March 6, 2026

Notice of 2026 annual meeting of shareholders

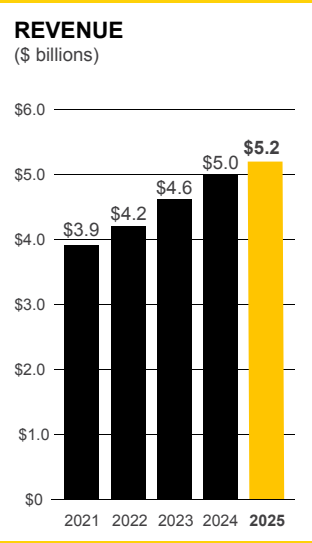
Management information circular

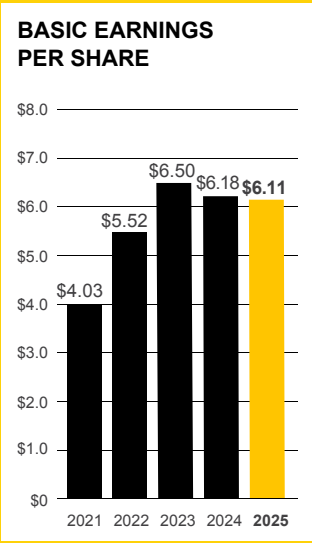
TOROMONT | Toromont Industries Ltd.

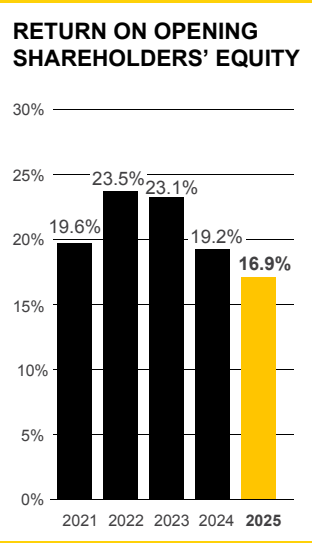
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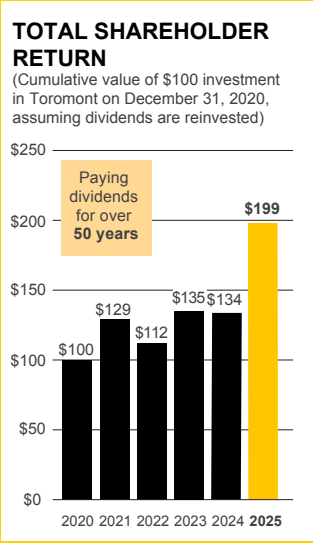
Toromont (TSX:TIH) is a diversified growth company with a clear objective: to increase shareholder value by driving consistent and profitable earnings growth over the long term. 2025 was our 57th year as a public company.

Financial highlights









Your vote is important.

This document tells you about Toromont – how we are governed, what we pay our executives and how these are linked to achieving our goals.

It also explains what you will be voting on at our 2026 annual meeting of shareholders, and how you can vote your shares.

What's inside

2 Notice of the 2026 annual meeting of shareholders

4 2026 management information circular

- **5** Executive summary
- **7** About the shareholder meeting
- **22** Corporate governance
- **39** Executive compensation
- **67** Other information
- **68** Appendix A: Board Mandate - Duties of directors
- **70** Appendix B: Human Resources and Health and Safety Committee Mandate

TOROMONT

NOTICE OF THE 2026 ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholder,

We invite you to attend Toromont's 2026 annual meeting of shareholders.

When

Wednesday, April 29, 2026
10:00 a.m. (Eastern Daylight Time)

Where

5001 Trans-Canada Highway
Pointe-Claire, Quebec
H9R 1B8

This notice, the accompanying management information circular and a form of proxy or voting instruction form have been sent to you in connection with the meeting.

As described in the enclosed meeting materials, registered shareholders are entitled to vote at the meeting if they held their shares as of the close of business on March 20, 2026, the record date. Non-registered (beneficial) shareholders as of March 20, 2026 who wish to vote at the meeting will be required to first appoint themselves as proxyholder in advance of the meeting by writing their own name in the appropriate space on the voting instruction form provided by their intermediary, generally being a bank, trust company, securities broker, trustee or other institution. **Follow the instructions on the form you received with this package, AND in the management information circular starting on page 11.**

A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including a non-registered shareholder who wishes to appoint themselves as proxyholder to vote at the meeting) must carefully follow the instructions in the management information circular and on their form of proxy or voting instruction form.

Whether or not you plan to vote in person at the meeting, we urge you to submit your proxy or voting instructions in advance of the meeting by using one of the methods described in the enclosed proxy or voting instruction form. Voting by proxy is the easiest way to vote.

We will cover the following items of business:

1. Receive our consolidated financial statements for the year ended December 31, 2025 and the auditor's report thereon
2. Elect directors
3. Appoint the auditor
4. Advisory vote on our approach to executive pay
5. Consider any other business that may properly come before the meeting

You can read about each item of business beginning on page 8 of our 2026 management information circular. Important information about the voting process (the procedures are different for registered and non-registered shareholders) is in the management information circular starting on page 11.

If you held shares of Toromont Industries Ltd. at the close of business on March 20, 2026 (the record date), you are eligible to vote at the annual meeting, or at a reconvened meeting if the meeting is postponed or adjourned.

By order of the Board,

Habeeb Syed
Chief Legal Officer, General Counsel & Corporate Secretary
Toromont Industries Ltd.

March 6, 2026

TOROMONT

2026 MANAGEMENT INFORMATION CIRCULAR

This management information circular has been made available to you because you owned Toromont shares at the close of business on March 20, 2026. That gives you the right to vote at our 2026 annual meeting of shareholders on April 29, 2026 (or a reconvened meeting if the meeting is postponed or adjourned).

Management is encouraging you to vote at the meeting by soliciting your proxy. We solicit proxies mainly by mail, but Toromont employees, directors, officers or advisors may contact you by phone, electronically or in person. We pay the cost of proxy solicitation.

This circular tells you about the meeting, what you will be voting on and how to vote. Please read it carefully and remember to vote. Important information about the voting process (the procedures are different for registered and non-registered shareholders) starts on page 11.

Where to get more information

You can find financial information about Toromont in our 2025 audited annual financial statements and related management discussion and analysis.

These documents and others are on our website (www.toromont.com) and on SEDAR+ (www.sedarplus.ca).

Approved by the Board

The Toromont Board has approved the contents of this document and authorized us to send it to our shareholders. A copy of the circular has also been sent to each director and our auditor.

"*Habeeb Syed*"

Habeeb Syed
Chief Legal Officer, General Counsel & Corporate Secretary
Toromont Industries Ltd.

March 6, 2026

In this document

- *we*, *us*, *our*, *company* and *Toromont* mean Toromont Industries Ltd. and, where applicable, its subsidiaries
- *you*, *your* and *shareholders* mean owners of Toromont common shares
- *circular* means this management information circular, as amended or supplemented
- *meeting* means our 2026 annual meeting of shareholders, to be held on April 29, 2026
- *Board* means the Toromont Industries Ltd. Board of Directors
- *shares* means the Toromont common shares

Our record date is March 20, 2026.

All information in this circular is as of February 28, 2026 and in Canadian dollars unless noted otherwise.

Our head office
Toromont Industries Ltd.
3131 Highway 7 West
P.O. Box 5511
Concord, Ontario L4K 1B7

EXECUTIVE SUMMARY

This section highlights some of the important information in this circular. Please read the entire document before you vote.

2025 Highlights

In 2025, the senior leadership team delivered strong operational and financial performance, reflecting continued progress against Toromont's strategic objectives. This year's executive compensation results reflect that performance (see page 40 for details):

- annual bonuses were determined by performance against targets set at the beginning of the year for return on shareholders' equity and growth in earnings per share, as well as business unit performance, and individual performance objectives. Payouts ranged between 82% and 91% of target for the CEO and CFO and between 108% and 126% of target for the other named executives (after certain one-time adjustments)
- performance share units (PSUs) that were granted in 2023 paid out on March 6, 2026 at 162% of target value. Payouts were determined by Toromont's relative total shareholder return and return on capital employed over a three-year period (January 1, 2023 to December 31, 2025), reflecting Toromont's strong performance over the full cycle, and reinforcing the long-term focus of the executive compensation program.

Our Board of Directors

This year the Board approved 10 nominees for election. All of the directors are independent except Michael S. McMillan, who is our President and Chief Executive Officer. None of the nominated directors serves together on another public company board, works full time for a public company, or has a material interest in any item of business other than the election of directors. We believe this group has the right mix of skills and experience to guide Toromont's strategies and business operations. Turn to page 15 for more information about the nominated directors.

				Areas of expertise						
	Age	Director since	Meets share ownership requirement	Knowledge of one or more industries in which Toromont is active	Engaged in a broad variety of businesses or professions	Familiarity with geographic regions where Toromont has business	Finance and accounting	Risk management	Health and safety, environment, and social responsibility	Information technology
Peter J. Blake	64	2019	yes	●	●		●	●		●
Benjamin D. Cherniavsky	55	2021	yes	●	●	●	●			
Cathryn E. Cranston	66	2013	yes	●	●	●	●	●		
Paramita Das	49	2024	has until 2029	●	●		●	●	●	
Sharon L. Hodgson	60	2019	yes		●	●	●		●	●
Ave G. Lethbridge	64	2024	has until 2029	●	●	●		●	●	
Michael S. McMillan Toromont President and CEO	59	2023	yes	●	●	●	●	●		
Frederick J. Mifflin	66	2022	yes	●	●	●	●		●	
Katherine A. Rethy	69	2013	yes	●	●	●		●	●	
Richard G. Roy Chair of the Board	70	2018	yes	●	●	●	●	●		

Governance practices

ETHICS AND INTEGRITY

- We promote a strong culture of integrity and ethical behavior
- Directors acknowledge compliance every year with our Code of Conduct, which also applies to officers and employees
- We have a toll-free and web-based ethics hotline available to all employees or third parties

LEADERSHIP AND INDEPENDENCE

- All directors are independent (except for the CEO)
- The Board and its committees can retain independent advisors
- Chair of the Board and CEO are separate roles
- The Board and its Committees each meet *in camera* (without management present) at every meeting
- Shareholders elect individual directors annually
- We have a majority voting policy

BOARD EFFECTIVENESS

- We have a structured approach to Board renewal and succession, using a skills matrix and an independent search firm to assist in board recruiting
- Board succession practices promote the diversity objectives set out in our board and senior management diversity policy, and searches specifically seek out women candidates, visible minorities, and others from designated groups
- Our retirement policy requires directors to retire at age 75 except under extraordinary circumstances

EXPECTATIONS, EDUCATION AND ASSESSMENT

- Directors must meet equity ownership guidelines as well as meeting attendance requirements
- Director orientation ensures directors can make meaningful contributions quickly
- Continuing education supports specific areas of the Board's focus and the current business environment
- We have a formal annual Board self-assessment process that is periodically conducted by an independent facilitator

SHAREHOLDER ENGAGEMENT

- Our shareholder engagement program follows publicly available shareholder engagement principles

x NO hedging or monetizing of equity awards

x NO slate voting – votes cast or withheld from individual directors

x NO staggered voting – annual elections for all directors

x NO unequal voting structure – no dual-class or subordinate voting shares

Compensation practices

PAY FOR PERFORMANCE

- A significant portion of executive compensation is allocated to variable or performance-based compensation
- Annual bonuses are linked to corporate, business unit and individual performance
- Performance targets are set at the beginning of each year and cannot be reduced to achieve incentive payouts
- Annual bonuses and PSU payouts can be zero if performance is below threshold, and awards are capped
- The annual bonus pool must be approved by the Human Resources and Health and Safety Committee and the Board, determining how much of each pool will be distributed every year (the undistributed amount cannot be carried forward)

COMPENSATION PAID OUT OVER TIME

- Compensation is balanced between the annual bonus and equity incentives
- Equity incentives vest over time (PSUs and RSUs over three years, and options over five years), focusing executives on consistently improving company performance over the longer term

EQUITY OWNERSHIP REQUIREMENTS

- We have robust equity ownership requirements for all executives, and the CEO must retain their share ownership level for one year following retirement
- Executives do not receive the option portion of their equity incentive award unless they meet their equity ownership requirement, to help align the interests of executives with the interests of shareholders

STRONG RISK OVERSIGHT

- Insider trading, anti-hedging and clawback policies help mitigate different types of potential compensation risk
- Executive compensation is benchmarked to an established peer group to make sure pay is appropriate and competitive
- Independent advisors provide external, third-party advice

INPUT FROM SHAREHOLDERS

- We hold an annual ‘say on pay’ advisory vote to give shareholders an opportunity to express their views on our approach to executive compensation

x NO grossing up of perquisites

x NO repricing or backdating of stock options

x NO hedging or monetizing of equity awards

x NO single-trigger change in control

ABOUT THE SHAREHOLDER MEETING

This section tells you about our shareholder meeting, and when, where and how you can vote your shares.

When

Wednesday, April 29, 2026
10:00 a.m. (Eastern Daylight Time)

Where

5001 Trans-Canada Highway
Pointe-Claire, Quebec
H9R 1B8

Where to find it

8 Business of the meeting
11 Voting information
15 About the nominated directors
21 Board committees

BUSINESS OF THE MEETING

You will vote on the following items of business.

We need a quorum for the meeting to proceed. That means at least 10% of the total shares outstanding must be represented by two or more shareholders attending the meeting in their own capacity or by proxy. If you submit a properly executed form of proxy or vote by telephone or the Internet, you will be considered part of the quorum. In addition, under our governing statute, the *Canada Business Corporations Act (CBCA)*, and our bylaws, shareholders who participate in and/or vote at the meeting by electronic or other virtual communication facilities made available by Toromont, are deemed to be present at the meeting for all purposes, including for purposes of establishing quorum.

1. Receive our financial statements

The audited consolidated financial statements of Toromont for the year ended December 31, 2025, and the auditor's report will be presented at the meeting.

These audited consolidated financial statements form part of our 2025 annual report, available on our website (https://investor.toromont.com/financial-reports) and on SEDAR+ (www.sedarplus.ca). You can also receive a copy by contacting our Corporate Secretary at Toromont Industries Ltd., 3131 Highway 7 West, P.O. Box 5511, Concord, Ontario L4K 1B7.

2. Elect directors (see page 15)

Our articles state that we must have between six and 12 directors on our Board of Directors. This year, management has proposed that ten directors be elected to the Board for a term of one year. You will vote on each of the ten nominated directors.

The Board recommends you vote **FOR** each nominated director.

Each nominated director is qualified and experienced and has expressed their willingness to serve on our Board for the upcoming year. You can read more about the proposed Board on page 15, each nominee in the director profiles beginning on page 16, and the Board committees they served on in 2025 on page 21. Our majority voting practices for directors are discussed on page 24.

Unless instructed in the form of proxy to the contrary, the management proxy nominees named in the enclosed form of proxy intend to vote FOR each of management's nominated directors.

3. Appoint the auditor

The Board recommends appointing Ernst & Young LLP as our auditor to hold office until the next annual meeting of shareholders and authorizing the directors to set their fees for the year. One or more representatives of Ernst & Young LLP will be present at the meeting, and will have an opportunity to make a statement and respond to any questions.

The Board recommends you vote **FOR** appointing Ernst & Young LLP as our auditor for the 2026 fiscal year at fees set by the Board.

The Audit Committee oversees and monitors the qualifications, independence, and performance of Toromont's external auditor. A formal review of the external auditors is completed every year and a more comprehensive review every five years. These 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.

We maintain independence from the external auditors through the Audit Committee's 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 Toromont'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
- 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 we operate or serve
- 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
- the quarterly review of audit quality indicators.

Ernst & Young LLP have served as our 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 at least every seven years. The Audit Committee oversees the selection and rotation of the lead partner. A new lead audit partner was appointed following the completion of our 2023 fiscal audit. The Audit Committee believes there are benefits to having long-tenured auditors, including quality of work and efficiencies because of the auditors' institutional knowledge of our business, accounting policies and practices and internal controls. The Audit Committee therefore considers the benefits of maintaining Ernst & Young LLP as our 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.

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	2024	2025
Audit fees Includes the audit of our financial statements, reviews of quarterly reports and regulatory filings	$1,371,000	$1,577,000
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	$61,000	$263,000
Tax fees Includes tax compliance, tax planning and tax advice services	$8,000	$5,500
Total	$1,440,000	$1,845,500

Unless instructed in the form of proxy to the contrary, the management proxy nominees named in the enclosed form of proxy intend to vote FOR the appointment of Ernst & Young LLP as our auditor and authorizing the directors to set their fees for the year.

4. Vote on our approach to executive pay (starting on page 39)

We hold an annual 'say on pay' advisory vote to give shareholders an opportunity to express their views on our approach to executive compensation.

The Board recommends you vote **FOR** our advisory resolution on our approach to executive compensation.

Our goal is to maximize value for our stakeholders, and our compensation strategy and program are designed to support this goal. Our compensation strategy has four elements:

- **Attract, motivate and retain** superior executive talent by providing competitive compensation
- **Link pay to performance** by tying incentive compensation to specific corporate performance goals
- **Emphasize performance-based compensation** by maintaining a high proportion of pay at risk
- **Align compensation with long-term shareholder interests** by including equity-based incentives that promote sustained value creation and executive commitment to Toromont's long-term success.

Please vote on the following advisory resolution:

> "*RESOLVED THAT*, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors of Toromont, the shareholders accept the approach to executive compensation as disclosed in our management information circular delivered in advance of our 2026 annual meeting of shareholders."

This is an advisory vote, so the results will not be binding on the Board. The Board and the Human Resources and Health and Safety Committee will review the outcome of the vote as part of their review of executive compensation. You can read more about executive compensation at Toromont beginning on page 39.

Unless instructed in the form of proxy to the contrary, the management proxy nominees named in the enclosed form of proxy intend to vote FOR the advisory resolution on our approach to executive compensation.

5. Other business
Management is not aware of any other matters that may come before the meeting.

Voting results from the 2025 annual meeting of shareholders

Election of directors
Peter J. Blake: 99.57% (64,638,232 votes) FOR
Benjamin D. Cherniavsky: 99.60% (64,658,884 votes) FOR
Cathryn E. Cranston: 96.55% (62,675,208 votes) FOR
Paramita Das: 98.93% (64,222,179 votes) FOR
Sharon L. Hodgson: 98.54% (63,966,790 votes) FOR
Ave G. Lethbridge: 98.94% (64,228,519 votes) FOR
Michael S. McMillan: 99.65% (64,693,039 votes) FOR
Fredrick J. Mifflin: 98.09% (63,678,316 votes) FOR
Katherine A. Rethy: 97.54% (63,322,509 votes) FOR
Richard G. Roy: 98.37% (63,857,513 votes) FOR

Appointment of auditors
Ernst & Young LLP, Chartered Accountants: 93.52% (60,759,378 votes) FOR

Approach to executive compensation: 95.30% (61,867,372 votes) FOR

About shareholder proposals

We must receive shareholder proposals for our 2027 annual meeting by January 28, 2027 to be considered for inclusion in next year's management information circular.

VOTING INFORMATION

Who can vote

Each Toromont common share you held on March 20, 2026 (the record date) carries one vote on all items to be voted on at the meeting.

We have prepared a list of registered holders who are entitled to attend the meeting and vote their shares. If you want to check the list for your registration, a copy will be available at the office of TSX Trust Company (TSX Trust), our registrar and transfer agent.

As of March 6, 2026, we had 81,516,017 shares outstanding. Our directors and officers are not aware of any person or company that beneficially owns, directly or indirectly, or controls or directs more than 10% of the voting rights attached to the voting securities of Toromont.

Meeting materials

Notice-and-access delivery

Toromont has elected to use notice-and-access provisions under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (NI 54-101) and National Instrument 51-102 – Continuous Disclosure Obligations (NI 51-102 and together with NI 54-101, the notice-and-access provisions) for the meeting, pursuant to an exemption from the proxy solicitation requirements granted by the Director of Corporations Canada.

The notice-and-access provisions are a set of rules adopted by Canadian securities regulators that allow issuers to post electronic versions of proxy-related materials online, via SEDAR+ and on our website, rather than mailing paper copies of such materials to shareholders. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing materials to shareholders.

If you would like more information about the notice-and-access rules, please contact Broadridge toll-free at 1-844-916-0609 (English) and/or 1-844-973-0593 (French) or by emailing noticeandaccess@broadridge.com.

Electronic copies of the notice of annual meeting of shareholders and this circular may be found under Toromont's profile on SEDAR+ (www.sedarplus.ca) and also on our website at (www.toromont.com/investors/annual-general-meeting). The electronic copies of investor materials make searching for relevant sections and specific items much easier than finding information in paper versions of these documents.

Please carefully review this circular and the instructions in your proxy form or voting instruction form before voting. You will receive paper copies of a notice package via pre-paid mail containing a notice with information prescribed by NI 54-101 and a form of proxy (if you are a registered shareholder) or a voting instruction form (if you are a non-registered shareholder), including information about, among other things, how to access the circular online, how to obtain a paper copy of the circular and how to vote your shares.

