

2024 FINNING INTERNATIONAL INC.

# MANAGEMENT PROXY CIRCULAR

---

NOTICE OF ANNUAL MEETING



**FINNING**

# Notice of 2024 annual meeting

You're invited to Finning International Inc.'s annual meeting of shareholders.

When	Where
Tuesday, May 7, 2024 2:00 p.m. Pacific time	Saltspring Island Room, Fairmont Hotel Vancouver 900 West Georgia Street Vancouver, British Columbia

You're entitled to receive notice of and to vote at the meeting if you held your common shares at the close of business on March 14, 2024 (the record date).

You can vote by proxy or in person at the meeting. Shareholders who are not attending the meeting in person will have the opportunity to listen to the meeting through a live audio-only webcast. Shareholders who join the audio webcast will be able to listen to the meeting but will not be able to ask questions or vote. The audio webcast can be accessed on our website at:

[https://www.finning.com/en\\_CA/company/investors.html](https://www.finning.com/en_CA/company/investors.html), directly through the following link: [Finning 2024 Annual Meeting Audio Webcast](#) or by telephone: +1 (403) 910-7222 (Calgary, Canada toll) or (855) 335-8453 (Canada toll-free) Conference ID: 488 552 152#. Registered and non-registered shareholders are encouraged to vote their shares prior to the meeting by returning their proxy form or voting instruction form, voting online or using the toll-free telephone number set out on the proxy or voting instruction form.

The management proxy circular prepared for the meeting provides details about the items of business and other important information to help you decide how to vote your shares.

**At the meeting, shareholders will:**

1. Receive the consolidated financial statements for the year ended December 31, 2023 and the auditor's report
2. Appoint the auditor and authorize the directors to set the auditor's fees
3. Participate in our advisory vote on executive pay
4. Elect directors

By order of the board of directors,

*/s/ Dori Assaly*

Dori Assaly  
Senior Legal Counsel and Corporate Secretary

Surrey, British Columbia  
March 14, 2024

## Meeting Materials

We are using notice and access to deliver meeting-related materials to registered and non-registered (beneficial) holders of our common shares. This means the management proxy circular is posted online rather than being mailed out.

Shareholders will still receive by mail a form of proxy or a voting instruction form to vote their shares, together with a notice explaining how to access the management proxy circular electronically.

The management proxy circular can be viewed on our website ([www.finning.com/governance](http://www.finning.com/governance)) or on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

If you would like to receive a printed copy, please call 1-888-346-6464 and we will send you one free of charge.

If you have given us instructions to send you a printed copy of meeting-related materials, your management proxy circular is attached to this notice.

# Message to shareholders



**Harold N. Kvisle**  
Board Chair



**Kevin Parkes**  
President and Chief Executive Officer

## Fellow shareholders,

On behalf of the board of directors and leadership team of Finning International Inc., we invite you to attend our 2024 annual meeting, which will be held on May 7, 2024, at the Saltspring Island Room, Fairmont Hotel Vancouver, 900 West Georgia Street, Vancouver, BC beginning at 2:00 p.m. Pacific time. For shareholders who are not attending the meeting in person, a live audio-only webcast will be available to listen to the meeting. Anyone attending the audio-only webcast will be able to hear the meeting proceedings and view presentations but will not be able to ask questions or vote. We encourage shareholders to vote their shares in advance of the meeting by proxy. For details on how to vote and how to access the audio-only webcast, see pages 12 and 11, respectively.

At the meeting, shareholders will vote on the appointment of our auditor and the election of directors and will be able to participate in an advisory vote on executive compensation. For details on 2023 executive compensation, see page 55. Please take the time to review the enclosed management proxy circular to ensure that you are fully informed about these matters before casting your vote.

2023 was a strong year for Finning as we continued to deliver unparalleled service to our customers, prioritize the safety of our people and support the communities around us. The sustainable engagement score in our latest employee experience survey increased, showing a rise in morale, motivation, and belief in what we do here at Finning. Our success relies on our dedicated people, whose passion for their work, customers, and communities drives us to achieve strong financial performance while upholding our commitments responsibly.

We continue to emphasize building a workplace culture that keeps safety top of mind, and we are focused on preventing serious injuries and fatalities and partnering with industry experts like Dupont Safety Services and Energy Safety Canada to develop programming focused on the maintenance and servicing of heavy equipment, mobile equipment and critical hazard management.

