

March 27, 2026

# **Annual Information Form 2026**

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## PRESENTATION OF INFORMATION

In this Annual Information Form (“AIF”), the terms “**Toromont**” and the “**Company**” mean Toromont Industries Ltd. together with, where the context requires, each of its subsidiaries.

Unless otherwise stated, all dollar amounts are expressed in Canadian dollars.

## FORWARD-LOOKING INFORMATION

Information in this AIF that is not a historical fact is “forward-looking information”. Words such as “plans”, “intends”, “outlook”, “expects”, “anticipates”, “estimates”, “believes”, “likely”, “should”, “could”, “would”, “will”, “may” and similar expressions are intended to identify statements containing forward-looking information. Forward-looking information in this AIF reflects current estimates, beliefs, and assumptions, which are based on Toromont’s perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. Toromont’s estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. Toromont can give no assurance that such estimates, beliefs and assumptions will prove to be correct. Forward-looking information contained in this AIF includes, without limitation, statements relating to the Company’s strategies, plans, objectives, priorities, capital allocation, acquisitions and dispositions, integration of acquired businesses, construction and expansion activities, dividend policy, regulatory and environmental matters, labour relations, sustainability initiatives, and management’s expectations regarding future economic, business and operating conditions.

Numerous risks and uncertainties could cause the actual results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: business cycles, including general economic conditions in the countries in which Toromont operates; new tariffs and counter-tariffs or equivalent measures imposed on cross-border trade; commodity price changes, including changes in the price of precious and base metals; inflationary pressures; potential risks and uncertainties relating to a potential new world health issue; increased regulation of or restrictions placed on Toromont’s businesses; changes in foreign exchange rates, including the Cdn\$/US\$ exchange rate; the termination of distribution or original equipment manufacturer agreements; equipment product acceptance and availability of supply, including reduction or disruption in supply or demand for Toromont’s products stemming from external factors; increased competition; credit of third parties; additional costs associated with warranties and maintenance contracts; changes in interest rates; the availability and cost of financing; level and volatility of price and liquidity of Toromont’s common shares; potential environmental liabilities and changes to environmental regulation; information technology failures, including data or cybersecurity breaches; failure to attract and retain key employees as well as the general workforce; damage to the reputation of Caterpillar Inc. (“**Caterpillar**”), product quality and product safety risks which could expose Toromont to product liability claims and negative publicity; new, or changes to current, federal and provincial laws, rules and regulations including changes in infrastructure spending; any requirement to make contributions or other payments in respect of registered defined benefit pension plans, or postemployment benefit plans in excess of those currently contemplated; increased insurance premiums; and risk related to integration of acquired operations including cost of integration and ability to achieve the expected benefits. Readers are cautioned that the foregoing list of factors is not exhaustive.

Any of the above-mentioned risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied in the forward-looking information and statements included in this AIF. For a further description of certain risks and uncertainties and other factors that could cause or contribute to actual results that are materially different, see the risks and uncertainties set out under the heading “Risk Factors” of this AIF. Other factors, risks and uncertainties not presently known to Toromont or that Toromont currently believes are not material could also cause actual results or events to differ materially from those expressed or implied by statements containing forward-looking information.

Readers are cautioned not to place undue reliance on statements containing forward-looking information, which reflect Toromont’s expectations only as of the date of this AIF, and not to use such information for anything other than their intended purpose. Toromont disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

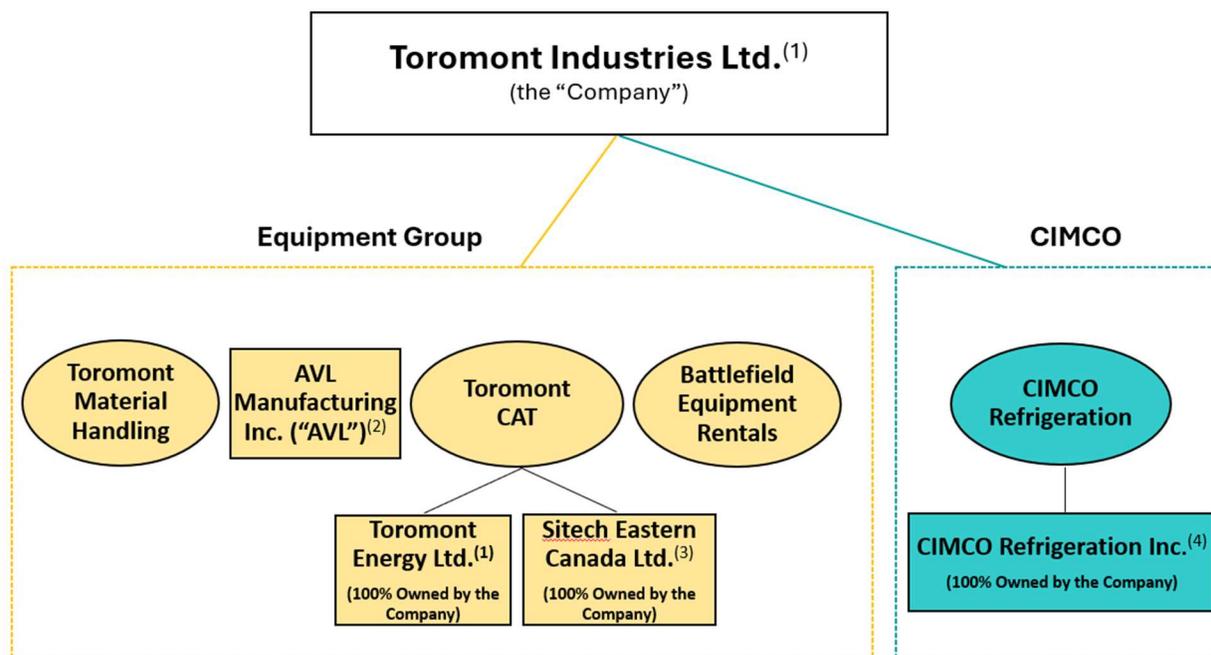
## CORPORATE STRUCTURE

### Name and Incorporation

Toromont Industries Ltd. is the successor corporation to Toromont Industrial Holdings Ltd., which was incorporated under the laws of Canada in 1961. Its name was changed to Toromont Industries Ltd. on April 18, 1974, and it was continued under the *Canada Business Corporations Act* on January 1, 1997 as a result of an amalgamation with wholly-owned subsidiaries. The registered and head office of the Company is 3131 Highway 7 West, P.O. Box 5511, Concord, Ontario, L4K 1B7.

### Intercorporate Relationships

The principal subsidiaries of the Company, their jurisdictions of incorporation and the percentage of voting securities held by the Company are set out below. In addition, certain business units in Canada operate as divisions of the Company as outlined below.



(1) A *Canada Business Corporations Act* company

(2) On January 31, 2025, the Company acquired 60% of the shares of AVL, which is incorporated under the laws of the Province of Ontario

(3) Incorporated under the laws of the Province of Ontario

(4) Incorporated under the laws of the State of Alabama

**LEGEND:**  
 □ Legal Entity  
 ○ Operating Division

## GENERAL DEVELOPMENT OF THE BUSINESS

Toromont currently operates through two business segments: the **Equipment Group** and **CIMCO**.

The Equipment Group includes one of the world's larger Caterpillar dealerships by revenue and geographic territory, in addition to industry-leading rental operations and a complementary material handling business. CIMCO is a North American supplier of industrial-grade thermal management solutions for the monitoring and control of environments utilizing natural refrigerants, which help reduce energy consumption and emissions. CIMCO provides full-service capabilities including design, engineering, manufacture and installation services. Both groups offer comprehensive product support capabilities.

As at December 31, 2025, Toromont employed over 7,900 people in more than 165 locations. For a description of the Company's major strategies, see the Company's management discussion and analysis for the year ended December 31, 2025 dated February 10, 2026 ("**Annual Management Discussion and Analysis**"), which is incorporated by reference.

### **Three-Year History**

The following is a summary of significant developments in the Company's core businesses during the three years ended December 31, 2025.