We will not send notices or forms of proxies or voting information forms directly to non-objecting beneficial owners. Instead, we have distributed copies of the notice to intermediaries to send to non-registered shareholders. Intermediaries are required to forward these materials, along with a form of proxy or voting instruction form to all non-registered shareholders for whom they hold shares unless they have waived the right to receive them. Toromont will pay the cost for intermediaries to deliver the notice of annual meeting of shareholders, form of proxy or voting instruction form, and other materials to objecting beneficial owners.

We will not use procedures known as "stratification" in relation to the use of notice-and-access. Stratification occurs when an issuer using notice-and-access sends a paper copy of the circular to some shareholders with a notice package.

How to request a paper copy
Registered shareholders can request paper copies of the circular by calling (English) 1-844-916-0609 or (French) 1-844-973-0593.

Beneficial shareholders can access paper copies of the circular free of charge by visiting www.proxyvote.com and entering the 16-digit number found on your voting instruction form or by calling Broadridge toll-free at 1-877-907-7643. Please note that if you do request a paper copy, you will not receive another form of proxy or voting instruction form; please retain the one accompanying the notice package for voting purposes.

Pursuant to the notice-and-access provisions, we will provide a paper copy of the circular to any shareholder free of charge upon request for a period of one year from the date the circular is filed on SEDAR+. If your request is made before April 29, 2026, the circular will be sent to you within three business days of receipt of your request. If the request is made on or after April 29, 2026, the circular will be sent to you within 10 calendar days of receiving your request.

If you would like to receive a paper copy of the circular prior to the proxy voting deadline for the meeting (10:00 a.m. EDT on April 27, 2026) you should take into account the three-business-day period for processing requests as well as the typical mailing times for letter-post mail suggested by Canada Post. If you are a non-registered shareholder, you should also consider your intermediary's deadline, which is generally one business day before the proxy voting deadline. While we cannot assure delivery times, we estimate that any shareholder wishing to obtain a paper copy of the meeting materials before the meeting should submit their request by no later than April 10, 2026.

Under the notice-and-access provisions, meeting materials will be available for viewing on our website for one year from the date the circular is filed on SEDAR+.

How to vote

You can attend the meeting and vote your shares in person, or you can give someone else (your proxyholder) the authority to attend the meeting on your behalf and vote your shares for you according to your instructions (called *voting by proxy*).

The steps you need to take depend on whether you are a registered or non-registered shareholder.

If you are a registered shareholder, you own the shares in your own name. We send proxy materials directly to our registered shareholders.

Many of our shareholders are non-registered. That means your shares are registered in the name of your intermediary (usually a bank, trust company, brokerage firm, trustee of self-administered registered plans like RRSPs, RRIFs and RESPs or other financial institution) or a clearing agency (such as CDS Clearing and Depository Services Inc.) and you are the beneficial owner of the shares. We send proxy materials to intermediaries and clearing agencies to forward them to our non-registered shareholders unless they have waived the right to receive them. Intermediaries often use service companies to forward meeting materials to non-registered shareholders.

If you hold Toromont shares as a registered shareholder *and* a beneficial shareholder, you will need to complete a form for the shares you own as a registered shareholder, and a separate form for the shares you own as a beneficial shareholder.

Registered shareholders

Your package includes a proxy form.

Voting at the meeting

If you want to vote your shares in person at the meeting, do not complete the form – just bring photo identification and your form with you to the meeting. Please see a TSX Trust representative when you arrive at the meeting.

Voting by proxy

Voting by proxy is the easiest way to vote. It means you are giving someone else (your *proxyholder*) authority to attend the meeting and vote on your behalf.

You can appoint someone to be your proxyholder. This person does not need to be a Toromont shareholder. Appoint that person by printing their name in the space provided in the enclosed proxy form.

There are several ways a registered shareholder can vote in advance of the meeting, as set out under *How to send your voting instructions* below.

TSX Trust must receive your completed proxy form **before 10:00 a.m. EDT on April 27, 2026**. If the meeting is postponed or adjourned, you must send your completed proxy form **at least 48 hours** (not including Saturdays, Sundays and holidays) before the time of the reconvened meeting. If you do not date your proxy, we will assume the date to be the date TSX Trust received it.

Non-registered (beneficial) shareholders

Your package includes either a proxy form already signed by your intermediary (the registered shareholder), or a voting instruction form.

Voting at the meeting

If you want to vote your shares at the meeting, print your name in the space provided on the form, sign and date it and return it right away. Do not provide your voting instructions because your vote will be taken and counted at the meeting.

Please see a TSX Trust representative when you arrive at the meeting.

Voting by proxy

Voting by proxy is the easiest way to vote. It means you are giving someone else (your *proxyholder*) the authority to attend the meeting and vote on your behalf.

You can appoint someone to be your proxyholder. This person does not need to be a Toromont shareholder. Appoint that person by printing their name in the space provided in the enclosed proxy or voting instruction form. If you don't appoint a proxyholder, the Toromont representatives named in your form will be your proxyholder.

There are several ways a beneficial owner may be able to vote in advance of the meeting. Please follow the instructions provided by your intermediary for submitting your voting instructions. TSX Trust must receive your completed proxy or voting instruction form **before 10:00 a.m. EDT on April 27, 2026**. If the meeting is postponed or adjourned, you must send your completed proxy or voting instruction form **at least 48 hours** (not including Saturdays, Sundays and holidays) before the time of the reconvened meeting. If you do not date your proxy or instructions, we will assume the date to be the date TSX Trust received it.

How to send in your voting instructions

To vote in advance of the meeting, complete, sign and date your form and send it to TSX Trust right away, in one of the following ways, or as otherwise instructed by your intermediary:

Internet

www.meeting-vote.com

Enter your Control Number and provide your voting instructions online.

Telephone

1-888-489-7352
(toll-free in Canada and the United States)

Make sure you use a touch-tone phone. Follow the voice instructions.

Fax

416-595-7964

Mail or email

TSX Trust Company
P.O. Box 721
Agincourt, Ontario M1S 0A1

Scan and email:
proxyvote@tmx.com

Send your form right away
TSX Trust must receive your completed proxy form or voting instruction form **before 10:00 a.m. EDT on April 27, 2026**. If the meeting is postponed or adjourned, you must send your completed form at **least 48 hours** (not including Saturdays, Sundays and holidays) before the time of the reconvened meeting. If you do not date your proxy form or voting instruction form, we will assume the date to be the date TSX Trust received it.

If you sign and date the form and return it to TSX Trust but do not specify your voting instructions, the Toromont representatives will vote your shares:

- FOR each nominated director
- FOR appointing Ernst & Young LLP as auditor at fees set by the Board
- FOR our advisory resolution on our approach to executive pay

If for any reason a nominated director is unable to serve or there are amendments, variations or other items of business that properly come before the meeting, your proxyholder can use their best judgment to vote as they see fit.

Changing your vote

Voting at the meeting will revoke your previous proxy or voting instructions.

Registered shareholders

You can revoke your form of proxy by:

- completing another form of proxy, signing it and giving it a later date,
- sending a notice in writing, with a later date, and signed by you or your authorized attorney, or
- any other way allowed by law.

Send your new completed form to TSX Trust by mail or fax using the contact information provided above. TSX Trust must receive your new form or notice **before 10:00 a.m. EDT on April 27, 2026**.

You can also deliver your notice to the Chair of the meeting on the business day before the meeting begins (or on the business day before a reconvened meeting if the meeting is postponed or adjourned). Send your notice to the Corporate Secretary at Toromont Industries Ltd., 3131 Highway 7 West, P.O. Box 5511, Concord, Ontario L4K 1B7.

Non-registered (beneficial) shareholders

Contact your broker or intermediary to find out if you may vote and how to change or revoke your voting instructions and the timing requirements, or for other voting questions. Intermediaries maintain their own requirements and deadlines for the receipt of revocations, which are typically much further in advance of the meeting than those deadlines set out above.

How votes will be tabulated

Votes and proxies will be counted, verified and tabulated by our transfer agent, TSX Trust, in compliance with the CBCA, our bylaws and proxy protocols. Proxies will be submitted to representatives of Toromont if they contain comments clearly intended for Toromont or to the extent required to meet legal requirements or comply with applicable rules of order.

Voting results

We will announce and post the results of this year's votes on the election of directors and other items of business at the meeting on our website (www.toromont.com) and on SEDAR+ (www.sedarplus.ca) following the meeting.

ABOUT THE NOMINATED DIRECTORS

This year shareholders are being asked to elect ten directors to the Board until the next annual meeting of shareholders or until their successors are elected.

Nine of the ten nominees are independent. The only exception is Michael McMillan, who is our President and Chief Executive Officer. You can read more about director independence beginning on page 24.

Each nominated director is qualified and experienced and has expressed their willingness to serve on our Board for the upcoming year.

The Board's Governance and Sustainability Committee regularly evaluates and assesses the size, composition, performance and effectiveness of the Board to ensure it has the necessary skills, experience and diversity to oversee Toromont's management and strategic direction.

None of the nominated directors serves together on another public company board, works full-time for a public company, or has a material interest in any item of business other than the election of directors and except as otherwise set out in this circular by virtue of their beneficial ownership of shares and/or DSUs. We do not anticipate that any of the nominees will be unable to serve as a director. If that happens before the meeting, the Toromont representatives named in the proxy form who will serve as Toromont proxyholders reserve the right to vote at their discretion for another nominee.

You can read more about each nominee in the director profiles beginning on the next page, and the Board committees they currently serve on, on page 21. You can read more about the Board and corporate governance at Toromont beginning on page 22.

Equity ownership

The director profiles include their equity holdings.

We calculated the value of each director's shares and DSUs using $211.70, the closing price of a Toromont share on the TSX on February 27, 2026.

See page 33 for more information about equity ownership requirements for directors. The total accumulated value of directors' equity holdings was $56,853,764 as of February 28, 2026 ($49,121,395 not including unvested equity compensation awards held by Mr. McMillan).

90%
of directors are independent

100%
of Board committees are independent

100%
of directors have strategic insight into our business

100%
of directors have senior management experience

50%
of directors are women

10%
of directors self-identify as a visible minority

5.8 years
average tenure of directors as of December 31, 2025

Richard G. Roy

Chair of the Board
Independent



Age: 70
Director since: 2018
Residence: Verchères, Quebec
2025 voting results: 98.4% *for*
2025 attendance: 100%
Board committees
Mr. Roy does not serve on any Board committees, but attends all meetings as Chair of the Board.

CURRENT OCCUPATION
- Corporate director

AREAS OF EXPERTISE
- Knowledge of one or more industries in which Toromont is active
- Engaged in a broad variety of businesses or professions
- Familiarity with geographic regions where Toromont has business
- Finance and accounting
- Risk management/RRB

BUSINESS EXPERIENCE
Mr. Roy, FCPA, FCA, has more than 36 years of experience in accounting, finance, distribution, mergers and acquisitions. He joined Uni-Select Inc., an automotive parts distributor, in 1999 and was Vice President, Administration and Chief Financial Officer until 2007. He was appointed Vice President and Chief Operating Officer in 2007 and became President and Chief Executive Officer in 2008 until he retired in 2015.

PUBLIC COMPANY BOARDS (last five years)
- ADENTRA Inc. (2025 to present)
- GDI Integrated Facility Services Inc. (2015 to 2026)
- Uni-Select Inc. (2008 to 2022)
- Dollarama Inc. (2012 to 2022)

EDUCATION
- B.A.A. (École des Hautes Études Commerciales)

EQUITY OWNERSHIP (as at February 28, 2026)
- Shares: 3,000
- DSUs: 21,338
- Total value: $5,152,355

Meets equity ownership requirement (see page 34)

Peter J. Blake

Independent



Age: 64
Director since: 2019
Residence: Vancouver, British Columbia
2025 voting results: 99.6% *for*
2025 attendance: 100%
Board committees
- Human Resources and Health and Safety
- Audit

CURRENT OCCUPATION
- Corporate director

AREAS OF EXPERTISE
- Knowledge of one or more industries in which Toromont is active
- Engaged in a broad variety of businesses or professions
- Finance and accounting
- Risk management
- Information technology

BUSINESS EXPERIENCE
Mr. Blake, FCPA, FCA, is a business leader with more than 33 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.

PUBLIC COMPANY BOARDS (last five years)
- None

OTHER BOARDS OF NOTE
- FortisBC Inc. and FortisBC Energy Inc. (2017 to present)
- YVR Vancouver Airport Authority Board (2024 to present)

EDUCATION
- B.Comm. (University of Alberta)
- Administrative Management Diploma (B.C. Institute of Technology)

EQUITY OWNERSHIP (as at February 28, 2026)
- Shares: 1,550
- DSUs: 13,109
- Total value: $3,103,310

Meets equity ownership requirement (see page 34)

Benjamin D. Cherniavsky

Independent



Age: 55
Director since: 2021
Residence: Vancouver, British Columbia
2025 voting results: 99.6% *for*
2025 attendance: 100%
Board committees
- Audit
- Human Resources and Health and Safety

CURRENT OCCUPATION
- Corporate director
- Partner, Fort Capital Partners

AREAS OF EXPERTISE
- Knowledge of one or more industries in which Toromont is active
- Engaged in a broad variety of businesses or professions
- Familiarity with geographic regions where Toromont has business
- Finance and accounting

BUSINESS EXPERIENCE
Mr. Cherniavsky has had a 28-year career in financial services. He is currently a partner at Fort Capital. Prior to that, he was Managing Director, Equity Analyst & Head of Industrials Research at Raymond James.

PUBLIC COMPANY BOARDS (last five years)
- Enerflex Ltd. (2024 to present)

OTHER BOARDS OF NOTE
- Advisory Board, INDEQCO (2021)

EDUCATION
- M.B.A. (University of Western Ontario, Richard Ivey School of Business)
- B.A. (University of Alberta)

EQUITY OWNERSHIP (as at February 28, 2026)
- Shares: 1,649
- DSUs: 6,143
- Total value: $1,649,566

Meets equity ownership requirement (see page 34)

Cathryn E. Cranston

Independent



Age: 66
Director since: 2013
Residence: Toronto, Ontario
2025 voting results: 96.6% *for*
2025 attendance: 100%
Board committees
- Audit (Chair)
- Governance and Sustainability

CURRENT OCCUPATION
- Corporate director

AREAS OF EXPERTISE
- Knowledge of one or more industries in which Toromont is active
- Engaged in a broad variety of businesses or professions
- Familiarity with geographic regions where Toromont has business
- Finance and accounting
- Risk management

BUSINESS EXPERIENCE
Ms. Cranston is a financial expert with a 32-year career in financial services. She was Senior Vice President and Treasurer at the Bank of Montreal from 2009 until her retirement in 2018. Before that, she held progressively senior positions at Bank of Montreal, including roles in corporate banking, capital markets, risk management, asset management, finance, financial strategy and treasury.

PUBLIC COMPANY BOARDS (last five years)
- Canadian Tire Corporation, Limited (2023 to present)

OTHER BOARDS OF NOTE
- Ontario Teachers' Pension Plan (2018 to present)
- Canadian Tire Bank (2023 to present)

OTHER EXPERIENCE
- Member of Advisory Panel on Resolution, Canadian Deposit Insurance Corporation (2019 to 2025)
- Member of Domestic Stability Buffer Council, C.D. Howe Institute (2023 to present)

EDUCATION
- M.B.A., B.Comm. (Hons.) (University of Manitoba)
- ICD.D, Directors' Education Program (Rotman School of Management, University of Toronto)

EQUITY OWNERSHIP (as at February 28, 2026)
- Shares: 5,700
- DSUs: 38.049
- Total value: $9,261,663

Meets equity ownership requirement (see page 34)

Paramita Das

Independent



Age: 49
Director since: 2024
Residence: Chicago, Illinois
2025 voting results: 98.9%
2025 attendance: 100%
Board committees
- Human Resources and Health and Safety
- Governance and Sustainability

CURRENT OCCUPATION
- Corporate director

AREAS OF EXPERTISE
- Knowledge of one or more industries in which Toromont is active
- Engaged in a broad variety of businesses or professions
- Finance and accounting
- Risk management
- Health and safety, environment, and social responsibility

BUSINESS EXPERIENCE

Ms. Das has more than 20 years of experience in the resources, mining and materials industry, including almost a decade of experience with Rio Tinto. She served as the Chief Strategy Officer and Senior Advisor to the CEO of Stardust Power Inc. from 2024 to 2026, and served as the Global Head of Marketing, Development and ESG (Chief Marketing Officer), Metals and Minerals at Rio Tinto from 2022 to 2024. Previously, she held progressively senior positions at Rio Tinto in marketing, operations, and strategic leadership functions.

PUBLIC COMPANY BOARDS (last five years)
- Coeur Mining Inc. (2023 to present)
- Genco Shipping & Trading Limited (2024 to present)

EDUCATION
- B.A. Architectural Engineering, (Guru Gobind Singh Indraprastha University)
- M.B.A. and additional post-graduate studies in Strategy and Finance (University of Louisville)
- Executive Education (University of Chicago, Booth School of Business)
- Certified by the National Association of Corporate Directors

EQUITY OWNERSHIP (as at February 28, 2026)
- Shares: 0
- DSUs: 1,945
- Total value: $411,757

Has until 2029 to meet equity ownership requirement (see page 34)

Sharon L. Hodgson

Independent



Age: 60
Director since: 2019
Residence: Toronto, Ontario
2025 voting results: 98.5% *for*
2025 attendance: 100%
Board committees
- Audit
- Human Resources and Health and Safety (Chair)

CURRENT OCCUPATION
- Corporate director

AREAS OF EXPERTISE
- Engaged in a broad variety of businesses or professions
- Familiarity with geographic regions where Toromont has business
- Finance and accounting
- Health and safety, environment, and social responsibility
- Information technology

BUSINESS EXPERIENCE

Ms. Hodgson has had a 33-year career in professional services business worldwide with IBM Business Consulting, PwC and Andersen Consulting. She held progressively more senior positions in IBM's Global Services group from 2001 to 2018, and served as the Global Consulting Leader, Cognitive, AI, Watson and Advanced Analytics and GBS from 2017-2018. Ms. Hodgson also served as Dean, Ivey Business School at the University of Western Ontario from May 2019 until she retired from the position in June 2024.

PUBLIC COMPANY BOARDS (last five years)
- IGM Financial Inc. (2015 to present)

EDUCATION
- M.B.A. (Wharton School of Business, University of Pennsylvania)
- B.Comm. (University of Manitoba)

EQUITY OWNERSHIP (as at February 28, 2026)
- Shares: 0
- DSUs: 12,170
- Total value: $2,576,389

Meets equity ownership requirement (see page 34)

Ave G. Lethbridge

Independent



Age: 64
Director since: 2024
Residence: Toronto, Ontario
2025 voting results: 98.9%
2025 attendance: 100%
Board committees
- Human Resources and Health and Safety
- Governance and Sustainability

CURRENT OCCUPATION
- Corporate director

AREAS OF EXPERTISE
- Knowledge of one or more industries in which Toromont is active
- Engaged in a broad variety of businesses or professions
- Familiarity with geographic regions where Toromont has business
- Risk management
- Health and safety, environment, and social responsibility

BUSINESS EXPERIENCE

Ms. Lethbridge has more than 35 years of experience in the energy, utilities, gas and telecom industries industries, including over 19 years as a senior executive officer for Toronto Hydro Corporation, most recently as Executive Vice-President and Chief Human Resources and Safety Officer from 2013 until her retirement in 2021.

PUBLIC COMPANY BOARDS (last five years)
- Kinross Gold Corporation (2015 to present)
- Algoma Steel Inc. (2022 to 2025)

EDUCATION
- M.Sc., Organizational Development (Pepperdine University)
- ICD.D, Institute of Corporate Directors (Rotman School of Management, University of Toronto)
- CHRE, Certified Human Resources Executive (Human Resource Professionals Association)
- CCB.D, Climate and Biodiversity (Competent Boards)

EQUITY OWNERSHIP (as at February 28, 2026)
- Shares: 0
- DSUs: 1,632
- Total value: $345,494

Has until 2029 to meet equity ownership requirement (see page 34)

Michael S. McMillan

President and
Chief Executive Officer

Not independent



Age: 59
Director since: 2023
Residence: Amaranth, Ontario
2025 voting results: 99.7% *for*
2025 attendance: 100%
Board committees

Mr. McMillan does not serve on any committees, but attends meetings as invited in his capacity as President and CEO.

CURRENT OCCUPATION
- President and Chief Executive Officer, Toromont Industries Ltd.

AREAS OF EXPERTISE
- Knowledge of one or more industries in which Toromont is active
- Engaged in a broad variety of businesses or professions
- Familiarity with geographic regions where Toromont has business
- Finance and accounting
- Risk management

BUSINESS EXPERIENCE

Mr. McMillan became President and CEO of Toromont Industries Ltd. in October of 2023, having previously held the position of EVP and CFO since March of 2020. Prior to joining Toromont, he served as SVP & CFO for Parkland Corp. and has over 31 years of finance and operations experience in public and private companies including telecom, farm equipment, and energy distribution.