In response to the increasing number of product support contracts and high demand for rebuilds, we have expanded our team by welcoming additional specialized technicians and mechanics. We currently employ approximately 5,500 technicians globally. We are also working on advancing STEM education for women and girls and gender balance in the workplace. We've committed to BHP to achieve 50% female representation at their Escondida mine by 2025, and we're making steady progress towards meeting this goal.

We also made targeted investments in our facilities to better serve our customers. In Canada, we opened a state-of-the-art facility in Kamloops with six new bays that allow us to work concurrently on multiple machines. In Chile, we continued to expand our capabilities and optimize our mining services footprint in Antofagasta with the relocation of our service operation to our La Negra facilities.

We continue working with our customers to help them decarbonize their operations by providing low-emission equipment, optimize their fuel usage through data and digital tools, and switch to lower carbon sources of fuel, including compressed natural gas (CNG), renewable natural gas (RNG), and renewable diesel. In our own operations, we are working with utilities in our regions to source carbon-free energy, which is helping us work to meet our goal to reduce our absolute Scope 1 and 2 greenhouse gas emissions by 40% by 2027 from our 2017 baseline.

In September 2023, we held our Investor Day in Antofagasta, Chile, where we presented our refreshed strategy. The strategy builds on our success and focuses on the following priorities: drive product support, full-cycle resilience, and sustainable growth. Importantly, we are committed to providing a safe, secure, and prosperous place to work, and empowering our people to make decisions that build long-term customer loyalty. Looking ahead, 2024 will be a year

of execution, with a focus on greater security and certainty for our people, continued support for our customers, a strong partnership with Caterpillar, and reliable returns for our investors.

At our annual meeting, shareholders will elect thirteen directors to the board. On behalf of the board and management, we would like to thank Nicholas Hartery, who will be retiring at this annual meeting, for his ten years of dedicated board service. You can read more about our thirteen director nominees beginning at page 21.

We look forward to welcoming you to our annual meeting on May 7, 2024. For more information about Finning, including our latest online, interactive Sustainability Report, please visit our website at [https://www.finning.com/en\\_CA/company.html](https://www.finning.com/en_CA/company.html).

# Proxy summary

This summary provides key information about our upcoming shareholder meeting and the items of business. You'll find detailed information in this management proxy circular – we encourage you to read it to help you decide how to vote your shares.

## 2024 Meeting details

When	Where
Tuesday, May 7, 2024 2:00 p.m. Pacific time	Saltspring Island Room, Fairmont Hotel Vancouver 900 West Georgia Street Vancouver, British Columbia

Items to be voted on	Management's voting recommendations
Appoint the auditor	FOR the appointment of Deloitte LLP as auditor Page 16
Advisory vote on executive pay	FOR our approach to executive pay Page 17
Elect directors	FOR each nominated director Page 18

