favorable financial and other contractual terms and obtain all necessary regulatory approvals on acceptable terms. These transactions may result in continued financial involvement in the divested businesses, such as guarantees or other financial arrangements, and may require the Corporation to retain certain liabilities directly or through indemnities made to the buyers against known and unknown contingent liabilities such as lawsuits, tax liabilities and environmental matters, which could adversely affect the Corporation's financial results.

Any divestitures could result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect SECURE, and we may be unable to separate divested businesses or business units effectively and efficiently from existing business operations and reduce or eliminate associated overhead costs. Further, such divestitures may result in proceeds to us in an amount less than we expect or less than the Corporation's assessment of the value of those assets. Any of the foregoing could adversely affect the Corporation's financial condition and results of operations.

## ***Commodity Price Risk – Non-Trading***

Crude oil prices are primarily based on West Texas Intermediate ("WTI"), plus or minus a differential to WTI based on the crude type and market conditions (the commodity price). The value of the Corporation's crude oil inventory is impacted by the price of crude oil. Crude oil prices have historically fluctuated widely and are affected by numerous factors outside of the Corporation's control. As part of normal operating activities, the Corporation is required to hold a certain amount of inventory in any given month. The Corporation is therefore exposed to commodity price fluctuations.

SECURE may make use of derivative financial instruments to hedge the Corporation's commodity price and other market risks, which creates exposure to financial risks, which include, but are not limited to: unfavourable movements in commodity prices; interest rates or foreign exchange that could result in a financial or opportunity loss to the Corporation; a lack of counterparties, due to market conditions or other circumstances, that could result in the Corporation being unable to liquidate or offset a position, or at unfavourable prices; the counterparty failing to perform an obligation owed to the Corporation; loss as a result of human error or deficiency in the Corporation's systems or controls; and loss as a result of contracts being unenforceable or transactions being inadequately documented. The occurrence of any of the foregoing could have a material adverse effect on SECURE's business, financial condition, results of operations and cash flow.

### ***Crude Oil Marketing and Commodity Price Risk – Trading***

The Corporation is exposed to operating and commodity price risk at its processing facilities that purchase and sell crude oil, crude oil terminalling facilities, and crude oil storage facilities. Operating risk relates to factors that include but are not limited to pipeline apportionment, pipeline specifications regarding the quality of crude that is shipped down the pipeline, pipeline breaks at the Corporation's facility, and crude oil volumes actually received versus forecast. In addition, the Corporation's ability to generate crude oil marketing profits is also based on the type of crude oil entering the facility and the associated commodity price. The variability of supply, and any change to differentials can have a positive or negative impact to the Corporation's ability to generate crude oil marketing profits in the future.

In order to maximize crude oil marketing opportunities, the Corporation enters into crude oil contracts. The physical trading activities related to crude oil marketing contracts exposes the Corporation to the risk of profit or loss depending on a variety of factors including, but not limited to: changes in the commodity price; foreign exchange rates; changes in value of different qualities of a commodity; physical loss of product through operational activities; unauthorized trading; and counterparty performance as a result of disagreements over terms of deals and/or contracts. The oil and gas producer forecasts or nominates crude oil volumes expected to be delivered to the Corporation's facilities in advance of the production month as part of normal oil and gas operations. Actual volumes may differ exposing the Corporation to loss. As part of the Corporation's processing and facility operations, SECURE will use net buy and net sell crude oil contracts for marketing and trading of crude oil. The volumes purchased or sold relates to physical volumes only. Through this process, the Corporation may hold open positions.

The Corporation defines an "open position" as the difference between physical deliveries of all net buy crude oil contracts offset against physical delivery of all net sell crude oil contracts. The open position is subject to commodity price risk and may adversely affect the Corporation's financial condition. The Corporation may choose to hold open positions based on energy commodity pricing relationships, time periods or qualities.

SECURE's Energy Infrastructure segment derives a material portion of its revenue from the collection of Canadian industry mandated equalization penalties applicable to crude oil with a density outside of the required band of the oil and natural gas industry crude oil equalization scale. The crude oil equalization scale is determined twice annually by the Crude Oil Logistics Committee (the "COLC"). The COLC is a Canadian oil and natural gas industry committee comprised of members drawn from oil and gas producers, crude oil pipeline companies, terminal operators, industry associations and regulators. Changes to the equalization scale, and the amount of the equalization penalty, or changes to the industry practice related to crude oil equalization, which are all beyond SECURE's control, could have a material adverse effect on SECURE's business, financial condition, results of operations and cash flows or its ability to make required payments on debt outstanding.

### ***Scrap Metal Price Volatility***

Scrap metals pricing is subject to fluctuations associated with the supply and demand for steel in general. Low demand for new steel (for example as a result of a weak automobile sector or low infrastructure spending) will adversely affect the demand for scrap metal, a major input in North American new steel production. The market price for scrap metal will also be affected by overseas supplies of steel. The vast majority of Canadian scrap metal is shipped to the U.S. As a result, if SECURE's metals recycling division is unable to access the U.S. market due to a prolonged rail service interruption, worsening trade relations or for other reasons, SECURE's

business, financial condition, results of operations and cash flows or SECURE's ability to make required payments on debt outstanding could be materially adversely affected.

### **Crude Oil Pipeline Transportation**

Our crude oil pipeline systems are operated pursuant to initial contracts with customers who have committed minimum volumes on an annual and cumulative basis and who pay for such usage over the term of their contracts. However, there is no assurance that the customers will be able to perform their obligations under the contract with SECURE, or that revenues following the expiry of the term of the contract will be sustained. Future throughput on the pipeline will be dependent, among other things, on the level of industry activity in the area, the success of producers operating in the area in exploiting their existing reserve bases and exploring for, developing and acquiring additional reserves, SECURE's ability to renew contracts with terms favourable to the Corporation, and competition for volumes transported by rail, trucking or other pipelines in the area.

Our pipeline systems are dependent upon their interconnections with other terminals, pipelines, rail networks and facilities owned and operated by third parties to reach end markets and as a significant source of supply for our facilities. Outages at facilities connected to our pipeline systems or reduced or interrupted throughput on our pipeline systems due to operational disruptions, apportionment, or changes to operating parameters on our pipeline systems, including the Kerrobert Light Pipeline System, the East Kaybob Pipeline System, and the Clearwater terminalling and gathering infrastructure may prevent the full utilization of our crude oil pipeline systems and our connected facilities. As our pipeline systems are reliant on electrical power to operate, failure or disruption within the local electrical power supply or distribution or transmission systems could affect ongoing pipeline operations. In the event of a major pipeline or facility incident resulting in the release of large quantities of product there could be a significant impact to the continuing operation of our pipeline systems and the Corporation's financial results and reputation. In addition, the Kerrobert Light Pipeline System and East Kaybob Pipeline System may be affected by any changes implemented in Saskatchewan or Alberta, respectively, or in the governing legislation, including *The Pipelines Act, 1998* and *The Pipelines Administration and Licensing Regulations* in Saskatchewan and the *Pipeline Act* and the *Pipeline Rules* in Alberta. Ongoing compliance with this legislation, or any additional applicable legislation, may be costly to the Corporation and adversely affect our results of operations and financial conditions.

### **Increased Seismic Activity**

Various studies have identified links between increases in seismic activity and hydraulic fracturing and the injection/disposal of water associated with oil and gas production. This linkage could result in new operational limits or closure of disposal wells in areas where events become significant (magnitude and frequency), including areas in which SECURE owns and operates disposal wells. If the operation of disposal wells becomes more heavily regulated, or if disposal wells become unavailable as a result of regulation or seismicity concerns, SECURE will need to identify alternative disposal locations or develop technologies and methods to increase water reuse and recycling of wastewater from oil, natural gas and NGL drilling sites, both of which are likely to increase costs and require substantial capital investments. If SECURE's operations are suspended or terminated at disposal wells, its business, financial condition, results of operations and cash flows or ability to make required payments on debt outstanding may be materially adversely impacted. Additionally, SECURE could incur liability for seismic damages or be affected by related regulation.

### **Credit, Liquidity and Availability of Future Financing**

The future development of our business may be dependent on our ability to obtain additional capital, including, but not limited to, debt and equity financing. Among other things, unpredictable financial markets, a sustained commodity price downturn or significant unanticipated expenses, or a change in law, market fundamentals, our credit ratings, business operations or investor or lender policy or sentiment, may impede our ability to secure and maintain cost-effective financing. Stakeholders are increasingly considering ESG matters, including climate-related targets, and failure to achieve our GHG emission reduction targets, or the perception that our targets are insufficient or will not be achieved, could adversely affect our ability to access cost-effective capital. An inability to access capital, on terms acceptable to us, or at all, could affect our ability to make future capital expenditures, to maintain desirable financial ratios and to meet our financial obligations as they come



due, potentially resulting in a material adverse effect on our business, financial condition, results of operations, cash flows, ability to comply with various financial and operating covenants, credit ratings and reputation.

Our ability to service our debt will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic, business, regulatory, market and other conditions, some of which are beyond our control. If our operating and financial results are not sufficient to service current or future indebtedness, we may take actions such as: reducing or suspending share repurchases and/or dividends; reducing or delaying business activities, investments or capital expenditures; selling assets; restructuring or refinancing our debt; or seeking additional capital that could have less favourable terms.

### ***Credit Risk***

Credit risk affects both non-trading and trading activities. The Corporation provides credit to its customers in the normal course of operations and assumes credit risk with counterparties through its trading activities. In addition, the Corporation is at risk for potential losses if counterparties in SECURE's trading activities do not fulfill their contractual obligations. A substantial portion of the Corporation's accounts receivable are with customers or counterparties involved in the oil and natural gas industry, whose revenues may be affected by fluctuations in oil and natural gas prices, economic conditions, environmental regulations, government policy, royalty rates and geopolitical factors. Collection of these receivables could be influenced by economic factors affecting this industry. The carrying value of trade accounts receivable reflects management's assessment of the associated risks. In order to mitigate collection risk, the Corporation assesses the credit worthiness of customers or counterparties by assessing the financial strength of the customers or counterparties through a formal credit process and by routinely monitoring credit risk exposures. In addition, the Corporation uses standard agreements that allow for the netting of exposures associated with a single counterparty. Where the Corporation has a legally enforceable right to offset, the amounts are recorded on a net basis. Failure of the counterparties to whom the Corporation has extended credit to perform their contractual obligations may adversely affect the Corporation's financial condition, results of operations, and ongoing relationships with such customers.