PUBLIC COMPANY BOARDS (last five years)
- None

EDUCATION
- C.P.A., Ontario, Canada
- C.M.A., Ontario, Canada
- M.B.A., Finance & Operations Management (University of Calgary)
- B.A. Advanced Economics & Chemistry (University of Manitoba)

EQUITY OWNERSHIP (as at February 28, 2026)
- Shares: 5,990
- DSUs: 24,480
- Options: 145,316
- PSUs: 12,773
- Total value: $25,434,944 with all options/PSUs
  $17,702,575 without unvested options/PSUs

Meets equity ownership requirement (see page 45)

Frederick J. Mifflin

Independent



Age: 66
Director since: 2022
Residence: Toronto, Ontario
2025 voting results: 98.1% *for*
2025 attendance: 100%
Board committees
- Audit
- Governance and Sustainability (Chair)

CURRENT OCCUPATION
- Corporate director
- Vice Chair, Blair Franklin Capital Partners

AREAS OF EXPERTISE
- Knowledge of one or more industries in which Toromont is active
- Engaged in a broad variety of businesses or professions
- Familiarity with geographic regions where Toromont has business
- Finance and accounting
- Health and safety, environment, and social responsibility

BUSINESS EXPERIENCE
Mr. Mifflin has more than 30 years of 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.

PUBLIC COMPANY BOARDS (last five years)
- Altius Minerals Corporation (2007 to present)
- Uni-Select Inc. (2019 to 2023)
- AIMIA Inc. (2019 – 2020)

EDUCATION
- M.B.A. (Booth School of Business, The University of Chicago)
- B.Comm. (Hons) (Smith School of Business, Queen's University)
- ICD.D, Directors' Education Program (Rotman School of Management, University of Toronto)

EQUITY OWNERSHIP (as at February 28, 2026)
- Shares: 2,700
- DSUs: 6,950
- Total value: $2,042,905

Meets equity ownership requirement (see page 34)

Katherine A. Rethy

Independent



Age: 69
Director since: 2013
Residence: Huntsville, Ontario
2025voting results: 97.5% *for*
2025 attendance: 100%
Board committees
- Human Resources and Health and Safety
- Governance and Sustainability

CURRENT OCCUPATION
- Corporate director

AREAS OF EXPERTISE
- Knowledge of one or more industries in which Toromont is active
- Engaged in a broad variety of businesses or professions
- Familiarity with geographic regions where Toromont has business
- Risk management
- Health and safety, environment, and social responsibility

BUSINESS EXPERIENCE
Ms. Rethy is experienced in business leadership, risk management, supply chain, insurance information systems and facilities. From 1996 until 2006, Ms. Rethy was an Executive with the Noranda/ Falconbridge organization where she was Senior Vice President, Global Services, with responsibility for information systems, strategic sourcing, logistics, insurance, enterprise risk and facilities. Prior to Noranda/Falconbridge, she had various executive roles at DuPont Canada Inc.

PUBLIC COMPANY BOARDS (last five years)
- Mattr Corp. (2023 to present)
- Trustee, Chemtrade Logistics Income Fund (2015 to 2025)

EDUCATION
- J.D. (University of Windsor)
- M.B.A. (York University)
- M.A. (Lancaster University)
- B.Sc. (University of Toronto)
- ICD.D, Directors' Education Program (Rotman School of Management, University of Toronto)

EQUITY OWNERSHIP (as at February 28, 2026)
- Shares: 988
- DSUs: 31,489
- Total value: $6,875,381

Meets equity ownership requirement (see page 34)

BOARD COMMITTEES

Audit Committee

Independent: 100%
Meetings in 2025: 4

Chair: • Cathryn Cranston
Members: • Peter Blake • Ben Cherniavsky • Sharon Hodgson • Fred Mifflin

The Audit Committee is primarily responsible for overseeing our financial statements and related disclosure, the establishment of appropriate financial policies and the integrity of accounting systems and internal controls, reports to shareholders, continuous disclosure and other related communications. The Audit Committee also approves all audit and non-audit services provided by the independent auditor, consults with the auditor independent of management and oversees the work of the auditor and the internal audit department.

All members of the Audit Committee are independent, financially literate and have finance or accounting experience, and Peter Blake is a former CFO. You can find more information about the Audit Committee, including its charter and the qualifications of its members in our 2026 annual information form, filed on our website (www.toromont.com) and on SEDAR+ (www.sedarplus.ca).

Human Resources and Health and Safety Committee

Independent: 100%
Meetings in 2025: 3

Chair: • Sharon Hodgson
Members: • Peter Blake • Ben Cherniavsky • Paramita Das • Ave Lethbridge • Katherine Rethy

The Human Resources and Health and Safety Committee is primarily responsible for our human resources matters including the short and long-term incentive plans, pension and other benefit plans and reviewing and making recommendations on the compensation of executive officers and other senior management. It is also responsible for overseeing executive officer appointments, succession planning and executive development.

The Committee also oversees health and safety matters. Committee members have extensive experience in human resources and executive compensation. You can read about the Committee in more detail beginning on page 42.

Governance and Sustainability Committee

Independent: 100%
Meetings in 2025: 3

Chair: • Fred Mifflin
Members: • Cathryn Cranston • Paramita Das • Ave Lethbridge • Katherine Rethy

The Governance and Sustainability Committee is primarily responsible for reviewing and making recommendations on corporate governance and sustainability matters, including climate-related issues. It is responsible for, among other things, overseeing the assessment of sustainability-related risks and opportunities, and specifically climate-related risks and opportunities, the development and execution of the company's sustainability and climate-related strategies and related disclosures, and reviewing and monitoring compliance with our governance policies including the Code of Conduct.

The Committee is also responsible for reviewing and assessing the size and composition of the Board and its committees, assessing and recommending to the Board the desirable skills and qualifications of individual Board members and the Board as a whole, director compensation, Board succession planning and the identification, recruitment and proposal of nominees for membership to the Board, as well as orientation for new directors and continuing education for all directors. Each of the Committee members has experience in corporate governance matters. You can read about the Committee in more detail beginning on page 30.

CORPORATE GOVERNANCE

Maintaining strong and effective governance is a priority for us at Toromont. This section tells you about our corporate governance practices and our Board of Directors.

We comply with the rules and regulations that apply to us:

- National Policy 58-201 – Corporate Governance Guidelines (NP 58-201)
- National Instrument 58-101 – Disclosure of Corporate Governance Practices (NI 58-101)
- National Instrument 52-110 – Audit Committees (NI 52-110)
- Canada Business Corporations Act, R.S.C. 1985 (CBCA)

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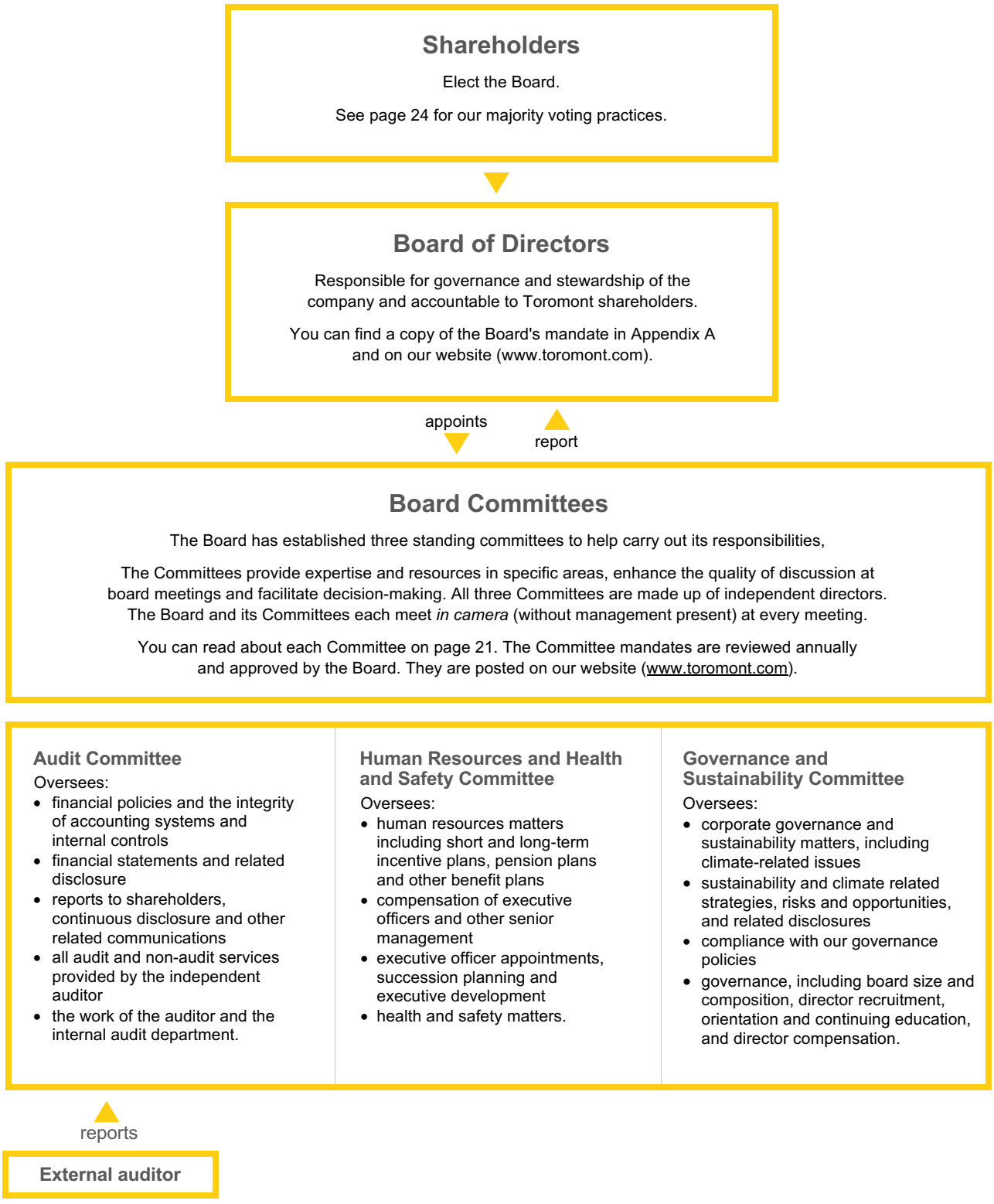
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ABOUT THE BOARD

Our governance structure



Leadership and independence

Our articles state that the Board must have from six to 12 members, and that a majority of the directors must be independent and unrelated within the meaning of NI 52-110 and in compliance with NI 58-101 and NP 58-201.

The Chair of the Board is a non-executive role, provides strong leadership to the Board and chairs all Board meetings. We believe that having an independent Chair of the Board and separating the Chair and Chief Executive Officer positions fosters strong leadership, rich discussion and effective decision-making. It also avoids potential conflicts of interest.

The Governance and Sustainability Committee carefully reviews the circumstances and nature of each director's relationships with Toromont and management to determine whether he or she is *independent* within the meaning of NI 52-110 and in accordance with NI 58-101 and NP 58-201. Each director signs an annual acknowledgement of his or her independence.

The Governance and Sustainability Committee has concluded that nine of our ten nominated directors are independent. Michael McMillan, CEO of Toromont, is the only director who is not independent. None of the nominated directors work full time at a public company.

Majority voting practices

Toromont previously adopted a majority voting policy for its Board nominees in compliance with the Toronto Stock Exchange rules. On August 31, 2022 amendments to the CBCA came into effect introducing statutory voting requirements for uncontested director elections. Under the CBCA: (i) shareholders will be asked to vote "for" or "against" each nominated director; (ii) only nominees receiving a majority of the votes cast in their favour will be elected, subject to limited and defined circumstances; and (iii) if a nominated director does not receive a majority of the votes cast in his or her favour by the shareholders, such nominated director, if he or she is an incumbent director, may continue in office until the earlier of the 90th day after the election, or the day on which his or her successor is appointed or elected. In accordance with the CBCA, the Board may reappoint an incumbent director even if he or she does not receive majority support in the following limited and defined circumstances: (i) to satisfy Canadian residency requirements; or (ii) to satisfy the requirement that at least two directors are not also officers or employees of the company or its affiliates. Toromont intends to adhere to the procedures outlined in its majority voting policy as an overlay to the CBCA majority voting rules in the event any nominated director does not receive a majority of the votes cast for his or her election, except to the extent inconsistent with the provisions of the CBCA.

Position descriptions

The Board has adopted written position descriptions for the Chair of the Board and each Committee Chair. The position descriptions are reviewed annually and are posted on our website (www.toromont.com).

Building an effective Board

Having a strong and diverse board is critical to fostering healthy discussion and debate, diversity of thoughts, ideas and perspectives, and effective decision-making.

The Board has ongoing discussions about Board composition, succession planning for all Board positions, intended or planned retirement of current directors and whether to grant any exceptions to the retirement policy following the Board assessment process.

The Chair of the Governance and Sustainability Committee leads the director recruitment process and receives input on the desired skills and qualifications from all Board members. The Board's nomination of directors policy sets out the criteria and objectives the Committee and the Board use when identifying, evaluating and selecting prospective director candidates. In looking for the most qualified candidates, the Committee considers:

- skills and personal qualities
- industry, business and regional knowledge, based on our current business needs and plans for the future
- diversity of all types, and in particular gender and visible minorities, as well as other designated groups.

When engaging with external search firms to assist in the director recruitment process, the Committee requires them to present prospective candidates who are women, visible minorities and members of other designated groups.

Recruitment process

The Governance and Sustainability Committee and the Board maintain a structured approach to Board renewal and succession, and, from time to time, work with an external search firm to help with the director search process and identify suitable candidates – see the four-step process below. The Committee and the Board are governed by a written nomination policy in carrying out their responsibilities relating to Board succession, renewal and identification and nomination of suitable candidates to the Board.

1	The Board determines its succession and growth needs. The Board (with the assistance of the Governance and Sustainability Committee) annually reviews and determines the competencies and skill sets best suited to complement the existing Board based on the skills matrix (see below), director evaluations and other factors and criteria.
2	The Governance and Sustainability Committee receives the information and initiates the search process. It may engage an external search firm to assist in identifying, evaluating and selecting potential candidates. The list is expected to include a sufficient number of candidates to enhance the Board's diversity profile. The Committee assesses the individuals, creates a short list and reviews it with the Board.
3	The Committee Chair and members meet with the short list of candidates. The candidates are given a clear indication of the workload and commitment expectations. Regular progress updates are provided to the Board.
4	The final candidate(s) are recommended to the Board by the Committee. After meeting with all Board members, the final candidate(s) are considered for nomination for election or appointment to the Board.

Diversity on the Board

The Governance and Sustainability Committee is responsible for overseeing the implementation of the Board and senior management diversity policy. It evaluates the policy's effectiveness and whether it may be appropriate to set diversity targets, and makes recommendations to the Board. We do not have fixed targets for representation of women or other designated groups because we believe that having quotas or strict rules about Board and leadership diversity may not necessarily result in identifying or selecting the best candidates. The Committee ensures that searches specifically seek out qualified women candidates, visible minorities, and others from designated groups, who may enhance our Board diversity.

Director skills and experience

The Committee has identified the following skills and experience as core qualifications for Board membership.

Strategic insight – experience in strategic planning and implementation and/or ability to think strategically, identify and critically assess strategic opportunities and threats and provide guidance on implementation strategies.
Human capital, leadership and development – experience in talent management, executive compensation, succession planning, pension and benefits programs and human resources practices generally.
Corporate governance – knowledge and experience of legal and governance issues for public companies, including sound practices and their relevance to corporate success, gained through professional qualifications and/or public company board experience.

In addition to the core qualifications described above, the matrix below outlines additional skills and experience that the Board has identified as most important to Toromont. Up to the top five skills of each director are indicated. This matrix is reviewed and updated at least annually and is used to assess the effectiveness of the Board and in recruitment and succession planning.

	Peter Blake	Ben Cherniavsky	Cathryn Cranston	Paramita Das	Sharon Hodgson	Ave Lethbridge	Michael McMillan	Frederick Mifflin	Katherine Rethy	Richard Roy	**Total nominated directors**
Skills and experience (see definitions on the next page)											
Knowledge of one or more industries in which Toromont is active	■	■	■	■		■	■	■	■	■	9
Engaged in a broad variety of businesses or professions	■	■	■	■	■	■	■	■	■	■	10
Familiarity with geographic regions where Toromont has business		■	■		■	■	■	■	■	■	8
Finance and accounting	■	■	■	■	■		■	■		■	8
Risk management	■		■	■		■	■		■	■	7
Health and safety, environment, and social responsibility				■	■	■		■	■		5
Information technology	■				■						2
Board tenure											
0 – 5 years				■		■	■	■			4
over 5 years	■	■	■		■				■	■	6

Definitions - skills and experience

Knowledge of one or more industries in which Toromont is active – in-depth knowledge, exposure or experience related to heavy equipment distribution (sales, service, rental), mining, construction, power, and/or industrial and recreational refrigeration, including knowledge of the market participants.
Engaged in a broad variety of businesses or professions – experience in some or all of strategic planning and execution, organizational excellence, operational efficiency, marketing and communications, legal and regulatory, and risk management.
Familiarity with geographic regions where Toromont has business – experience in a major organization that has business in any or all of the regions in which Toromont operates in order to understand cultural, market and operational differences.
Finance and accounting – experience in public company accounting, reporting, financial controls and corporate finance.
Risk management – knowledge and experience in enterprise risk management including the identification and assessment of material risks, as well as the management, control, and reporting thereon.
Health and safety, environment, and social responsibility – knowledge and experience of health and safety, environmental and sustainability regulatory requirements, sound practices and their relevance to corporate success.
Information technology – knowledge and experience in technology and digital innovation and analytics, cyber risks management and information technology systems.

One of the nominated directors has self-identified as a visible minority, representing 10% of the Board. None of the nominated directors identifies as an Indigenous person or as having a disability.

Serving on other boards

We expect our directors to serve on no more than three other public company boards. This is discussed with potential director candidates as part of the screening and recruitment process before a candidate is nominated or appointed to the Board.

We do not have a policy on Board interlocks, but none of the nominated directors currently serve together on another public company board or board committee.

Assessment

The Board assessment process is led by the Chair of the Board with the assistance of the Chair of the Governance and Sustainability Committee. The Chair of the Board initiates a comprehensive assessment of the Board, Board committees and individual director effectiveness every year. The results are discussed with the Board members as a whole, and are used to enhance the Board, succession planning and corporate governance practices in the context of the changing governance and business environment.

Board assessment
In 2023, the Board engaged Watson Board Advisors to carry out a comprehensive third-party assessment of the Board, Board committees and individual director effectiveness.

Directors complete a confidential questionnaire that includes an assessment of their own effectiveness as a director, the effectiveness of the Board and its Committees, the effectiveness of the Board and Committee Chairs, Toromont's strategic direction, the Board's interaction with management, diversity and skills the Board needs, and the success of Toromont's communications program. The Chair of the Board meets with individual directors for an in-depth discussion of the questionnaire responses, provides an opportunity for peer reviews, and discusses any other concerns.

Retirement policy

Our retirement policy requires that directors not stand for re-election to the Board in the calendar year after they turn 75, unless the Governance and Sustainability Committee believes it would be in the best interests of the company for a director to continue to serve on the Board.

Before it grants an exception, the Committee will consider Board composition, an orderly succession and transitioning of functions and responsibilities, the role of the individual director and Toromont's future needs, balancing the depth of knowledge of longer serving directors with the desire for new talent.

Board responsibilities

Risk oversight

The Board is responsible for overall risk oversight.

Toromont maintains a strong risk management culture to protect and enhance shareholder value. Our enterprise risk management program helps us manage risk throughout the organization. Our management team uses a formal review process to identify and assess our principal risks and to develop and implement our response, mitigation and monitoring strategies. These reviews are formally documented in a risk report that is provided to the Board for review and discussion. Management provides regular risk updates to the Board at least quarterly, including updates to the risk report, as well as other developments or emerging trends that may present substantial risk to the business. The adequacy of disclosures of material risks in our management's discussion and analysis and financial statements are reviewed on a quarterly and annual basis.

The Board reviews all material risks in detail, including areas such as business cyclicality, product and service quality and supply, competitive factors, finance matters, artificial intelligence (AI), cybersecurity, information technology, sustainability and climate-related risks. The Audit Committee and the Board review the adequacy of quarterly and annual disclosure of our key risks.

Risk integrated with strategy
Every quarter, management carries out an in-depth analysis of our key risks, and presents them to the Board for detailed discussion and integration into strategy development.

Managing compensation risk
The structure of our compensation plans and our insider trading, anti-hedging and clawback policies help mitigate different types of potential compensation risk (see page 44).