**You can vote your shares in person at the meeting or by proxy. See page 12 to read about how to vote your shares.**

## Finning at a glance

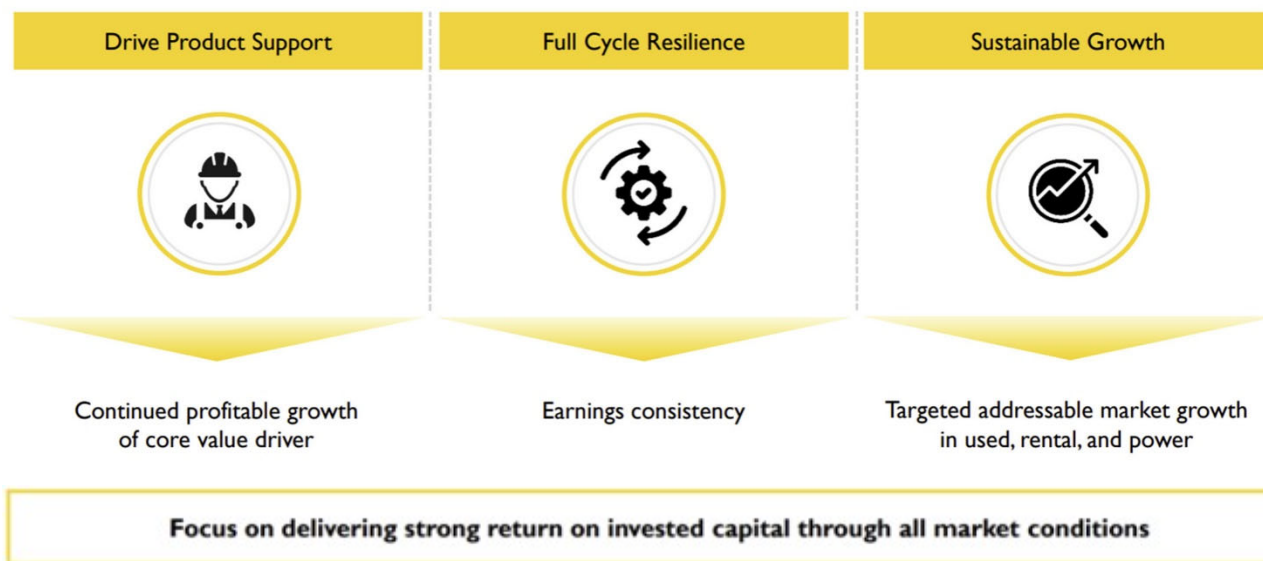
Finning International Inc. (FTT:TSX) is the world's largest Caterpillar dealer. We sell, rent and provide parts and service and performance solutions for equipment and engines to customers in mining, construction, oil and gas, forestry, and a wide range of power systems applications. We have delivered unrivalled customer service since 1933, and are trusted partners in transforming our customers' performance.

Based in Surrey, British Columbia, Canada, Finning employed over 14,900 people worldwide as of the end of 2023. Finning operates in Western Canada, Chile, Argentina, Bolivia, the United Kingdom and Ireland. Finning's mobile on-site refuelling business, 4Refuel, operates in most provinces in Canada, as well as in Texas, USA.

## Strategic priorities

Our refreshed go-forward strategy, announced at our 2023 Investor Day, builds on our success and focuses on the following priorities: drive product support, full-cycle resilience, and sustainable growth.

We are committed to providing a safe, secure and prosperous place to work, and empowering our people to make decisions which build long-term customer loyalty. Our go-forward strategy is focused on generating long-term value for our customers, employees, and shareholders.



**Driving product support** remains our primary strategic objective. Product support is our key value driver and remains by far our largest opportunity for resilient, profitable growth. We are working to capture a greater share of product support across the full asset life cycle through further growth in customer value agreements, expanding our rebuild business, and continuing to strategically grow our equipment population.

**Full cycle resilience** will enable us to deliver more reliable and consistent earnings through all market conditions. We are continuing to optimize and variabilize our cost structure. We are also implementing initiatives that increase our invested capital velocity while concurrently improving customer service levels. These initiatives include an increased focus on inventory management as well as review and exit of lower return on invested capital (ROIC) activities and investments.

We are building a **sustainable growth platform** from our core business and expanding our addressable market in used equipment, rental, and power systems. These segments are resilient and strategically important and growing them will increase our equipment population and help us drive additional product support growth.

All three elements of our refreshed go-forward strategy are integrated and designed to drive a fundamentally improved range of ROIC and earnings capacity through all market conditions.

## Our 2023 performance

We are very proud of our team as we delivered strong results and performance in 2023. We achieved 17% growth in product support revenue and won strategically important business to set the foundation for sustainable growth in future years. We delivered Adjusted earnings per share (EPS) of \$3.91, an all-time high, and further strengthened our earnings capacity. Our 2023 Adjusted ROIC was 20.0%. We also made good progress in growing our used, rental, and power systems businesses. We ended the year with positive free cash flow and a strong balance sheet. We are grateful to our employees for their commitment and contribution to a record year. Our focus in 2024 is on executing our strategic plan, demonstrating the new earnings power of the business by growing product support, building full cycle resilience by unlocking invested capital, and delivering sustainable growth in rental, used, and power systems.