### ***Tax Laws and Regulations***

Material changes in the regulation and taxation of the energy industry in the jurisdictions where SECURE operates could significantly impact our business, operations, financial condition, plans and investment decisions and those of our customers and partners. Increased regulation, higher taxation, or uncertainty surrounding such policies may lead to a decline in industry drilling and production activity, reducing the demand for SECURE's services and adversely affecting its operations and financial condition.

Provincial governments collect royalties on oil and natural gas production from Crown lands, and these fiscal royalty regimes are periodically reviewed and adjusted to maintain competitiveness and appropriateness. Any changes to royalties, taxation, or other regulatory frameworks create uncertainty for the energy sector, impacting investment decisions and market stability.

Additionally, changes in income tax laws, government incentive programs, or regulatory interpretations may adversely affect SECURE's financial results and shareholders. Tax authorities in jurisdictions where SECURE operates may disagree with the Corporation's tax calculations, resulting in additional tax liabilities. Changes in administrative tax practices or audits by tax authorities could further impact SECURE's financial position.

The international tax environment continues to evolve, with significant developments stemming from the Organization for Economic Co-operation and Development's (OECD) Base Erosion and Profit Shifting (BEPS) project. In December 2021, the OECD issued model rules for a new global minimum tax framework ("Pillar Two"). In June 2024, the Canadian government enacted the Global Minimum Tax Act (GMTA) to implement the Income Inclusion Rule (IIR) and the Qualified Domestic Minimum Top-up Tax (QDMTT) under Pillar Two for fiscal years beginning on or after December 31, 2023. Proposed legislation to enact the Undertaxed Profits Rule (UTPR) under the GMTA was released in August 2024, which, if enacted as proposed, will be effective for fiscal years beginning on or after December 31, 2024. Canada also enacted excessive interest and financing expense limitation (EIFEL) rules in June 2024. Canada has also enacted the Digital Services Tax Act (DSTA) with retroactive effect for calendar years beginning after 2021, adding further complexity to the tax landscape. These, and other tax changes are likely to increase tax compliance costs for SECURE. SECURE currently

foresees no material impact on its business from the GMTA, the EIFEL rules or the DSTA but will continue to monitor these developments and assess their potential effects on its business.

### ***Performance Obligations***

The Corporation's success depends in large part on whether it fulfills its obligations to clients and maintains client satisfaction. If the Corporation fails to satisfactorily perform its obligations, or makes professional errors in the services that it provides, clients could terminate contracts, including master service agreements, exposing the Corporation to loss of professional reputation and risk of loss or reduced profits or, in some cases, the loss of a project.

The Corporation has entered into contracts for storage commitments and committed crude oil volumes for pipeline throughput at certain pipeline connected processing facilities. The storage, production, processing and transportation of crude oil are interdependent and the Corporation's ability to fulfill these commitments may be impacted by industry activity levels. If unable to fulfill its commitments, the financial results of the Corporation could be adversely affected.

Client commitments are made to complete a project by a scheduled time. If the project is not completed by the scheduled date, the Corporation may either incur significant additional costs or be held responsible for the costs incurred by the client to rectify damages due to late completion. In addition, performance of projects can be affected by a number of factors beyond the Corporation's control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing, weather conditions, unavailability of vendor materials, changes in project scope of services requested by clients, industrial accidents, environmental hazards, labour shortages or disruptions, and other factors. To the extent these events occur, the total cost of the project could exceed estimates and the Corporation could experience reduced profits or, in some cases, incur a loss on a project, which may reduce or eliminate overall profitability.

### ***Development of New Technology and Equipment***

The technology used in SECURE's Waste Management segment for waste treatment, recovery, and disposal is not protected by intellectual property rights, resulting in low technological barriers to entry within the industry. While some drilling fluids systems and drilling and completion fluid technologies are protected by intellectual property rights, this is not the case for all technologies. Additionally, new technological advancements in the drilling fluids, production chemicals, and solids control industries could emerge at any time, potentially increasing competition and impacting SECURE's market position and financial performance. See "*Proprietary Technology*" and "*Risk of Third-Party Claims for Infringement*".

The introduction of competing products that are lower in cost, offer superior performance, or are preferred for environmental or regulatory reasons could lead to obsolescence or decreased demand for certain SECURE equipment and systems. To remain competitive, SECURE must continuously adapt to evolving market conditions, technological innovations, and regulatory changes in the drilling and completions fluids, production chemicals, and solids control sectors. Failure to keep pace with these advancements could materially impact SECURE's business, financial condition, results of operations, and cash flows.

### ***Sources, Pricing and Availability of Products and Third-Party Services***

The Corporation sources its products from a variety of suppliers, many of whom are located in Canada and the U.S. Should any suppliers of the Corporation be unable to provide the necessary products or services or otherwise fail to deliver products or services in the quantities required or at acceptable prices, any resulting delays in the provision of services or in the time required to find new suppliers could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Corporation. In addition, the ability of the Corporation to compete and grow will be dependent on the Corporation having access, at a reasonable cost and in a timely manner, to equipment, parts and components. Failure of suppliers to deliver such equipment, parts and components at a reasonable cost and in a timely manner would be detrimental to the ability of the Corporation to maintain and expand its client list. No assurance can be given that the Corporation will be successful in maintaining the required supply of equipment, parts and components.

It is also possible that the final costs of the equipment contemplated by the capital expenditure program of the Corporation may be greater than anticipated by management and may be greater than the amount of funds

available to the Corporation, in which circumstance the Corporation may curtail or extend the timeframes for completing its capital expenditure plans.

The ability of the Corporation to provide services to its customers is also dependent upon the availability, at reasonable prices, of raw materials which the Corporation purchases from various suppliers, many of whom are located in Canada or the U.S. In periods of high industry activity, periodic industry shortages of certain materials have been experienced, and costs are sometimes affected. In contrast, periods of low industry activity levels may cause financial distress on a supplier, thus limiting their ability to continue to operate and provide the Corporation with necessary services and supplies. Management maintains relationships with a number of suppliers in an attempt to mitigate this risk and has entered into fixed price and quantity purchase contracts for various raw materials. However, if the current suppliers are unable to provide the necessary raw materials, or otherwise fail to deliver products in the quantities required, any resulting delays in the provision of services to the clients of the Corporation could have a material adverse effect on the Corporation's results of operation and cash flows. Further, in periods of low activity, the Corporation could be subject to a loss on fixed price and quantity contracts that could have a material adverse effect on the Corporation's results of operations and cash flows.

Additionally, a portion of the Corporation's raw materials are sourced from the U.S. and are denominated in U.S. dollars; a weakening Canadian dollar relative to the U.S. dollar will have a negative impact on these input costs. Further constraints on global supply chains, may pose a material risk to the Corporation's ability to procure equipment, materials, and other items necessary for business continuity, SECURE's operations, or its ESG initiatives, which may result in delays and impact SECURE's ability to execute on its strategy on the expected timeline or budget and may have an adverse impact on the Corporation's results of operations and cash flows.

#### ***Contract Bidding Success and Renewal of Existing Contracts***

The Corporation's business depends on the ability to successfully bid on new contracts and renew existing contracts with private and public sector clients. Contract proposals and negotiations are complex and could involve a lengthy bidding and selection process, which are affected by a number of factors, such as market conditions, financing arrangements and required government approvals. If negative market conditions arise, or if there is a failure to secure adequate financial arrangements or the required governmental approval, the Corporation may not be able to pursue projects which could adversely reduce or eliminate profitability.

#### ***Seasonal Nature of the Industry***

The timing and duration of spring thaw is dependent on weather patterns but generally occurs from mid-March to mid-May. In addition, during excessively rainy periods, equipment moves may be delayed, thereby adversely affecting the Corporation's equipment utilization rates and revenues. Accordingly, while the Corporation's facilities are open and accessible year-round, spring break-up reduces the Corporation's activity levels. In the areas in which SECURE operates, the second quarter has generally been the slowest quarter as a result of spring break-up. See "*Seasonality of Operations*".

There is greater demand within the WCSB for energy services, including the drilling fluid systems provided by the Corporation, in the winter season when freezing permits the movement and operation of heavy equipment. Consequently, energy service activities tend to increase in the fall and peak in the winter months of November through March. However, if an unseasonably warm winter prevents sufficient freezing, the Corporation may not be able to access well sites, and its operating results and financial condition may therefore be adversely affected. The demand for these services, including the demand for all oilfield chemistries, may also be affected by the severity of the Canadian winters. In rail services, the impact of rapid temperature fluctuations on rail infrastructure experienced in the first and third quarters generally causes increased activity and project work. The volatility in the weather and temperature can therefore create unpredictability in activity, which can have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

### ***Foreign Currency Risk***

A significant portion of the Corporation's activities relate to the purchase and sale of crude oil or drilling fluids products which are transacted in or referenced to U.S. dollars. The risk is mitigated as the majority of the activities occur in the same period and/or through the use of financial contracts to mitigate exposure. A portion of SECURE's long-term debt (certain types of draws on the Revolving Credit Facility) are denominated in U.S. dollars. The Corporation may mitigate a portion of this risk through the use of financial contracts. The Corporation is exposed to foreign currency fluctuations as revenues, expenses and working capital derived from our foreign operations are denominated in U.S. dollars. In addition, the Corporation's U.S. subsidiaries are subject to translation gains and losses on consolidation. Realized foreign exchange gains and losses are included in net earnings while foreign exchange gains and losses arising on the translation of the assets, liabilities, revenues and expenses of the Corporation's ongoing foreign operations are included in the foreign currency translation adjustment.

Some of the Corporation's current operations and related assets are located in the U.S. Risks of foreign operations include, but are not limited to, changes of laws affecting foreign ownership, government participation, taxation, royalties, duties, rates of exchange, inflation, repatriation of earnings, social unrest or civil war, acts of terrorism, extortion or armed conflict and uncertain political and economic conditions resulting in unfavourable government actions such as unfavourable legislation or regulation. While the impact of these factors cannot be accurately predicted, if any of the risks materialize, they could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

### ***Economic Dependence***

The top ten customers of the Corporation accounted for approximately 28% of revenue for fiscal 2024 (2023 – 27%), of which no single customer accounted for more than 10%. Excluding the Corporation's recent Energy Infrastructure projects which are underpinned by long-term contracts with committed volumes, there can be no assurance that the current customers will continue their relationships with the Corporation. The loss of one or more major customers, any significant decrease in services provided to a customer, or prices paid or any other changes to the terms of service with customers, could have a material adverse effect on the financial results, cash flows, and the overall financial condition of the Corporation.