The Board has assigned specific areas of oversight to each of the Board Committees, to bring their particular knowledge and expertise to the risks that fall within their scope of responsibility. Specific risk oversight responsibilities have been assigned as follows:

- **Audit Committee**: oversees risks related to financial reporting, system of internal controls, internal and external audit and insurance programs
- **Governance and Sustainability Committee**: oversees governance and sustainability-related risks, including climate-related risks and opportunities
- **Human Resources and Health and Safety Committee**: oversees risks related to executive compensation practices and policies, succession and organizational development, and operational health and safety risks

You can read more about our material risks and risk management in our 2025 management discussion and analysis on our website (www.toromont.com).

Strategic planning

The Board is directly involved in the strategic planning process. It devotes at least one board meeting every year to discussing and approving strategy. Management provides the Board with updates at least quarterly on progress towards achieving our strategic goals.

We do our annual business planning based on a three-to-four-year strategic plan. We take a bottom-up approach, starting on a branch-by-branch basis, then regionally, by business line and at the senior management level. Annual business plans are developed based on our progress against our strategic plan as well as a comprehensive review and assessment of our results against our plan, our business, competitive and economic environment, and risks and opportunities, among other things. Rigorous reviews are conducted at each level before the plans are submitted for approval at the executive level. Throughout the cycle, our executive team overlays an enterprise view and assessment of the business unit plans. A comprehensive enterprise business plan is then developed and presented to the Board for review, discussion and approval.

The Board approved the current strategic plan for the company in 2023. The strategic plan is aligned with our long-term strategic vision, identifies our strategic goals and sets out the objectives and tactics to help measure our achievement towards those goals over the strategic plan period. The plan is discussed in detail in our current annual information form and management discussion and analysis.

Focus on climate
Sustainability-related risks and opportunities – and in particular the key risks and opportunities of climate change – are integrated into our risk management, annual business planning and strategic planning processes. Climate risks and opportunities are formally integrated into Toromont's three-year strategic plan.

More in the 2026 AIF
You will find more detail about Toromont's approach to climate change and environment, safety, information technology, AI, cybersecurity and other key issues in our 2026 annual information form.

Sustainability

The Board oversees our approach to governance and sustainability matters at Toromont, guided by our values and our Code of Conduct. You can read more about Toromont's approach in the 2025 Sustainability Report on our website (www.toromont.com).

Oversight

The Board is responsible for overseeing strategy, governance and risk, including sustainability-related and climate-related risks and opportunities. It retains overall oversight of sustainability strategies such as sustainable products and services supporting the energy transition, reducing greenhouse gase (GHG) emissions, water and waste management and supply chain sustainability.

The Governance and Sustainability Committee oversees all sustainability-related and climate-related strategies and objectives including climate change responsibilities, and monitors changes in regulations and climate change strategies and compliance through Toromont's environmental management program.

The Audit Committee oversees the controls in place to monitor and measure progress on sustainability and climate-related disclosure.

The Human Resources and Health and Safety Committee oversees sustainability strategies and objectives relating to human capital and health and safety, including measures such as employee engagement and retention, health and safety and executive compensation.

Management

The executive team establishes corporate strategy and objectives, provides leadership to embed corporate values, fosters relationships with stakeholders and scrutinizes results. The executive team sets Toromont's sustainability strategies and goals, supports initiatives and monitors progress, leads risk and opportunities assessment and stakeholder engagement.

The Governance and Sustainability Committee has the responsibility for substantiating and tracking progress on strategies, objectives and tactics. The committee is made up of operational business leaders from various business units and subject matter experts.

Business unit leaders set objectives and participate in risk opportunities assessment aligned to sustainability strategic priorities, allocate resources, deliver human capital strategies, environmental management, and community programs, and grow customer, business partner and community relationships.

Strategy

Toromont's sustainability strategy identifies the following focus areas:

- **Environment**: operational footprint, sustainable products and services for customers, circular economy
- **Social**: health and safety, building workforce capacity (recruitment, learning and development, retention and engagement), diversity, equity and inclusion
- **Governance**: Code of Conduct, accountability and aligning executive compensation, AI, cybersecurity and privacy, paying our fair share of taxes.

These help shape our strategic planning, our risk management processes, and our management of day-to-day operations.

Risk management

We consider environmental, climate change, social and governance issues across all aspects of our operations, and include them in our overall enterprise risk management, annual business planning and strategic planning processes.

Objectives and targets

While we do not currently have external sustainability and climate-related targets, we have developed internal objectives and targets across our operating divisions for our key focus areas, and will continue to work toward achieving them.

Annual bonuses are tied to business-specific performance measures derived from strategy and operating plans as well as individual quantitative and qualitative objectives.

Health and safety performance measures are incorporated into the annual bonus pools of all bonus-eligible employees. The Human Resources and Health and Safety Committee oversees the incentive frameworks including how bonuses and objectives are set (see page 48).

In 2024, we retained outside consultants to assess controls and processes for tracking and reporting GHG emissions at all operating divisions, which will allow us to confirm accurate and consistent GHG emissions reporting data. The Audit Committee will be responsible for overseeing internal audit's assessments of GHG and other sustainability-related reporting when it is developed.

Oversight of climate change

The Board's Governance and Sustainability Committee is explicitly responsible for climate change, which has been added to its mandate.

Toromont has a formal sustainability strategy that sets out goals, targets and initiatives for climate change matters, and climate change is part of its enterprise risk management program, its annual business planning and its longer-term strategic planning process and plans.

Management reports to the Governance and Sustainability Committee at least three times a year, discussing its progress on:

- preparations for adoption and implementation of ISSB standards S1 and S2 in Canada, including GHG emissions reporting standards
- operational GHG emission reductions efforts including fleet management and facilities improvements
- supporting customers in meeting their climate change initiatives, including energy transition through products and service offerings.

The Board reviews and approves Toromont's sustainability report on the recommendation of its Governance and Sustainability Committee.

Governance and Sustainability Committee – member skills and experience

Members of the Governance and Sustainability Committee are required to have knowledge and experience in governance, environment, climate change and other sustainability regulatory requirements, their effective integration into strategy and risk management, and their relevance to corporate success.

The Board reviews the mix of skills and experience of the Committee membership every year to make sure it remains appropriate.

The table below shows the relevant experience of the current Committee members. You can find more information about the directors in their profiles starting on page 16.

Fred Mifflin (Chair)	Director since 2022. Also a member of the Audit Committee. Relevant experience: • a more than 30-year career in senior and executive roles with a wide range of financial services companies • significant exposure to governance, environment and social responsibility practices as a director of several other public companies, including serving as Co-Chair of a Governance and Nominating Committee and member of a Governance and Sustainability Committee, as well as during his former role as Global Head of Mining and Metals at BMO Capital Markets
Cathryn Cranston	Director since 2013. Also Chair of the Audit Committee. Relevant experience: • a financial expert with a 32-year career in financial services, most recently as Senior Vice President and Treasurer at the Bank of Montreal from 2009 until her retirement in 2018 • significant exposure to governance and social responsibility practices as a director of several other public companies
Paramita Das	Joined the Board and the committee in November 2024. Also a member of the Human Resources and Health and Safety Committee. Relevant experience: • more than 20 years in strategic leadership at resources, mining and materials companies, including almost a decade with Rio Tinto • most recently Global Head of Marketing, Development and ESG (Chief Marketing Officer) Metals and Minerals at Rio Tinto • significant exposure to governance, health and safety, environment and social responsibility practices as a director of several other public companies
Ave Lethbridge	Joined the Board and the committee in November 2024. Also a member of the Human Resources and Health and Safety Committee. Relevant experience: • more than 35 years of experience in the energy industry, including 20 years as Code of Ethics Officer at Toronto Hydro, and most recently as Executive Vice-President and Chief Human Resources and Safety officer from 2013 until her retirement in 2021 • significant exposure to governance, health and safety, environment and social responsibility practices as a director of several other public companies, including six years as Chair of the Human Resources Compensation Committee and member of the Corporate Governance Nominating Committee at Kinross Gold • holds a designation in Climate & Biodiversity from Competent Boards
Katherine Rethy	Director since 2013. Also a member of the Human Resources and Health and Safety Committee. Relevant experience: • has held senior executive positions at public companies, where she had responsibility for risk management, supply chain and logistics, information technology, facilities, human resources and community relations • significant exposure to governance, health and safety, environment and social responsibility practices as a director of several other public companies, including as Chair of Governance and Human Resource Committees • holds an MA in Leadership for Sustainability, Lancaster University Management School, United Kingdom

Oversight of management

The Board expects management to implement the strategy approved by the Board, achieve their goals and conduct themselves in an ethical and responsible manner that aligns with our values and Code of Conduct. The Board approves the Chief Executive Officer's corporate objectives every year and, with the assistance of the Human Resources and Health and Safety Committee, reviews his performance against these objectives (see page 43 to read more about performance assessment and executive compensation).

Leadership development and succession

We have a formal management succession plan that includes all senior management positions at Toromont. The Human Resources and Health and Safety Committee and the Board formally review the succession plan at least once a year and receive periodic updates throughout the year.

The Chief Executive Officer presents the formal management succession plan for leadership roles to the Human Resources and Health and Safety Committee. The succession plan includes short-term and longer-term succession candidates and proposed development plans for them. The Committee discusses the details of the succession plan with the Chief Executive Officer and also meets *in camera* for further discussion. The Committee Chair reports the Committee's recommendations to the Board. The CEO provides updates on succession candidates' progress and development throughout the year.

Leadership diversity

The Board has adopted a Board and leadership diversity policy which sets out our objectives to attract, develop and maintain a Board and leadership team comprised of a diverse group of highly skilled individuals. We recognize that diversity enables greater organizational leadership, strength and performance and is an important component in the recruitment, retention and development of the company's current and future potential leaders.

Diversity is broadly defined and specifically includes characteristics such as gender, race or ethnicity (including Indigenous peoples), sexual orientation, gender identity, age, cultural background, physical and mental ability, religion and other characteristics that make us unique.

The Board is supported by the Human Resources and Health and Safety Committee and the Governance and Sustainability Committee in overseeing the development and progress of diversity policies. Senior management regularly discuss opportunities and monitor strategies for achieving our diversity objectives and broader diversity and inclusiveness initiatives across Toromont. Our diversity strategies specifically consider those who identify as women, visible minorities, persons with disabilities and/or Indigenous peoples. For employment equity purposes and under the CBCA, these groups are defined as "designated groups".

Two of our 11 senior leaders are women, representing 18.2% of our senior leadership team. Two of our senior leaders (18.2%) are people with disabilities, and one (9.1%) identifies as a visible minority. None of our senior leaders identifies as an Indigenous person.

Diversity of our leadership team is also affected by other factors, including the level of staff turnover, timing of hiring and promotion opportunities, available pipeline of talent with the necessary skills and experience, among other things. The Board therefore does not set specific diversity representation targets when identifying potential candidates for senior management positions, but does consider diversity and ensures that proactive steps are taken to include qualified individuals from the designated groups in the list of prospective candidates whenever possible.

Diversity in the workplace

We take a number of steps to foster diversity and inclusiveness at Toromont:

- Management tracks our diversity composition as well as the results of diversity-related actions and initiatives and reports annually on its progress to the Governance and Sustainability Committee of the Board.
- We have outreach programs to draw from a broad and diverse group of employment candidates for new hires. This includes working with non-profit organizations to identify qualified candidates seeking to overcome disability, doing outreach with Indigenous communities by attending schools and career fairs in remote communities and collaborating with community liaisons, attending "women in trades" events as well as attending career days at secondary schools, colleges and universities and offering targeted scholarships to attract diverse candidates, especially women and others from the designated groups.
- We offer an online diversity and inclusiveness training program through our internal Toromont University, aimed at educating employees on the importance of diversity and inclusiveness, embracing differences and communicating with employees, customers and stakeholders with diverse backgrounds. The course is also part of the Service Management Curriculum for Toromont Cat managers.
- We proactively identify, mentor and select women and other diverse candidates to participate in our leadership development and management trainee programs.
- We are an active participant in the Government of Canada's Federal Contractor Program on Employment Equity.

The Board continues to work to increase diversity at Toromont, including through the initiatives described here and in our 2025 Sustainability Report.

The Board believes we are taking the appropriate actions to continue to advance diversity at the leadership level. The Governance and Sustainability Committee reviews our approach to leadership diversity at least annually to determine what changes to policies and procedures may be beneficial to promote diversity.

Stakeholder communications and engagement

We believe in the importance of being transparent and disclosing material information promptly, providing the investment community and other stakeholders with access to relevant and meaningful information about us, and engaging in dialogue with our investor community to receive their feedback.

Our corporate disclosure policy is designed to provide assurance that we release relevant information in an appropriate and timely fashion. The Board, with the support of the Audit Committee, is responsible for annually reviewing our corporate disclosure policy and ensuring that we meet our continuous disclosure obligations. The Chief Financial Officer is responsible for the implementation and day-to-day operations of the policy. We also have a disclosure committee that is made up of key members of senior management who review all corporate disclosure before it is publicly released.

Disclosures made on a regular basis include annual and quarterly earnings releases, financial statements and related management's discussion and analysis, management information circulars, annual information forms, and periodic news releases for material disclosures. We host an investor portal at www.toromont.com which contains a variety of information and documents that we believe are relevant and useful to our stakeholders.

We regularly monitor and engage with proxy advisory groups and governance advocates, such as Institutional Shareholder Services (ISS), Glass Lewis and the Canadian Coalition for Good Governance, to keep informed of evolving governance practices and obtain feedback for continuous improvement.

How to reach us

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fax	(416) 667-5555
email	investorrelations@aim.toromont.com
mail	Toromont Industries Ltd. 3131 Highway 7 West, P.O. Box 5511 Concord, Ontario, Canada L4K 1B7

Designated members of our executive team also reach out to and engage with stakeholders through a variety of means, including conducting a public annual meeting and quarterly earnings calls and webcasts with question and answer sessions, participating in individual and group investor meetings and conferences, and receiving and responding to verbal or written inquiries and feedback from stakeholders. Our engagement covers a broad variety of topics including governance, risk management, executive compensation, sustainability, disclosure and engagement practices, among other things.

Shareholders can communicate with us in several ways, including by mail, telephone, and email through our website (www.toromont.com). We also have an anonymous compliance hotline for issues or concerns about a breach or suspected breach of our Code of Conduct. We deal with all inquiries promptly. Depending on the nature of the shareholder inquiry, the CFO, CEO and/or Chair of the Board or other independent directors (as designated by the Board) may engage with shareholders and other stakeholders to understand their opinions and concerns.

Both management and the Board invite stakeholders to engage with Toromont representatives and Board members if you have any questions or concerns. You can reach management and the Chair of the Board using the contact information in the box above. Any correspondence that is addressed to a particular individual, including the Chair of the Board, will be promptly provided to that person.

WHAT WE EXPECT OF DIRECTORS

Integrity

We strive to maintain a highly ethical culture and have a Code of Conduct that applies to directors, officers and employees. The code sets out our expectations for ethical culture and appropriate behaviour, and provides guidance on areas such as conflicts of interest, protection and proper use of corporate assets, confidentiality of information and customer, supplier and competitor relationship management.

Every year we require our directors, officers and employees to acknowledge their compliance with the code. The code requires that only the Board or one of its committees may provide a waiver from the provisions of the code for matters involving our directors or senior officers. The Audit Committee and the Human Resources and Health and Safety Committee receive regular compliance reports on the code.

Avoiding conflicts of interest
If we are considering a transaction or agreement and a director or executive officer has a material interest (a related party transaction), he or she must disclose their interest and not participate in any discussions or vote on the matter. Any related party transaction must be approved by the Board.

We have a toll-free, telephone hotline (1-866-254-2730) and web-based hotline (www.openboard.info/tih) for employees and others to report a suspected accounting or auditing irregularity or other breach of the code. Reports are confidential and can be made anonymously and all good faith concerns are handled respectfully and without reproach.

The code is reviewed annually by the Board and is available on our website (www.toromont.com).

Conflicts of interest and related-party transactions
Our code of conduct covers potential and actual conflicts of interest and requires all directors, officers and employees to avoid situations that may result in a potential conflict, immediately disclose if there is any conflict or potential conflict, and annually certify compliance with the code.

If a Board member or Officer is aware of or concerned about an actual, perceived or potentially perceived conflict of interest, he or she will raise it in writing to the:

- Chair of the Board;
- Chair of the Governance and Sustainability Committee;
- President and CEO; and
- Chief Legal Officer.

The Chair of the Board, Chair of the Governance and Sustainability Committee, President and CEO and Chief Legal Officer determine whether a conflict exists and what course of action is required.

The Chair of the Governance and Sustainability Committee then raises the scenario during the Governance and Sustainability Committee meeting and discusses the issue further, if necessary. During this time, any supplemental processes to address or mitigate the potential conflict are reviewed.

The Chair of the Governance and Sustainability Committee summarizes any relevant discussion and requirements with the full Board.

No director or executive officer at Toromont, none of this year's nominated directors and no one associated or affiliated with any one of them, has a direct or indirect material interest in any transaction or proposed transaction that has materially affected or would materially affect the company or any of our subsidiaries. No family relationships exist among any of our directors or our current or former executive officers.

Equity ownership

Equity ownership at all levels of Toromont has been a cornerstone of our operating philosophy.

Directors are expected to own at least three times their total annual Board retainer in Toromont equity within five years of their election to the Board. Directors can count Toromont shares and DSUs toward meeting the requirement. Directors can also choose to receive the cash component of their Board retainer and committee retainers in DSUs. DSUs track the underlying value of our shares on the TSX, and therefore help align the interests of directors with those of our shareholders. DSUs may not be redeemed until a director ceases to be on the Board.

The table below shows director equity ownership as at December 31, 2025. Michael McMillan, our CEO, is not included in the table because he has to meet our equity ownership requirements for executives (see page 45).

	2025 Base retainer	Equity ownership requirement	Shares and/or DSUs currently owned		Meets requirement
			Number	Value	
Peter Blake	$215,000	$645,000	14,618	$2,427,319	yes
Ben Cherniavsky	$215,000	$645,000	7,773	$1,290,707	yes
Cathryn Cranston	$215,000	$645,000	43,630	$7,244,762	yes
Paramita Das	$215,000	$645,000	1,939	$321,971	has until 2029
Sharon Hodgson	$215,000	$645,000	12,132	$2,014,519	yes
Ave Lethbridge	$215,000	$645,000	1,627	$270,163	has until 2029
Frederick Mifflin	$215,000	$645,000	9,628	$1,598,729	yes
Katherine Rethy	$215,000	$645,000	32,379	$5,376,533	yes
Richard Roy	$420,000	$1,260,000	24,272	$4,030,366	yes

The value of shares and DSUs is based on $166.05, the closing price of a Toromont share on the TSX on December 31, 2025.

Attendance

We expect directors to attend all Board meetings, all meetings of the committees they sit on, and the annual meeting of shareholders. The following table summarizes director meeting attendance in 2025.

		Committee meetings		
	Board meetings	Audit	Human Resources and Health and Safety	Governance and Sustainability
Peter Blake	6 of 6 (100%)	4 of 4 (100%)	3 of 3 (100%)	–
Ben Cherniavsky	6 of 6 (100%)	4 of 4 (100%)	3 of 3 (100%)	–
Cathryn Cranston	6 of 6 (100%)	4 of 4 (100%)	–	3 of 3 (100%)
Paramita Das	6 of 6 (100%)	–	3 of 3 (100%)	3 of 3 (100%)
Sharon Hodgson	6 of 6 (100%)	4 of 4 (100%)	3 of 3 (100%)	–
Ave Lethbridge	6 of 6 (100%)	–	3 of 3 (100%)	3 of 3 (100%)
Fred Mifflin	6 of 6 (100%)	4 of 4 (100%)	–	3 of 3 (100%)
Katherine Rethy	6 of 6 (100%)	–	3 of 3 (100%)	3 of 3 (100%)
Richard Roy	6 of 6 (100%)	–	–	–

Skills and development

The Governance and Sustainability Committee provides an orientation program for new directors and continuing education for the entire Board to enhance their knowledge and ability to effectively carry out their responsibilities.

Orientation

Our director orientation program is designed to familiarize new directors with their Board and committee responsibilities and our business, strategy and industry so they can make meaningful contributions from the outset.

New directors:

- are assigned an individual Board member as their mentor for their first year on the Board
- meet with the President and Chief Executive Officer, Chief Financial Officer, Chair of the Board, Chairs of the Board committees and other senior executives to learn about our business and strategy first-hand
- meet with senior management and go on tours of each principal business unit
- receive a copy of our director's manual that sets out, amongst other things, their general responsibilities and our expectations of directors, information about our strategy and our products, services, suppliers and customers, and a review of our financial condition and results
- meet with other members of management and external advisors, where appropriate, to review their duties and responsibilities as a member of the Board.

The director's manual includes:

- materials about our corporate structure, strategy, financial plan and budgets
- the Board mandate and committee mandates
- corporate governance policies
- key position descriptions
- our most recent continuous disclosure documents
- director education and reference materials.

Continuing education

We expect directors to learn about our business, the sectors we operate in, emerging trends and issues and our strategic initiatives.