<b>Financial highlights</b> (as at and years ended December 31)	<b>2023</b>	<b>2022</b>
Revenue	\$10.5 billion	\$9.3 billion
Net revenue <sup>1</sup>	\$9.5 billion	\$8.2 billion
Free cash flow generation (use of cash) <sup>2</sup>	\$66 million	\$(170) million
Earnings before finance costs and income taxes (EBIT)	\$910 million	\$768 million
Basic EPS	\$3.55	\$3.25
Adjusted EBIT <sup>2,3</sup>	\$942 million	\$768 million
Adjusted basic EPS <sup>1,3</sup>	\$3.91	\$3.25
Adjusted ROIC <sup>1,3</sup>	20.0%	18.7%
Net Debt to Adjusted Earnings before finance costs, income tax, depreciation and amortization (EBITDA) <sup>1,3</sup>	1.7	1.6
<b>Operational highlights</b> (as at December 31)	<b>2023</b>	<b>2022</b>
Total injury frequency <sup>4</sup>	1.29	1.36
Total recordable injury frequency <sup>4</sup>	0.57	0.51

You can read more about our performance and the impact it had on 2023 executive pay beginning on page 55.

Notes:

- 1 These are specified financial measures. Please see page 95 for more information about these financial measures.
- 2 These are non-GAAP financial measures. See page 95 for more information about these financial measures.
- 3 Certain financial measures were impacted by significant items management does not consider indicative of operational and financial trends either by nature or amount; these significant items are described on page 5 of the company's 2023 MD&A. The financial measures that have been adjusted to take these significant items into account are referred to as "Adjusted measures".
- 4 Figures represent cases per 200,000 exposure hours and do not include 4Refuel.

## Compensation highlights

We believe in the importance of aligning executive compensation with business results and shareholder interests.

### Compensation principles

Our executive compensation philosophy is driven by nine core principles designed to align executive pay with our overall business strategy.

These core principles have been developed within the context of the executive compensation principles set out by the Canadian Coalition for Good Governance, and philosophical concepts that are specific to our business. While actual performance targets and metrics may vary from year to year, the following principles relating to the program remain consistent.

- 1 Focus the executive team on building shareholder value
- 2 Link executive compensation and performance
- 3 Designate a significant portion of executive compensation to at-risk pay
- 4 Focus the executive team on building the business over the medium and longer term
- 5 Focus the executive team on employee health and safety
- 6 Establish an incentive structure that is straightforward and easy to understand
- 7 Focus the incentive structure on quantitative metrics
- 8 Encourage and reward the executive team for teamwork
- 9 Develop compensation programs that do not encourage inappropriate risk-taking

In conjunction with our refreshed strategy announced at our Investor Day in September 2023, starting in 2024 these core principles will be updated to add a focus on sustainable growth and resilience.

Strong oversight ensures we adhere to incentive plan policies and limits. We have robust share ownership requirements to align the interests of our executives and shareholders and our clawback policy applies to all Finning officers.

You can read more about compensation governance at Finning beginning on page 60.

### 2023 executive compensation

Our 2023 named executives are Kevin Parkes, President and Chief Executive Officer (President and CEO), Greg Palaschuk, Executive Vice President and Chief Financial Officer (CFO), David Primrose, President, Finning (Canada), Juan Pablo Amar, President, Finning South America, and Tim Ferwerda, Managing Director, Finning UK and Ireland.

Strong 2023 financial results resulted in above target short-term incentive plan awards for our named executives. Base salary for Mr. Parkes in 2023 was unchanged from the base salary set when he was appointed President and CEO in November 2022. To improve alignment with the 50<sup>th</sup> percentile of our compensation peer group, base salaries increased by 6% overall for our other named executives and the total value of long-term incentives awarded to our CEO and other named executives increased compared to 2022.

You can read more about 2023 compensation decisions impacting our named executives beginning on page 66.

We welcome shareholder input regarding our compensation programs. We are holding an advisory vote on executive pay at our 2024 annual meeting of shareholders. See page 17 for details.



## Governance highlights

We believe that high governance standards are essential to operating effectively and enhancing shareholder value.

### Governance practices

The Finning name continues to convey integrity, reliability and resourcefulness. Our rigorous standards of business conduct are a key reason why employees work for us, customers and suppliers partner with us and shareholders invest in us.

- 1 Our code of conduct applies to everyone at Finning
  - 2 All but one of our directors are independent and the Board Chair and CEO are separate roles
  - 3 We have a board inclusion and diversity policy which specifically considers the representation of women on the board as well as other designated groups
  - 4 We have a flat-fee structure for director compensation
  - 5 We have written mandates and position descriptions for the board, committees, Board Chair, committee chairs and the President and CEO
  - 6 The board and committees can retain independent advisors, as appropriate
  - 7 We have a comprehensive board assessment process
  - 8 Directors and executives must meet robust share ownership requirements
  - 9 We value diversity at all levels of the organization and have a global inclusion and diversity strategy
- You can read more about corporate governance at Finning beginning on page 36.