In addition, treatment and waste disposal services are largely dependent on the willingness of customers to outsource their waste management activities. As such, the demand for SECURE's services could be curtailed by a trend towards internal waste management.

A material portion of SECURE's Energy Infrastructure segment current and future revenue is generated from pipeline connected processing facilities. As significant revenue is generated from each pipeline connected processing facility, any single event that interrupts one of these operations could result in the loss of revenues.

### ***Proprietary Technology***

The Corporation relies on a variety of intellectual property rights, including patents, copyrights, trademarks, and confidential information, to protect its technology.

The success and ability of the Corporation to compete depends in part on the technology of the Corporation, and the ability of the Corporation to prevent others from using such technologies. Not all of the Corporation's products and services are or will be subject to protection under applicable intellectual property laws.

The steps we take to protect our intellectual property rights may not be adequate to prevent the infringement or violation of these rights by others. For example, there can be no assurance that: (i) the Corporation's current or future patent applications will be valid; (ii) any patents will issue from such applications; or (iii) any issued patents will not be subsequently invalidated or expunged. Accordingly, there can be no assurance that any patent or patent application will afford the Corporation with any protection against competitors with similar technology.

Policing unauthorized use of the Corporation's intellectual property rights may be difficult, and there can be no assurance that the steps taken by the Corporation will prevent the infringement or misappropriation of our intellectual property rights. In addition, litigation may be necessary in the future to enforce such rights. This

could result in: (i) substantial costs to the Corporation; (ii) a diversion of management resources; and (iii) a material adverse effect on the Corporation's business, results of operations or financial condition or reputation.

### *Risk of Third-Party Claims for Infringement*

Third parties may claim that the Corporation has infringed such third parties' intellectual property rights or may challenge the right of the Corporation in our intellectual property. Our defense of any claim, regardless of its merit, could be expensive and time consuming and could divert management resources. Successful infringement claims against us could result in significant monetary liability or prevent us from selling or otherwise providing some of our products and services. In addition, resolution of claims may require us to redesign our products and services, license rights from third parties, or cease using those rights altogether. Any of these events could harm our business and cause our results of operations, reputation, and financial condition to suffer.

### *Third-Party Ownership of Facilities*

Some of the engineered landfills SECURE operates are owned by third parties but operated by SECURE under contract. If SECURE breaches the terms of such contracts, they could be terminated or SECURE could be subject to penalties. SECURE also cannot ensure that the parties for whom it contracts will honor the terms of their contracts or that they will renew the current contracts upon their expiry on commercially reasonable terms or at all. Any default by SECURE under such contracts or any failure by the third parties to honor or renew SECURE's current contracts could have a material adverse effect on SECURE's business, financial condition, results of operations and cash flows or its ability to make required payments on debt outstanding.

### *Indigenous Peoples Consultation, Claims and Relationships*

Indigenous peoples have Aboriginal treaties, and have or assert Aboriginal rights, including title in certain instances, to a substantial portion of lands in Canada. The scope of Aboriginal and treaty rights continues to be clarified and government policy (including the requirements that are imposed on industry) continues to evolve. The federal and provincial governments in Canada have a duty to consult with Indigenous people when contemplating actions that may adversely affect the asserted or proven Indigenous or treaty rights. In certain circumstances, governments have a duty to accommodate their concerns. The consultation processes and expectations of parties involved can vary considerably from project to project, which can contribute to process uncertainty, increased costs, delay in receiving required approvals, and potentially, an inability to secure the required approvals for some projects. Additionally, some types of claims may affect or limit the Corporation's ability to secure locations for capital projects or expansion of existing operations. The Corporation is not aware that any claims have been made in respect of its properties and assets. However, if a claim arose and was successful, such claim may have a negative effect on the Corporation's business, financial condition, results of operations and prospects, which negative effect could prove to be material over time. In addition, the process of addressing such claims, regardless of the outcome, is expensive and time consuming and could result in delays which could have a negative effect on the Corporation's business, financial condition, results of operations and prospects, which negative effect could prove to be material over time.

Both Canada and British Columbia have passed legislation to implement the United Nations Declaration on the Rights of Indigenous Peoples ("UNDRIP"). The legislation requires the respective governments to take all necessary measures to align their respective laws with UNDRIP. British Columbia has published a five-year Action Plan (2021-2026) that lays out steps the province will take to meet the objectives of UNDRIP. Such actions will support, amongst other things, Indigenous self-determination and inherent rights of self-government, and title and rights of Indigenous Peoples. Canada is currently engaging on an action plan. Nonetheless, the various means and timelines associated with implementing UNDRIP by Canada and British Columbia is uncertain and may include increased opportunities for Indigenous Peoples to collaborate on process or undertake joint decision making that inform statutory decision making and creating uncertainty with respect to project regulatory approval timelines and requirements and operating conditions. The extent and magnitude of any adverse impacts of changes to legislation or policies on project development and operations cannot be estimated at this time, as uncertainty exists with respect to recommendations being considered or to be developed. Increased consultation and environmental assessment obligations may create risk of increased costs and project development delays.

In recent years, there has been increasing litigation regarding historical treaties with Indigenous peoples in Canada. Judicial interpretation of such historical treaties, and in particular the rights granted thereunder to Indigenous nations to manage and use the lands in a manner consistent with their ancestral practices, may impact future resource and industrial development in and around these lands. While the potential impact of current and future judicial decisions is uncertain at this time, it is possible that such decisions may have a negative effect on the Corporation's business, financial condition, results of operations or ability to expand its operations, which negative effect could prove to be material over time.

### ***Environmental Activism and Opposition***

Increasing concerns about climate change have resulted in increased public opposition to the continued exploitation and development of fossil fuels. Governments, businesses, and social and environmental activists are increasingly seeking to implement legislation, regulatory and policy changes, which are intended to accelerate the reduction in global consumption of carbon-based energy in an effort to curb GHG emissions.

Opposition to SECURE's operations stemming from environmental and climate change concerns may adversely affect the business of the Corporation by decreasing revenues and increasing remedial costs. The Corporation's operations, equipment and infrastructure could be vulnerable to unforeseen problems relating to environmental activism and opposition including, but not limited to, protests, demonstrations, blockades, vandalism and theft, which could interrupt the Corporation's operations for an extended period of time, result in significant delays to the Corporation's plans and result in increased costs to the Corporation. As a result of such interruption, the Corporation's business, financial condition and results of operations could be materially adversely affected. The Corporation's operations are dependent upon our ability to protect our operating equipment against damage from fire, vandalism, theft or a similar disruptive event. Protests, demonstrations, theft, vandalism and other disruptions could jeopardize the Corporation's operations and infrastructure and could result in significant set-backs, potential liabilities and deter future customers.

While the Corporation has systems, policies, practices and procedures designed to prevent or limit the effect of the failure or interruptions of our infrastructure there can be no assurance that these measures will be sufficient and that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed in a timely manner.

### ***Sustainability Performance***

The Corporation's ability to succeed in a lower-carbon economy is being increasingly compared against its peers, as investors and stakeholders assess companies based on ESG performance. Failure to achieve ESG targets or a perception that SECURE's climate policies are insufficient could negatively impact its reputation, access to capital, and investor confidence. Additionally, as financial institutions and investors continue to integrate sustainability considerations into their portfolios, SECURE could face higher capital costs or restricted financing opportunities if they adopt stricter decarbonization policies.

There is also a risk that the expected benefits of achieving ESG targets may not materialize, may cost more than anticipated, or may not be achieved within expected timeframes. The implementation of climate and sustainability goals may require increased capital expenditures, which could negatively impact existing operations, financial performance, and cash flows. Additionally, SECURE's ability to meet its ESG commitments is significantly dependent on executing its business strategy, meeting key milestones, and navigating broader industry risks and uncertainties, as outlined in the other risk factors described in this AIF.

SECURE also makes certain disclosures regarding sustainability from time to time. Public statements with respect to ESG matters, including reduction GHG reduction targets and environmental goals, are becoming increasingly subject to heightened scrutiny from public and governmental authorities with respect to the risk of potential "greenwashing," (i.e., misleading information or false claims overstating potential ESG benefits). Such claims are further subject to greater scrutiny now as a result of the enactment of Bill C-59 and the corresponding amendments to the Competition Act (Canada). As a result, SECURE may face increased litigation risks from private parties and governmental authorities related to its ESG efforts which could, in turn, lead to negative sentiment and diversion of investments.

## **Reputation**

SECURE relies on its reputation to build and maintain positive relationships with its stakeholders in the industry and in the communities in which we work and live, to recruit and retain personnel, and to be a credible, trusted company. Reputational risk has the potential for negative impacts that could result from the deterioration of the Corporation's reputation with key stakeholders.

Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, liquidity, regulatory, environmental and legal risks must all be managed effectively to safeguard SECURE's reputation. If the Corporation's reputation is adversely affected, it could result in, among other things: loss of customers; revenue loss; delays in obtaining regulatory approvals with respect to growth projects; increased operating, capital, financing or regulatory costs; lower shareholder confidence; or loss of its social license to operate.

## **Volatility of Market Price of Common Shares and Dilution**

The market price of the Common Shares may be volatile. This volatility may affect the ability of holders to sell the Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or our competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Forward-Looking Statements*" herein. In addition, the market price for securities on stock exchanges, including the TSX, may experience significant price and trading fluctuations, which are often unrelated or disproportionate to changes in operating performance. Further, SECURE may issue additional securities, which in turn may reduce the ownership percentage of existing shareholders and have other dilutive effects. The Corporation's articles permit the issuance of an unlimited number of Common Shares and an unlimited number of preferred shares, and shareholders will have no pre-emptive rights in connection with any further issuances. The Board has the discretion to determine the provisions attaching to any preferred shares and the price and the terms of issue of further issuances of Common Shares. These broad market fluctuations and future share issuances may adversely affect the market prices of the Common Shares. Further, sufficient market liquidity for holders to sell Common Shares when desired cannot be assured. The Corporation may issue additional Common Shares in the future, which may dilute a shareholder's holdings in the Corporation.

## **Dividend Payout**

The decision whether or not to pay dividends and the amount of any such dividends are subject to the sole discretion of the Board, which regularly evaluates the Corporation's proposed dividend payments. The amount of cash available to the Corporation to pay dividends, if any, can vary significantly from period to period for a number of reasons, including but not limited to: the Corporation's operational and financial performance; the amount of cash required or retained for debt service or repayment; amounts required to fund capital expenditures and working capital requirements; access to equity markets; foreign currency exchange rates and interest rates; restrictive covenants; and the risk factors set forth in this AIF.