The Board and the Governance and Sustainability Committee look at director training needs as part of the annual Board assessment process, to make sure education supports specific areas of the Board's focus and the current business environment. Development and training sessions are normally held in conjunction with Board meetings. Additionally, directors attend seminars and programs provided by third-party industry or subject matter experts and provide reports to the other directors as appropriate.

Board meetings are held at various Toromont sites so directors can learn more about our different businesses firsthand. Directors receive comprehensive information before each Board and committee meeting and can attend meetings of committees even if they are not members.

Education sessions typically include:

- presentations about each business unit, the business environment, risk management, corporate development opportunities, legal and regulatory updates and other corporate matters
- presentations by external subject matter experts and advisors
- presentations from other directors about what they learned at industry conferences.

Directors also have an opportunity to engage with customers, other stakeholders and senior management in formal and informal meetings. They also have full access to senior management and other employees as necessary.

Director education in 2025 included the following:

2025	Topic	Attendees
Quarterly	Succession planning and executive leadership development *Presentations by CEO and VP, People and Culture*	Human Resources and Health and Safety Committee
Quarterly	Technology, cyber-security and digital commerce insights *Presentations by the Chief Information Officer*	Board
Quarterly	Strategy and Industry trends *Presentations by business unit leaders, external consultants and Caterpillar representatives*	Board
Quarterly	Business unit updates and developments *Presentations by business unit leaders*	Board
Quarterly	Governance, regulatory and financial reporting updates *Presentations by VP Finance, Chief Legal Officer and external auditor*	Board Audit Committee
Quarterly	Sustainability Trends and Considerations (including Climate Change) *Presentations by the Chief Legal Officer and external consultants*	Governance and Sustainability Committee

Directors also receive materials to support our educational initiatives. Materials are updated from time to time with new topics, updates on previous presentations, strategic priorities and other select topics. Our skills matrix on page 26 gives a snapshot of the skills and experience of the current Board.

Additional director disclosure

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.

DIRECTOR COMPENSATION

Directors receive annual and committee retainers for serving on our Board. They receive 60% of their annual retainer in deferred share units (DSUs) to build their equity ownership and to align with shareholder interests. They can also choose to receive all or a portion of the remainder of their annual retainer and their committee retainers in DSUs instead of cash.

Directors who are executive officers of Toromont or its subsidiaries do not receive director's fees, except in special circumstances approved by the Board. Michael McMillan does not receive any compensation as a director because he is compensated in his role as CEO (see page 39).

The Governance and Sustainability Committee is responsible for the director compensation program. The Committee reviews the program every three years and recommends any changes to the Board for approval. In late 2024, the Committee approved modest increases to the Annual and Committee Chair retainers (effective March 1) to bring them in line with peers. The Committee retained Hexarem Inc. (Hexarem, now Mercer as of November 2025) to assist in the review, using the same peer group it used in its review of executive compensation (see page 44). There are no changes to the director fee schedule for 2026.

Director fee schedule

Annual retainer	
Chair	
• cash	$170,000
• deferred share units	$250,000
Directors	
• cash	$85,000
• deferred share units	$130,000
Vice Chair[1]	
• cash	$25,000
Committee retainers	
Committee Chairs	
• Audit Committee	$30,000
• Human Resources and Health and Safety Committee	$25,000
• Governance and Sustainability Committee	$25,000
Committee members	
• Audit committee	$8,000
• Human Resources and Health and Safety Committee	$5,000
• Governance and Sustainability Committee	$5,000

1 As of May 1, 2025, the Board no longer has the position of Vice Chair.

We reimburse directors who live outside the Greater Toronto Area (GTA) for their travel and accommodation costs to attend meetings in Toronto. We also reimburse directors for their travel and accommodation costs when meetings are held outside the GTA.

About DSUs

A deferred share unit is a notional unit that tracks the value of a Toromont common share. DSUs earn additional units as dividend equivalents when dividends are paid on our shares.

We calculate the number of DSUs granted by dividing the amount of director fees the director is receiving in DSUs by the volume weighted average price for Toromont shares on the TSX for the five trading days immediately before the grant date.

DSUs granted to directors vest immediately but are only paid out in the form of newly issued Toromont shares when a director retires from the Board.

DSUs have been granted under the long-term incentive plan since September 1, 2022. Before that date, DSUs were granted under the DSU plan.

Under the **long-term incentive plan**, DSUs:

- are granted to directors at the discretion of the Board
- earn dividend equivalents in the form of additional units at the same rate as dividends paid on our shares

- vest on the day they are granted, but the Human Resources and Health and Safety Committee can choose the vesting date for any grant of DSUs, and can specify that a grant of DSUs will vest incrementally over a period of time
- are settled in cash or shares, at the discretion of the Human Resources and Health and Safety Committee at the time of grant, and paid out only after the director retires from the Board. The current practice is to grant DSUs settled in shares.

Directors may elect to receive DSUs instead of cash for some or all of their director fees, as outlined above. Directors may also be granted additional DSUs on a discretionary basis from time to time by the Human Resources and Health and Safety Committee, as long as the total fair market value on the grant date of all DSUs granted to any one director under the long-term incentive plan does not exceed $150,000 within any one financial year of the company, except for DSUs the Committee grants in lieu of director fees and as one-time initial grants to new directors when they first join the board. No discretionary DSUs have been granted to directors.

We are no longer issuing DSUs under the **DSU plan**, except dividend equivalents on existing DSUs. Under the DSU plan:
- the Board determined when and if DSUs were granted
- DSUs earn dividend equivalents in the form of additional units at the same rate as dividends paid on our shares
- DSUs are redeemed for cash after the director retires from the Board.

Director compensation table

The table below shows the fees we paid to each director in 2025. Michael McMillan is not included in the table because he is compensated in his role as CEO (see page 39). In 2025, all directors received 60% of their annual retainer in DSUs, and most directors chose to receive some or all of their other fees in DSUs.

	Fees earned						Total received in DSUs		
	Annual retainer								
	Cash	DSUs	Committee chair retainers	Vice Chair retainer	Committee member retainer	**Total compensation**	Total fees taken as DSUs	% of total fees taken as DSUs	Number of DSUs received
Peter Blake	$84,181	$128,361	–	–	$13,000	$225,542	$225,542	100%	1,669
Ben Cherniavsky	$84,181	$128,361	–	–	$13,000	$225,542	$128,361	57%	950
Jeff Chisholm[1]	$27,670	$41,932	–	$7,887	$3,352	$80,841	$63,655	79%	525
Cathryn Cranston	$84,181	$128,361	$28,852	–	$5,000	$246,394	$187,378	76%	1,386
Paramita Das	$84,181	$128,361	–	–	$10,000	$222,542	$222,542	100%	1,647
Sharon Hodgson	$84,181	$128,361	$23,852	–	$8,000	$244,394	$232,791	95%	1,722
Ave Lethbridge	$84,181	$128,361	–	–	$10,000	$222,542	$199,611	90%	1,458
Fred Mifflin	$84,181	$128,361	$23,197	–	$8,000	$243,739	$243,739	100%	1,802
Katherine Rethy	$84,181	$128,361	–	–	$10,000	$222,542	$199,611	90%	1,458
Richard Roy	$168,361	$248,361	–	–	–	$416,722	$416,722	100%	3,084

[1] Mr. Chisholm retired from the Board effective May 1, 2025

Outstanding equity-based awards

The table below shows the directors' outstanding equity-based awards as at December 31, 2025. The value of DSUs was calculated using $166.05, the closing price of a Toromont share on the TSX on December 31, 2025. Cash-settled DSUs were issued under the DSU plan and equity-settled DSUs were issued under the long-term incentive plan.

	Cash-settled DSUs		Equity-settled DSUs		Total DSUs	
	Number of DSUs	Value of DSUs	Number of DSUs	Value of DSUs	Number of DSUs	Value of DSUs
Peter Blake	6,488	$1,077,332	6,580	$1,092,609	13,068	$2,169,941
Ben Cherniavsky	2,209	$366,804	3,915	$650,086	6,124	$1,016,890
Cathryn Cranston	31,904	$5,297,660	6,026	$1,000,617	37,930	$6,298,277
Paramita Das	0	$0	1,939	$321,971	1,939	$321,971
Sharon Hodgson	5,800	$963,090	6,332	$1,051,429	12,132	$2,014,519
Ave Lethbridge	0	$0	1,627	$270,163	1,627	$270,163
Frederick Mifflin	318	$52,804	6,610	$1,097,591	6,928	$1,150,395
Katherine Rethy	27,314	$4,535,490	4,077	$676,986	31,391	$5,212,476
Richard Roy	9,277	$1,540,446	11,995	$1,991,770	21,272	$3,532,216

EXECUTIVE COMPENSATION

This section of our circular tells you how we compensate our CEO, our CFO and our three other most highly compensated executives (our *named executives*):

Michael McMillan, President and Chief Executive Officer (CEO)
John Doolittle, Executive Vice President and Chief Financial Officer (CFO)
Michael Cuddy, Chief Strategy Officer
Joel Couture, Chief Operating Officer, Toromont Cat
Miles Gregg, President, Toromont Cat Construction Division

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COMPENSATION DISCUSSION AND ANALYSIS

Message to shareholders

The Board, through its Human Resources and Health and Safety Committee (the *Committee*), oversees executive compensation at Toromont.

The Board has designed Toromont's executive compensation program to align pay with performance, support the attraction and retention of the best talent, and ensure executives have a vested interest in the long-term success of the company. Executives are expected to invest in Toromont, and as a result, members of the senior leadership team have a direct and personal stake aligned with Toromont's success.

Above all, we want to ensure our compensation programs support Toromont's culture while building sustainable shareholder value.

Four compensation principles

- **Attract, motivate and retain** superior executive talent by providing competitive compensation
- **Link pay to performance** by tying incentive compensation to specific corporate performance goals
- **Emphasize performance-based compensation** by maintaining a high proportion of pay at risk
- **Align compensation with long-term shareholder interests** by including equity-based incentives that promote sustained value creation and executive commitment to Toromont's long-term success.

Compensation program

Our executive compensation framework includes an annual salary, an annual bonus, long-term equity incentives, and benefits and retirement programs. The overall compensation mix emphasizes variable compensation, with a significant portion of total pay at risk and linked to Toromont's annual and longer-term performance. We regularly review compensation programs to make sure they are in line with market practices, evolving governance expectations, and Toromont's strategic priorities. In 2025, the Committee approved changes to Toromont's peer group for benchmarking compensation, which you can read about on page 44.

2025 performance and compensation

The Committee believes that compensation policies and practices that are appropriately linked to performance help drive Toromont's future growth and success. A significant portion (between 63% and 71%) of our named executives' total target compensation is performance-based and at risk, with realized compensation dependent on both company performance and share price appreciation. Long-term equity incentives represent a meaningful share of total compensation, aligning executive interests with the creation of long-term shareholder value.

When determining the final awards for 2025, the Committee assessed performance against financial and operational objectives that were set and approved at the beginning of the year.

Annual bonuses were determined by return on shareholders' equity and growth in earnings per share, business unit performance, and individual performance objectives. Despite persistent macroeconomic and trade uncertainty, performance was solid compared to targets, and bonus payouts ranged between 82% and 91% of target for the CEO and CFO, and between 108% and 126% of target for the other named executives (after certain one-time adjustments) – see page 48 for details.

The performance share units (PSUs) that were granted in 2023 paid out on March 6, 2026 at 162% of target value. Payouts were determined by Toromont's relative total shareholder return and return on capital employed over a three-year period (January 1, 2023 to December 31, 2025), reflecting Toromont's strong performance over the full cycle, and reinforcing the long-term focus of the executive compensation program. See page 53 for details.

Leadership

Toromont's senior leadership team provides continuity, deep operational and financial expertise, and a strong commitment to the company's long-term success. In 2025, the senior leadership team delivered strong operational and financial performance, reflecting continued progress against Toromont's strategic objectives. This year's executive compensation reflects that performance – see page 47 for details.

Alignment with shareholders

Toromont maintains executive share ownership guidelines that require senior executives to build and maintain meaningful equity ownership over time. As at the date of this circular, all named executive officers met or were on track to meet their equity ownership requirement.

Governance

The Committee considers compensation-related risk as part of its oversight responsibilities. Compensation programs incorporate a range of risk-mitigating features, including a balanced mix of performance measures, caps on incentive payouts, multi-year performance periods, and the Committee's discretion to adjust outcomes where appropriate.

We welcome your feedback

Toromont values shareholder feedback and considers its annual advisory vote on executive compensation (*say on pay*) an important governance practice. At our most recent annual meeting, 95.30% of votes cast supported Toromont's approach to executive compensation. The Board views this result as strong and will continue to consider shareholder feedback as part of its ongoing compensation oversight.

This part of the circular includes a detailed discussion of our executive compensation programs, including program design, performance measures, compensation decisions, and governance practices. We encourage you to read it before you decide how to vote your shares, and we welcome your feedback on executive compensation at any time.

"Richard G. Roy"	*"Sharon L. Hodgson"*
Richard G. Roy Board Chair	Sharon L. Hodgson Human Resources and Health and Safety Committee Chair

Compensation governance

The Board is responsible for approving, monitoring and making changes to our executive compensation program. The Human Resources and Health and Safety Committee oversees executive compensation on behalf of the Board, including our annual bonus program, our equity incentive plans and our pension and other benefit plans.

Members of the Human Resources and Health and Safety Committee are required to have a thorough understanding of compensation plans and practices to make sure the Committee has the expertise necessary to carry out its mandate. The Governance and Sustainability Committee reviews the mix of skills and experience of the Committee's members annually to confirm it remains appropriate.

The table below summarizes the relevant experience of the current Human Resources and Health and Safety Committee members. You can find more information about the directors in their profiles starting on page 16.

Sharon Hodgson (Chair)	Director since 2019. Also a member of the Audit Committee, which gives her additional insight into Toromont's financial performance. Relevant experience: • more than 20 years' experience and exposure to different compensation plans and human resources practices as former Dean, Ivey Business School, University of Western Ontario and previously as a senior executive at IBM Business Consulting • is currently a board member with IGM Financial Inc., giving her additional insight into total compensation plans and human resources practices.
Peter Blake	Director since 2019. Also a member of the Audit Committee, which gives him additional insight into Toromont's financial performance. Relevant experience: • gained significant experience and exposure to total compensation plans and practices during more than 30 years as a senior executive • has been a board member on several company boards, including FortisBC Inc. and FortisBC Energy Inc., giving him additional insight and exposure to human resources and compensation practices.
Ben Cherniavsky	Director since 2021. Also a member of the Audit Committee which gives him additional insight into Toromont's financial performance. Relevant experience: • gained significant experience and exposure to total compensation plans and practices while serving in senior and executive management roles in his 26-year career in financial services and investment banking • is currently Partner at Fort Capital Partners, and a board member with Enerflex Ltd., giving him additional insight into total compensation plans and human resources practices.
Paramita Das	Joined the Board and the committee in November 2024. Also a member of the Governance and Sustainability Committee. Relevant experience: • gained significant experience and exposure to total compensation plans and practices during more than 20 years in strategic leadership at resources, mining and materials companies, including almost a decade with Rio Tinto, most recently as Global Head of Marketing, Development and ESG (Chief Marketing Officer) Metals and Minerals • has been a director of several public companies, giving her additional insight into total compensation plans and human resources practices.
Ave Lethbridge	Joined the Board and the committee in November 2024. Also a member of the Governance and Sustainability Committee. Relevant experience: • gained significant experience and exposure to total compensation plans and practices during more than 35 years in the energy industry, most recently as Executive Vice-President and Chief Human Resources and Safety Officer from 2013 until her retirement in 2021 • has been a director of several public companies, including six years as Chair of the Human Resources and Compensation Committee and member of the Corporate Governance Nominating Committee at Kinross Gold, giving her additional insight into total compensation plans and human resources practices.
Katherine Rethy	Director since 2013. Also a member of the Governance and Sustainability Committee, and past member of the Audit Committee which gives her additional insight into Toromont's governance matters and financial performance. Relevant experience: • gained significant experience and exposure to total compensation plans and practices in senior executive positions at several public companies, where she had oversight of the human resources function, among other related responsibilities • has chaired and served on several human resources committees of publicly traded companies, giving her experience and knowledge of different total compensation plans and human resources practices.

Compensation decision-making

Compensation decisions are made using a systematic five-step process:

1 **Develop strategy**	The **Board** oversees the development of corporate objectives, goals and strategy, and approves the annual business plan.
2 **Design executive compensation program**	**Management** recommends the compensation program design and presents it to the Committee. This includes compensation components and mix, performance measures and any changes to pension plans and administration. The **Committee** reviews the recommendations against the approved objectives, goals, strategy and operating plans presents the final recommendations to the Board for approval.
3 **Set compensation and performance targets**	The **Committee**: • reviews target compensation to ensure it reflects past and expected future contributions, responsibilities and remains market competitive • may seek the advice of an independent compensation advisor • approves target compensation for all named executives • approves performance goals for all named executives, except business unit named executives • recommends the CEO's target compensation and performance goals to the Board, and approves and recommends the corporate performance goals and financial targets for the annual bonus to the Board.
4 **Assess performance**	The **CEO** evaluates the performance of the executive team and recommends their individual performance factors for annual bonus purposes to the Committee for approval. The **Committee**: • reviews performance against targets established at the beginning of the year • recommends funding of the annual bonus pool • reviews the CEO performance and recommends his individual performance factor to the Board for approval, and reviews formal management performance assessments for the other members of the executive team and approves their individual performance factors.
5 **Finalize compensation**	The **Committee** approves final compensation for all named executives except the CEO, including salary adjustments for the upcoming year. The **Board** approves the funding of the annual bonus pool, final compensation for the CEO, including salary adjustments for the upcoming year, performance goals for the CEO and the schedule and terms of equity incentives for all participants. The **Board and the Committee** can exercise discretion to adjust bonus pools or individual awards, to take into account external or internal events, or other circumstances that have an impact on corporate or individual results or performance.

Independent advice

The Committee has engaged Hexarem Inc. (Hexarem, now Mercer as of November 2025), an independent consultant, since 2023 to assist with executive compensation planning and decision-making. Hexarem provides advisory services related to executive compensation matters, including assistance in benchmarking executive pay, advising on executive compensation decisions and providing insights into compensation trends and practices.

The table below shows fees for services rendered by Hexarem in the past two years. Hexarem meets the requirements of an independent advisor and does not engage directly with Toromont without the Committee's prior approval.

	2024	2025
Executive compensation-related fees	$22,844	$150,753
All other consulting fees	$0	$0
Total fees	$22,844	$150,753

Benchmarking

We use a peer group of comparable industrial companies to benchmark total executive compensation and each compensation element. Companies are selected because they operate in industries similar to ours in Canada, are of similar size (by assets, revenue, or market capitalization), and we may compete with them for talent. We use the same peer group to benchmark director compensation (see page 37).

The last comprehensive review of the companies in the peer group was in 2021. In 2025, the Committee asked Hexarem to assess whether the peer group still reflected the company's market for executive talent. In July 2025, the Committee approved the following changes to the peer group to improve alignment with Toromont's industry, market cap and enterprise value: AtkinsRealis Group Inc., ATS Corp., Badger Infrastructure Ltd., NFI Group Inc., and WSP Global Inc. were added to the peer group, and Agnico Eagle Mines Limited, AltaGas Ltd., Kinross Gold Corporation, RB Global, Inc. and TFI International Inc. were removed from the list.

2025 peer group

Aecon Group Inc.	Badger Infrastructure Ltd.*	Russel Metals Inc.
Atco Ltd.	Canfor Corporation	Stantec Inc.
AtkinsRealis Group Inc.*	Finning International Inc.	Stella-Jones Inc.
ATS Corp.*	Martinrea International Inc.	Wajax Corporation
AutoCanada Inc.	Methanex Corporation	West Fraser Timber Co. Ltd.
Canfor Corporation	NFI Group Inc.*	WSP Global Inc.*

* new in 2025

Managing compensation risk

Toromont has a strong ethical culture. We mitigate compensation risk through the design of our compensation program and our risk management policies.

In 2025, the Board reviewed and did not identify any risks arising from Toromont's compensation policies and practices that are likely to have a material adverse effect on the company.

Program design

- a significant portion of executive pay is allocated to variable or performance-based compensation
- compensation is balanced between the annual bonus and equity incentives
- the annual bonus pool must be approved by the Human Resources and Health and Safety Committee and the Board, determining how much of each pool will be distributed every year (the undistributed amount cannot be carried forward)
- annual bonuses are linked to corporate, business unit and individual performance
- annual bonuses and PSU payouts can be zero if performance is below threshold, and awards are capped
- equity incentives vest over time (PSUs and RSUs over three years, and options over five years), focusing executives on consistently improving company performance over the longer term
- we have robust equity ownership requirements for all executives, and the CEO must retain his share ownership level for one year following his retirement
- executives do not receive the option portion of their equity incentive award unless they meet their equity ownership requirement, to help align the interests of executives with the interests of shareholders
- our insider trading, anti-hedging and clawback policies help mitigate different types of potential compensation risk.

