

TOROMONT

SUPPLIER CODE OF CONDUCT

Toromont Industries Ltd. (“**Toromont**”) is committed to operating on a set of core principles which include:

- Ensuring the health and safety of our employees, our community and the environment;
- A commitment to high ethical standards;
- Professionalism, integrity and respect;
- Promoting excellence; and
- Upholding all laws and regulations including competition, international anti-corruption and trade regulations.

These principles have successfully guided us through many years. We hold our suppliers to the same high standards and expect them to conduct their business in a manner that aligns with our values and principles.

This Supplier Code of Conduct (“**Code**”) sets out the minimum standards that our suppliers must meet. We expect our suppliers to act with honesty and integrity, guided by our values and to comply with both the spirit and intent of this Code.

The Code applies to Toromont’s suppliers, including their owners, employees, agents, partners, sub-suppliers and subcontractors who provide goods or services to Toromont.

■ **Commitment to Integrity**

Our reputation for integrity and transparency in our practices and business dealings is crucial to earning and maintaining a relationship of trust with our employees, customers, suppliers and community. We expect our suppliers to embrace these values.

Conflicts of Interest: Suppliers must not engage in any activity that would create or appear to create a conflict between their interests and those of Toromont. This includes situations where a Toromont employee has an interest in or a non-arm’s length relationship to the supplier’s business. Except for promotional items of little value, suppliers must not give or receive entertainment, gifts, services, loans, vacations/lodging, donations, favors or benefits that could improperly influence business decisions or that would obligate or appear to obligate either the supplier or Toromont to act in any way

which would violate laws, Toromont’s ethical business practices or this Code. Cash gifts are strictly forbidden. Suppliers must promptly disclose any actual or potential conflicts of interest to Toromont.

Confidentiality & Privacy: It is unethical and often illegal for anyone to use confidential information gained by virtue of their relationship with Toromont for their personal gain, or for the benefit of friends, relatives or associates. Suppliers are required to maintain the confidentiality of all confidential information they receive from us or become privy to in connection with their activities or business relationship with us, except when disclosure is authorized or legally mandated. Confidential information includes, without limitation, any non-public information pertaining to Toromont’s business or affairs, results or prospects and any non-public information provided by a third party.

Protection of Property & Information: Suppliers must not misappropriate Toromont’s assets or information for personal gain or use. We expect our suppliers to protect Toromont’s assets from fraud, theft and destruction. Our assets include tangible and intangible property such as our brands, trademarks, drawings and designs, ideas, documents, business information, software, trade secrets, patents and other intellectual property related to our business or that is conceived or created by us in connection with our business. Suppliers must not make any unauthorized disclosure of such assets or information or other sensitive information belonging to us, our customers, suppliers or dealers, whether during the term of their contract with us or thereafter. Suppliers must take appropriate safeguard and protection measures when sharing such assets and information with sub-suppliers or others.

Business Relations: Suppliers must not publicly disclose any information pertaining to their business relations to Toromont without Toromont’s permission. Suppliers must not use their association with Toromont for any improper purposes.

■ **Commitment to Excellence**

We take pride in our work and strive to deliver high quality products and services to our customers.

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Guided by our commitment to excellence, we operate efficiently and effectively in order to achieve an appropriate level of profitability for our shareholders. We expect our suppliers to foster the same pride in their work and results.

Value: We expect our suppliers to demonstrate excellence in the execution, planning and results of their work with the goal of delivering value to us.

Reliability: Suppliers must provide Toromont with safe and reliable products and services and deliver results in a dependable, efficient and effective manner.

Performance: Our suppliers must promote excellence in performance by supplying a workplace where employees excel in their roles and are encouraged to broaden and improve their skills.

■ Commitment to Employees

We recognize that our success depends on our employees. We expect our suppliers to treat all employees and persons with whom they do business with integrity, fairness and respect.

Health & Safety: Suppliers must provide a healthy and safe workplace that is free from harassment, discrimination, workplace violence, retaliation and other disrespectful or inappropriate behavior. We expect our suppliers to apply and enforce high caliber safety standards in order to prevent injuries, accidents and occupational hazards or illnesses.

Diversity & Inclusion: Suppliers must promote an inclusive, diverse and respectful workplace in which employees are valued for their diversity of skills, talents and experiences.

Fairness & Non-Discrimination: Suppliers must select and assign employees sub-suppliers and subcontractors on the basis of their qualifications for the work to be performed, without regard to race, ancestry, national origin, creed (religion), color, marital status, gender identity/expression, sexual orientation, age and/or physical or mental disability. Suppliers must not tolerate discrimination or harassment on the grounds prohibited by applicable human rights and/or employment standards legislation. Suppliers must ensure that

employees are free to raise concerns without fear of reprisal.

Human Rights: We are committed to respecting internationally recognized human rights. We are guided by internationally accepted principles including the Human Rights Principles set out in the UN Global Compact. We expect our suppliers to share the same commitment.

Labour Practices: At Toromont we respect the freedom of association and recognition of the right of employees to collectively bargain. We actively support the elimination of all forms of forced and compulsory labour, as well as the abolition of child labour. We expect our suppliers to comply with these expectations as well.

■ Commitment to the Environment & Community

We recognize that our visibility as leaders in our industry comes with responsibility to our community and to the environment. We want to do business with suppliers who believe that we can all make a positive difference in the world through our actions.

Social Responsibility: Over the years, our employees and our business units have led the way in social responsibility by participating in many important charities. We look for suppliers who share our values by conducting their business in a socially responsible manner, guided by the spirit of community.