In addition, the level of dividends per Common Share will be affected by the number of outstanding Common Shares and other securities that may be entitled to receive cash dividends or other payments. Dividends may be increased, reduced or suspended depending on the Corporation's operational success and the performance of our assets.

## **Legal Proceedings**

From time to time, the Corporation may be the subject of litigation arising out of its business or operations, including litigation relating to climate change. The Corporation is not a party to any material litigation. However, if any legitimate cause of action arose which was successfully prosecuted against the Corporation, the operations, results of operations or financial condition of the Corporation could be adversely affected.

### ***Leverage and Restrictive Covenants***

The degree to which the Corporation is financially leveraged could have important consequences to the shareholders of the Corporation, including: (i) a portion of the Corporation's cash flow from operations will be dedicated to the payment of the principal and interest on our indebtedness; and (ii) certain of the Corporation's borrowings have variable rates of interest, which float with the lender's prime rate, and as such, as these banking facilities are drawn, the Corporation will be exposed to higher interest costs if the prime rate or other interest rate indicators such as bankers' acceptances or LIBOR should increase. The Corporation's ability to make scheduled payments of principal and interest on, or to refinance, our indebtedness will depend on our future operating performance and cash flow, which are subject to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond our control.

The Corporation's Revolving Credit Facility has been secured by a first priority lien creating a security interest over all of the Corporation's present and after acquired personal property and floating charge over all of our present and after acquired real property. A failure to comply with the obligations in the agreements in respect of the Credit Facilities could result in an event of default which, if not cured or waived, could permit acceleration of the relevant indebtedness.

### ***Interest and Foreign Exchange Rates on Debt***

Funds drawn under the Revolving Credit Facility are managed through a combination of bankers' acceptance loans and U.S. dollar Secured Overnight Financing Rate ("**SOFR**") loans which bear interest at a floating interest rate. To the extent that the Corporation borrows under the Revolving Credit Facility, the Corporation is at risk to rising interest rates and potentially foreign exchange rates if using SOFR loans.

### ***Internal Controls Over Financial Reporting***

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of SECURE are responsible for establishing and maintaining adequate internal controls over financial reporting to ensure the reliability of financial statements for external reporting. While SECURE has implemented plans and procedures to mitigate the risk of material misstatements, internal controls can only provide reasonable—rather than absolute—assurance that financial reporting objectives are met, regardless of how well they are designed or operated.

To support compliance with financial reporting and disclosure obligations, SECURE has designed disclosure controls and procedures that ensure material information is communicated to the CEO and CFO in an accurate and timely manner, particularly during the preparation of annual and interim filings. These controls also serve to safeguard the Corporation's assets.

Recognizing the balance between cost and effectiveness, SECURE acknowledges that maintaining internal controls should not exceed their expected benefits. As a result, the Corporation's disclosure controls and procedures provide reasonable, but not absolute, assurance that financial reporting objectives are met.

### ***Conflict of Interest***

Certain of the directors and officers of the Corporation are also directors and officers of oil and natural gas exploration and/or production entities, and conflicts of interest may arise between their duties as officers and directors of the Corporation and as officers and directors of such other companies.

### ***Significant Shareholder***

TPG Angelo Gordon is a significant SECURE shareholder as they own more than 10% of the Common Shares outstanding. In addition, TPG Angelo Gordon and the Corporation have entered into the Shareholder Agreement, which entitles TPG Angelo Gordon to designate a nominee to SECURE's Board. As a result, TPG Angelo Gordon may have the ability to influence matters under consideration by the Board and submitted to SECURE's shareholders for approval, including, without limitation, the election and removal of directors, amendments to SECURE's articles and by-laws and certain fundamental corporate transactions. The interests of such a large shareholder in SECURE's business, operations and financial condition from time to time may not be aligned with, or may conflict with, the interests of the other SECURE shareholders. Further, TPG Angelo



Gordon may in the future own businesses that directly or indirectly compete with SECURE or do business with any potential or actual suppliers or customers of SECURE.

## DIVIDENDS AND DISTRIBUTIONS

During the first three quarters of 2022, the Corporation paid a quarterly dividend of \$0.0075 (0.75 cents). On November 2, 2022, the Board approved an increase to SECURE’S quarterly dividend to \$0.10 per Common Share with the first payment made on January 16, 2023, to shareholders of record on January 1, 2023. The Corporation continued to pay the quarterly dividend in 2023 and 2024.

Any future payments of dividends will be at the sole discretion of the Board and will depend upon the financial condition, capital requirements and earnings of the Corporation as well as other factors it may deem relevant. See “*Risk Factors – Dividend Payout*”.

The table below provides information on dividends declared per Common Share in each of the past three years:

	2022	2023	2024
January			
February			
March	0.0075	0.1000	0.1000
April			
May			
June	0.0075	0.1000	0.1000
July			
August			
September	0.0075	0.1000	0.1000
October			
November			
December	0.1000	0.1000	0.1000
<b>Total declared during the year</b>	<b>0.1225</b>	<b>0.4000</b>	<b>0.4000</b>

## DESCRIPTION OF CAPITAL STRUCTURE

### General Description of Capital Structure

SECURE is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, of which 231,378,145 Common Shares are issued and outstanding as at February 20, 2025.

### Common Shares

The holders of Common Shares are entitled: (i) to notice of, to attend and to one vote per Common Share at, all meetings of the holders of Common Shares (other than meetings of a class or series of shares of the Corporation other than the Common Shares); (ii) to receive dividends as and when declared by the Board on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of dividends; and (iii) in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among the holders of Common Shares for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of a return of capital on dissolution, to share rateably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of a return of capital, in such assets of the Corporation as are available for distribution.

### Preferred Shares

Currently there are no preferred shares of the Corporation issued and outstanding. The preferred shares of the Corporation are issuable in one or more series, each series to consist of such number of preferred shares as

determined by the Board. The Board is empowered to fix the number of preferred shares and the designation, rights, privileges, restrictions and conditions attaching to the preferred shares of each series and the holders of each series of preferred shares shall be entitled: (i) to the payment of dividends in priority to the holders of Common Shares; and (ii) in the event of a distribution, the payment on a distribution in priority to the holders of Common Shares.

## Material Indebtedness

### Credit Facilities

SECURE's credit facilities at December 31, 2024, consists of the \$800 million Revolving Credit Facility with nine financial institutions. The Revolving Credit Facility was renewed in June 2024 with the term extended to May 31, 2027. In addition, SECURE maintains a \$50 million unsecured letter of credit facility guaranteed by Export Development Canada.

Amounts borrowed under the Revolving Credit Facility bear interest at SECURE's option of either the Canadian prime rate or US Base Rate plus 0.875% to 2.75% or Canadian Overnight Repo Rate Average ("CORRA") rate or Secured Overnight Financing Rate ("SOFR") rate plus 1.875% to 3.75%, depending, in each case, on the ratio of Total Debt to EBITDA as defined in the Revolving Credit Facility. The Revolving Credit Facility is subject to customary terms, conditions and covenants, including the following financial covenants:

- The Senior Debt to EBITDA ratio is not to exceed 2.75 to 1.0 at the end of each fiscal quarter;
- The Total Debt to EBITDA ratio is not to exceed 4.50 to 1.0 at the end of each fiscal quarter; and
- The Interest Coverage Ratio (defined as EBITDA to Interest charges) is not to be less than 2.50 to 1.0.

The Revolving Credit Facility also requires that the aggregate principal amount of debt under all secured and unsecured notes and the facilities and will not exceed, at any time, \$1.5 billion.

Total Debt as defined by the Revolving Credit Facility includes the aggregate of all debt (including lease liabilities) minus the aggregate amount of readily available cash, cash equivalents and investment grade securities in excess of \$5 million. Senior Debt is defined as Total Debt excluding the principal amount outstanding under any senior secured or unsecured notes.

EBITDA is defined by the Revolving Credit Facility as earnings before interest, taxes, depreciation, depletion and amortization, and is adjusted for non-recurring losses, any non-cash impairment charges and any other noncash charges, and acquisitions on a pro-forma basis. Interest charges is defined as interest expense determined on a consolidated basis in accordance with GAAP, as would be set forth or reflected in a consolidated statement of comprehensive income. At December 31, 2024, the Corporation was in compliance with all financial covenants contained in the Revolving Credit Facility.

A copy of the credit agreement related to the Revolving Credit Facility can be found under the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

### Senior Notes

#### 2029 unsecured notes

On March 22, 2024 the Corporation closed an offering of \$300 million aggregate principal amount of the 2029 unsecured notes at an issue price of \$100.00, representing a yield of 6.75%. The Corporation used the net proceeds of the offering, along with cash on hand, to fund the redemption of the 2026 unsecured notes at the redemption price of 103.63% of the principal amount, plus accrued and unpaid interest. The total payment was \$358 million, comprised of principal of \$340 million, unpaid interest of \$6 million and a premium of \$12 million, resulting in a loss on extinguishment of debt of \$16 million recorded in other expense in the consolidated statement of comprehensive income.

The 2029 unsecured notes are issued pursuant to a trust indenture dated March 22, 2024 between the Corporation and Odyssey Trust Company, as trustee (the "**2029 Indenture**"). The 2029 unsecured notes are general unsecured obligations of SECURE. Certain of SECURE's subsidiaries have fully and unconditionally

guaranteed the 2029 unsecured notes, jointly and severally, on a senior unsecured basis. Interest payments on the 2029 unsecured notes occur in March and September during the term of the debt

As of the date hereof, the 2029 unsecured notes are the only outstanding senior notes of the Corporation.

### Redemption

SECURE may, from time to time, at its option, redeem the 2029 unsecured notes, in whole or in part, prior to the maturity thereof at the redemption date prices (expressed as percentage of the principal amount) set forth in the table below:

Notes	Redemption Date	Redemption Price	
		Year	Price
2029 unsecured notes	March 22	2026	103.375%
		2027	101.688%
		2028 and thereafter	100.000%

The 2029 unsecured notes may also be redeemed by SECURE, in whole or in part, under certain other circumstances and applicable premiums determined in accordance with the 2029 Indenture, plus applicable accrued and unpaid interest. For further information see Note 12 of the Corporation's 2024 audited consolidated financial statements for the year ended December 31, 2024.

A copy of the 2029 Indenture is available on the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

### Ratings

The following table outlines the current credit ratings for the Corporation, and its 2029 unsecured notes as of the date hereof:

	S&P	Fitch
Corporate Rating	B+	BB-
2029 unsecured notes	BB-	BB-

A credit rating generally provides an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments.