Insider trading

Toromont has a formal insider trading policy. We encourage our employees to be Toromont shareholders, but discourage them from actively trading in our shares or hedging (see below). Insiders are not allowed to trade during blackout periods (for example, the period before we release our quarterly or annual financial results).

Hedging

Toromont has an anti-hedging policy. Directors, officers (including the named executives) and insiders are not allowed to use strategies (like prepaid variable forward contracts, equity swaps, collars or units of exchange funds) to hedge or offset a decrease in the market value of Toromont securities they hold directly or indirectly.

Clawbacks

Toromont has a clawback policy. If an officer (including a named executive) commits fraud or is guilty of gross negligence or malfeasance (*misconduct*) whether or not there is a financial restatement, the Board, on the recommendation of the Human Resources and Health and Safety Committee, can claw back the amount of the executive's annual bonus and equity incentives.

Equity ownership

We expect the named executives to own Toromont securities as a way to align their interests with shareholders. Executives must own a specified multiple of their annual salary in Toromont equity, ranging from 1.5 to five times salary. The CEO must maintain his ownership level for at least one year after he is no longer CEO. Executives have five years from the date of appointment to the position to meet the requirement and can include the value of Toromont shares, DSUs, and vested executive deferred share units (EDSUs) toward meeting the equity ownership requirement. See page 52 for more information about EDSUs.

Executives have to meet their equity ownership requirement before they can receive an option grant.

We calculate equity ownership for this purpose every year using the fair market value of a Toromont share at the time of the calculation.

The table below shows the number and value of the shares and DSUs (including vested EDSUs) for each named executive owned as of December 31, 2025. Currently, only Mr. McMillan and Mr. Couture's share ownership calculation includes vested EDSUs.

	Equity ownership requirement	**Shares held**		**DSUs held** (including vested EDSUs)		**Total accumulated value**	**Meets requirement**
		Number	Value	Number	Value		
Michael McMillan	5x salary	5,990	$994,640	24,404	$4,052,284	$5,046,924	yes
John Doolittle	3x salary	595	$98,800	4,981	$827,095	$925,895	has until 2028
Michael Cuddy	2x salary	36,955	$6,136,378	12,622	$2,095,883	$8,232,261	yes
Joel Couture	2x salary	6,662	$1,106,225	5,610	$931,541	$2,037,766	yes
Miles Gregg	2x salary	24,390	$4,049,960	1,733	$287,765	$4,337,725	yes

Shares

Includes shares executives own directly and through the employee share purchase plan. Values are calculated using $166.05, the closing price of a Toromont share on the TSX on December 31, 2025.

DSUs

Executives can choose to receive some or all of their annual bonus in DSUs instead of cash, and some or all of their PSUs as EDSUs. DSUs and EDSUs can only be redeemed after the executive retires or leaves the company. Values above are calculated using $166.05, the closing price of a Toromont share on the TSX on December 31, 2025.

Compensation program

Compensation of the executives includes five elements: salary, annual bonus, equity incentives, retirement benefits and other benefits and perquisites. In combination, these elements are designed to balance compensation over time, in line with achieving Toromont's short and long-term business objectives.

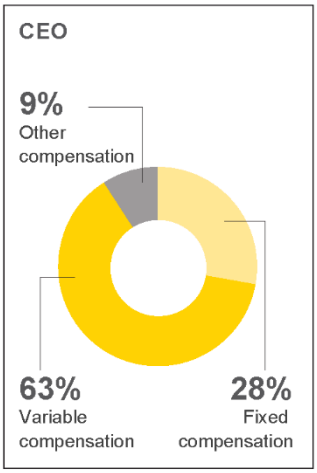
A significant component of an executive's annual compensation is variable and at risk, to emphasize the importance of business and shareholder returns over the longer term, and continuous improvements in Toromont's financial performance.

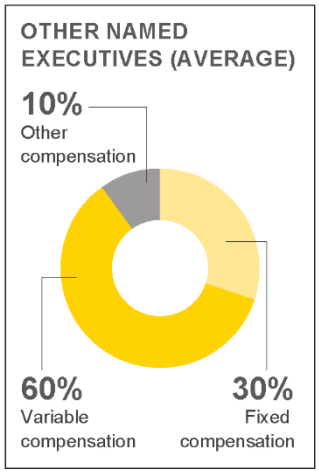
Fixed compensation Target range: 20-35%	**Annual salary**	Cash	See page 47
Variable compensation Target range: 50-75%	**Annual bonus**	Cash (executives can choose to receive some or all as DSUs)	See page 48
	Equity incentives	Options – 50% Performance share units – 50% (executives can choose to receive PSUs in the form of EDSUs)	See page 51
Other compensation Target range: 10-15%	**Retirement benefits**	Defined contribution plan and supplementary plan	See page 64
	Benefits and perquisites	Designed to be market competitive. May include an automobile allowance and associated expenses, club membership dues, financial consulting services of up to $10,000 per year, executive medical benefits of up to $10,000 per year, life insurance premiums and employee share purchase plan employer contributions.	

2025 Performance and compensation

Compensation mix

The graphs below show the mix of compensation the named executives received for 2025.





Annual salary

Executives are paid an annual salary for performance in their day-to-day roles. Salaries are determined mainly by the nature of the position and the contribution of each named executive. We also review relevant market data from our peer group to benchmark named executive annual salaries. We believe current salaries are reasonable and competitive.

The table below shows the annual salaries awarded to the named executives for 2024 and 2025. See page 57 for the salaries they actually received in 2024 and 2025.

The 2025 amounts include increases approved as part of the annual compensation planning cycle in February 2025, as well as additional adjustments approved for the CEO and CFO following completion of a market assessment conducted by Hexarem in July 2025. The increases for Mr. McMillan and Mr. Doolittle were approved on this basis and in recognition of their performance in their roles.

			Awarded
	2024	2025	Change
Michael McMillan[1]	$700,000	$900,000	28.6%
John Doolittle[1]	$475,000	$550,000	15.8%
Michael Cuddy	$435,000	$448,000	3.0%
Joel Couture	$445,000	$456,000	2.5%
Miles Gregg	$406,000	$416,000	2.5%

[1] Mr. McMillan received a 2.5% increase (from $700,000 to $717,500) and Mr. Doolittle received a 3.2% increase (from $475,000 to $490,000) in February 2025 as part of the annual compensation planning cycle. Following completion of a compensation market assessment, including peer group review by Hexarem in July 2025, Mr. McMillan's salary was increased to $900,000 and Mr. Doolittle's salary was increased to $550,000, both applied retroactively to January 1, 2025.

Annual bonus

Annual bonuses are paid in cash and reward executives for achieving corporate, business unit and individual performance.

Target bonuses are calculated as a percentage of salary and vary by role. The table below shows the targets and maximums for 2025. The Committee believes these targets align the compensation of the named executives, and their pay mix, with our peers, and reinforces Toromont's pay-for-performance culture. In 2025, the Committee approved a cap on the annual bonus for the CEO and CFO at 200% of target to better align with market practice.

Executives can choose to receive some or all of their annual bonus in DSUs instead of cash – see page 50 for more information.

	Target annual bonus (as a % of salary)	Maximum bonus (as a % of target)
Michael McMillan	133%	200%
John Doolittle	100%	200%
Michael Cuddy	85%	147%
Joel Couture	85%	147%
Miles Gregg	75%	133%

The amount each executive actually receives depends on our performance against corporate, business unit and individual measures that are tied to our strategy and operating plans. The measures and weightings for each varies by executive. If performance is not achieved, the executive may receive no bonus. The Committee reviews the measures and weightings used for the annual bonus at the beginning of every year and believes annual bonus payouts are aligned with shareholder interests.

2025 Annual bonus

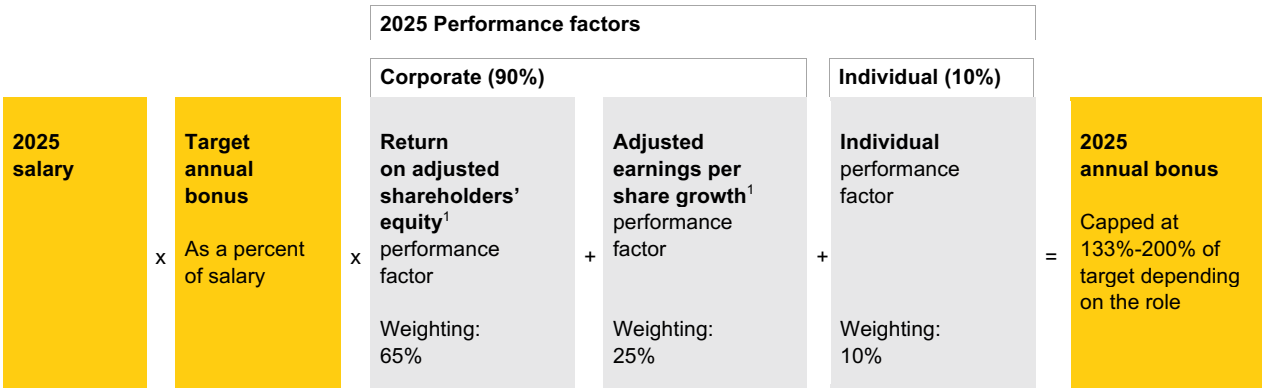
	2025 salary		**2025 target annual bonus** (% of salary)			**2025 Annual bonus**[1]	As a % of target
Michael McMillan	$900,000	x	133%	=	$1,197,000	$983,147	82%
John Doolittle	$550,000	x	100%	=	$550,000	$501,738	91%
Michael Cuddy	$448,000	x	85%	=	$380,800	$412,571	108%
Joel Couture	$456,000	x	85%	=	$387,600	$490,000	126%
Miles Gregg	$416,000	x	75%	=	$312,000	$362,000	116%

[1] Bonus includes cash and amounts the executive chose to receive in the form of DSUs.

How we calculated the 2025 annual bonus

The formula on the next page shows how we calculated the 2025 annual bonus for each of the named executives except Joel Couture and Miles Gregg, who are business unit leaders.

Michael McMillan, John Doolittle and Michael Cuddy's awards were based 90% on corporate performance and 10% on individual performance objectives. Joel Couture and Miles Gregg's awards were primarily based on the financial and operational performance of their respective business units and on their individual performance objectives, neither of which are disclosed for competitive reasons.



[1] These are not defined terms under GAAP and may not be comparable to similar measures used by other reporting issuers. Please see our 2025 annual report for more information about non-GAAP measures.

Corporate performance

Corporate performance was based on measures and targets that were tied to our strategy and operating plans: return on shareholders' equity and earnings per share growth.

Results below were approved by the Board following review and recommendation by the Committee. The Committee approved an adjustment to remove the positive impact on earnings of a one-time real estate gain, and to reduce the negative impact on earnings of non-cash amortization charges related to the acquisition of AVL Manufacturing Inc. The AVL adjustment was not applied to the CEO and CFO bonuses.

Return on adjusted shareholders' equity (65%)

Why we use it
Focuses executives on growth and building shareholder value and has been a key performance indicator for our corporate performance for over three decades.

The payout from this factor is zero if performance is below threshold.

Calculated as adjusted net earnings divided by opening shareholders' equity, after the adjustments noted above. Targets were set taking into account the performance of our peer group, and there is a built-in growth requirement as shareholders' equity increases.

How we calculated the 2025 performance factor for return on adjusted shareholders' equity

	Threshold	Target	Maximum
Return on shareholders' equity	8%	18%	23%

2025 actual
19.25%

Adjusted earnings per share growth (25%)

Why we use it
Further aligns executive compensation with the growth in our earnings and building shareholder value.

Calculated as the change in earnings per share from the previous year, after the adjustments noted above. Targets were set taking into account the performance of our peer group.

The payout from this factor is zero if performance is below threshold.

How we calculated the 2025 performance factor for adjusted earnings per share growth

	Threshold	Target	Maximum
Earnings per share growth	-10%	10%	20%

2025 actual
9.05%

Business unit performance

For business unit leaders, we assess business unit performance against strategic objectives established at the beginning of the year. These may include meeting certain financial measures for their respective business units such as return on assets and sales growth objectives or operational objectives such as safety, dealer relationship initiatives or other project execution.

We do not disclose any detail about our business unit objectives because they are strategically confidential. Disclosing this information could compromise our competitive position and seriously prejudice the company's interests.

Individual performance

The Committee approves individual objectives for corporate executives, including the named executives, at the beginning of every year. The CEO approves individual objectives for business unit leaders, but these are not disclosed for competitive reasons.

Individual objectives are tied to specific initiatives that vary every year depending on our annual strategy and operating plan. Measures include aspects of our sustainability initiatives such as health and safety results and the advancement of specific sustainability strategies, such as expansion of remanufacturing operations and sales of more sustainable products and services.

Other measures can include things like key project execution, leadership, succession planning, customer loyalty, relationships with key suppliers, risk management oversight and other factors the Committee has approved.

If a named executive meets his or her individual performance objectives, the performance factor is calculated at target (100%). The executive can earn up to the maximum performance factor if his or her performance significantly exceeds expectations, or below his or her target if not all performance expectations are fully met, including 0% for any particular individual objective.

The Committee has the discretion to increase or decrease individual bonuses. For example, additional bonuses may be paid to executives for extraordinary performance. The Board approves the final bonus for the CEO, and the Committee approves the bonuses for the other named executives.

Deferred share units (DSUs)

Certain key employees, including the named executives, can choose to receive some or all of their annual cash bonus as deferred share units (DSUs). This helps them increase their investment in Toromont by linking the amount they eventually receive to the performance of our shares.

We calculate the number of DSUs granted by dividing the amount of the bonus the holder has chosen to receive in DSUs by the volume weighted average closing price of a Toromont share on the TSX for the five trading days immediately before the grant date.

DSUs have been granted under the long-term incentive plan since April 28, 2022, and include the following features:

- are granted to key employees at the discretion of the Human Resources and Health and Safety Committee. Certain key employees, including the named executives, can choose to receive some or all of their annual cash bonus as DSUs, at the discretion of the Committee
- earn dividend equivalents in the form of additional units at the same rate as dividends paid on our shares
- vest on the day they are granted if received in lieu of cash bonus, but the Committee can choose the vesting date for any other grant of DSUs, and can specify that a grant of DSUs will vest incrementally over a period of time
- are settled in cash or shares, at the discretion of the Committee at the time of grant date, and paid out only after the holder retires or leaves Toromont. The current practice is to grant DSUs settled in shares.

DSUs granted before April 28, 2022 were issued under the DSU plan, which includes the following terms:

- the Board determines when DSUs are granted in lieu of bonus
- earn dividend equivalents in the form of additional units at the same rate as dividends paid on our shares
- can only be redeemed for cash after the holder retires or leaves Toromont.

We are no longer issuing DSUs under the DSU plan, except dividend equivalents on existing DSUs.

Equity incentives

Equity incentive awards are calculated as a percentage of salary that varies by executive.

Awards are allocated 50% to options and 50% to share-based awards. Executives do not receive the amount allocated to options if they have not met their minimum equity ownership requirement. See page 61 for more information about the option plan and page 62 for more information about the long-term incentive plan.

In 2024, we began awarding all equity incentives under the long-term incentive plan. Before then, options were awarded under the existing option plan, and share-based awards were issued under the long-term incentive plan.

Details about equity incentives

	Options	Performance share units	Restricted share units
Who participates	Named executives, other senior management and high potential employees.	Named executives and key senior management.	Other senior management and high potential employees.
Allocation	50% of the award is allocated to options. Executives will not receive this portion of their equity incentive award if they have not met their minimum equity ownership requirement (see *Equity ownership requirement* on the next page).	50% of the award for named executives and key senior management is allocated to PSUs. Before the grant date, executives can choose to receive EDSUs instead of PSUs to help them reach their minimum equity ownership requirement (see *Equity ownership requirement* on the next page).	50% of the award for other senior management and high potential employees is allocated to RSUs. Before the grant date, executives can choose to receive EDSUs instead of RSUs to help them reach their minimum equity ownership requirement (see *Equity ownership requirement* on the next page).
Awards	Awards are calculated as a percentage of salary. The CEO recommends equity incentive awards to the Committee. The Committee reviews the CEO's recommendations, and approves the final awards after considering: • individual and corporate performance • confirmation of minimum share ownership requirement (see *Equity ownership requirement* on the next page) • competitive market practices and levels for total compensation. The number of options granted is calculated using the grant date Black-Scholes value for options. The number of PSUs and RSUs granted is calculated using the market value of a Toromont share at the time of grant, as determined by the Committee.		
Dividend equivalents	Options do not earn dividend equivalents.	PSUs and RSUs are credited with additional units at the same rate as dividends paid on Toromont shares and subject to the same vesting conditions as the underlying units.	
Vesting	Options typically vest 20% per year over five years, starting on the first anniversary of the grant date. Unexercised options expire 10 years from the date of the grant.	PSUs generally vest three years from the grant date. The number of units that vest depends on our three-year performance against two equally weighted performance conditions that are set at the time of grant, aligned with our strategy and approved by the Committee. See page 53 for details.	RSUs generally vest three years from the grant date.

	Options	Performance share units	Restricted share units
Payout	The Board sets the exercise price at the time the option is granted, normally the volume weighted average trading price of Toromont shares on the TSX for the five trading days immediately before the grant date. If the grant date falls within a blackout period, the exercise price of each option will be the average trading price of Toromont shares on the TSX for the five trading days following the end of the blackout period, if higher than the calculation above. Subject to the discretion of the Board, a participant may elect to forfeit/dispose of options to the company for a cash payment equal to the difference between the fair market value and the exercise price of the options. Any such forfeited/disposed options will be cancelled.	Payouts are settled in shares issued from treasury. Alternatively, at the time of grant, the Committee can elect to settle payouts in cash. Cash payouts are calculated by multiplying the number of PSUs that vest by the market value of a Toromont share at the time of vesting.	Payouts are settled in shares issued from treasury. Alternatively, at the time of grant, the Committee can elect to settle payouts in cash. Cash payouts are calculated by multiplying the number of RSUs that vest by the market value of a Toromont share at the time of vesting.
Equity ownership requirement See page 45 for information about equity ownership requirements.	Executives are not eligible to receive options if they do not meet their minimum equity ownership requirement, taking into account the share accumulation period.	Until an executive has met their minimum equity ownership requirement, EDSUs are granted in lieu of PSUs. EDSUs have the same performance-vesting conditions as the corresponding PSUs, however payout is deferred until the executive's employment with Toromont ends, rather than at the time of vesting. Named executives can only use vested EDSUs to meet their equity ownership requirements. All other executives can use EDSUs to meet their equity ownership requirements.	Until an executive has met their minimum equity ownership requirement, EDSUs are granted in lieu of RSUs. EDSUs have the same vesting conditions as the corresponding RSUs, however payout is deferred until the executive's employment with Toromont ends, rather than at the time of vesting. Executives can use EDSUs to meet their equity ownership requirements.

See *Termination and change of control provisions* on page 65 for information about what happens to vested and unvested equity incentives when a named executive leaves Toromont.

2025 equity incentives

The 2025 equity incentive awards for the named executives were allocated 50% to options and 50% to PSUs. We calculated the number of options granted by dividing the dollar amount of the award by the Black-Scholes grant value (see page 57 for details). We calculated the number of PSUs granted by dividing the dollar amount of the award by $122.02, the five-day volume weighted average trading price of our common shares on the TSX at the time of grant.

	2025 salary		**Target equity incentive** As a percent of salary		**2025 equity incentive award**	**Allocation**			
						Options (50%)		Performance share units[1] (50%)	
						Award	Number of options	Award	Number of units
Michael McMillan[2]	$717,500	x	140%	=	$1,004,500	$502,250	20,483	$502,250	4,116
John Doolittle[2]	$490,000	x	125%	=	$612,500	$306,250	12,490	$306,250	2,510
Michael Cuddy	$448,000	x	105%	=	$470,400	$235,200	9,592	$235,200	1,928
Joel Couture	$456,000	x	100%	=	$456,000	$228,000	9,299	$228,000	1,869
Miles Gregg	$416,000	x	95%	=	$395,200	$197,600	8,059	$197,600	1,619

[1] Includes EDSUs received in lieu of PSUs. In 2025, Michael McMillan, John Doolittle and Joel Couture received their PSU awards in the form of EDSUs.
[2] The equity incentives for Mr. McMillan and Mr. Doolittle were calculated using their salaries before increases that were based on the peer group review by Hexarem in July 2025 (see page 47 for details).

Performance conditions for the 2025 PSU awards

Performance conditions for the 2025 PSU awards have not changed from previous years. The number of units that vest will depend on our three-year performance against two equally weighted performance conditions that were set at the time of grant, aligned with our strategy and approved by the Committee:

- three-year average relative TSR (compared to the S&P/TSX Composite Index, an established stock index selected because it aligns payouts with shareholder interests)
- three-year average return on capital employed (ROCE).

Vesting will range from 0% to a maximum of 200%. Relative TSR below the 25th percentile will result in a TSR score of 0%. ROCE below threshold performance will result in a ROCE score of 0%.