- The regular quarterly dividend has been increased annually in each of the last 37 years, maintaining a long-term average target payout of approximately 30-40% of trailing earnings from continuing operations. The quarterly dividend was increased by 10.3% in 2023, 11.6% in 2024 and 8.3% in 2025.
- On May 1, 2023, the Company completed the sale of AgWest Ltd., a wholly-owned subsidiary. Prior to the sale, AgWest was reported in the Equipment Group.
- On October 15, 2023, President and Chief Executive Officer and member of the Board of Directors, Scott Medhurst, retired from the Company; Michael McMillan was appointed President and Chief Executive Officer of the Company and a member of the Board of Directors. Michael McMillan previously held the position of Executive Vice President and Chief Financial Officer with the Company.
- In May 2024, with the approval of shareholders, the Company approved and renewed the continuation of its Amended and Restated Shareholder Rights Plan Agreement (the "**2021 Rights Plan**"), which amends and restates the shareholder rights plan adopted by the Company in 2018 (the "**2018 Rights Plan**"). The 2018 Rights Plan was a "new generation" Shareholder Rights Plan reflecting corporate governance processes and changes to the Canadian take-over bid regime. The 2021 Rights Plan amended and restated the 2018 Rights Plan to address current practice for a new generation rights plan, as well as ancillary amendments of a clerical nature. Copies of the 2021 Rights Plan and 2018 Rights Plan are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).
- In May 2024, with the approval of shareholders, the Company adopted an Amended and Restated Long-term Incentive Plan (the "**Amended and Restated LTIP**") which incorporated the Company's then existing option plan. A copy of the full text of the Amended and Restated LTIP is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).
- On September 9, 2024, the Company acquired Tri-City Equipment Rentals. The purchase price for the transaction was paid in cash using available funds.
- The Company renewed its Normal Course Issuer Bid in September 2025. In 2025, the Company repurchased and cancelled 337,500 shares for a total cost of \$40,058,550. In 2024, the Company repurchased and cancelled 1,321,500 shares for a total cost of \$160,413,654. In 2023, the Company repurchased and cancelled 353,000 shares for a total cost of \$37,542,212.
- On January 31, 2025, the Company acquired 60% of the shares of AVL Manufacturing Inc. ("**AVL**") for consideration of \$67.5 million cash plus the issuance of 110.4 thousand Toromont shares. The cash portion of the purchase price for the transaction was paid, using available funds. In addition, the Company has committed to purchase the remaining 40% interest in AVL on various dates through to 2031.
- Effective March 21, 2025, the Company amended its existing \$500 million committed revolving credit facility and extended the term of the agreement to March 2030, with a syndicate of financial institutions.

Debt under this facility is unsecured and ranks pari passu with debt outstanding under Toromont's existing debentures. Interest is based on a floating rate, primarily bankers' acceptances and prime, plus applicable margins and fees based on the terms of the credit facility.

- On March 28, 2025, the Company issued senior unsecured debentures in an aggregate principal amount of \$300.0 million (the "**Debentures**"). The Debentures mature in 2030 and bear interest at a rate of 3.76% per annum, payable semi-annually.
- On July 11, 2025, the Company completed the early redemption of its 10-year, 3.71% senior debentures, which were due on September 30, 2025. The 2025 debentures were redeemed at par, plus accrued and unpaid interest, for a total of approximately \$151.6 million.

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

Toromont currently operates in two segments, the Equipment Group and CIMCO.

### **Equipment Group**

The Equipment Group is comprised of the following businesses:

- Toromont Cat
- Battlefield Equipment Rentals
- Toromont Material Handling
- SITECH Eastern Canada Ltd.
- Toromont Energy Ltd.
- AVL Manufacturing Inc.

#### *Development*

The Equipment Group was established in July 1993 when Toromont acquired the operating assets of Crothers Properties Limited and became the authorized dealer for Caterpillar equipment for most of the Province of Ontario. Since that time, through numerous acquisitions, Toromont's Caterpillar dealership territory has grown to span from the Saskatchewan/Manitoba border to the Atlantic Ocean and north to include most of Nunavut.

In 1996, Toromont expanded into the equipment rental business with the acquisition of Battlefield Equipment Rentals and other equipment rental companies in various locations. The Battlefield Equipment Rentals division has since grown progressively through acquisitions and the development of greenfield operations through owned, leased or shared locations.

In 1997, Toromont Energy Ltd. ("**Toromont Energy**"), a wholly-owned subsidiary of Toromont, was created to combine the power generation and co-generation expertise it had developed over the years within the power systems group of the Ontario Caterpillar dealership, and to participate in opportunities in Ontario's electricity markets.

In 2011, SITECH Mid-Canada Ltd., a wholly-owned subsidiary of Toromont, was created to consolidate the Trimble (machine GPS control and guidance and laser survey equipment) sales and service segment of the business and to capitalize on the growing interest in GPS technology as an avenue to reduce site development costs. In March 2023, SITECH Mid-Canada Ltd. changed its name to SITECH Eastern Canada Ltd.

In 2017, Toromont's Caterpillar dealership territory expanded with the acquisition of the business and net operating assets of the Hewitt Group of companies ("**Hewitt**"), the authorized Caterpillar dealer for all of the Province of Québec, the western portion of Labrador and the Provinces of Nova Scotia, New Brunswick and Prince Edward Island. In addition, Toromont's distribution territory expanded to include Québec, the Maritimes and the Eastern Seaboard of the United States, from Maine to Virginia. Hewitt had complementary operations to those of Toromont, was founded in 1952 and operated from 45 branches with over 2,000 employees. The acquisition also included Hewitt's material handling business, which expanded Toromont's presence in the

material handling equipment supply business, by adding distribution of products combined with full customer service and support in Ontario and Québec to operations in Manitoba, Northern Ontario and Newfoundland. Toromont filed a Form 51-102F4 on SEDAR+ in respect of the acquisition of the operating assets of Hewitt.

In May 2024, Toromont opened a 143,000 sq. ft. Toromont Remanufacturing (“**TR**”) Centre in Bradford, Ontario. Operating under the Toromont Cat business operating division, this new facility expands Toromont’s existing remanufacturing capacity and supports its customers’ needs for decades to come. In 2026, the Company plans to start the construction of a new TR centre in Québec City. This new 76,000 sq. ft. facility will position Toromont to efficiently and effectively serve in-region customers, complementing its other TR locations in Pointe-Claire, Québec, Thunder Bay, Bradford and Concord, Ontario.

#### *Facilities and Principal Products*

**Toromont Cat** is one of the world’s larger Caterpillar dealerships by revenue and geographic territory, with a network of branches in Ontario, Québec, Manitoba, Newfoundland & Labrador, Nova Scotia, New Brunswick, Prince Edward Island and most of Nunavut (collectively, the “**Dealership Territory**”), providing a broad range of equipment supply and customer service capabilities. The Caterpillar dealership represents a broad range of Caterpillar products, including earthmoving and construction equipment, paving machines, mining equipment, industrial and marine applications, lift trucks and power generation. In addition to the sales and service of equipment, operations include the distribution of replacement parts for Caterpillar products and other equipment lines, and the remanufacture and repair of engines and engine components. The Caterpillar dealership operates from more than 55 locations (including branches, warehouses, offices, shops and on-site facilities at major customer-owned mine sites) across the Dealership Territory. The Toromont Cat dealership also represents products from other manufacturers in equipment lines not served by Caterpillar, such as Masaba, Metso and Weiler. Toromont Cat is headquartered in Concord, Ontario.

**Battlefield Equipment Rentals** is a single-source supplier of rental equipment, specialty tools, building products, safety supplies and safety training programs for construction contractors, tradespeople, plant maintenance contractors and homeowners. With the acquisition of the operating assets of Hewitt, Battlefield Equipment Rentals now operates from 73 locations (including branches and repair facilities) across Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland & Labrador, including its head office facility in Stoney Creek, Ontario. Battlefield Equipment Rentals sells brand name products and is the authorized distributor for such brands as Spectra Precision / Trimble, Wacker Neuson, Stihl, Honda, SkyJack, Genie, Husqvarna, Atlas Copco, Bosch, Gorman-Rupp, and many others. Battlefield Equipment Rentals also operates Jobsite Industrial Rental Services, which provides equipment for the plant maintenance, factory and industrial industries, focusing on the electrical, mechanical, welding, millwrighting and rigging trades. Jobsite Industrial Rental Services operates out of 15 locations in Ontario, New Brunswick, Nova Scotia, Manitoba, Alberta and British Columbia.