To assess the creditworthiness of an issuer, S&P evaluates the issuer's ability and willingness to repay its obligation in accordance with the terms of those obligations. To form its rating opinions, S&P reviews a broad range of financial and business attributes that may influence the issuer's prompt repayment. S&P's long-term credit ratings are on a rating scale that ranges from "AAA" to "D", which represents the range from highest to lowest quality of such securities rated. A rating of B+ is within the sixth highest of 10 categories and indicates that the obligor has the capacity to meet its financial commitments. However, adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation. According to the S&P rating system, obligations rating "BB", "B", "CCC", "CC", "C" and "D" are regarded as speculative grade, which generally refers to debt securities where the issuer currently has the ability to repay but faces significant uncertainties, such as adverse business, financial and economic conditions that could affect credit risk. "BB" indicates the least degree of speculation and "D" indicates the highest. A rating of "B+" is within the sixth highest of 10 categories and indicates the Corporation is more vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments. A rating of "BB-" is within the fifth highest of 10 categories and indicates the Corporation is less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions. Adverse business, financial, or economic conditions will likely impair the obligator's capacity or willingness to meet its financial commitments on the obligation. The ratings from "AA" to "CCC" may be modified by the addition of a (+) or a (-) sign to show relative standing within the major rating categories.

Fitch's credit rating scale is expressed using the categories "AAA" to "BBB" (investment grade) and "BB" to "D" (speculative grade), which represents the range from highest to lowest quality of such securities rated. The modifiers (+) or (-) may be appended to a "AA" through "CCC" ratings to denote relative status within major rating categories. The terms "investment grade" and "speculative grade" are market conventions and do not

imply any recommendation or endorsement of a specific security for investment purposes. Investment grade categories indicate relatively low to moderate credit risk, while ratings in the speculative categories signal either a higher level of credit risk or that a default has already occurred. A rating of "BB-" is within the fifth highest of 11 categories and indicates an elevated vulnerability to credit risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments.

The credit ratings accorded by S&P and Fitch are not recommendations to purchase, hold or sell securities and may be subject to revision or withdrawal at any time by the credit rating organization. Such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised to withdrawn entirely by a rating agency in the future, if in its judgment, circumstances so warrant.

The Corporation has paid fees to each of S&P and Fitch in 2023 and 2024 in respect of the Corporate Rating, and the 2029 unsecured notes.

### PRICE RANGE AND TRADING VOLUMES

The Common Shares are listed and posted for trading on the TSX under the symbol "SES". The following table sets out information concerning the monthly price ranges and trading volumes of the Common Shares on the TSX for the periods indicated.

2024	Low \$	High \$	Volume
January.....	9.39	10.64	15,890,393
February.....	9.89	11.41	14,749,363
March.....	11.15	11.64	16,420,149
April.....	10.81	11.92	17,429,868
May.....	11.08	11.64	17,816,358
June.....	11.14	12.15	20,457,942
July.....	11.26	12.53	8,870,074
August.....	11.35	12.59	8,836,260
September.....	11.13	12.75	15,895,872
October.....	11.95	15.83	12,048,904
November.....	15.33	17.13	16,103,187
December.....	15.57	17.03	16,825,825

## DIRECTORS AND EXECUTIVE OFFICERS

The term of each director is from the effective date of their election or appointment until the end of the next annual general meeting or until a successor is duly elected or appointed. The following individuals are the directors and executive officer of the Corporation.

Name and Jurisdiction of Residence	Position with the Corporation	Principal Occupation	Director Since <sup>(1)</sup>	Common Shares Held (#/%) <sup>(2)</sup>
Michael Callihoo Alberta, Canada	Corporate Secretary and General Counsel	Corporate Secretary and General Counsel of the Corporation	N/A	75,090/0.0%
Allen Gransch Alberta, Canada	Chief Executive Officer and Director	Chief Executive Officer of the Corporation	April 26, 2024	518,414/0.2%
Corey Higham Alberta, Canada	Chief Operating Officer	Chief Operating Officer of the Corporation	N/A	317,379/0.1%
Chad Magus Alberta, Canada	Chief Financial Officer	Chief Financial Officer of the Corporation	N/A	189,651/0.1%
Rhonda Rudnitski Alberta, Canada	Vice President, Environment, Social and Governance (ESG)	Vice President, Environment, Social and Governance (ESG) of the Corporation	N/A	64,936/0.0%
Rene Amirault <sup>(6)</sup> Alberta, Canada	Vice-Chairman	Independent Businessperson	June 1, 2007	1,901,801/0.8%
Mark Bly <sup>(5) (6)</sup> Nevada, USA	Director	Independent Businessperson	March 2, 2022	60,000/0.0%
Mick Dilger <sup>(4)</sup> Alberta, Canada	Chairman of the Board of Directors	Independent Businessperson	January 5, 2023	200,000/0.1%
Wendy Hanrahan <sup>(3) (4)</sup> Alberta, Canada	Director	Independent Businessperson	March 15, 2023	46,900/0.0%
Joseph Lenz <sup>(3) (5)</sup> New York, USA	Director	Managing Director at TPG AG Credit Solutions	November 1, 2022	37,621,964/16.1% <sup>(7)</sup>
Susan Riddell Rose <sup>(4) (6)</sup> Alberta, Canada	Director	President and Chief Executive Officer of Perpetual Energy Inc.	July 2, 2021	63,966/0.0%
Deanna Zumwalt <sup>(3) (5)</sup> Alberta, Canada	Director	President and Chief Executive Officer of Coril Holdings Ltd.	April 30, 2019	19,500/0.0%

**Notes:**

1. A director's term of office shall be from the date on which they are elected or appointed, as the case may be, until the next annual shareholder meeting or until the position has been transitioned to their elected or appointed successor.
2. Includes Common Shares beneficially owned or controlled, directly or indirectly as at December 31, 2024. Percentage holdings are calculated on a non-diluted basis.
3. Member of the Audit Committee of the Corporation.
4. Member of the Human Resources and Compensation Committee of the Corporation.
5. Member of the Corporate Governance and Nominating Committee of the Corporation.
6. Member of the Environment, Social & Governance Committee of the Corporation.
7. Includes Common Shares owned by TPG Angelo Gordon.

As at December 31, 2024, the directors and officers of the Corporation, as a group, beneficially owned, controlled or directed, directly or indirectly, 41,320,844 Common Shares, or approximately 17.65% of the outstanding Common Shares (on a non-diluted basis).

The following are brief biographies of each of the officers and directors of the Corporation, including a description of their present occupations and their principal occupations during at least the last five years.

## **Executive Officers**

### ***Michael Callihoo, Corporate Secretary and General Counsel***

Michael Callihoo was appointed as Corporate Secretary of SECURE on July 29, 2019. Mr. Callihoo was Vice President Commercial Operations/Legal at SECURE from July 2018 through July 2021, when he became General Counsel. Prior to joining SECURE, Mr. Callihoo worked in various legal roles at Plains Midstream Canada ULC beginning in 2010, finishing his time there as Associate General Counsel. Preceding his time at Plains, beginning in 1999, Mr. Callihoo was a lawyer at Bennett Jones LLP within the Energy and Corporate Departments, becoming a Partner in 2008. Mr. Callihoo holds a Bachelor of Laws from the University of Alberta.

### ***Allen Gransch, President & Chief Executive Officer***

Allen Gransch was appointed as Chief Executive Officer of SECURE on May 1, 2024 and was elected a director on April 26, 2024. Mr. Gransch joined SECURE in September 2007. From 2012 to 2017, Mr. Gransch held the position of Executive Vice President and Chief Financial Officer. In September 2017, Mr. Gransch was appointed Executive Vice President, Corporate Development. In April 2019, Mr. Gransch was appointed Chief Operating Officer, Midstream. In July 2021, upon completion of SECURE's merger with Tervita, Mr. Gransch further expanded his role as the Chief Operating Officer of both the Midstream Infrastructure and Environmental Solutions operating segments. In November 2022, Mr. Gransch was appointed President of SECURE. Prior to joining SECURE, Mr. Gransch was a Senior Manager with PricewaterhouseCoopers LLP. From 1999 to 2007, Mr. Gransch held various positions from Associate to Senior Manager with PricewaterhouseCoopers LLP located in Calgary, Alberta; Georgetown, Cayman Islands; and Saskatoon, Saskatchewan. Mr. Gransch is a Chartered Professional Accountant and attended the University of Saskatchewan, where he earned a Bachelor of Commerce degree and his Masters of Professional Accounting degree.

### ***Corey Higham, Chief Operating Officer***

Corey Higham has worked in senior leadership roles in Environment & Regulatory, Operations and Business Development with SECURE since July 2007. Mr. Higham served as SVP of Midstream Infrastructure Operations, which included facility operations, corporate and field sales, engineering and construction and health, safety and regulatory affairs, from May 2020 to October 2022. In November 2022, Mr. Higham was appointed Chief Operating Officer of SECURE. From 2004 to 2007, Mr. Higham held various roles at Tervita, including roles in environmental & regulatory and business development. Prior to Tervita, Mr. Higham worked for a private engineering consulting company from 1998 to 2004. Mr. Higham is a registered Professional Geoscientist and holds a Masters of Engineering from the University of Calgary.

### ***Chad Magus, Chief Financial Officer***

Chad Magus was appointed Chief Financial Officer in September 2017. Mr. Magus joined SECURE in June 2014 and most recently served as SECURE's Vice President of Corporate Finance. Prior to joining SECURE, Mr. Magus spent over 10 years with an oil and gas exploration and production company in a variety of finance, accounting and financial reporting roles and prior thereto was a senior accountant with KPMG. Mr. Magus is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from the University of Saskatchewan.

### ***Rhonda Rudnitski, Vice President, Environment, Social and Governance (ESG)***

Rhonda Rudnitski joined SECURE in July 2021. Prior to joining SECURE in 2021, she held positions with increasing scope and leadership responsibility at Tervita and Newalta Corporation. Within these organizations her portfolios have included: engineering, regulatory and compliance, health and safety, process safety management, closed sites/asset retirement, community relations, and indigenous relations. Prior to Newalta, she held various field-based operations and regulatory compliance positions at Waste Management Inc. Ms. Rudnitski received a Bachelor of Science degree in Chemical Engineering from the University of Alberta, completed the Occupational Health and Safety Certificate program from Ryerson University, and is a registered professional engineer.