Payout of the 2023 PSUs

The 2023 PSUs vested on March 6, 2026 and were paid out in cash. The final number of units that vested was determined by the PSU performance factor, and the amount of the final payout was calculated using our share price at the time of vesting.

	[**Number of 2023 PSUs granted**[1]		**Additional units received as dividend equivalents**	] x	**PSU performance factor** (ranges from 0 to a cap of 2.0)	=	**Number of PSUs that vested**	x	**Share price on vesting** March 6, 2026	=	**Payout**
Michael McMillan	2,695	+	128	x	1.62	=	4,573	x	$199.61	=	$912,881
John Doolittle	–	+	–	x	–	=	–	x	–	=	–
Michael Cuddy	1,967	+	93	x	1.62	=	3,338	x	$199.61	=	$666,284
Joel Couture	1,620	+	77	x	1.62	=	2,749	x	$199.61	=	$548,745
Miles Gregg	1,668	+	79	x	1.62	=	2,831	x	$199.61	=	$565,004

[1] Includes EDSUs received in lieu of PSUs.

About the 2023 PSU performance factor

The three-year performance period for the 2023 PSUs was January 1, 2023 to December 31, 2025.

The 2023 PSU performance factor was calculated using the following equally-weighted performance measures. The measures and targets were set at the time of grant, aligned with our strategy and approved by the Committee. The Committee did not make any adjustments to the calculated result.

Three-year average relative total shareholder return (TSR) (compared to the S&P/TSX Composite Index, an established stock index selected because it aligns payouts with shareholder interests) **Score** 1.234 x 50% weighting **0.62**	+	**Three-year average return on capital employed (ROCE)** (aligns payouts with long-term value creation) **Score** 2.00 x 50% weighting **1.00**	=	**2023 PSU performance factor** **1.62**

Three-year average relative TSR (50%)

Calculated by comparing Toromont's three-year average relative TSR (cumulative share price appreciation plus dividends reinvested) to the performance of the S&P/TSX Composite Index over the same three-year period.

The payout from this factor is zero if performance is below the 25th percentile of the index.

	Threshold 25th percentile rank versus the index	**Target** 50th percentile rank versus the index	**Maximum** 75th percentile rank versus the index
Three-year TSR for the S&P/TSX Composite Index	17.9%	52.2%	117.5%

Toromont three-year TSR
78% (61.7th percentile rank)
Score = 1.234

Three-year average ROCE (50%)

Calculated as three-year average operating income divided by average capital employed, adjusted for certain one-time non-operating items. Targets were set taking into account the performance of our peer group.

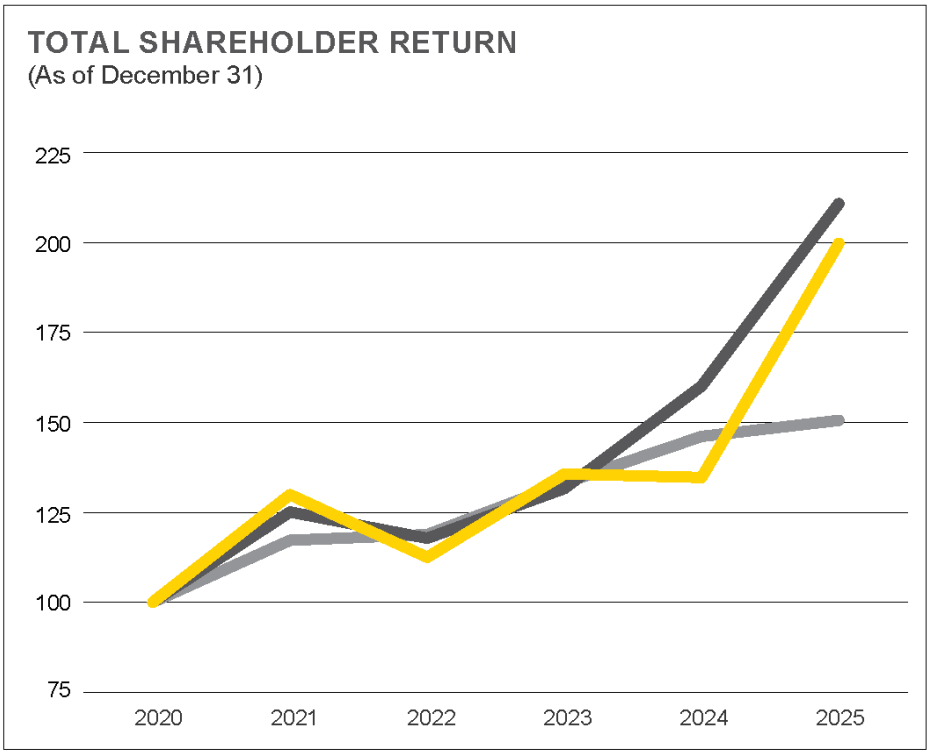
The payout from this factor is zero if performance is below threshold.

	Threshold	**Target**	**Maximum**
Three-year average ROCE	15.0%	20.0%	25.0%

Toromont three-year ROCE
26.5%
Score = 2.00

Building shareholder value

The graph below compares our total cumulative shareholder return over the past five years with the cumulative total return of the S&P/TSX Composite Total Return Index. It assumes $100 was invested in our shares and in the index on December 31, 2020, and that dividends were reinvested during the period.



as of December 31	2020	2021	2022	2023	2024	2025
Toromont (TIH)	$100.00	$129.46	$112.15	$135.29	$134.33	$199.34
S&P/TSX Composite Total Return Index	$100.00	$125.09	$117.78	$131.62	$160.12	$210.84
S&P/TSX Capped Industrials Index	$100.00	$117.20	$118.78	$133.16	$146.10	$150.56

Analyzing pay and performance

The table below illustrates that what we pay our executives is in line with our performance. It compares the total compensation paid to the named executives with our total shareholder return and return on shareholders' equity and growth in earnings per share, both of which are key performance measures in our compensation plans and our financial reporting. The total compensation paid to the named executives in 2025 represented 1.9% of our net income in 2025.

as of December 31	2021	2022	2023	2024	2025
Total compensation paid to the named executives ($ millions)	$8.8	$9.7	$10.6	$8.6	$9.3
Change in compensation paid to the named executives	25.2%	9.9%	9.2%	(19.2%)	9.0%
Total shareholder return	29.9%	(13.4)%	20.6%	(0.7)%	48.4%
Return on shareholders' equity	19.6%	23.5%	23.1%	19.2%	16.9%
Earnings per share growth	30.0%	37.0%	17.8%	(4.9)%	(1.1)%

For comparability year over year, we include the CEO and CFO and the three other most highly compensated named executives as of December 31 of each year.

Looking back at the CEO's compensation

The table below shows what our President and CEO, Michael McMillan earned in 2024 and 2025, and what these amounts were worth on December 31, 2025. We show only two years because he was appointed to the role as of October 15, 2023.

What the CEO earns over time (his *realized* pay) is directly linked to company performance and our share price. The value of both options and PSUs changes over time and is determined by our share price, in addition to performance measures attached to the PSUs. Toromont's shares increased in value in 2025, which increased the realized and realizable value of the CEO's compensation as of December 31, 2025, reinforcing the alignment between executive pay and shareholder value. See page 51 for more information about equity incentives.

Change in CEO compensation over time

Compensation year	CEO pay	Value as of December 31, 2025
2024	$2,793,074	$3,201,764
2025	$3,178,324	$3,764,385

CEO pay each year includes salary, annual bonus incentive, equity incentives, pension and other compensation the CEO received for the year, as reported in the summary compensation table in each year's circular.

Value as of December 31, 2025 includes salary, annual bonus, pension and other compensation, plus:

- the *realized* value of options that have already been exercised
- the *realizable* value of unvested PSUs and EDSUs received in lieu of PSUs, including dividend equivalents they have earned (assuming a performance multiplier of 1 for all unvested PSUs)
- the outstanding in-the-money options granted in the relevant compensation year (whether vested or unvested), using $166.05, the closing price of a Toromont share on the TSX on December 31, 2025.

COMPENSATION DETAILS

Summary compensation table

The table below shows the total compensation awarded to the named executives for the last three years ending December 31.

		Annual salary	Share-based awards	Option-based awards	Annual non-equity incentive plan compensation	Pension value	All other compensation	Total compensation
Michael McMillan[1] President and CEO as of October 15, 2023	2025	$898,461	$502,250	$502,250	$983,147	$240,992	$51,223	$3,178,323
	2024	$700,000	$490,056	$490,002	$884,539	$188,719	$39,758	$2,793,074
	2023	$528,558	$303,134	$303,129	$821,508	$128,882	$34,475	$2,119,686
John Doolittle[1] Executive Vice President and CFO as of October 15, 2023	2025	$549,423	$306,250	$306,250	$501,738	$114,811	$31,295	$1,809,767
	2024	$475,000	$296,886	$296,876	$460,370	$95,200	$23,502	$1,647,834
	2023	$105,962	–	–	$143,490	$9,837	$3,125	$262,414
Michael Cuddy Vice President and CIO	2025	$446,000	$235,200	$235,200	$412,571	$155,766	$22,931	$1,507,668
	2024	$432,923	$228,326	$228,368	$358,817	$159,587	$22,874	$1,430,895
	2023	$419,731	$221,248	$221,285	$520,763	$156,016	$20,947	$1,559,990
Joel Couture Chief Operating Officer, Toromont Cat	2025	$454,308	$228,000	$228,000	$490,000	$94,939	$26,608	$1,521,855
	2024	$443,462	$200,301	$200,258	$440,000	$91,129	$32,010	$1,407,160
	2023	$420,231	$182,218	$182,250	$486,000	$84,235	$25,909	$1,380,843
Miles Gregg President, Toromont Cat Construction Division	2025	$414,631	$197,600	$197,600	$362,000	$108,385	$29,050	$1,309,266
	2024	$404,308	$192,795	$192,847	$351,000	$108,126	$35,838	$1,284,913
	2023	$393,385	$187,617	$187,623	$385,000	$103,934	$32,276	$1,289,835

[1] On October 15, 2023, Mr. McMillan was promoted from the role of CFO, and Mr. Doolittle was hired as Executive Vice President and CFO to succeed Mr. McMillan.

Annual salary
Includes actual amounts received as salary. See page 47 for annual salary levels.

Share-based awards
Includes PSUs (including EDSUs received in lieu of PSUs) awarded under the long-term incentive plan, multiplied by the five-day volume weighted average trading price of our common shares on the TSX at the time of grant: $122.02 for 2025, $125.11 for 2024 and $112.48 for 2023.

Annual non-equity incentive plan awards
Includes the annual bonus awarded on February 23, 2026 (see page 48 for more information). The named executives can choose to receive DSUs instead of cash for some or all of their annual bonus (see page 50). For 2025, Mr. McMillan elected to receive 25% of his annual bonus in the form of DSUs. Mr. Doolittle elected to receive 100% of his annual bonus in the form of DSUs.

Pension value
Includes payments to the defined contribution plan and the supplemental employee retirement plan. Actual pension values are calculated to December 31, 2025, and actual supplemental employee retirement plan contributions as at December 31, 2025. See page 64 for more information about retirement plans.

Option-based awards
Includes options granted under the existing option plan (see page 51 for details). We use the Black-Scholes method to calculate the grant value of options because it is commonly used, accepted by the market and consistent with past practice. We used grant date fair values of $24.52 in 2025, $27.86 in 2024 and $24.20 in 2023 based on the following assumptions.

	2023	2024	2025
strike price	$112.48	$125.11	$122.02
expected life of option	4.94 years	5.0 years	5.0 years
expected stock price volatility	22.0%	22.0%	22.0%
expected dividend yield	1.53%	1.53%	1.70%
risk-free interest rate	3.40%	3.70%	2.89%

All other compensation
Includes executive medical, life insurance, club dues, consulting, car allowance, car maintenance and employer ESPP contributions.

Incentive plan awards

The table below shows all outstanding equity incentive awards as of December 31, 2025, including units earned as dividend equivalents.

The value of unexercised in-the-money options is the difference between the option's exercise price and $166.05, the closing price of a Toromont share on the TSX on December 31, 2025.

All share-based awards are PSUs or EDSUs the executive elected to receive in lieu of PSUs. The value of unvested share-based awards is calculated using $166.05, the closing price of a Toromont share on the TSX on December 31, 2025. For units where the performance period is not complete, we assumed a performance multiplier of 1. We used a performance multiplier of 1.62 for the 2023 PSU and EDSU grants because the performance period for these units is complete and the performance factor has been determined.

	Option-based awards					**Share-based awards**		
	Grant date	Number of securities underlying unexercised options	Exercise price	Expiration date	Value of unexercised in-the-money options	Number of units that have not vested	Market or payout value of unvested share-based awards not paid out or distributed	Market or payout value of vested share-based awards not paid out or distributed
Michael McMillan	August 11, 2020	49,911	$72.95	August 11, 2030	$4,646,714			
	May 26, 2021	31,548	$104.91	May 26, 2031	$1,928,845			
	August 15, 2022	13,260	$107.36	August 15, 2032	$778,229			
	March 6, 2023	12,526	$112.48	March 6, 2033	$671,018			
	March 8, 2024	17,588	$125.11	March 8, 2034	$720,053			
	March 10, 2025	20,483	$122.02	March 10, 2035	$901,866			
						12,734	$2,114,481	$0
John Doolittle	March 8, 2024	10,656	$125.11	March 8, 2034	$436,257			
	March 10, 2025	12,490	$122.02	March 10, 2035	$549,935			
						4,969	$825,102	$0
Michael Cuddy	July 26, 2016	10,000	$39.79	July 26, 2026	$1,262,600			
	August 29, 2017	30,000	$53.88	August 29, 2027	$3,365,100			
	July 24, 2018	35,000	$66.22	July 24, 2038	$3,494,050			
	July 24, 2019	35,000	$65.72	July 24, 2029	$3,511,550			
	August 11, 2020	36,335	$72.95	August 11, 2030	$3,382,789			
	May 26, 2021	23,044	$104.91	May 26, 2031	$1,408,910			
	August 15, 2022	9,665	$107.36	August 15, 2032	$567,239			
	March 6, 2023	9,144	$112.48	March 6, 2033	$489,844			
	March 8, 2024	8,197	$125.11	March 8, 2034	$335,585			
	March 10, 2025	9,592	$122.02	March 10, 2035	$422,336			
						7,147	$1,186,759	$0
Joel Couture	May 26, 2021	1,712	$104.91	May 26, 2031	$104,672			
	August 15, 2022	2,628	$107.36	August 15, 2032	$154,237			
	March 6, 2023	4,519	$112.48	March 6, 2033	$242,083			
	March 8, 2024	7,188	$125.11	March 8, 2034	$294,277			
	March 10, 2025	9,299	$122.02	March 10, 2035	$409,435			
						6,270	$1,041,134	$0
Miles Gregg	May 26, 2021	3,087	$104.91	May 26, 2031	$188,739			
	August 15, 2022	7,337	$107.36	August 15, 2032	$430,609			
	March 06, 2023	7,753	$112.48	March 6, 2033	$415,328			
	March 8, 2024	6,922	$125.11	March 8, 2034	$283,387			
	March 10, 2025	8,059	$122.02	March 10, 2035	$354,838			
						6,037	$ 1,002,444	$0

Incentive plan awards – value vested or earned during the year

The table below shows the value of each named executive's equity-based awards that vested in 2025 and their 2025 annual bonus. See pages 51 and 61 for more information about options and the long-term incentive plan.

The values in the table below are calculated as follows:

- option-based awards are the amount the named executive would have realized if the options that vested in 2025 had been exercised on the vesting date (the difference between the option's exercise price and the actual market price of a Toromont share on the TSX on the vesting date).
- share-based awards are the 2022 PSUs that vested on February 24, 2025 and paid out in cash.
- non-equity incentive plan compensation is the annual bonus each named executive was awarded for 2025, including DSUs the named executives chose to receive instead of cash for their annual bonus. See page 48 for more information.

	Option-based awards – value vested during the year	Share-based awards – value vested during the year	Non-equity incentive plan compensation – value earned during the year
Michael McMillan	$864,692	$490,796	$983,147
John Doolittle	$0	$0	$501,738
Michael Cuddy	$629,772	$357,705	$412,571
Joel Couture	$202,366	$242,990	$490,000
Miles Gregg	$371,005	$271,535	$362,000

Options exercised in 2025

The table below shows the options the named executives exercised in 2025. The gain is the difference between the exercise price of the option and the actual market price of a Toromont share on the TSX at the time the option was exercised (before taxes and expenses).

	Number of options exercised	Gain
Michael Cuddy	22,500	$2,216,425
Joel Couture	7,901	$400,219
Miles Gregg	16,344	$1,015,931

Accumulated holdings

The table below shows the number and value of the shares, DSUs, options and PSUs/EDSUs each executive owned as of December 31 of each year.

		Shares		DSUs		Options		PSUs/EDSUs		Total accumulated value
		Number	Value	Number	Value	Number	Value	Number	Value	
Michael McMillan	2025	5,990	$994,640	24,404	$4,052,284	145,316	$9,646,725	12,734	$2,114,481	$16,808,130
	2024	5,388	$612,292	14,988	$1,703,236	124,833	$2,404,096	9,578	$1,088,444	$5,808,068
	2023	4,758	$552,404	10,185	$1,182,479	107,245	$2,667,918	5,533	$642,381	$5,045,182
John Doolittle	2025	595	$98,800	4,981	$827,095	23,146	$986,191	4,969	$825,102	$2,737,188
	2024	241	$27,387	1,160	$131,813	10,656	$0	2,400	$272,736	$431,936
	2023	–	–	–	–	–	–	–	–	–
Michael Cuddy	2025	36,955	$6,136,378	12,622	$2,095,883	205,977	$18,240,003	7,147	$1,186,759	$27,659,023
	2024	35,599	$4,045,470	12,416	$1,410,954	218,885	$9,296,474	5,942	$675,249	$15,428,147
	2023	35,599	$4,133,044	12,231	$1,420,019	226,488	$11,070,076	4,036	$468,580	$17,091,719
Joel Couture	2025	6,662	$1,106,225	5,610	$931,541	25,346	$1,204,704	6,270	$1,041,134	$4,283,604
	2024	5,652	$642,293	3,544	$402,740	23,948	$139,223	4,694	$533,426	$1,717,683
	2023	4,323	$501,900	1,557	$180,768	27,385	$391,676	3,029	$351,667	$1,426,011
Miles Gregg	2025	24,390	$4,049,960	1,733	$287,765	33,158	$1,672,900	6,037	$1,002,444	$7,013,069
	2024	22,949	$2,607,924	1,705	$193,756	41,443	$352,542	4,848	$550,927	$3,705,150
	2023	22,523	$2,614,920	1,679	$194,932	58,521	$1,559,824	3,240	$376,164	$4,745,840

Shares
Includes shares executives own directly and through the employee share purchase plan. We calculated the value using the closing price of a Toromont share on the TSX on December 31: $166.05 for 2025, $113.64 for 2024 and $116.10 for 2023.

DSUs
Executives can choose to receive some or all of their annual bonus in DSUs instead of cash. DSUs can only be redeemed after the executive retires or leaves the company. We calculated the values using the closing price of a Toromont share on the TSX on December 31: $166.05 for 2025, $113.64 for 2024 and $116.10 for 2023. See page 50 for more information about DSUs.

Options
The value of unexercised in-the-money options is the difference between the option's exercise price and the closing price of a Toromont share on the TSX on December 31: $166.05 for 2025, $113.64 for 2024 and $116.10 for 2023.

PSUs
Includes PSUs granted under the long-term incentive plan (and EDSUs granted in lieu of PSUs), plus units earned as dividend equivalents. We calculated the value using the closing price of a Toromont share on the TSX on December 31: $166.05 for 2025, $113.64 for 2024 and $116.10 for 2023. For any units where the performance period is not complete, we assumed a performance multiplier of 1. We used a performance multiplier of 1.62 for the 2023 PSU and EDSU grants vesting on March 6, 2026 because the performance period for these units is completed and the performance factor has been determined.

More information about equity securities

Securities authorized for issue under the equity incentive plans

We are authorized to issue equity securities under the option plan and the long-term incentive plan. Both plans are administered by the Board. In 2024, we began awarding options under the long-term incentive plan and closed the option plan to new option grants.

Equity compensation plans approved by security holders as of February 28, 2026	Number of securities to be issued upon exercise of options, warrants and rights	Weighted average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Option plan (pre-2024)	880,048	$85.53	—
Options under the long-term incentive plan	330,886	$123.38	1,568,417
Other equity awards under the long-term incentive plan	102,793		527,651
Total	1,313,727		2,096,068

Burn rate, overhang and dilution

	Option plan			**Long-term incentive plan**		
as of December 31	2023	2024	2025	2023	2024	2025
Burn rate Total equity awards issued during the year, as a percentage of the weighted average of total Toromont shares outstanding	0.20%	0.20%	0.24%	0.07%	0.07%	0.08%
Overhang Outstanding equity awards plus the options available to grant, as a percentage of total Toromont shares outstanding	4.28%	3.93%	3.48%	0.91%	0.92%	0.92%
Dilution Outstanding equity awards, as a percentage of total Toromont shares outstanding	2.17%	1.79%	1.56%	0.13%	0.20%	0.25%

About the option plan (see page 51)

Plan limits

- Maximum number of Toromont shares that can be issued under the option plan: 7,000,000 (approximately 8.6% of total shares outstanding).
- Maximum number of Toromont shares that can be issued to any one participant: 5% of total shares outstanding on the grant date.
- Total number of Toromont shares that can be issued to insiders in any one-year period or that are issuable to insiders at any time under the option plan, together with any other securities-based compensation arrangement: 10% of total shares outstanding.
- Maximum number of Toromont shares that can be issued in any one calendar year: 1% of total shares outstanding at the beginning of that year.

