

# TOROMONT

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE MANDATE**

The Board of Directors (the "Board") of Toromont Industries Ltd. (the "Company") has established an Environmental, Social and Governance Committee of Directors, which will consist of at least three independent Directors. Members of the Committee shall be considered independent if they meet the test of independence contained in applicable legislation and the rules of any stock exchange on which securities of the Company are listed. The Committee shall review and reassess this Mandate annually.

The Committee's principal responsibilities are reviewing and making recommendations relating to environmental, social and corporate governance matters. The Committee is responsible for assessing effectiveness of the Board, its size and composition, its committees, the Board's relationship to management, and individual performance and contribution of its directors. The Committee recommends the annual slate of directors. The Committee also identifies and recruits new directors and provides new director orientation.

The Mandate of the Committee is as follows:

### **Environment and Social**

To provide oversight of the Company's approach to environmental and social responsibility matters including:

- a) to receive and assess management's assessment of environment-related risks and opportunities;
- b) to oversee the Company's environmental strategies, policies and practices and compliance with environmental regulations;
- c) to assess and make recommendations to the Board regarding the Company's codes of conduct and other policies as are appropriate to deal with social, ethical and legal compliance matters. Such matters include diversity and inclusion, human rights, health and safety, training and development, anti-corruption, cyber security, data governance and protection of confidential and personal information, insider trading and the Company's timely disclosure and other public company obligations, and stakeholder and community relations; and
- d) to monitor the Company's achievements, compliance and disclosures related to the above environmental and social objectives, policies and practices.

The foregoing responsibilities are in conjunction and collaboration with the Mandates of the Board and its other committees, including the Human Resources and Health & Safety Committee, which is responsible for oversight of the effectiveness of human resources, health and safety and compensation matters.

## **Governance**

To provide oversight of the corporate governance practices of the Board, including:

- a) to monitor the Company's corporate governance practices and propose such procedures and policies as the Committee believes are appropriate to ensure the Board functions independently of management, that management is accountable to the Board of Directors of the Company and that procedures are in place to monitor the effectiveness of the existing Directors;
- b) to recommend to the Board, candidates for election to the Board by shareholders and candidates for appointment by the Board, as applicable;
- c) to oversee the identification, selection and recruitment of new directors in accordance with the Nomination of Directors and New Director Process Policies;
- d) to consider and recommend directors' compensation to the Board;
- e) to review the Mandate of the Board, committees of the Board (being the Audit Committee and the Human Resources and Health & Safety Committee) and recommend to the Board any changes it believes are appropriate and to recommend to the Board any additional committees as appropriate;
- f) to recommend to the Board such steps as the Committee decides are appropriate to align the Company's governance practice with proper corporate governance practices, with reference to National Policy 58-201 and other authoritative guidelines on corporate governance;
- g) to consider and recommend to the Board appropriate approval levels;
- h) review and present to the Board for approval the material for corporate governance reporting in the annual Management Information Circular; and,
- i) to oversee the functioning of the Director Orientation and Continuing Education Policy.

It is acknowledged that there may be, from time to time, the need for the Committee to retain the services of outside advisors and/or consultants to assist it in completion of its responsibilities. The Committee, with the final approval of the Chair of the Committee, is authorized to negotiate the terms, including fees associated with any such engagement at the expense of the Company and to authorize the payment of such fees.

In accordance with the retirement policy for Directors, the Committee shall not recommend for election any person that has reached the age of 72, unless on an exception basis, the Committee determines that it would be in the best interests of the Company to continue to nominate a Director beyond age 72. The Committee will report on its activities to the Board at least annually.