## Directors

In addition to Mr. Gransch, the following individuals are the directors of the Corporation:

### *Rene Amirault, Vice-Chairman*

Rene Amirault was elected a director and appointed as Chairman of the Board on June 1, 2007, and served as Chairman of the Board until July 2, 2021. Mr. Amirault served as the Chief Executive Officer of SECURE from November 2, 2022, to April 30, 2024. Mr. Amirault was appointed as the President and Chief Executive Officer of SECURE from March 2007 to November 1, 2022. From January 2006 to March 2007, he was an independent businessperson. Mr. Amirault held various roles at Canadian Crude Separators Inc. and CCS Income Trust from August 1994 to January 2006, including Vice President roles in Sales and Marketing, Business Development and Corporate Development. Mr. Amirault held various positions with Imperial Oil Ltd. from 1981 to 1994. Mr. Amirault currently serves as a director of Tamarack Valley Energy Ltd. Mr. Amirault received a Certified General Accountant designation in 1984.

### *Mark Bly, Director*

Mark Bly was appointed to the Board on March 2, 2022. He currently serves as Chairman of Baytex Energy Corp. Mr. Bly is an independent businessman with over 35 years of experience in the oil and gas industry, primarily with BP PLC ("BP"), a global integrated energy company. Mr. Bly led several key exploration and production units for BP in Alaska, the North Sea and in North America. Subsequently he was a member of the E&P Executive Group, overseeing an international portfolio. In his final role as Executive Vice President, Safety and Operations Risk, he led the transformational program to drive operational excellence and risk management across all of BP's global activities. Mr. Bly holds a Masters of Science degree in structural engineering from the University of California, Berkeley and a Bachelor of Science degree in civil engineering from the University of California, Davis.

### *Michael "Mick" Dilger, Director*

Michael ("Mick") Dilger was appointed as Board Chairman of SECURE on January 5, 2023. Mr. Dilger is Executive Chairman of Ricochet Oil Corp, an Alberta based private oil & gas producing company, a position he has held since April 2024. Prior thereto Mr. Dilger was President & Chief Executive Officer (and director) of Pembina Pipeline Corporation ("Pembina") from January 2014 to November 2021. Prior thereto he was Pembina's President and Chief Operating Officer and before then, held a number of other senior positions within Pembina starting in 2005. Before joining Pembina, Mr. Dilger worked as a senior executive in various financial and business development positions in successful oil and gas as well as infrastructure companies, including TransCanada, NOVA Corporation and Hess Oil. Mr. Dilger was a director of Trilogy Energy Trust for 14 years, where he served as Chairman of the Health, Safety & Environment Committee until 2017, when Trilogy was sold. Mr. Dilger was co-chair of the 2016 United Way of Calgary campaign. Mr. Dilger has been a Chartered Professional Accountant since 1989 and holds a Bachelor of Commerce degree from the University of Calgary.

### *Wendy Hanrahan, Director*

Wendy Hanrahan was appointed as a director of the Corporation on March 15, 2023. Ms. Hanrahan served as Executive Vice-President, Corporate Services of TC Energy Corporation from 2011 up until her retirement in 2021. In this role, Ms. Hanrahan provided strategic and functional leadership for human resources, business process integration, internal communications, information systems, supply chain, aviation, and facilities services. Prior thereto, Ms. Hanrahan held a variety of key leadership roles at TC Energy Corporation in finance and accounting, corporate strategy, and in the gas transmission business since 1995, including the role of Vice President, Human Resources from 2005 to 2010. Prior to joining TC Energy Corporation, Ms. Hanrahan worked in various accounting roles at Gulf Canada Resources and was an Audit Manager at Ernst & Young. Ms. Hanrahan previously served on the Board of Directors of Stuart Olsen Inc. from 2009 to 2018 where she chaired the Human Resources and Compensation Committee and served on the Audit and Governance Committees. Her community involvement has included various Board and committee positions including the Heritage Park Society, Canadian Mental Health Association, CARE Canada, and Mount Royal University. Ms.

Hanrahan holds a Bachelor of Science in Business Administration from the University of South Carolina and received her designation as a Chartered Accountant in 1988.

#### ***Joseph Lenz, Director***

Joseph Lenz was appointed to the Board on November 1, 2022, as the Angelo Gordon Nominee (defined herein), pursuant to the Shareholder Agreement – see "Shareholder Agreement" for more information. Mr. Lenz serves as a Partner and Co-Head of Research of TPG AG Credit Solutions, an approximately \$20 billion strategy at TPG a leading global asset manager. Mr. Lenz first joined TPG Angelo Gordon in 2012. For two years prior thereto, Mr. Lenz worked in the investment banking division at Morgan Stanley. Mr. Lenz is currently a director of Anywhere Real Estate, and previously served as a director of Northern Oil and Gas Inc. from 2018 to 2019. Mr. Lenz holds a B.A. degree from the University of Pennsylvania.

#### ***Susan Riddell Rose, Director***

Sue Riddell Rose was appointed a director of SECURE on July 2, 2021, in connection with the acquisition of Tervita Corporation. She was previously a director of Tervita beginning in July 2018 following the merger of Tervita with Newalta Corporation, and served on the Newalta Corporation board of directors prior thereto since May 2009. Ms. Riddell Rose is the President and Chief Executive Officer of Rubellite Energy Corp. Sue served as President and CEO of Rubellite's multiple predecessors, including Perpetual Energy Inc. since 2002. Prior thereto she was a Corporate Operating Officer for Paramount Resources Ltd. Sue graduated from Queen's University at Kingston, Ontario in 1986 with a Bachelor of Applied Science in Geological Engineering. She is a member of the Association of Professional Engineers and Geoscientists of Alberta, the Canadian Society of Petroleum Geologists and the American Association of Petroleum Geologists and serves as a governor for the Canadian Association of Petroleum Producers.

#### ***Deanna Zumwalt, Director***

Deanna Zumwalt was elected as a director of the Corporation in April 2019. Ms. Zumwalt is President and CEO of Coril Holdings Ltd., a privately-owned company based in Calgary, which holds subsidiaries and investments globally in railway maintenance, real estate, venture and other asset classes. Prior to her current role at Coril, she held the position of CFO from 2015 to 2020. Prior thereto, Ms. Zumwalt also held a variety of senior financial and energy marketing roles at Nexen Energy ULC, including Vice President, Global Energy Marketing from 2013 to 2015, Vice President, North American Crude Oil Marketing from 2010 to 2013, Vice President, North American Natural Gas & Power from 2009 to 2010, Vice President, Finance-Marketing from 2004 to 2009 and Manager, Corporate Reporting from 2001 to 2004. Deanna has been a Chartered Professional Accountant since 1997, holds an Institute of Corporate Directors, Director designation as well as a Bachelor of Commerce degree from the University of Calgary and a Diploma in Financial Strategy from Oxford University.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

#### ***Cease Trade Orders***

To the Corporation's knowledge, none of its current directors or executive officers are, as at the date of this AIF, or have been within ten years prior to the date of this AIF, a director, chief executive officer or chief financial officer of any company that: (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (each, an "Order") that was issued while that director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

#### ***Bankruptcies***

To the Corporation's knowledge, none of its directors or executive officers (i) is, as at the date of this AIF, or has been within 10 years prior to the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that 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 trustee appointed to hold its assets; or (ii) has, within 10 years prior to the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

### **Penalties and Sanctions**

To the Corporation's knowledge, none of its directors or executive officers has been subject to: (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

There are no known existing or potential material conflicts of interest between the Corporation (including its subsidiaries) and any director or officer of the Corporation. Certain of the directors and officers also serve as directors and/or officers of other public and private companies that may be involved in the oil and natural gas industry, and therefore it is possible that a conflict may arise between their duties as directors or officers of the Corporation and their duties as directors and/or officers of such other companies. The Corporation and the directors attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such items of which they are conflicted, subject to certain exceptions under the ABCA including when the director undertakes an obligation for the benefit of the Corporation. In appropriate cases, the Corporation will establish a special committee of independent directors to review a matter in which directors, or management, may have a conflict. In accordance with the ABCA, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Corporation, the degree of risk to which the Corporation may be exposed and our financial position at that time. Other than as indicated, the Corporation has no other procedures or mechanisms to deal with conflicts of interest.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

The Corporation is a defendant and plaintiff in legal proceedings and regulatory actions that arise in the normal course of business. During the year ended December 31, 2024, there were no legal proceedings or regulatory actions to which the Corporation was a party that the Corporation believes would have a material effect on the Corporation or result in any material liabilities and the Corporation is not aware of any such legal proceedings or regulatory actions that are contemplated. See "*Risk Factors – Legal Proceedings*".

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

To the knowledge of SECURE, no: (i) director or executive officer of the Corporation; (ii) person that is the beneficial owner of, or who exercises direct or indirect control or direction over, more than ten percent of the outstanding Common Shares; or (iii) any associate or affiliate of any person referred to in (i) or (ii) above has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect SECURE, other than as disclosed elsewhere in this AIF.

### **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The auditor of the Corporation is KPMG LLP, 3100, 205-5th Ave. S.W., Calgary, Alberta T2P 4B9. KPMG LLP was first appointed as the Corporation's auditor on May 8, 2015.

The registrar and transfer agent of the Corporation is Odyssey Trust Company of Canada ("**Odyssey**"), and a register of shareholders is maintained by Odyssey at its principal office in Calgary, Alberta.

## AUDIT COMMITTEE INFORMATION

The mandate of the Audit Committee is set forth in "*Appendix A - Mandate of the Audit Committee*" attached hereto.

### Composition of the Audit Committee

The following table sets forth the name of each of the current members of the Audit Committee, whether such member is "independent" and "financially literate" as those terms are defined by National Instrument 52-110 *Audit Committees* and the relevant education of each such member.