**Toromont Material Handling** is a dealer of material handling equipment in Saskatchewan, Manitoba, Ontario and Québec, providing products from a number of large lift truck and battery manufacturers (including Logisnext, Kalmar, AUSA and Hoppecke) targeted to a range of industries including paper product manufacturers, ports and terminals, railways, automotive parts and components manufacturers, food and beverage makers, third party logistics and home and hardware retailers. Toromont Material Handling operates from nine locations within the Dealership Territory.

**SITECH Eastern Canada Ltd.** (“**SITECH**”) sells and services Trimble GPS machine control and guidance systems, laser survey equipment and provides professional services to the earthmoving and mining segments. SITECH operates from locations in London, Ontario; Burlington and Vars (Ottawa), Ontario; Trois-Rivières, Québec; Dartmouth, Nova Scotia; and Winnipeg, Manitoba.

**Toromont Energy Ltd.** (“**Toromont Energy**”) develops distributed energy projects and is well positioned to provide solutions for emerging renewable energy in the healthcare, agricultural, mining and manufacturing sectors. Its core business is the design, construction, operation and maintenance of all energy assets. In addition to providing a range of services for power generation projects, Toromont Energy, on a selective basis, participates in project ownership. Toromont Energy is based in Concord, Ontario, and operates plants

throughout Ontario that supply energy to hospitals, district energy systems and landfill gas to energy plants. Toromont Energy also provides plant operations services to a number of customers in Ontario. Toromont operates and maintains power plants to help ensure its customers' success.

**AVL** is a leader in the design and fabrication of power generation and storage enclosures. AVL currently serves the data centre market across eastern North America. At the time of acquisition in January 31, 2025, AVL had operations in Hamilton, Ontario, which has subsequently expanded to the U.S. in Charlotte, North Carolina.

#### *Revenue by Category*

The following table depicts the revenue by category of product and service. All revenue is transacted with parties the Company deals with at arm's length.

<i>(\$ thousands)</i>	<b>2025</b>	2024	\$ change	% change
Equipment sales and rentals				
New	\$ 1,961,761	\$ 1,939,129	\$ 22,632	1 %
Used	284,957	296,295	(11,338)	(4) %
Rentals	534,065	491,162	42,903	9 %
Total equipment sales and rentals	2,780,783	2,726,586	54,197	2 %
Product support	1,888,553	1,823,049	65,504	4 %
Power generation	9,338	10,933	(1,595)	(15) %
<b>Total revenue</b>	<b>\$ 4,678,674</b>	<b>\$ 4,560,568</b>	<b>\$ 118,106</b>	<b>3 %</b>

#### *Competitive Conditions*

Toromont competes with international, national, regional and local distributors of competing equipment product lines. Toromont's competitive strengths consist of distribution of high-quality products, and continued emphasis on comprehensive product support services from locations in proximity to its customers. The Company has a strong financial position allowing for increased leverage and growth. In addition to sales and rentals, the Equipment Group offers mobile maintenance, rebuild capability, fluid analysis laboratories, financing options through Caterpillar Financial Services Limited, online parts access and other e-commerce services. The breadth of Toromont's operations provides it with a competitive advantage in terms of servicing the needs of its customers.

Caterpillar, Toromont's largest supplier, manufactures a wide range of equipment and also distributes, through its dealer network, products manufactured for it and sold under the Caterpillar brand name. The Caterpillar brand is very strong and is widely recognized. Caterpillar builds high-quality, reliable products. Accordingly, its products often have a higher capital cost than most competitors' products. However, most owners of Caterpillar products find that, over the length of the operation of a machine, the total ownership cost including downtime, repairs and maintenance is among the best in the heavy equipment industry. Caterpillar's competitors typically offer a more limited range of products, which are specific to particular applications and industries. Toromont's share of industry-wide sales in the regions it serves varies significantly across product lines and industries. Toromont offers similar services in the industrial and material handling markets while representing leading companies like Logisnext, Kalmar and Hoppecke.

#### *Raw Materials*

The Company has dealership and distributor agreements with various equipment manufacturers, the most significant of which are with Caterpillar. Toromont is an authorized dealer for Caterpillar products within the Dealership Territory. The principal agreements common to arrangements such as this can be terminated on 90 days' notice. Other agreements can be terminated on four to six months' notice. In the event of termination of an agreement by Caterpillar, Caterpillar will purchase substantially all related inventories of new equipment and new parts stock from Toromont at cost. Toromont became a Caterpillar dealer in 1993 and has developed

a strong relationship with Caterpillar. Management of the Company is not aware of any matter which could result in termination of the dealership agreements with Caterpillar. As the majority of the Caterpillar dealerships' sales and product support activities involve Caterpillar products, the dealerships' success is largely dependent upon the continued market acceptance of Caterpillar products.

From time to time, during periods of intense product demand or during any disruption in the production of Caterpillar equipment, Caterpillar may find it necessary to allocate its supply of particular products among its dealers. Such allocations of supply have not in the past proven to be a significant impediment in the operations of Toromont's business. When supply constraints have occurred in the past, Toromont has been able to lessen the impact by utilizing its rental assets, used equipment, and other sources (such as the dealer network) to meet demand, but there can be no assurance of continued success in this area.

The Equipment Group has developed dealer relationships for other product lines not offered by Caterpillar in order to expand its markets, broaden its product offerings and to strengthen product support services. These include relationships with Trimble, Metso, Masaba, Logisnext, Kalmar and Hoppecke.

#### *Seasonality*

Expenditures on capital goods have historically been cyclical, reflecting a variety of factors including interest rates, foreign exchange rates, consumer and business confidence, commodity prices, corporate profits, credit conditions and the availability of equity capital. Customers globally are typically affected, to varying degrees, by trends in the general business cycle within their respective markets. As a result, financial performance is affected by the impact of such business cycles on the customer base.

The Equipment Group has historically had a distinct seasonal trend in activity levels. Lower revenue is recorded during the first quarter due to winter shutdowns in the construction industry. The fourth quarter has typically been the strongest quarter due in part to the timing of customers' capital investment decisions, delivery of equipment from suppliers for customer-specific orders and conversions of equipment on rent with a purchase option. Except for slight seasonality in rentals, the material handling industry is not seasonal.

This pattern can be impacted by the timing of significant sales to mining and other customers, resulting from the timing of mine site development and access and construction project schedules. This trend can also be impacted during periods of equipment supply constraints from suppliers.

#### *Customers*

The Equipment Group's customer base includes infrastructure contractors, residential and commercial contractors, builders, mining companies, aggregate producers, forestry companies, pulp and paper producers, general contractors, utilities, municipalities, marine companies, manufacturers, waste handling companies, ports and terminals and data centre suppliers. There is no significant concentration of revenue within any one segment.

### **CIMCO**

CIMCO Refrigeration is a North American supplier of industrial-grade thermal management solutions for the monitoring and control of environments utilizing natural refrigerants, which help reduce energy consumption and emissions. It provides full-service capabilities including design, engineering, manufacture, installation and after-market service. Markets served include food and beverage, cold storage, skating, ground freezing and district heating and cooling. Headquartered in Burlington, Ontario, CIMCO has operations across Canada and the United States.

#### *Revenue by Category*

The following table depicts the revenue by category of product and service. All revenue is transacted with parties the Company deals with at arm's length.

(\$ thousands)	2025	2024	\$ change	% change
Package sales	\$ 282,250	\$ 239,156	\$ 43,094	18 %
Product support	241,913	221,439	20,474	9 %
<b>Total revenue</b>	<b>\$ 524,163</b>	<b>\$ 460,595</b>	<b>\$ 63,568</b>	<b>14 %</b>

### *Competitive Conditions*

CIMCO competes with international, national, regional and local suppliers, which is in large part due to the global distribution of its products. CIMCO competes with these other suppliers principally on the basis of value to the customer, quality (exact design specification for each application is completed with an eye to detail) and after-market service capabilities. CIMCO's competitive strengths consist of customized engineering and design approach to each customer and situation, distribution of high-quality products, a broad product line and continued emphasis on delivering timely support services from locations in proximity to its customers. CIMCO has a strong financial position allowing for increased leverage and growth. CIMCO has internationally recognized engineering capabilities, preferred status with a number of leading suppliers and customers, and is a leader in using environmentally friendly refrigerants.