Environmental Responsibility: We have a strong moral and, in many cases, legal obligation to protect the environment. We expect our suppliers to work on improving the quality and efficiency of their operations with the goal of reducing their carbon footprint and adverse impact on the environment. Suppliers must comply with all applicable environmental laws, by-laws, regulations and statutes and seek to prevent or mitigate negative effects on the environment. It is the responsibility of every supplier to bring to our attention any act or practice that they believe may be questionable from an environmental standpoint.

■ Compliance with Laws

All Toromont employees must act at all times in full

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compliance with both the letter and spirit of all applicable laws, rules and regulations and Toromont policies. We expect our suppliers to do the same.

Where a supplier's job involves activities falling under specific legislation, for example, the Occupational Health & Safety Acts of the various Provinces and States or competition or anti-trust legislation, anti-bribery legislation or international trade regulations and export restrictions or modern slavery laws, suppliers must familiarize themselves with the requirements of that legislation.

Occupational Health & Safety: Suppliers must comply with all applicable health and safety laws, statutes and regulations of the jurisdiction in which they operate to ensure a safe and healthy work environment.

Anti-Trust & Fair Competition: Suppliers must engage in fair competitive business practices in compliance with all applicable anti-trust and competition laws. In particular, but without limitation, suppliers must not engage in price fixing or price control, behavior in restraint of trade or competition, or market or customer segmentation in collusion with anyone.

Anti-Bribery & Anti-Corruption: Suppliers must comply with all applicable laws enacted to combat corruption and the bribery of public officials. Suppliers must not influence others, directly or indirectly, by paying bribes or kickbacks or by any other means that would reasonably be considered unethical or that would tarnish Toromont's reputation.

Insider Trading: Toromont's success depends on maintaining a relationship of trust and confidence with the investment community. Violation of insider trading laws can result in severe fines and criminal penalties. All suppliers must act with integrity when trading public securities and adhere to all applicable laws. Suppliers are strictly prohibited from trading Toromont's securities while in possession of material non-public information about the company. In addition, suppliers are prohibited from recommending, "tipping" or suggesting that anyone else buy or sell stock or other securities of Toromont on the basis of material non-public information. The term "material information" includes both "material facts" and "material changes". A "material fact",

when used in relation to securities issued or proposed to be issued, includes a fact that would reasonably be expected to have a significant effect on the market price or value of the securities of Toromont. A "material change" includes: (a) a change in the business, operations or capital of Toromont that would reasonably be expected to have a significant effect on the market price or value of any of the securities of Toromont, or (b) a decision to implement a change referred to in sub-clause (a) made by the board of directors or other persons acting in a similar capacity or by senior management of Toromont who believe that confirmation of the decision by the board of directors or such other persons acting in a similar capacity is probable. Material information is "non-public" if it has not been generally disclosed to the public by means of a press release or other means of widespread distribution.

Modern Slavery: Suppliers must comply with all applicable laws enacted to prevent child and forced labour, including compliance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, as applicable. Without limitation, suppliers must ensure they have appropriate procedures in place to eliminate modern slavery in its operations and supply chain.

■ Compliance with this Code

Toromont is committed to upholding its reputation as an ethical company. We expect every supplier to adhere to the standards described in this Code and, wherever applicable, the standards described in more detailed policies, guidelines or legislation.

For that reason, we ask all our suppliers, without exception, to review this Code periodically over the term of their business relationship with us or when requested to do so from time to time, such as when the Code is either revised or reprinted, and to certify that they have read it, understand it and undertake to abide by it. During this sign-off procedure, there is an opportunity to discuss with us any circumstances that may have arisen which could be a conflict of interest or cause concern with regard to any other section of this Code.

Audit: Toromont reserves the right to investigate and audit a supplier's compliance with this Code at any time. The supplier shall assist and cooperate

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with any such investigation and provide access to any information reasonably requested. If remediation is required, the supplier shall prepare and implement a corrective plan of action in order to promptly resolve any non-conformity.

Non-Compliance: We understand that our suppliers are independent businesses and employers of their own employees. Nevertheless, the actions of our suppliers can adversely impact the reputation that we have worked so hard to earn. Any non-compliance with this Code will therefore be taken seriously. We reserve the right to terminate, at our sole discretion, our relationship with any supplier that fails to comply with this Code or any requested corrective plan of action.

Reporting: Integrity is essential to the success of our business. Any supplier who knows of or suspects the existence of a conflict of interest situation, fraud or theft from Toromont, or a breach of any Toromont policy (including this Code), or law, has a responsibility to report it to us.

Should a supplier desire greater anonymity, the supplier may contact the Company's General Counsel at:

Tel: 416-667-5511
Fax: 416-667-5555

Mailing address:

General Counsel
c/o Toromont Industries Ltd.
3131 Hwy 7 West, Building B
Concord, Ontario L4K 5E1

In addition, suppliers may report complaints on a confidential and anonymous basis by calling the **Toromont Compliance Hotline, 1-866-254-2730** or **via Secure Web Form at www.openboard.info/tih**. The hotline is operated by an independent organization.

In this Code, reference to "Toromont" or "we" or "us" or "our" or "ourselves" or "company" includes Toromont Industries Ltd. and all of its divisions and subsidiaries. The terms "supplier(s)" or "their" refer to Toromont's suppliers, vendors and other goods and services providers as well as their owners, employees, agents, partners, sub-suppliers and subcontractors.

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SUPPLIER CODE OF CONDUCT ACCEPTANCE:

The undersigned hereby acknowledges that they have received and read and understand the Toromont Industries Ltd. Supplier Code of Conduct and agree that they shall abide by it.

Name of Supplier (Please Print): _____

Signature: _____

By (Please Print): _____

Title (Please Print): _____