



MAGNA IV ENGINEERING, INC.

**2023 Report pursuant to the
*Fighting Against Forced Labour and Child Labour in Supply Chains Act***

Introduction

This report (the “**Report**”) has been prepared by Magna IV Engineering, Inc. (“**Magna IV**”), pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) and outlines the actions we have taken during the year ended December 31, 2023 to prevent and reduce the risk of forced labour or child labour occurring in our business.

We are committed to preventing the occurrence of forced labour and child labour in our operations and supply chains. We do not tolerate child labour, forced labour or any other form of slavery and we expect that our suppliers share our commitment to ethical and responsible business practices and support our values.

Our Structure

Magna IV, an Alberta Corporation, provides maintenance, engineering & design, and testing & commissioning services for medium and high voltage electrical facilities. We are a subsidiary of Maxima Power Group, Inc., a Delaware corporation.

Magna IV is headquartered in Edmonton, Alberta and its registered office is at 4200 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, T2P 5C5.

Our activities are principally in Canada but we also undertake projects in the United States and Chile. Our Canadian operations are conducted throughout the Canadian provinces and territories. As of December 31, 2023, Magna IV had approximately 173 employees.

Activities

The vast majority of Magna IV’s revenues are generated through the provision of services. Our skilled technicians test, maintain, or commission electrical infrastructure at commercial facilities. However, a portion of our revenue is generated through the supply and installation of electrical equipment, in conjunction with our testing, maintenance, or commissioning activities.

In most cases, equipment is sourced from Canada.

However, on rare occasions, it may be necessary to import specialized equipment or supplies from another country. Magna IV Engineering Inc. acquired about 90% of its purchases from Canada, 10% of

its purchases from the United States, and less than 1/10th of 1% of its purchases from Germany and other countries.

Our Supply Chain

Magna IV has about 200 vendors, and approximately 30 vendors account for over 80% of purchases. Less than 0.1% of purchases come from a country other than the United States or Canada. Most purchases are equipment or parts that are installed as part of Magna IV's services, although in some cases, supplies such as safety equipment or small tools could be purchased.

In most cases, purchases are confirmed with vendors through a purchase order, which states the quantity, type, and price of materials, as well as payment terms. Purchases above certain thresholds are approved by management.

New vendors of large equipment are generally reviewed for reliability, ability to perform warranty work, and delivery capabilities.

The supply chain function is overseen by a Supply Chain Manager.

Our Policies and Due Diligence Processes

Magna IV has several policies which address forced labour. Included among them are:

- a) Supplier code of Ethics, which includes provisions prohibiting the use of forced or child labour from suppliers.
- b) Policy against Modern Slavery, which prohibits all forms of Modern Slavery in any aspect of Magna IV's business.
- c) Policy against Child Labour, which mandates adherence to, among other policies, the United Nations Convention on the Rights of the Child, and the International Labour Organization - C138 – Minimum Age Convention, 1973. The policy also imposes obligations on Magna IV's CEO and supply chain manager to uphold Magna IV's commitment against all forms of child labour and modern slavery.
- d) Whistleblower Policy – which provides a framework for anonymous reporting of any violations to the above policies.

Risks of Forced Labour and Child Labour in our Business and Supply Chains

Because Magna IV utilizes suppliers almost exclusively in the United State and Canada, and because the products purchased are generally very technical in nature, we believe that the risk of any forced labour or child labour in its supply chain is extremely low. As a result, Magna IV has not taken other steps to prevent and reduce the risk of the use of forced labour or child labour, conducted any training, or implemented any measures to assess effectiveness. Further, there have been no steps taken to remediate forced labour or loss of income to families impacted by policies implemented to eliminate forced labour or child labour.

Board Approval and Attestation

The Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Magna IV Engineering, Inc.

In my capacity as a Director of Magna IV Engineering, Inc., and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the Report for Magna IV Engineering, Inc. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Magna IV Engineering, Inc.



Kelly Butz

CEO

July 5, 2024

**RESOLUTIONS IN WRITING OF THE DIRECTORS
OF MAGNA IV ENGINEERING, INC. (the
"Corporation") pursuant to the *Business
Corporations Act* (Alberta) effective as of the 5
day of July, 2024.**

WHEREAS the Corporation has prepared an annual report outlining the actions they have taken during the financial year ended December 31, 2023 to prevent and reduce the risk of forced labour or child labour occurring in their business (the "**Annual Report**") pursuant to the requirements of Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**");

AND WHEREAS the Annual Report must be approved by the directors of the Corporation pursuant to Section 11(4)(a) of the Act and submitted to the Minister of Public Safety and Emergency Preparedness (Canada) ("**Public Safety Canada**").

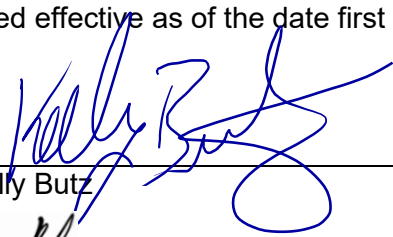
NOW THEREFORE BE IT RESOLVED THAT:

1. The Annual Report, substantially in the form circulated to the directors of the Corporation, is hereby authorized and approved.
2. Any one director or officer of the Corporation is authorized to sign the Annual Report.
3. Any director or officer of the Corporation is authorized to submit the Annual Report and complete the mandatory questionnaire (collectively, the "**Public Safety Canada Submission**"), or authorize any individual to complete the Public Safety Canada Submission, on behalf of the Corporation.
4. Any director or officer of the Corporation is hereby authorized and directed to prepare, execute and deliver any and all such documents in the name and on behalf of the Corporation, and to do and to perform or cause to be done and performed any and all such other acts and things as such director or officer may determine to be necessary or advisable in order to carry out the foregoing resolution.

[Remainder of page intentionally left blank – signature page to follow.]

The undersigned, being all the directors of the Corporation entitled to attend and vote at a meeting of the directors do hereby consent to and approve of the foregoing resolutions in writing pursuant to subsection 117(1) of the *Business Corporations Act* (Alberta), as evidenced by their signatures hereto.

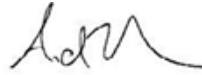
Dated effective as of the date first written above.



Kelly Butz



Jan Prokop



Andy Miller