Making changes to the plan

The Board can deduct withholding taxes and make changes to the plan that are administrative or housekeeping in nature without shareholder approval. Examples of the types of changes to the plan that the Board is entitled to make without shareholder approval include:

- amendments to ensure continuing compliance of the plan with applicable laws
- amendments to eliminate any ambiguity or correct any provisions that are incorrect or incompatible with the other provisions of the plan
- adding a cashless exercise feature which provides for a full deduction of the underlying shares from the plan reserve.

The Board needs shareholder approval to make any of the following changes to the plan:

- increase the number of shares available for issue under the plan
- reduce the exercise price of an option
- extend the term of an option
- change the number of shares that can be issued to insiders
- change certain amendment provisions of the plan
- expand the eligibility criteria and limits for participation that apply to non-employee directors under the option plan.

Other plan terms

- The treatment of options under the plan varies upon a participant ceasing to be an employee of the company, depending on the scenario giving rise to such cessation. Options automatically expire and are terminated if an employee is terminated for cause, whereas some or all of the options may be exercisable if employment ceases due to death, disability, retirement or upon a change of control of the company.
- Options are personal to each participant and may not be assigned or transferred.
- The plan will terminate on April 15, 2027 unless it is (i) discontinued earlier in accordance with its terms or (ii) renewed or further renewed from time to time by the Board for a period of time not to exceed three years.
- In 2024, we began awarding options under the long-term incentive plan and closed the existing option plan to new option grants.

About the long-term incentive plan (see page 51)

Plan limits

- Maximum number of Toromont shares that can be issued in respect of DSUs, EDSUs, PSUs and RSUs under the long-term incentive plan: 750,000 (approximately 0.9% of total shares outstanding).
- Total number of Toromont shares that can be issued to insiders in any one-year period or that are issuable to insiders at any time under the long-term incentive plan, together with any other securities-based compensation arrangement: 10% of total shares outstanding.

Making changes to the plan

The Board can deduct withholding taxes and make changes to the long-term incentive plan that are administrative or housekeeping in nature without shareholder approval. Examples of the types of changes to the long-term incentive plan that the Board is entitled to make without shareholder approval include:

- amendments to ensure continuing compliance of the plan with applicable law
- amendments related to the administration of the plan or to eliminate any ambiguity or correct any provisions that are incorrect or incompatible with any other provision of the plan
- amendments to ensure awards qualify for favourable treatment under applicable tax laws
- amendments to change the class of participants eligible to participate in the plan (except as noted below)
- amendments to impose restrictions on the sale, transfer or other disposal of shares by participants.

The Board needs shareholder approval to make any of the following changes to the long-term incentive plan:

- increase the number of shares available for issue under the plan
- change certain amendment provisions of the plan
- allow the grant of PSUs, EDSUs or RSUs to a non-executive director
- allow awards to be transferred or assigned.

Other plan terms

- The treatment of awards under the plan varies upon a participant ceasing to be an employee of the company, depending on the scenario giving rise to such cessation. RSUs, PSUS and EDSUs are automatically forfeited if an employee is terminated for cause, whereas some or all of the RSUs, PSUS and EDSUs may continue to vest and pay out if employment ceases due to death, disability, retirement or upon a change of control of the company. All DSUs vest as described on page 50.
- Awards are personal to each participant and may not be assigned or transferred other than for normal settlement purposes.
- The plan will remain in effect until it is terminated by the Board.
- In 2024, we began awarding options under the long-term incentive plan and closed the existing option plan to new option grants.

Retirement plans

Our defined contribution plan provides eligible employees with retirement benefits after they retire. We also offer a supplemental employee retirement plan for certain senior managers. The named executives participate in both plans.

Our normal contribution under the defined contribution plan is 10% of the supplemental plan participant's base salary, and 10% of their target bonus. The participant contributes 5% of his or her base salary until the maximum contribution is reached. Employer contributions vest after two years of membership in the supplemental plan.

We introduced the supplemental employee retirement plan in 2005 for normal employer contributions to the defined contribution plan that exceed the restrictions imposed by the *Income Tax Act* (Canada) in any given year. Interest income is credited to each individual's supplementary account at the end of each fiscal year, based on a rate of (a) the prior year's annual rate of increase in the consumer price index plus 4% or (b) 9% (whichever is lower), multiplied by the beginning account balance for the year. As the annual rate of increase in the consumer price index in the 2025 fiscal year was 2.4%, a rate of 6.4% was applied to the account balance for 2025.

Our total cost for the supplemental plan in 2025 was $1,283,149. The accrued liability under the supplemental plan was $7,077,026 as at December 31, 2025.

Defined contribution plan and supplemental plan table

The table below shows the retirement benefits for each named executive at the end of 2025.

	Accumulated value at beginning of year	Compensatory	Non-compensatory	Accumulated value at end of year
Michael McMillan	$683,869	$240,992	$56,619	$981,480
John Doolittle	$127,481	$114,811	$25,602	$267,894
Michael Cuddy	$2,426,709	$155,766	$48,759	$2,631,234
Joel Couture	$367,406	$94,939	$89,110	$551,455
Miles Gregg	$1,687,224	$108,385	$161,918	$1,957,527

Defined benefit plan

None of the named executives for 2025 were members of the defined benefit plan. The plan, which was acquired by Toromont through a predecessor business in 2017, is non-contributory, and provides eligible employees with retirement benefits after they retire. Members receive, at retirement age of 63, an annual pension that is equal to the product of 2% of their final average earnings and years of credited service. Early retirement is permitted with reduced pension starting from age 53. For valuation method and significant assumptions, please refer to note 24 of the audited consolidated financial statements for the year ending December 31, 2025, which can be found on our website at www.toromont.com.

Termination and change of control provisions

We do not have a formal severance policy, or employment or other agreements that provide for payments to executives if their employment is terminated. We do, however, have change of control agreements with the named executives (with the exception of Mr. Couture and Mr. Gregg) that provide for payments if employment is terminated under a change of control.

The table below is a summary of the terms under our current compensation plans if an executive stops working at Toromont. Turn to page 62 for a description of the effect of a termination of employment or change of control on awards granted under the long-term incentive plan.

	Voluntary Resignation	Retirement	Termination for cause	Termination without cause	Death or permanent disability	Double trigger change of control
DSUs[1]	Redeemed in full	Redeemed in full	Redeemed in full	Redeemed in full	Redeemed in full	Redeemed in full
Options	Vested options are exercisable and expire within 90 days Unvested options expire and are forfeited on the termination date	Unexercised options continue to vest and expire on their normal schedule	Vested and unvested options expire and are forfeited on the termination date	Vested options are exercisable and expire within 90 days Unvested options expire and are forfeited on the termination date	Unexercised options continue to vest and expire on their normal schedule	Unexercised options vest in full and all options are exercisable for 90 days after the termination date
PSUs and RSUs[2]	Vested awards are paid out on their normal schedule Unvested awards are forfeited on the termination date	Vested awards are paid out on their normal schedule Unvested awards continue to vest and are paid out on their normal schedule	Vested and unvested awards expire and are forfeited on the termination date	Vested awards are paid out on their normal schedule Unvested awards are forfeited on the termination date	On disability, vested awards are paid out on their normal schedule and unvested awards continue to vest and are paid out on their normal schedule On death, awards immediately vest and are paid out. PSUs assume a performance multiplier of one	All awards vest and are paid out on the termination date The PSU performance multiplier is determined by the Human Resources and Health and Safety Committee
Retirement benefits	Entitled to lump sum of accrued value in the defined contribution plan Entitled to supplemental plan benefit if in plan for two full years	Entitled to lump sum of accrued value in the defined contribution plan Entitled to supplemental plan benefit if in plan for two full years	Entitled to lump sum of accrued value in the defined contribution plan Supplemental plan benefit is forfeited	Entitled to lump sum of accrued value in the defined contribution plan Entitled to supplemental plan benefit if in plan for two full years	Entitled to lump sum of accrued value in the defined contribution plan Entitled to supplemental plan benefit if in plan for two full years	Entitled to lump sum of accrued value in the defined contribution plan and supplemental plan benefit as if termination date was two years after actual termination

[1] Includes DSUs received in lieu of cash bonus (see page 50).

[2] Includes EDSUs received in lieu of PSUs and RSUs (see page 52).

Benefits under the supplemental employee retirement benefits plan are forfeited if a participant discloses confidential information, or competes with a Toromont business, acts as a consultant to a firm that competes with us, or engages in any other activity that is prejudicial to our interests, without our prior consent.

About termination of employment under a change of control

We have a change of control agreement with our corporate officers, including each named executive (with the exception of Mr. Couture and Mr. Gregg). The agreements have five-year terms and are renewable.

The agreements are double trigger, where amounts are payable only if there is a change of control of Toromont *and* employment is terminated in certain circumstances:

- there is a change of control of Toromont *and* the executive's employment is terminated within three years other than for *just cause* or for retirement, *disability or death*
- there is a change of control of Toromont *and* the executive terminates their employment for *good reason*, or
- it can be demonstrated that prior to the change of control, the termination of employment was at the request of a third party who had taken steps reasonably calculated to effect or in anticipation of a change of control.

How we define change of control

There is a change of control if:

- an individual or group acquires Toromont securities or associated rights that attach voting rights sufficient to cast more than 35% of the votes to elect Toromont directors
- the incumbent directors no longer constitute a majority of the Toromont Board
- Toromont shareholders approve a transaction where the shareholders immediately before the transaction do not immediately after completion of the transaction hold shares entitling them to cast more than 50% of the votes attached to shares in the capital of the continuing corporation to elect directors of that corporation, or
- a liquidation, dissolution or winding up of Toromont or a sale, lease or other disposition of all or substantially all of our assets (other than to a subsidiary, or when the action does not result in a change in the ultimate shareholders of Toromont or the subsidiary).

Under the agreements, executives are entitled to an amount equal to compensation earned but not paid before the termination date *plus* two times the average total annual compensation (which includes bonus and benefits) for the previous 24 months. The executive will also be entitled to the pension benefits they would have been entitled to if employment had continued until normal retirement, death or two years following the date of termination (whichever is earlier). All unvested options vest automatically and are exercisable for 90 days after the termination. Under the terms of the long-term incentive plan, awards automatically vest and are paid out on termination. The PSU performance multiplier to calculate actual payout will be determined by the Human Resources and Health and Safety Committee but will not be less than one.

Just cause for dismissal arises if there is willful failure to perform duties, willful engagement in any act that is injurious to Toromont, or willful engagement in certain illegal acts.

Good reason arises if we:

- materially reduce or modify the executive's position, responsibilities or authority, or the executive is effectively prevented from carrying out duties
- reduce any form of compensation to the executive, adversely change the basis for determining the compensation or fail to increase their compensation in a manner consistent with our policies prior to a control change
- fail to continue any benefits, bonus, compensation plan, option plan or other purchase plan, life insurance, disability plan, pension plan or retirement plan that the executive is participating in or entitled to participate in prior to the control change, or fail to take action or take action that adversely affects these rights
- relocate the executive from the location of employment prior to the control change
- take action to deprive the executive of any material fringe or other benefit or entitlement enjoyed before the control change, or
- breach the change of control agreements.

Disability means an executive's failure to substantially perform his or her duties on a full-time basis for six months out of any 18-month period where the inability is a result of a physical or mental illness or disability.

The table below shows the estimated incremental amount of compensation that would be paid to each named executive according to their change of control agreement if employment had been terminated on December 31, 2025.

	Salary, bonus and benefits[1]	Pension benefits	Value of unvested in-the-money options	Value of unvested PSUs[2]	Total
Michael McMillan	$3,785,840	$481,984	$2,577,651	$2,114,481	$8,959,956
John Doolittle	$2,191,416	$229,622	$898,948	$825,102	$4,145,088
Michael Cuddy	$1,826,096	$311,532	$1,493,449	$1,186,759	$4,817,836

[1] Benefits valued at 20% of base salary.

[2] Includes EDSUs received in lieu of PSUs. For units where the performance period is not complete, we assumed a performance multiplier of 1. We used a performance multiplier of 1.62 for the 2023 PSU and EDSU grants because the performance period for these units is complete and the performance factor has been determined.

The amounts assume a share price of $166.05, the closing price of a Toromont share on the TSX on December 31, 2025. Actual amounts that would be paid to a named executive if there is a change of control may be different based on the timing of the trigger event.

The executive is entitled to payment from us within ten days of the termination (for salary, bonus and benefits plan).

If employment is terminated during a change of control because of retirement, death or disability, the executive or his or her family is entitled to receive the benefits that would have been provided by Toromont before the change of control.

OTHER INFORMATION

Loans to directors and officers

We generally do not provide loans to directors and officers. Any loans must be approved by the Board. We had no loans outstanding to a director or officer in 2025. As of March 6, 2026, we had no loans outstanding to a director or officer or any of their associates.

Directors' and officers' liability insurance

We provide liability insurance for our directors and officers with a policy limit of US$100 million per year and US$100 million per loss (including the Side A DIC (Difference In Conditions) Directors & Officers insurance policy described below). The policy has a deductible per occurrence of US$500,000.

Under the policy, Toromont is reimbursed for payments made under corporate indemnity provisions on behalf of the directors and officers for losses arising during the performance of their duties, and individual directors and officers are reimbursed for losses arising during the performance of their duties for which they are not indemnified by Toromont. Premiums allocated to the fiscal year ended December 31, 2025 were US$289,900, exclusive of taxes, all of which were paid by Toromont. Premiums are not allocated between directors and officers as separate groups. The Side A DIC policy coverage has a limit of US$50 million per occurrence for directors and officers.

APPENDIX A
BOARD OF DIRECTORS MANDATE

INTRODUCTION

The Board of Directors (the "Board") of Toromont Industries Ltd. (the "Company") operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. Management's discharge of its responsibilities is subject to continuing oversight by the Board. Subject to articles and by-laws of the Company, the Board retains the responsibility for managing its own affairs, including planning its composition, selecting its Chair, nominating candidates for election to the Board, appointing committees and determining director compensation. Its principal duties fall into six categories.

SELECTION OF THE MANAGEMENT

(a) The Board has the responsibility for the appointment and replacement of a CEO, for monitoring CEO performance, approving the corporate goals and objectives of the CEO, determining CEO compensation and providing advice and counsel in the execution of the CEO's duties.
(b) The Board has the responsibility for approving the appointment and remuneration of all corporate officers, taking into consideration, the recommendation of the CEO.
(c) The Board has the responsibility for oversight of management succession.
(d) The Board has the responsibility, to the extent feasible, to satisfy itself as to the integrity of the CEO and other senior officers and that such persons create a culture of integrity throughout the Company.

MONITORING AND ACTING

(a) The Board has the responsibility to approve annual capital and operating plans, to monitor the Company's performance against these plans and to revise and alter its direction through management in light of changing circumstances.
(b) The Board has the responsibility to take action when performance falls short of its goal or other special circumstances warrant (for example, mergers and acquisitions or changes in control).
(c) The Board has the responsibility for approving any payment of dividends to shareholders and other activities and transactions as specified by corporate law.
(d) The Board retains ultimate responsibility for overall enterprise risk management and monitors on a periodic, regular basis management's identification and assessment of the principal business risks facing the Company and keeps informed of how these risks are being handled by management, including through the implementation of appropriate controls.
(e) The Board has the responsibility to oversee the integrity of the Company's internal control and management information systems.

STRATEGY DETERMINATION

The Board has the responsibility to oversee the development by management of the mission of the business, its objectives and goals, and the strategy by which it proposes to reach those goals.

POLICIES AND PROCEDURES

(a) The Board has the responsibility to approve and monitor compliance with all significant policies and procedures by which the Company is operated.
(b) The Board has a particular responsibility to oversee the Company's compliance with applicable laws and regulations, and the operation of its business in accordance with appropriate ethical standards. To this end, the Company has adopted a Code of Conduct. Only the Board may grant waivers under the Code of Conduct.
(c) The Board is responsible for developing the Company's approach to corporate governance, including developing a set of corporate governance principles, guidelines and policies.

REPORTING TO SHAREHOLDERS

(a) The Board has the responsibility for adopting a communication policy including overseeing financial reporting to shareholders, other security holders and regulators on a timely and regular basis.
(b) The Board has the responsibility for ensuring the timely reporting of any other developments that have a significant and material impact on the value of the Company.
(c) The Board has the responsibility for reporting annually to shareholders on sustainability matters for the preceding year as required by law.
(d) Shareholders shall be entitled to provide feedback to the Company and the Board through mail addressed to the Chair, at the Company's head office, email through our website at www.toromont.com or through the Company's Compliance hotline.

LEGAL REQUIREMENTS

(a) The Board is responsible for overseeing compliance with legal requirements.
(b) Canadian law identifies the following as the standards for the proper discharge of the Board's responsibilities:
    i. to manage or supervise the management of the business and affairs of the Company.
    ii. to act honestly and in good faith with a view to the best interests of the Company.
    iii. to exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances.
    iv. to act in accordance with its obligations contained in the *Canada Business Corporations Act*, the Securities Act of each Province and territory of Canada, other relevant legislation and regulations, and the Company's articles and by-laws.
(c) In particular, it should be noted that the following matters must be considered by the Board as a whole and may not be delegated to a Committee:
    v. any submission to the shareholders of a question or matter requiring the approval of the shareholders;
    vi. the filling of a vacancy among the Directors;
    vii. terms on which securities may be issued and the declaration of dividends;
    viii. the purchase, redemption or any other form of acquisition of shares issued by the Company;
    ix. the payment of a commission to any person in consideration of the purchase or agreement to purchase shares of the Company from the Company;
    x. the approval of management proxy circulars;
    xi. the approval of any take-over bid circular or directors' circular;
    xii. the approval of the financial statements of the Company to be submitted to shareholders;
    xiii. the adoption, amendment or repeal of by-laws of the Company.

ADDITIONAL EXPECTATIONS OF BOARD MEMBERS

In addition to the responsibilities and duties described above, there are additional expectations of the Company's Directors including the following:

(a) Board members are expected to maintain the highest personal and professional values, integrity and ethics. This shall include compliance with the Company's Code of Conduct.
(b) Board members are expected to bring a probing and objective perspective to the Board and be prepared to challenge management.
(c) Board members are expected to attend all Board and Committee meetings (as applicable) and devote the necessary time and attention to Board matters. This shall include the advance review of materials to be adequately prepared for Board meetings and keeping informed about the Company's business and relevant developments outside the Company that affect its business.
(d) Independent Board members are expected to sit on at least one Board Committee.

Directors are expected to own shares in the Company equivalent to at least three times the annual director retainer fee within five years of election as a Director.

This Mandate shall be reviewed and reassessed annually.

October 2025

APPENDIX B
HUMAN RESOURCES AND HEALTH & SAFETY COMMITTEE MANDATE

The Board of Directors (the “Board”) of Toromont Industries Ltd. (the “Company”) has established a Human Resources and Health & Safety Committee (the “Committee”) of the Board to be constituted by independent Directors (as defined by applicable legislation).

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 be comprised of at least three Directors.

The roles and responsibilities of the Committee are in conjunction and collaboration with the Mandates of the Board and its other committees, including the Governance and Sustainability Committee and Audit Committee.

Principal responsibilities include compensation of executive officers and other senior management, short and long-term incentive programs, pension and other benefit plans, executive officer appointments, evaluation of performance of the CEO, succession planning, executive development, and health and safety.

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 determine the following and report to the Board:
(a) salaries, bonus pools and bonus allocations, and benefits for the Officers of the Company and employees who report to the CEO (except for the compensation of the CEO which shall be approved by the Board); and
(b) performance of the CEO.

The Committee shall present the following to the Board for approval:
(a) Officer appointments;
(b) schedule of long-term incentive plan grants for all recipients;
(c) management recommendations for pension plans and the administration of pension plans; and
(d) report of the Committee for the annual Management Information Circular and any other executive compensation disclosure.

The Committee will monitor, review with management and discuss with the Board:
(a) succession planning and leadership development;
(b) employee culture and engagement;
(c) health and safety;
(d) Code of Conduct (and material non-financial related breaches of the Code); and
(e) diversity, equity and inclusion initiatives and achievements.

The Committee shall meet at least twice annually or on any such dates that the Chair shall determine.

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

The Committee will report on its activities to the Board at least annually.

October 2025

TOROMONT

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