



UNIVERSAL RAIL SYSTEMS INC.
(the “Corporation”)

RESOLUTION OF THE BOARD OF DIRECTORS

2025 FEDERAL MODERN SLAVERY REPORT

WHEREAS the Corporation must submit a report to the federal Minister of Public Safety and Emergency Preparedness (the “Minister”) under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) no later than May 31, 2025;

AND WHEREAS for purposes of complying with this reporting obligation in calendar year 2025, management has prepared and presented to the Directors the report attached to this resolution as Appendix A (the “2025 Report”);

NOW THEREFORE BE IT RESOLVED THAT:

1. the Directors hereby confirm that the 2025 Report accurately describes the operations of the Corporation and that the policies and practices addressed in the 2025 Report apply to, or are generally consistent with, policies and practices of the Corporation;
2. the Directors hereby approve the 2025 Report for submission to the Minister; and
3. any one director or officer of the Corporation is hereby authorized and directed to sign the attestation of the 2025 Report in accordance with section 11(5) of the Act, and to do all acts and things and to execute or cause to be executed, either under the corporate seal of the Corporation or otherwise, all such instruments, agreement and documents as in his opinion may be necessary or desirable to give effect to the foregoing.

The undersigned, being all of the directors of Universal Rail Systems Inc., hereby sign this resolution this 30th day of May, 2025.

Signed by:

E917B7D19C514FB...

Thomas Lucario, Director

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Keith Pennell, Director

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Tim McMillan, Director

Signed by:

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Patrick Fairfield, Director

Signed by:

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Patrick Lin, Director

Appendix A

2025 FEDERAL MODERN SLAVERY REPORT

Report on Measures to Prevent and Reduce the Risk of Forced and Child Labour under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

I. Introduction

This is the second report of following affiliated companies under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act").

- **Universal Rail Systems Inc.:** A company incorporated under the *Business Corporations Act*, Alberta, under Incorporation Number 2025089349 and Business Number 803 176 031
- **A&B Rail Services Ltd.:** A company incorporated under the *Business Corporations Act*, Alberta, under Incorporation Number 2025080421 and Business Number 100 018 332
- **North American Rail Products Ltd.:** A company incorporated under the *Business Corporations Act*, Alberta, under Incorporation Number 2122106053 and Business Number 810 367 250
- **OWS Railroad Construction & Maintenance Ltd.:** A company incorporated under the *Business Corporations Act*, Alberta, under Incorporation Number 002283323 and Business Number 820 147 510

The report covers the period from May 31, 2025 to May 30, 2026.

II. Structure, Activities and Supply Chain

All of the reporting entities listed above are affiliates ultimately owned by North American Rail Solutions LLC.

Universal Rail Systems Inc. is a management company for several railway contractors across Canada. Universal Rail does not import any goods from outside Canada.

North American Rail Products Ltd. is a railway materials supplier. North American Rail Products does import some products from outside Canada.

A&B Rail Services Ltd. and OWS Railroad Construction & Maintenance Ltd. are Canadian integrated railway services and project solutions providers that support Canadian railway infrastructure by providing new track construction, switching, flagging solutions, signals and communications systems, materials supply and equipment to railway owners in Canada. Their supply chain includes the procurement of various materials, equipment and components that support our activities. These entities have very similar supply chains. They do import some items from outside of the country.

Universal Rail Systems

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We have not carried out a mapping exercise of our supply chain and have not identified the parts of our supply chain that may carry a risk of forced and child labour and, therefore, have not taken steps to assess and manage that risk.

III. Policies and Due Diligence Processes in Relation to Forced and Child Labour

Given our role in the North American rail industry and the nature of our supply chains, we believe that the risk of forced or child labour in our supply chains to be low or very low. Accordingly, while our company is committed to the highest standards of ethical business conduct, to date modern slavery risks in our supply chain have not been a high compliance priority for the company and we have not adopted due diligence measures or policies to specifically to prevent or reduce these risks.

However, we have assembled a committee to review these requirements and are forming a plan to move forward. Our current plan includes the following initiatives:

- **Training** – All employees involved in procurement will participate in training as it relates to the requirements of *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.
- **Policy** – the company will amend our current Code of Conduct policy to specifically address the modern slavery issues covered in the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.
- **Subcontractor and Supplier Management** – Our current subcontractor policies and practices will be updated to address the issues covered by the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

We have not identified risks or incidents of forced or child labour in our supply chains and, therefore, have not taken any measures to remediate any forced or child labour, nor to remediate any associated loss of income to vulnerable families that would result from such remediation measures. We also do not engage in activities to assess the effectiveness of any measures to ensure that forced or child labour is not used in our business and supply chains.

If you have any question or concerns around this report please contact Wesley Bell, Supply Chain Manager, wesbell@universailrail.com, 780 964-5461.

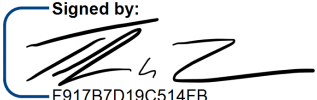
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APPROVAL & ATTESTATION

In accordance with the requirements of Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for Universal Rail Systems Inc. I attest that the report has been approved by the board of directors and that, based on my knowledge and having exercised reasonable diligence, 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.

Signature:	 Signed by: F917B7D19C514FB...
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Name: Thomas Lucario

Title: Chief Executive Officer

Date: May 30, 2025

I have the authority to bind Universal Rail Systems Inc.