### *Raw Materials*

Raw materials, components, parts and engines used by CIMCO are generally available from a variety of sources. Challenges in the global supply chain experienced in recent years have stabilized, however, the Company continues to actively manage the supply chain environment.

### *Seasonality*

Expenditures on capital goods have historically been cyclical, reflecting a variety of factors including interest rates, foreign exchange rates, consumer and business confidence, commodity prices, corporate profits, credit conditions and the availability of equity capital. Customers globally are typically affected, to varying degrees, by trends in the general business cycle within their respective markets. As a result, financial performance is affected by the impact of such business cycles on the customer base.

CIMCO has had a distinct seasonal trend in results historically, as the timing of construction activity impacts revenue recognition under percentage-of-completion accounting. Revenue is typically lower during the first quarter as winter weather slows down construction schedules. Revenue increases in subsequent quarters as construction schedules ramp up. This trend can be impacted by governmental funding initiatives, supply constraints and the customer's timing of significant industrial projects. Sequential comparisons are also impacted by CIMCO's relatively high fixed cost structure.

### *Customers*

CIMCO's customer base consists primarily of companies engaged in all aspects of the food and beverage industry, including processors, producers and cold storage, and recreational facilities around the world, but primarily in Canada and the United States.

### *Foreign Operations*

In the year ended December 31, 2025, approximately 70% of refrigeration revenue originated from or was produced by the Company's Canadian operations; the balance came from the U.S. and international operations, which generally reflects the location of customers.

### *Research and Development*

Projects undertaken for the supply of new equipment typically involve considerable custom engineering that may include unique applications requiring efforts of a research and development nature. Expenditures related to these activities are not charged to research and development, but directly to project costs.

## Corporate Office

Day-to-day operations are managed at the Company's business unit level. Toromont's corporate office in Concord, Ontario provides overall strategic direction and control as well as centralized insurance, legal, taxation and treasury functions.

## Employees

At December 31, 2025, Toromont employed more than 7,900 people, with over 95% located in Canada. Approximately 86% of the workforce is employed by the Equipment Group.

The Company is a party to 22 collective agreements covering a total of approximately 1,177 employees. Three collective agreements are scheduled for negotiation in 2026. Generally, Toromont believes that its labour relations are satisfactory and does not anticipate any difficulties in respect of upcoming negotiations in any material respect.

## Locations

Toromont operates from over 165 facilities throughout Canada and the United States. Other than its fabrication and repair facilities, Toromont's principal properties are primarily sales and service outlets.

## Climate Change and Environmental Matters

Toromont recognizes the impact of climate change and the need to operate in an environmentally sustainable manner, as well as support customers to do the same. The Governance and Sustainability Committee (the "**G&S Committee**") of the Company's Board of Directors (the "**Board**") oversees environmental matters affecting the Company, including the assessment of material environmental and climate-related risks and opportunities and the Company's response thereto. Management reports on environmental and climate-related matters at every regular G&S Committee meeting. The Company is monitoring developments relating to both the International and Canadian Sustainability Standards Boards, which were created for the purposes of establishing consistent standards for disclosure of sustainability information, including climate-related and other environmental matters.

Toromont is committed to the responsible management of the environment. A variety of programs are conducted throughout its operations to support this commitment, including greenhouse gas ("**GHG**") emissions, energy, water conservation, waste reduction and landfill diversion, education and training sessions for employees, compliance reviews, and the implementation of response mechanisms and reporting procedures to take appropriate actions and inform relevant parties about environmental risks and hazards, if and when situations occur.

Toromont measures its GHG emissions footprint annually. It uses the information to monitor and manage GHG and to implement improvements accordingly. Toromont does not have a large GHG footprint and as such, does not meet the current thresholds set by the regulators for mandatory registration or reporting of its activities. In 2025, the Company's operations generated approximately 57,074 tCO<sub>2</sub>e and 3,192 tCO<sub>2</sub>e from Scope 1 and Scope 2 operations, respectively. The Company continues to validate its carbon accounting processes as it prepares for regulatory adoption of GHG emissions reporting. The single largest source of GHG emissions is within the Company's fleet of service trucks and vehicles, followed by stationary combustion and facility operations. Toromont continues to assess opportunities for fleet emissions reduction, such as vehicle replacements with more efficient powertrains, intelligent route optimization platforms and vehicle telematics that monitor routes and assist with driver behavior optimization. Similar efforts are underway in relation to Toromont's facilities, including energy audits to identify improvement opportunities including, LED lighting upgrades, heat pump and HVAC improvements, advanced building management systems, solar photovoltaic systems, destratification fans and air curtains.

Toromont does not currently anticipate that any material expenditures will be necessary to ensure future compliance with more stringent GHG regulations or stakeholder requirements. The Company cannot currently predict the effects, if any, of more stringent GHG regulations on its customers. However, the Company

anticipates increasing customer demand for products and services which aid them in reducing their environmental impacts. Toromont has many products and initiatives such as Eco-Chill, auxiliary power units, distributed generation power systems, solar photovoltaic systems and battery storage, Tier IV engines, battery electric machines and other alternative energy products and services that are designed to help reduce GHG emissions.

With respect to water conservation, a number of facilities utilize wastewater reclaim and treatment systems, and Battlefield Equipment Rentals and Toromont Cat are in the midst of multi-year plans to upgrade their equipment washing facilities, including water recycling systems where feasible. Expenditures on these upgrades are not material to the Company. In addition, Toromont is tracking water usage as an environmental key metric, similar to the tracking of GHG emissions, with the goal of improved water use efficiency across its operations.

Climate change events, including severe weather, can pose risks to the Company's operations, including physical, logistics and health and safety risks. Toromont's footprint of over 165 locations, primarily in Eastern Canada, helps diversify climate event risk to its operations. The Company also has business continuity plans in place to mitigate the impacts on its facilities and ability to operate as a result of a climate event. The Company does not currently expect the impact of such risks to be material to its business, however, there can be no assurance that the Company will not incur losses related to climate events in the future.

Toromont's operations are subject to a variety of federal, provincial, state and local environmental laws and regulations in Canada and the United States. Such laws and regulations relate to, among other things, emissions into water and air and onto land, the disposal of waste, the handling, storage and transportation of hazardous materials and lubricants and fluids in bulk storage tanks. Some components of CIMCO's activities involve the use of refrigerants including ammonia, which must be stored and handled in accordance with applicable environmental regulations. Regulations prohibit the release of chlorofluorocarbons and hydrochlorofluorocarbons used as refrigerants into the environment and require persons who repair and service equipment that use these refrigerants to be certified by the appropriate regulatory authority. CIMCO is a leader in the use of ammonia-based refrigeration systems and is increasing its use of CO<sub>2</sub> based systems. To the extent more stringent regulations are enacted, CIMCO intends to continue to address them in a proactive manner. Management believes that Toromont is currently in compliance with applicable environmental laws and regulations in all material respects. Toromont's current costs of complying with such laws and regulations are not material. Although costs of compliance are expected to increase over time, the Company does not anticipate that any significant expenditures will be necessary to ensure future compliance with applicable environmental laws and regulations.

Management believes that sustainability requirements are an increasing focus for customers in many markets served by the Company, including mining, construction, transportation, energy and heating and cooling. This provides Toromont with competitive opportunities through both (i) the significant investment and innovation on the part of original equipment manufacturers, including Caterpillar, and (ii) the Company's own capabilities, to respond to our customers' sustainability standards and goals.