Name	Independent	Financially Literate	Relevant Education and Experience
Joseph Lenz	Yes	Yes	Mr. Lenz serves as a Partner and Co-Head of Research of TPG AG Credit Solutions, an approximately \$20 billion strategy at TPG a leading global asset manager. Mr. Lenz first joined TPG Angelo Gordon in 2012. For two years prior thereto, Mr. Lenz worked in the investment banking division at Morgan Stanley. Mr. Lenz is currently a director of Anywhere Real Estate, and previously served as a director of Northern Oil and Gas Inc. from 2018 to 2019. Mr. Lenz holds a B.A. degree from the University of Pennsylvania.
Wendy Hanrahan	Yes	Yes	Ms. Hanrahan served as Executive Vice-President, Corporate Services of TC Energy Corporation from 2011 up until her retirement in 2021. In this role, Ms. Hanrahan provided strategic and functional leadership for human resources, business process integration, internal communications, information systems, supply chain, aviation, and facilities services. Prior thereto, Ms. Hanrahan held a variety of key leadership roles at TC Energy Corporation in finance and accounting, corporate strategy, and in the gas transmission business since 1995, including the role of Vice President, Human Resources from 2005 to 2010. Prior to joining TC Energy Corporation, Ms. Hanrahan worked in various accounting roles at Gulf Canada Resources and was an Audit Manager at Ernst & Young. Ms. Hanrahan previously served on the Board of Directors of Stuart Olsen Inc. from 2009 to 2018 where she chaired the Human Resources and Compensation Committee and served on the Audit and Governance Committees. Her community involvement has included various Board and committee positions including the Heritage Park Society, Canadian Mental Health Association, CARE Canada, and Mount Royal University. Ms. Hanrahan holds a Bachelor of Science in Business Administration from the University of South Carolina and received her designation as a Chartered Accountant in 1988.
Deanna Zumwalt <sup>(1)</sup>	Yes	Yes	Deanna Zumwalt was elected as a director of the Corporation in April 2019. Ms. Zumwalt is President and CEO of Coril Holdings Ltd., a privately-owned company based in Calgary, which holds subsidiaries and investments globally in railway maintenance, real estate, venture and other asset classes. Prior to her current role at Coril, she held the position of CFO from 2015 to 2020. Prior thereto, Ms. Zumwalt also held a variety of senior financial and energy marketing roles at Nexen Energy ULC, including Vice President, Global Energy Marketing from 2013 to 2015, Vice President, North American Crude Oil Marketing from 2010 to 2013, Vice President, North American Natural Gas & Power from 2009 to 2010, Vice President, Finance-Marketing from 2004 to 2009 and Manager, Corporate Reporting from 2001 to 2004. Deanna has been a Chartered Professional Accountant since 1997, holds an Institute of Corporate Directors, Director designation as well as a Bachelor of Commerce degree from the University of Calgary and a Diploma in Financial Strategy from Oxford University.

**Note:**

1. Chair of the Audit Committee.

## Pre-Approval Policies and Procedures

To safeguard the continued independence of the Corporation's external auditors, all services (including non-audit services) to be rendered by the Corporation's external auditors and any of their related entities to the Corporation or any subsidiary of the Corporation, and all related terms of engagement, must be the subject of pre-approval by the Audit Committee.

## External Auditor Service Fees

The following table sets forth the aggregate fees billed by KPMG LLP for the 2024 and 2023 fiscal years.

	2024	2023
Audit fees <sup>(1)</sup>	\$1,060,700	\$970,220
Tax fees <sup>(2)</sup>	\$40,660	\$75,549
Advisory <sup>(3)</sup>	\$-	\$214,000
Total	\$1,101,360	\$1,259,769

<sup>(1)</sup> Aggregate fees billed by SECURE's external auditor for audit services. There were no other Audit-related fees incurred by the Corporation in 2024 or 2023 for assurance and related services that are related to the performance of the audit or review of SECURE's financial statements that are not reported under "Audit fees".

<sup>(2)</sup> Consists of tax compliance and advisory fees.

<sup>(3)</sup> Consists of advisory fees related to the Sale Transaction.

## MATERIAL CONTRACTS

Except for the 2029 Indenture, the Revolving Credit Facility, the Letter of Credit Facility and contracts entered into in the ordinary course of business, the only material contracts entered into by the Corporation during the most recently completed financial year, or before the most recently completed financial year that was still in effect, are listed as follows. See "*Description of Capital Structure – Material Indebtedness*".

### Shareholder Agreement

On November 1, 2022, SECURE and TPG Angelo Gordon (through its predecessor, Angelo Gordon) entered into the Shareholder Agreement. Pursuant to the Shareholder Agreement, TPG Angelo Gordon is entitled to designate a nominee acceptable to the Corporate Governance and Nominating Committee (the "**Angelo Gordon Nominee**") for election to the Board at each meeting of Shareholders at which directors are to be elected. SECURE is required to recommend for nomination and solicit proxies in favour of the election of the Angelo Gordon Nominee consistent with its practice with respect to SECURE's other management nominees. TPG Angelo Gordon and its affiliates are subject to certain voting obligations, including the obligation to vote in favour SECURE's nominees and any compensation related matters. The Shareholder Agreement is available under SECURE's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

All Common Shares held by TPG Angelo Gordon and its affiliates are additionally subject to certain transfer restrictions (the "Transfer Restrictions"). Prior to entering an agreement in respect of, or effecting, a private transaction that would result in a person (or persons acting jointly or in concert) beneficially owning, or controlling or directing, 10% or more of the then-outstanding Common Shares, TPG Angelo Gordon and its affiliates or representatives must provide the Corporation with the identity of the transferee not less than 48 hours before entering into such agreement or effecting such transfer. The Transfer Restrictions cease to apply 30 days following the date on which the Angelo Gordon Nominee ceases to serve on the Board and TPG Angelo Gordon has informed the Corporation that it will not exercise its right to appoint a replacement to the Board.

Class of Securities	Number of Securities Subject to the Transfer Restrictions	Percentage of Class
Common Shares	37,621,964	16.1% <sup>(1)</sup>

<sup>(1)</sup> Calculation based on 234,081,831 Common Shares outstanding on December 31, 2024.

## INTERESTS OF EXPERTS

KPMG LLP are the auditors of the Corporation and have confirmed with respect to the Corporation that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under SECURE's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Information as to the remuneration of directors and officers of the Corporation, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in SECURE's information circular, and additional financial information in respect of the Corporation is provided in SECURE's most recent annual financial statements and management's discussion and analysis.

## MANDATE OF THE AUDIT COMMITTEE

### Objectives

The Audit Committee has been formed by the board of directors (the "**Board**") of SECURE Waste Infrastructure Corp. (together with its subsidiaries, the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- monitor the integrity of the Corporation's financial reporting process and systems of internal controls regarding finance, accounting and securities laws compliance;
- assist Board oversight of: (i) the integrity of the Corporation's financial statements; and (ii) the Corporation's compliance with securities laws and regulatory requirements;
- oversee audits of the Corporation's financial statements;
- monitor the independence, qualification and performance of the Corporation's external auditors; and
- provide an avenue of communication among the external auditors, management and the Board.

The Audit Committee will review any revisions to this mandate as recommended by the Corporate Governance and Nominating Committee and, if applicable, provide the Corporate Governance and Nominating Committee with input on such revisions, taking into account, among other things, changes in the business environment, industry standards on matters of corporate governance, additional standards and other factors that the Audit Committee believes are appropriate.

### Oversight Function

- The Audit Committee's role is one of oversight. The Audit Committee is responsible for assisting the Board with overseeing the integrity of the Corporation's financial statements and for maintaining systems of internal controls to ensure the Corporation's internal and external auditors, management and the Board are informed on a timely basis of material developments and the Corporation complies with all securities laws and regulatory requirements, including the Corporation's public disclosure obligations. The external auditors are responsible for auditing the Corporation's financial statements.
- In carrying out its oversight responsibilities under this mandate, the Audit Committee and each of its members is entitled to, absent knowledge to the contrary, rely upon the accuracy and completeness of the opinions, reports and statements prepared by the Corporation's internal and external auditors, consultants and other advisors. The Audit Committee and its members do not provide any professional certification or special assurance as to the accuracy of the Corporation's financial statements or the opinions, reports and statements prepared by the Corporation's external auditors.
- In discharging its duties under this mandate, the Audit Committee shall have the authority to communicate directly with the Corporation's internal and external auditors.

## Composition

Subject to such exemptions as may be available to the Corporation under securities laws, Audit Committee members must meet the requirements of applicable corporate and securities laws and of the stock exchanges on which the securities of the Corporation trade.

The Audit Committee shall consist of three or more directors as determined by the Board, all of whom shall be "independent" and "financially literate", as those terms are defined in National Instrument 52-110 Audit Committees ("**NI 52-110**") of the Canadian Securities Administrators.

The Audit Committee shall have, at a minimum, one member with experience being a certified public accountant, Chief Financial Officer or corporate controller of similar experience, or demonstrably meaningful experience overseeing such functions as a senior executive officer.

Audit Committee members shall be appointed annually by the Board, provided that any member may be removed or replaced as a member of the Audit Committee at any time by the Board, and shall, in any event, cease to be a member of the Audit Committee upon ceasing to be a member of the Board. The Board may fill any vacancy in the membership of the Audit Committee at any time.

The Chair of the Audit Committee shall be appointed annually by the Board. If a Chair of the Committee is not designated or present, the members of the Committee may designate by majority vote of the members of the Committee.

An individual who previously served as Chief Executive Officer ("**CEO**") of the Corporation, Chief Financial Officer ("**CFO**") of the Corporation or was otherwise employed by the Corporation must observe a five-year waiting period before holding a position on the Audit Committee.

Committee members shall not simultaneously serve on the audit committees of more than two other public companies, unless the Board first determines that such simultaneous service will not impair the ability of the relevant members to effectively serve on the Audit Committee, and required public disclosure is made.

## Meetings and Minutes

The Audit Committee shall meet at least quarterly, or more frequently if determined necessary to carry out its responsibilities.

A meeting may be called by the Chair of the Audit Committee, the CEO of the Corporation, any member of the Audit Committee or the external auditors.

A notice of time and place of every meeting of the Audit Committee shall be given in writing to each member of the Audit Committee and the external auditors at least twenty-four hours prior to the time fixed for such meeting unless waived by all members entitled to attend. Attendance of a member of the Audit Committee at a meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

A quorum for meetings of the Audit Committee shall require a majority of its members present in person, by telephone, by video conference or other electronic communication facility or by combination of any of the foregoing.

If the Chair is not present at any meeting of the Audit Committee, one of the other members of the Audit Committee present at the meeting will be chosen to preside by a majority of the members of the Audit Committee present at that meeting.

Each of the CEO and the CFO shall be available to advise the Audit Committee, shall receive notice of meetings and may attend meetings of the Audit Committee at the invitation of the Chair on a non-voting basis. The Corporation's external auditors shall be invited to attend all meetings of the Audit Committee on a non-voting basis. Other management representatives shall be invited to attend as necessary on a non-voting basis. Notwithstanding the foregoing, the Chair shall hold in camera sessions, without management present, at every meeting of the Audit Committee.

Decisions of the Audit Committee shall be determined by a majority of the votes cast.

The Audit Committee shall appoint a member of the Audit Committee, an officer of the Corporation or legal counsel to act as secretary at each meeting for the purpose of recording the minutes of each meeting. Minutes shall be kept of all meetings of the Audit Committee and shall be signed by the Chair and the secretary of the meeting.