### We're recognized globally

We received a number of recognitions and awards in 2023:

#### Canada

- Recipient of HRDC 5-Star Diversity, Equity and Inclusion Employers
- Women Building Futures, Employer of Choice
- 4ReFuel was recognized as Top Fleet Employer, Great Place to Work Certified, Best Workplaces for Women, Canada's Safest Employer – Logistics and Supply Chain, and received the Texas Mutual Platinum Safety Partner Award

#### South America

- Earned "Category A" status from Pride Connection, recognizing us as change agents and promoters of diversity and inclusion transformation
- Awarded by the National Service for Training and Employment (Sence Antofagasta) for ongoing contributions to education and training of workers in the community
- Recognized by Best WorkPlaces 2023, in Mining and Energy in Chile (second place)
- Recognized by the Inspiring Girls Foundation: Companies that Inspire in Chile, for STEM Communities program with a gender focus
- Awarded by INACAP for contributing to the development of technical training in Chile
- Recognized by BHP Escondida for our participation in the Local Employment Program, giving local women the opportunity to join the mining industry

#### United Kingdom

- Winner of The Royal Society for the Prevention of Accidents (RoSPA) – Engineering Services Industry (outstanding performance in health and safety)

#### Global

- Sustainability ranked Finning #3 among global traders and distributors as part of the 2023 Top-Rated ESG Companies List

### We value sustainability

Finning:

- continues to focus on employee safety and achieved a sustained reduction trend of incident frequency, including incidents with high potential for serious injury or a fatality
- is a member of the 30% Club Canada, an initiative that encourages companies to aim for at least 30% female representation on corporate boards and at the executive management level
- is a signatory of the Catalyst Accord 2022, which calls on Canadian boards and CEOs to pledge to accelerate the advancement of women in business
- is a signatory of the Minerva Pledge, which calls on companies to create opportunities that support women's advancement and leadership within their own organizations and communities
- is focused on eliminating the gender pay gap, through proactive analytics and interventions in talent acquisition and management processes
- invests in STEM education for youth in our communities and collaborates with local government, customers, and union and industry partners to improve the representation of women in mining in our territories globally
- has established Indigenous Guiding Principles, in support of truth and reconciliation efforts in Canada, and continues to work to build equitable and inclusive relationships with our Indigenous employees and partners
- signed both the B.C. Business Council's and the Business Council of Canada's statements against racism
- is a member of Pride at Work Canada
- invests in our physical and digital workplaces to ensure accessibility for our employees, customers and suppliers
- continues to work towards our target to reduce our absolute scope 1 and 2 greenhouse gas (GHG) emissions by 40% by 2027 from a 2017 baseline
- has published an annual sustainability report since 2017. Our latest report, which is aligned with the Task Force on Climate-related Financial Disclosures and the Sustainability Accounting Standards Board, is available on our website ([www.finning.com](http://www.finning.com))

---

## What's inside this management proxy circular

<b>1. How to vote</b> .....	<b>12</b>	<b>5. Executive compensation</b> .....	<b>55</b>
<b>2. Business of the meeting</b> .....	<b>16</b>	<b>Message from the Board Chair and chair of the human resources committee</b> .....	<b>56</b>
<b>3. About the nominated directors</b> .....	<b>19</b>	• Compensation principles.....	58
• Director profiles.....	21	• What we do and don't do .....	59
• Committee reports .....	28	• Compensation governance .....	60
<b>4. Corporate governance</b> .....	<b>36</b>	• Decision-making process.....	61
<b>About the Finning board</b> .....	<b>37</b>	• Share ownership .....	62
• Board independence.....	38	<b>Compensation discussion and analysis</b> .....	<b>63</b>
• Key priorities .....	39	• Philosophy and approach .....	63
• Sustainability.....	42	• Benchmarking and peer group.....	64
• Inclusion and diversity at Finning .....	42	• Compensation program .....	65
• Communications and engagement.....	44	• Executive compensation decisions for 2023.....	66
• Director compensation.....	45	• Pension, perquisites, and other benefits.....	73
<b>Our expectations of directors</b> .....	<b>48</b>	• CEO performance highlights and compensation .....	75
• Ethical business conduct .....	48	• Share performance and executive compensation .....	81
• Share ownership.....	48	<b>Executive compensation details</b> .....	<b>83</b>
• Attendance.....	49	• Summary compensation table .....	83
• Serving on other boards .....	50	• Incentive plan awards .....	85
• Skills and development.....	50	• Equity compensation plan information.....	87
• Retirement and term limits.....	54	• Pension plans.....	88
		• Termination and change-in-control .....	89
		<b>6. Other information</b> .....	<b>94</b>
		• Directors' and officers' insurance.....	94
		• Loans to directors and officers.....	94
		• Normal course issuer bid .....	94
		• For more information.....	94
		• Description of specified financial measures.....	95
		• Forward-looking information disclaimer .....	98
		<b>7. Appendices</b> .....	<b>100</b>
		• Appendix A – National Instrument 58-101 – Disclosure of Corporate Governance Practices.....	100
		• Appendix B – Canada Business Corporations Act – Diversity Disclosure.....	104
		• Appendix C – Finning International Inc. Terms of Reference for the Board of Directors .....	107
		• Appendix D – Withdrawn Shareholder Proposal .....	110