## **Safety**

The Company maintains an active and extensive accident prevention program at each of its operations. Safety initiatives are built into the business plans and variable compensation plans for senior leaders and responsible front-line managers of each division. The Company considers the tracking of key metrics related to health and safety matters as crucial in its attempts to reduce workplace injuries. Such metrics include TRIR (Total Recordable Injury Rate), as well as the identification of near misses and hazards. Various digital safety initiatives are employed, including electronic job hazard assessments and a centralized health and safety portal to track and evaluate safety-related data. Metrics are monitored to spot trends and areas of concern in order to develop and implement appropriate responses as well as recognize and celebrate successes. Dedicated health and safety managers in each division are responsible for supporting their respective divisions' health and safety leadership and initiatives including monitoring metrics, developing and/or facilitating health and safety leadership, training and education programs, investigating incidents and near misses, and conducting compliance reviews. The Human Resources and Health and Safety Committee

(“**HRHS Committee**”) of the Board oversees health and safety matters, including human rights and forced labour as it relates to employment. The HRHS Committee receives reports from management regarding the Company’s health and safety performance at every regular meeting of the HRHS Committee.

### **Information Technology and Cybersecurity**

The Company depends on information technology infrastructure and systems, hosted internally or outsourced, to conduct day-to-day operations and for the effective operation of its business. Its business also requires the appropriate and secure utilization of sensitive and confidential information belonging to third parties such as its customers and suppliers. While the Company strives to leverage technology and artificial intelligence (AI) to meet the growing needs of its customers and enhance the efficiency of its operations, it nevertheless comes with information security and cybersecurity risks.

The security of the Company’s data and other information is one of the operational risks overseen by the Board. Two members of the Board have knowledge and experience in technology, including in cyber risk. Management reports to the Board regularly on information technology and security matters. To mitigate information security risks, in addition to maintaining cyber insurance policies for information security risk, the Company undertakes preventative measures, including controlling access to its network and applications using secure firewalls and limiting access to an “as-needed” basis. To identify information security risks, the Company uses various detection methods, including monitoring event logs for firewalls, server, mail systems, and applications. Third party experts are utilized to perform testing and assessments. The Company provides regular information security training to employees as applicable and appropriate. The Company also maintains policies and procedures to mitigate emerging risks, like data loss prevention through AI tools.

The Company continues to monitor and enhance its defences and procedures to prevent, detect, respond to and manage cyber threats, which are constantly evolving. Disruption to information systems or breaches of security could result in a negative impact on the Company’s financial results or result in reputational damage.

The Company may be subject to cyber-attacks and other information security breaches from time to time. Risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. To date, the Company has not experienced any material losses relating to cyber-attacks or other information security breaches; however, there can be no assurance that the Company will not incur such losses in the future.

### **Ethics and Privacy**

The Company is committed to managing its activities in an ethical and proper manner in all aspects. The Company has a Code of Conduct setting out the expectations for the ethical and appropriate behaviour of all its directors, officers and employees and outlines the Company’s commitment to a safe and respectful workplace, social and environmental responsibility, business integrity and confidentiality. The Code of Conduct also sets out the Company’s expectations respecting conflicts of interest, cybersecurity and business and accounting practices. The Code of Conduct is reviewed annually by the Company’s senior management and Board. The Company’s directors, officers and all employees are required to sign and periodically reaffirm their acknowledgment of, and compliance with, the Code of Conduct. The Company also has a Supplier Code of Conduct to which it expects its suppliers to comply, including appropriate procedures in place to eliminate modern slavery in their operations and supply chain.

The Company has established a toll-free, anonymous telephone and web-based compliance hotline, which can be used by employees and others to report suspected accounting or auditing irregularities and unethical behaviour or other breaches of the Code of Conduct affecting the Company. The web address is [www.openboard.info/tih](http://www.openboard.info/tih). All complaints to the compliance hotline are brought to the attention of the Chairs of the Audit Committee and the HRHS Committee.

The Company and each of its divisions has adopted a Privacy Policy, appointed Privacy Managers and engaged in employee training regarding privacy obligations. The Company has also issued a Privacy Policy that sets out the Company’s commitment to protecting the privacy of personal information. The Code of Conduct and the Privacy Policy are available on the Company’s website at [www.toromont.com](http://www.toromont.com).

## **RISK FACTORS**

A discussion of operating and financial risks relating to the Company is included under the heading “Risks and Risk Management” in the Company’s Annual Management Discussion and Analysis, which is incorporated herein by reference and is available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **CAPITAL STRUCTURE AND MARKET FOR SECURITIES**

### **Capital Structure**

The Company’s authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares. The common shares entitle holders to one vote per share at all shareholder meetings except meetings at which only the holders of another class or series of shares are entitled to vote. Subject to the prior rights of the holders of the preferred shares, the common shares also entitle holders to receive any dividends declared by the Board and the remaining property after the Company is dissolved. As at December 31, 2025, there were 81,449,458 common shares outstanding and no preferred shares were outstanding.

### **Ratings**

On June 6, 2025, DBRS Limited (“**DBRS**”) confirmed the Issuer Rating of Toromont and Debenture rating at A (low) with Stable trends.

DBRS uses a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. A rating of A by DBRS is in the third highest category of the 10 major categories and is assigned to debt securities considered to be of good credit quality, with the capacity for payment of financial obligations being substantial, but of a lesser credit quality than an AA rating. Entities in the A category may be vulnerable to future events, but qualifying negative factors are considered manageable. All rating categories other than AAA and D also contain designations for (high) and (low). The assignment of a (high) or (low) designation within a rating category indicates relative standing within that category. The absence of either a (high) or (low) designation indicates that the rating is in the middle of the category. DBRS’ rating trends provide guidance in respect of DBRS’ opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories: “Positive”, “Stable” or “Negative”. The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue, or in some cases, unless challenges are addressed. In general, DBRS’ view is based primarily on an evaluation of the issuing entity or guarantor itself, but may also include consideration of the outlook for the industry or industries in which the issuing entity operates. A “Positive” or “Negative” trend assigned by DBRS is not an indication that a rating change is imminent, but represents an indication that there is a greater likelihood that the rating could change in the future than would be the case where a “Stable” trend was assigned.

The credit rating accorded to the Company’s debentures by DBRS should not be construed as a recommendation to buy, sell, or hold the Company’s debentures as such rating does not comment as to the market price or suitability of the debentures for a particular investor. Credit ratings are intended to provide investors with an independent measure of credit quality of an issuer of securities and are intended to be indicators of the likelihood of payment and of the capacity and willingness of the issuer to meet its financial commitment on obligations in accordance with the terms of those securities. However, the credit ratings accorded to the rated securities may not reflect the potential impact of all risks on the value of those securities, including risks related to capital structure, market volatility or other factors. The credit rating accorded to the Company’s debentures by DBRS may be revised or withdrawn at any time by DBRS.

The Company has paid customary rating fees to DBRS in connection with the above-mentioned rating and will continue to pay customary rating fees to DBRS in the ordinary course, from time to time, in connection with the confirmation of such rating and any future offerings of certain debt securities of the Company. The

Company did not make any payments to DBRS in respect of any other service provided to the Company by DBRS.

### Trading Price and Volume

The Company's common shares are listed and posted for trading on the Toronto Stock Exchange and trade under the share symbol "TIH".

The high and low trading prices for common shares along with the daily average volume traded for each month of 2025 were as follows:

	Price (per common share)		Average Daily Volume
	High (\$)	Low (\$)	(# of shares)
January 2025	\$124.98	\$111.50	166,070
February 2025	\$124.03	\$111.95	135,363
March 2025	\$123.99	\$110.66	151,785
April 2025	\$117.19	\$107.32	135,242
May 2025	\$122.19	\$108.51	187,766
June 2025	\$123.25	\$117.38	130,666
July 2025	\$142.05	\$121.31	127,846
August 2025	\$145.63	\$137.41	135,077
September 2025	\$156.56	\$141.39	186,688
October 2025	\$168.56	\$152.68	143,099
November 2025	\$168.35	\$153.95	191,457
December 2025	\$168.46	\$157.35	164,143

### Dividends

Toromont has a practice of paying quarterly dividends on its outstanding common shares, targeting over the longer term, a payout of 30-40% of trailing earnings from continuing operations over the cycle. This practice is reviewed at least annually, based upon and subject to the Company's earnings, financial requirements and general economic circumstances. Certain of Toromont's credit facilities, typical to commercial lending arrangements, contain provisions that could limit the payment of dividends if certain financial covenants are not met. As at December 31, 2025, the Company was in full compliance with these covenants.