The Audit Committee shall, after each meeting, report to the Board the results of its activities and reviews undertaken and make recommendations to the Board as deemed appropriate. All information reviewed and discussed by the Audit Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

## **Scope, Duties and Responsibilities**

### ***Mandatory Duties***

#### *Oversight in Respect of Financial Disclosure and Accounting Practices*

The Audit Committee will:

- Prior to filing or public distribution, review, discuss with management and the external auditors and recommend to the Board for approval, the Corporation's audited annual financial statements, annual profit or loss press releases, interim financial statements, interim profit or loss press releases, annual information forms, management's discussion and analysis, financial statements required by regulatory authorities, financial information and any profit or loss guidance proposed to be provided to analysts and rating agencies, all audited and unaudited financial statements included or incorporated by reference in prospectuses or other offering documents and all documents which may be included or incorporated by reference into a prospectus which contain financial information within the Audit Committee's mandate, including without limitation, the portions of the management proxy circular for any annual or special meeting of shareholders containing significant financial information within the Audit Committee's mandate. This review should include discussions with management, and the external auditors of significant issues regarding accounting principles, practices and judgments.
- Develop and present to the Board a calendar of regular blackout periods in accordance with the Corporation's Policy on Trading in Securities, or other similar policy.
- Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in paragraph 1 above and periodically assess the adequacy of those procedures.
- Be responsible for reviewing the disclosure contained in the Corporation's annual information form as required by Form 52-110F1 Audit Committee Information Required in an AIF, attached to NI 52-110. If proxies are solicited for the election of directors of the Corporation, the Audit Committee shall be responsible for ensuring that the Corporation's information circular includes a cross-reference to the sections in the Corporation's annual information form that contains the information required by Form 52-110F1.
- Ensure the preparation and filing of each annual certificate in Form 52-109F1 and each interim certificate in Form 52-109F2 to be signed by each of the CEO and CFO of the Corporation in accordance with the requirements set forth under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, as amended from time to time ("**NI 52-109**").
- Oversee the establishment of a procedure to ensure the accuracy of the matters certified by the Corporation's certifying officers as required under NI 52-109 and make reasonable inquiries to ensure that interim and annual filings are true and accurate in all material respects, do not omit to state a material fact or contain any misrepresentations and ensure that all necessary information as required under NI 52-109 is disclosed in the Corporation's interim and annual filings.

- In consultation with management, and the external auditors, consider the integrity of the Corporation's financial reporting processes and controls and the performance of the Corporation's internal financial accounting staff; discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures; and review significant findings prepared by the external auditors together with management's responses.
- Meet separately with each of management, and the external auditors to discuss difficulties or concerns, specifically: (i) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management; and (ii) any changes required in the planned scope of the audit, and report to the Board on such meetings. These separate meetings may take place as frequently as necessary, provided that the Audit Committee shall meet independently with each of management and the external auditors at least quarterly.
- Discuss with management and the external auditors any proposed changes in major accounting policies, standards or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting.
- Discuss with management the effect of any off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Corporation's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues and expenses.
- Review with management and the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues.
- Review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management.
- Confirm through discussions with management and the external auditors that GAAP and all applicable laws or regulations related to financial reporting and disclosure have been complied with.
- Review the results of the Corporate Governance and Nominating Committee's annual evaluation of the Audit Committee's performance of its duties under this mandate for presentation to the Board by the Corporate Governance and Nominating Committee.
- Each year, the Audit Committee shall be responsible for preparing and approving an annual work plan setting out the scope of the Audit Committee's responsibilities and the topics to be addressed at meetings of the Audit Committee.

#### *Oversight in Respect of Risk Management*

The Audit Committee will:

- Identify and monitor the principal risks that could affect the financial reporting of the Corporation and periodically discuss with management the steps that management has taken to monitor and control such risks.
- Monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance.
- Provide an avenue of communication among the external auditors, management and the Board.
- Review and oversee compliance with the Corporation's Energy Infrastructure Risk Policy and Delegation of Authority Policy. The Audit Committee shall have the authority to approve, from time to time, amendments to the Energy Infrastructure Risk Policy and, in accordance with the terms of the Energy Infrastructure Risk Policy, actions of the Corporation to manage energy marketing risks, provided that such approvals shall lapse if not ratified by the Board at the next meeting thereof.



### *Oversight in Respect of Internal Controls*

The Audit Committee will:

- Establish procedures for: (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential and anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- Ensure that management regularly evaluates the effectiveness of the Corporation's disclosure controls and procedures and causes the Corporation to disclose its conclusions about the effectiveness of the disclosure controls and procedures in accordance with all applicable legal and regulatory requirements. The terms "annual filings," "interim filings," "disclosure controls and procedures" and "internal control over financial reporting" shall have the meanings set forth under NI 52-109.
- Monitor the quality and integrity of the Corporation's system of internal controls, disclosure controls and management information systems through discussions with management and the external auditors.
- Be responsible for monitoring any changes in the Corporation's internal controls over financial reporting and for ensuring that any change that occurred during the Corporation's most recent interim period that has materially affected, or is reasonably likely to materially affect, the Corporation's internal controls over financial reporting is disclosed in the Corporation's most recent annual or interim management's discussion and analysis.
- Oversee investigations of alleged fraud and illegality relating to the Corporation's finances and any resulting actions.
- Review and discuss with the CEO and CFO the procedures undertaken in connection with the CEO and CFO certifications for the annual and/or interim filings with applicable securities regulatory authorities.
- Review disclosures made by the CEO and CFO to the Corporation during their certification process for annual and/or interim financial statements with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which adversely affect the Corporation's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving management or other employees of the Corporation who have a significant role in the Corporation's internal controls.
- Review or satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted from the Corporation's financial statements and periodically assess the adequacy of those procedures.

### *Oversight in Respect of External Auditors*

The Audit Committee will:

- Advise the external auditors of their accountability to the Audit Committee and the Board as representatives of the shareholders of the Corporation to whom the external auditors are ultimately responsible. The external auditors shall report directly to the Audit Committee. The Audit Committee is directly responsible for overseeing the work of the external auditors, shall review at least annually the independence, qualifications and performance of the external auditors and shall annually recommend to the Board the appointment of the external auditors or approve any discharge of auditors when circumstances warrant.
- Require the use of enhanced auditor reporting standards whereby auditors must clearly communicate key audit matters in their reports. Key audit matters are those matters which, in the auditors'

professional judgment, were of the most significance in the audit of the Corporation's financial statements.

- Recommend to the Board for approval the fees and other compensation to be paid to the external auditors.
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditors and all related terms of engagement.
- On an annual basis, review and discuss with the external auditors all significant relationships they have with the Corporation that could impair the auditors' independence and obtain a report describing all relationships between the external auditors and the Corporation.
- Review the external auditors' audit plan and discuss scope, staffing, locations, proposed fees, reliance upon management and general audit approach and approve any engagement letters with the external auditors.
- Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- Be responsible for the resolution of disagreements between management and the external auditors.
- Ensure that the external auditors are participants in good standing with the Canadian Public Accountability Board ("CPAB") in accordance with National Instrument 52-108 Auditor Oversight and participate in the oversight programs established by the CPAB from time to time and that the external auditors have complied with any restrictions or sanctions imposed by the CPAB as of the date of the applicable auditor's report relating to the Corporation's annual audited financial statements.
- Annually review the performance of the external auditors to determine whether the Corporation should adopt or maintain a policy of rotating its external auditors.
- When there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditor and documentation required pursuant to National Instrument 51-102 Continuous Disclosure Obligations (or any successor instrument) of the Canadian Securities Administrators and the planned steps for an orderly transition period.
- Review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.

#### *Oversight in Respect of Other Items*

Pursuant to the requirements of NI 52-110 and other applicable laws, the Audit Committee will:

- Review the Corporation's major financings and related offering documents.
- Review the Corporation's credit ratings and monitor the Corporation's activities relating to credit rating agencies, if applicable.
- Review the Corporation's credit facilities and monitor compliance by the Corporation with its financial covenants.
- Recommend to the Board the appointment, replacement, reassignment, or dismissal of the CFO.
- Review the appointment of the Chief Financial Officer.
- Receive and review complaints referred to it by the Chairman of the Board pursuant to the Corporation's Whistleblower Policy.

- Inquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters which are directed to the Audit Committee by any member of the Board, a shareholder of the Company, the external auditors or management.
- Review, approve or make recommendations to the Board in respect of corporate social responsibility (CSR) and environmental, social and governance (ESG) factors in the Corporation's reporting and public disclosure, including the Corporation's annual sustainability report, that are relevant to the Audit Committee's mandate or described in the Audit Committee's annual work plan.
- Review the summary of all approvals by the Audit Committee of the provision of audit, audit-related, tax and other services by the external auditors for the inclusion in the Corporation's annual information form.
- On at least an annual basis, review, with the Corporation's legal counsel, any legal matters or other events, including tax assessments, that could have a material current or future impact on the Corporation's financial statements, the disclosure of such material legal matters or events in the Corporation's financial statements, the Corporation's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.
- Review all material related party transactions and ensure that the nature and extent of such transactions is properly disclosed.
- Oversee and advise management with respect to the Corporation's cyber security risks and review and make recommendations to the Board in respect of any disclosure about cyber security risks to be included in the Corporation's reporting and public disclosure documents.
- Perform any other activities consistent with this mandate, the Corporation's by-laws, and other governing law as the Audit Committee or the Board deems necessary or appropriate.

#### **Communication, Authority to Engage Advisors and Expenses**

- The Audit Committee shall have direct access to such officers and employees of the Corporation, to the Corporation's external auditors and to any other consultants or advisors, as well as to such information respecting the Corporation, including the books and records of the Corporation and its subsidiaries, it considers necessary to perform its duties and responsibilities. The Audit Committee shall also request such information from the Board in regard to the accounts of the Corporation as the Audit Committee or the Board may consider necessary or appropriate to carry out its duties and responsibilities.
- Any employee may bring before the Audit Committee, on a confidential basis, any concerns relating to the matters over which the Audit Committee has oversight responsibilities, including those regarding questionable accounting or auditing matters.
- The Audit Committee has the authority to engage the external auditors, independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any auditors, counsel and other advisors, such engagement to be at the Corporation's expense. The Corporation shall be responsible for all other expenses of the Audit Committee that are deemed necessary or appropriate by the Audit Committee in order to carry out its duties.

Adopted by the Board of the Corporation on December 9, 2009. Last reviewed and/or amended October 31, 2023.