The Company has declared the following dividends per share on its outstanding common shares during the past three years:

	2023 Dividend Declared per Common Share	2024 Dividend Declared per Common Share	2025 Dividend Declared per Common Share
First Quarter	\$0.43	\$0.48	\$0.52
Second Quarter	\$0.43	\$0.48	\$0.52
Third Quarter	\$0.43	\$0.48	\$0.52
Fourth Quarter	\$0.43	\$0.48	\$0.52

## DIRECTORS AND OFFICERS

The names, municipalities and country of residence and principal occupations of the directors and officers of Toromont, as well as the year each director first became a director are set out below. The term of office of each director will expire at the next Annual Meeting of Shareholders of the Company.

### Directors

Name, Municipality and Country of Residence	Year First Became Director	Principal Occupation
Peter Blake <sup>(2,3)</sup> Vancouver, British Columbia, Canada	2019	Corporate Director
Ben Cherniavsky <sup>(2,3)</sup> Vancouver, British Columbia, Canada	2021	Corporate Director, Partner, Fort Capital Partners
Cathryn Cranston <sup>(1,2)</sup> Toronto, Ontario, Canada	2013	Corporate Director
Paramita Das <sup>(1,3)</sup> Chicago, Illinois, United States	2024	Corporate Director
Sharon Hodgson <sup>(2,3)</sup> Toronto, Ontario, Canada	2019	Corporate Director
Ave Lethbridge <sup>(1,3)</sup> Toronto, Ontario, Canada	2024	Corporate Director
Michael McMillan <sup>(4)</sup> Amaranth Township, Ontario, Canada	2023	President and Chief Executive Officer of the Company
Frederick Mifflin <sup>(1,2)</sup> Toronto, Ontario, Canada	2022	Corporate Director, Vice Chair, Blair Franklin Capital Partners
Katherine Rethy <sup>(1,3)</sup> Huntsville, Ontario, Canada	2013	Corporate Director
Richard Roy <sup>(4)</sup> Verchères, Québec, Canada	2018	Corporate Director, Chair of the Board of the Company
Notes: (1) Member of Governance and Sustainability Committee (2) Member of Audit Committee (3) Member of Human Resources and Health and Safety Committee (4) Messrs. McMillan and Roy do not serve on any Committees but attend all Committee meetings		

### Officers

Name, Municipality and Country of Residence	Principal Occupation
Michael McMillan Amaranth Township, Ontario, Canada	President and Chief Executive Officer
John Doolittle Oakville, Ontario, Canada	Executive Vice President and Chief Financial Officer
Michael Cuddy Tottenham, Ontario, Canada	Chief Strategy Officer
Habeeb Syed Toronto, Ontario, Canada	Chief Legal Officer, General Counsel & Corporate Secretary
Stephanie Hardman Oakville, Ontario, Canada	Chief People and Culture Officer

Name, Municipality and Country of Residence	Principal Occupation
Rick Neuman Toronto, Ontario, Canada	Chief Digital, Marketing & Technology Officer
Joel Couture Caledon, Ontario, Canada	Chief Operating Officer, Toromont Cat
Colin Goheen St George, Ontario, Canada	President, Battlefield Equipment Rentals
Dave Malinauskas Oakville, Ontario, Canada	President, CIMCO
Miles Gregg Scarborough, Ontario, Canada	President Construction Industries, Toromont CAT
William Harvey Montreal, Quebec, Canada	President Mining Division, Toromont Cat
Jennifer Cochrane Toronto, Ontario, Canada	Vice President, Finance

During the past five years, all of the directors and officers of Toromont have been engaged in their principal occupations or in executive capacities with the corporations or entities in which they currently hold positions, except that: Mr. McMillan was the Executive Vice President & Chief Financial Officer of Toromont until October 15, 2023; prior to joining Toromont in 2022, Mr. Doolittle was the Chief Financial Officer for TouchBistro Inc.; prior to joining Toromont in 2025, Ms. Hardman held various senior executive positions with McDonalds Corporation, including Deputy Chief Transformation Officer, Global Head of Leadership Development and Functional Learning and SVP People Resources and Chief People Officer (Canada); prior to joining Toromont in 2025, Mr. Syed was the Senior Vice President, Legal and Corporate Secretary of Softchoice Corporation; prior to joining Toromont in 2025, Mr. Neuman was the Chief Product and Technology Officer at Flipp Inc. from 2020 to 2022 and Chief Product and Technology Officer at Loyalty One Inc. from 2022 to 2024, prior to joining Toromont in 2025; Ms. Das became a Corporate Director of Coeur Mining Inc., Toromont and Genco Shipping and Trading Limited in 2023, 2024 and 2024, respectively, and held various positions at Rio Tinto plc for nearly a decade, most recently as Global Head of Marketing, Development and ESG (Chief Marketing Officer) Metals and Minerals from 2022 to 2024; Ms. Hodgson retired from her position as Dean, Ivey Business School at Western University in 2024; and Ms. Lethbridge became a Corporate Director for Algoma Steel Inc. and Toromont in 2022 and 2024, respectively, after having retired from her position as Executive Vice-President and Chief Human Resources and Safety Officer at Toronto Hydro Corporation, which she held from 2013 until 2021.

As of December 31, 2025, the directors and officers of Toromont, as a group, beneficially owned, directly or indirectly, or exercised control or direction of, an aggregate 124,943 common shares or approximately 0.15% of the 81,449,458 issued and outstanding common shares of the Company.

## **CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

No director or officer of the Company is, or within 10 years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the 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, that was issued while the director or officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) 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, that was issued after the director or 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.

Other than as set out below, no director or officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (i) is, or within 10 years prior to the date hereof has been, a director or officer of any company (including the 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 ten years prior to the date hereof, 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, officer or shareholder.

Peter Blake, a director of Toromont, was previously the chief executive officer of WEQ Holdings Inc. (“**WEQ**”) until December 17, 2018, when WEQ commenced court supervised voluntary liquidation proceedings under the CBCA in order to distribute the net proceeds following the sale of substantially all of its assets. In December of 2020, the court made a conditional order discharging the liquidator of WEQ and the company was dissolved in June 2021.

The liquidation was commenced following the sale of one of WEQs two previous main divisions. WEQ had previously sold the assets of its other main division, Pacific Coast Modular Construction LP (“**PCMC LP**”), whose general partner is Pacific Coast Modular Construction Inc. (“**PCMC GP**”) in the spring of 2017. Following the sale of the assets of PCMC LP in 2017, the proceeds were used to repay some of PCMC LP’s debts. On May 31, 2019, following the commencement of WEQ’s liquidation proceedings, PCMC GP and PCMC LP each filed an assignment in bankruptcy. At the time of the assignment into bankruptcy, PCMC LP and PCMC GP had nominal assets and their only liabilities were tax, a contingent liability and inter-company debts. Mr. Blake was a director of PCMC GP at the time of the bankruptcy filings. A discharge order was granted for the PCMC GP bankruptcy in November of 2020 and for the PCMC LP bankruptcy in February 2021.

No director or officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, 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.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

Toromont is occasionally named as a party in various claims and legal proceedings, which arise during the normal course of its business. Toromont reviews each of these claims, including the nature of the claim, the amount in dispute or claimed and the availability of insurance coverage. Although there can be no assurance that any particular claim will be resolved in the Company’s favour, Management does not believe that the outcome of any claims or potential claims of which it is currently aware will have a material adverse effect on the Company, taken as a whole.

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

To the best of the Company’s knowledge, no director, officer or 10% shareholder of the Company or any associate or affiliate of any such person or shareholder, has or 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 the Company.

## **TRANSFER AGENT AND REGISTRARS**

The transfer agent and registrar for Toromont’s common shares is TSX Trust Company located in Toronto, Ontario.

## MATERIAL CONTRACTS

The Company routinely enters into contracts in the normal course of business. There are no material contracts that were entered into in fiscal 2025 or before fiscal 2025 which are still in force.

## ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, securities authorized for issuance under equity compensation plans and interests of insiders in material transactions, where applicable, is set out in the management information circular relating to its most recent annual meeting of shareholders of the Company that involved the election of directors ("**Annual Management Information Circular**").

Additional financial information is provided in the Company's annual audited consolidated financial statements as of and for the period ended December 31, 2025, including the notes thereto ("**Annual Financial Statements**") and its Annual Management Discussion and Analysis. A copy of these documents may be obtained upon request from Investor Relations, Toromont Industries Ltd. at 3131 Highway 7 West, P.O. Box 5511, Concord, Ontario, L4K 1B7; telephone 416-667-5511; fax 416-667-5555; or by email to investorrelations@aim.toromont.com, Chief Legal Officer and Corporate Secretary of the Company, or found under the Company's profile on SEDAR+ at www.sedarplus.ca.

## AUDIT COMMITTEE INFORMATION

### Overview

The Audit Committee of the Board is currently comprised of Cathy Cranston (Chair), Peter Blake, Ben Cherniavsky, Sharon Hodgson and Frederick Mifflin, all of whom are considered by the Board to be "financially literate" and independent within the meaning of National Instrument 52-110 – *Audit Committees* ("NI 52-110").

### Mandate of the Audit Committee

The principal duties of the Audit Committee include oversight responsibility for financial statements and related disclosures, reports to shareholders and other related communications, establishment of appropriate financial policies, the integrity of accounting systems and internal controls, approval of all audit and non-audit services provided by the independent auditors, consultation with the auditors independent of management and overseeing the work of the auditors and Internal Audit Department. The mandate of the Audit Committee was approved by the Board and is included in Appendix A.

### Relevant Education and Experience of Audit Committee Members

The following is a brief summary of the education or experience of each member of the Audit Committee that is relevant to the performance of his/her responsibilities as a member of the Audit Committee, including any education or experience that has provided the member with an understanding of the accounting principles used by Toromont to prepare its annual and interim financial statements.

Audit Committee Member	Relevant Education and Experience
Cathryn Cranston (Chair)	Ms. Cranston was a senior executive in the financial services industry where she developed expertise in finance, risk and capital markets disciplines over 32 years in the industry. Notably, Ms. Cranston was Senior Vice President and Treasurer at the Bank of Montreal for over eight years and Chief Financial Officer of the Bank of Montreal's Global Wealth Management business for six years.
Peter Blake	Mr. Blake, FCPA, FCA, is a business leader with more than 32 years of experience. He spent 23 years at Ritchie Bros. Auctioneers Inc., serving as Chief Executive Officer from 2004 to 2014 and Chief Financial Officer from 1997 to 2004. From 2014 to 2018, he was the Chief Executive Officer of WesternOne Inc.

Audit Committee Member	Relevant Education and Experience
Ben Cherniavsky	Mr. Cherniavsky was an equity analyst for over 20 years. In 2020, he retired from his role as the Managing Director and Head of Industrials Research at Raymond James Ltd. From 2003 to 2020, he was consistently ranked as one of the top three equity research analysts in Canada by Brendan Wood International.
Sharon Hodgson	Ms. Hodgson has had a 33-year career in professional services worldwide with IBM Business Consulting, PwC and Andersen Consulting. She held progressively more senior positions in IBM's Global Business Services group from 2001 to 2018, and served as the Global Consulting Leader, Cognitive, AI, Watson, and Advanced Analytics, in GBS from 2017-2018. In May 2019, Ms. Hodgson was appointed Dean of the Ivey Business School at Western University which she held until her retirement in 2024.
Frederick Mifflin	Mr. Mifflin has more than 30 years' experience in a wide range of financial services. He is the current Vice Chair at Blair Franklin Capital Partners, an independent investment banking and financial advisory firm. Prior to that, he served as Vice Chair and Global Head of Investment and Corporate Banking at BMO Capital Markets, after holding progressively senior positions from 1989 to 2007, including Global Head of Mining and Metals.

### External Auditors

The Company's auditors, Ernst & Young LLP, have prepared an auditors' report on the Company's Annual Financial Statements. As at February 10, 2025, Ernst & Young LLP has advised that it is independent with respect to the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

The Audit Committee oversees and monitors the qualifications, independence, and performance of the Company's external auditor. A formal review of the external auditors is completed every year and a more comprehensive review occurs every five years. Such reviews are based on recommendations by the Chartered Professional Accountants of Canada and the Canadian Public Accountability Board ("CPAB") to assist audit committees in their oversight duties. A comprehensive review was completed in 2023 and the Audit Committee determined that it was satisfied with the independence of, and the audit quality provided by, Ernst & Young LLP. The next comprehensive review is scheduled for 2028.

The Company maintains independence from the external auditors through Audit Committee oversight, a robust regulatory framework, and Ernst & Young LLP's own internal independence procedures. The independent auditor reports to and is ultimately accountable to the Board and the Audit Committee as representatives of the Company's shareholders.

The Audit Committee's mandate sets out its responsibilities for overseeing the external auditors, which include (among other things):

- reviewing auditor independence from both management and the Company;
- overseeing the work of the auditor;
- approving annual audit fees, and pre-approving any non-audit services and associated fees; and
- evaluating the performance of the auditors and recommending their replacement if necessary.

The Audit Committee considers (among other things):

- the objectivity and professional skepticism of the auditors;
- the quality and experience of their engagement team, including expertise in and knowledge of industries in which the Company operates or serves;
- external reports on audit quality (CPAB inspection reports);
- an annual assessment of the overall quality of the service provided (along with a comprehensive review every five years), including considering trends observed in the annual assessment relative to the prior five-year comprehensive review; and

- the quarterly review of audit quality indicators.

Ernst & Young LLP has served as the Company’s external auditors since 1996. The Audit Committee evaluates the benefits and risks of having a long-tenured auditor and the controls and processes that ensure their independence, such as mandatory partner rotations every seven years. The Audit Committee oversees the selection and rotation of the lead audit partner. A new lead audit partner was appointed according to the mandated schedule following the completion of the Company’s 2023 fiscal audit.

The Audit Committee believes that there are benefits to having long-tenured auditors, including quality of work and efficiencies because of the auditors’ institutional knowledge of the Company’s business, accounting policies and practices and internal controls. The Audit Committee therefore considers the benefits of maintaining Ernst & Young LLP as its auditors to exceed any potential audit quality risks resulting from their tenure. The Audit Committee will continue to reassess these benefits and risks every year as well as its approach and governance in this area.

### External Auditor Service Fees

All non-audit services are pre-approved by the Audit Committee. External auditor service fees by category can be found in the section of the Annual Management Information Circular entitled “Business of the Meeting”, which is incorporated herein by reference. The Audit Committee has pre-approved a budget for certain specific non-audit services such as (i) non-audit consultation related to financial accounting and reporting standards not classified as audit, (ii) due diligence in connection with proposed or consummated transactions, and (iii) assurance services to report on internal controls for third parties. Management reports on all such expenditures at each Audit Committee meeting. In addition, all engagements with the external auditors must be documented by an engagement letter and pre-approved by the Audit Committee or its Chair or in the alternative, any other member of the Audit Committee. Any such approvals by the Chair or a member of the Audit Committee must be presented to the Audit Committee at the next scheduled quarterly meeting. The table below shows the fees paid to Ernst & Young LLP or accrued by Toromont for the 2024 and 2025 fiscal years.

For the year ended December 31		2025	2024
Audit fees	Includes the audit of our financial statements, reviews of quarterly reports and regulatory filings	\$1,577,000	\$1,371,000
Audit-related fees	Includes consultation related to financial accounting and reporting standards not classified as audit and due diligence in connection with proposed or consummated transactions and offerings	\$263,000	\$61,000
Tax fees	Includes tax compliance, tax planning and tax advice services	\$5,500	\$8,000
<b>Total</b>		<b>\$1,845,500</b>	<b>\$1,440,000</b>

## APPENDIX A

### AUDIT COMMITTEE MANDATE and CHAIR POSITION DESCRIPTION

#### Organization

The Board of Directors (the “Board”) of Toromont Industries Ltd. (the “Company”) has established an Audit Committee (the “Committee”). This Mandate governs the operations of the Committee, as approved by the Board. The Committee shall review and reassess the Mandate annually. The Committee shall be appointed by the Board and shall comprise of at least three directors, each of whom are independent (as defined by applicable legislation and the rules of any stock exchange on which securities of the issuer are listed). If the Committee is comprised of more than three directors, at least a majority shall be independent. All Committee members shall have a sufficient level of financial literacy to understand the issues to be raised in the Company's financial statements, and at least one Committee member shall have accounting or related financial expertise.

Principal duties include oversight responsibility for financial statements and related disclosures (including material sustainability quantitative disclosures), reports to shareholders and other related communications, establishment of appropriate financial policies, the integrity of accounting systems and internal controls, approval of all audit and non-audit services provided by the independent auditor, consultation with the auditor independent of management and overseeing the work of the independent auditor and monitoring and directing, as appropriate, the Internal Audit Department.

The Committee also supports the Board in monitoring on a periodic, regular basis management's identification and assessment of the principal business risks that fall within the Committee's mandate and keeps informed of how these risks are being handled by management, including through the implementation of appropriate controls.

The Committee shall periodically meet separately with each of management, personnel responsible for the Internal Audit function and with the independent auditor. The Committee shall report regularly to the Board about its activities.

The roles and responsibilities of the Committee are in conjunction and collaboration with the Mandates of the Board and its other committees, including the Human Resources and Health & Safety Committee and Governance and Sustainability Committee.

#### Statement of Policy

The Committee will provide assistance to the Board in fulfilling their oversight responsibility relating to the integrity of the Company's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the annual independent audit of the Company's financial statements, and any legal compliance or ethics programs as established by management and the Board. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Committee, the independent auditor and management of the Company. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the power to retain and pay outside counsel, or other experts it determines necessary to carry out its duties.

#### Responsibilities and Processes

The primary responsibility of the Committee is to oversee the Company's financial reporting process on behalf of the Board and report the results of their activities to the Board. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent auditor is responsible for auditing those financial statements. The Committee should take the appropriate actions to set

the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behaviour.

The following shall be the principal recurring processes of the Committee in carrying out its oversight responsibilities. The processes are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

- a) The Committee shall oversee the work of the auditor and shall have a clear understanding with management and the independent auditor that the independent auditor reports to and is ultimately accountable to the Board and the Committee, as representatives of the Company's shareholders. The Committee shall have the ultimate authority and responsibility to evaluate and, where appropriate, recommend the replacement of the independent auditor. The Committee shall assure itself that the external auditor is independent from management and the Company, and will have access to all information about the audit firm's relationship with the Company that is necessary to come to a reasonable conclusion. Annually, the Committee shall review and recommend to the Board the election of the Company's independent auditor by the shareholders.
- b) The Committee shall discuss with the independent auditor the overall scope and plans for their audit including the adequacy of staffing and the audit fees. Such audit and fees are subject to the approval of the Committee. The Committee will recommend to the Board the appointment of the external auditor by the shareholders and the fees for such auditor. Also, the Committee shall discuss with management, and the independent auditor the adequacy and effectiveness of the accounting and financial controls, including the Company's system to monitor and manage risk, and any legal and ethical compliance programs (including complaint mechanisms). The Committee will develop and maintain a relationship with the independent auditor that allows for full, open, and timely discussion of all material issues, with or without management as appropriate in the circumstances.
- c) The Committee shall approve non-audit services to be rendered by the independent auditor and fees associated therewith in advance of such activity taking place. The Committee may delegate this approval to one or more of its members, but such services must be presented to the full Committee at its next scheduled meeting.
- d) The Committee shall review with management and the independent auditor and recommend for approval by the Board the quarterly and annual financial statements, note disclosure and Management's Discussion and Analysis included therein, together with the auditor's interim and annual audit reports thereon, and the press releases related thereto.
- e) The Committee shall review the Annual Information Form with management and recommend it for approval by the Board.
- f) The Committee will periodically consider the extent of involvement of the independent auditor in connection with the interim financial statements, Management's Discussion and Analysis, and interim note disclosures. The Committee will periodically review and satisfy itself as to the adequacy of procedures for the review of other public disclosure by the Company of financial information derived from the Company's financial statements.
- g) The Committee shall review any significant adjustments to financial statements, unusual transactions, investments or other transactions that could materially affect the viability of the Company, in addition to all material transactions with related parties and related party transactions (as defined under securities laws). The Committee will make appropriate inquiries with respect to any significant litigation or regulatory compliance matters and report on these matters to the Board.
- h) At least annually, the Committee (or its designate) shall review expenses incurred by the Chair, President and CEO, and CFO.
- i) At least annually, the Committee shall obtain confirmation that management has complied with the Company's Code of Conduct. The Committee will also review, on a quarterly basis, complaints to the Company's Compliance Hotline regarding financial matters and/or other reports of actual or

suspected fraud or other violations of policies, procedures, laws or regulations that could have a material impact on the public disclosure by the Company of financial information.

- j) The Committee shall receive a report from the Company's Disclosure Committee recommending disclosure of all press releases, financial statements, Management's Discussion and Analysis and other public disclosure materials before the Committee approves such documents.
- k) At least annually, the Committee shall receive a report from the Company's Disclosure Committee as to the Disclosure Committee's activities and its recommendations on changes, if any, to the Company's disclosure practices.
- l) The Committee shall review with management and the independent auditor the financial statements to be included in the Company's Annual Report, including their judgment about the quality and acceptability of accounting principles, the reasonableness of significant accounting estimates and judgments, and the clarity of the disclosures in the financial statements and related footnotes. Also, the Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditor under generally accepted auditing standards.
- m) The Committee shall approve the Company's hiring of partners, employees and former partners and employees of the present and former external auditor of the Company.
- n) The head of the Company's Internal Audit department will have a functional reporting relationship direct to the Committee. The Committee will provide such guidance and direction to the Internal Audit department as it deems necessary to ensure the independence and appropriate functioning of such department. The Committee shall receive an annual report from the head of Internal Audit outlining plans for the subsequent year and quarterly reports describing progress against the plan and any relevant findings. The Chair of the Committee will review with the Company's CFO the annual performance review for the head of the Company's Internal Audit department.
- o) The Committee shall put in place procedures for:
  - i. The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - ii. The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**POSITION DESCRIPTION  
COMMITTEE CHAIR**

This position description describes the appointment, role and responsibilities of the Chair (the “Chair”) of the Committee.

The Board shall appoint the Chair from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members).

The designation of the Committee’s Chair shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

The Chair shall receive such remuneration as the Board may determine from time to time.

Principal responsibilities of the Chair are as follows:

- a) Provide leadership to the Committee in discharging its mandate, including by promoting a thorough understanding by members of the Committee and management of the duties and responsibilities of the Committee and the relationship between the Committee and the Company’s management, and by promoting cohesiveness among members of the Committee.
- b) Act as the liaison between the Committee and the Company’s management, promoting open and constructive discussions between members of the Committee and management.
- c) Promote the proper flow of information to the Committee to keep the Committee fully apprised of all matters which are material to the Committee at all times.

In connection with meetings of the Committee, the Chair shall be responsible for:

- a) Scheduling meetings of the Committee;
- b) Organizing and presenting the agenda for Committee meetings such that all of the responsibilities assigned to the Committee under its Mandate are discharged on a timely and diligent basis, and members of the Committee have input into the agendas;
- c) Monitoring the adequacy of materials provided to the Committee by management in connection with the Committee’s deliberations;
- d) Ensuring that the Committee has sufficient time to review the materials provided to it and to fully discuss the business that comes before the Committee;
- e) Presiding over meetings of the Committee; and
- f) Presiding over *in-camera* meetings of the Committee.

The Chair shall report to the Board on the activities of the Committee at least annually.

On an annual basis, the Chair coordinates and follows the process established by the Board for assessing the performance of the Committee.

The Chair shall perform such other functions as may be ancillary to the duties and responsibilities described above or as may be delegated to the Chair by the Committee or the Board from time to time.