## Management proxy circular

You've received this management proxy circular because you are entitled to vote at Finning's 2024 annual meeting of shareholders.

### Who can vote

You can vote your shares if you owned your shares at the close of business on March 14, 2024 (the record date). Each Finning share carries one vote.

### How to vote

There are different ways to vote, depending on whether you're a registered or non-registered (beneficial) shareholder. See page 12 for details.

### 2024 meeting details

<b>When</b> Tuesday, May 7, 2024 2:00 p.m. Pacific time	<b>Where</b> Saltspring Island Room, Fairmont Hotel Vancouver 900 West Georgia Street Vancouver, British Columbia
---	---

At the meeting, shareholders will have a right to ask questions, and to vote on a number of important matters. We encourage shareholders to vote their shares prior to the meeting by returning their proxy form or voting instruction form by mail, online or using the toll-free telephone number set out on the proxy or voting instruction form. Other members of the public can attend the meeting at the discretion of the chair of the meeting but are not able to vote or ask questions.

Shareholders who are not attending the meeting in person have the opportunity to listen to the meeting through a live audio-only webcast. Shareholders who join the audio webcast will be able to listen to the meeting and view the presentations but will not be able to ask questions or vote. Access to the audio webcast on our website can be found at: [https://www.finning.com/en\\_CA/company/investors.html](https://www.finning.com/en_CA/company/investors.html), directly through the following link: [Finning 2024 Annual Meeting Audio Webcast](#) or by telephone: +1 (403) 910-7222 (Calgary, Canada toll) or (855) 335-8453 (Canada toll-free) Conference ID: 488 552 152#.

### Your proxy is being solicited on behalf of Finning management

Management is soliciting proxies either by mail to your latest address shown on the register of shareholders, or by electronic mail to the email address you provided. Our employees or agents may contact you by phone or other ways. We will pay all costs of such solicitation, including costs to send materials to our beneficial holders via their intermediary. We have also retained Laurel Hill Advisory Group (Laurel Hill) to act as our proxy solicitation agent in connection with the annual meeting. Additionally, Laurel Hill will provide the following services in connection with the annual meeting: review and analysis of the management proxy circular, recommending corporate governance best practices and liaising with proxy advisory firms, as applicable, and assisting us with our communication with shareholders. In connection with these services, we will pay Laurel Hill a base proxy solicitation fee of \$36,500, plus out-of-pocket expenses. Shareholders can contact Laurel Hill at 1-877-452-7184 within North America or 416-304-0211 outside of North America, or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

### Board approval

The board of directors has approved the content of this circular and has authorized us to distribute it to our shareholders of record.

By order of the board of directors,

/s/ Dori Assaly

Dori Assaly  
Senior Legal Counsel and Corporate Secretary

Surrey, British Columbia  
March 14, 2024

In this document:

- *we, us, our, Finning, company and corporation* mean Finning International Inc., including our subsidiary companies
- *you, your and shareholder* mean holders of Finning common shares
- *board of directors* and *board* mean Finning International Inc.'s board of directors
- *shares* and *common shares* mean common shares in the capital of Finning International Inc.

The record date is March 14, 2024. Information in this circular is as of December 31, 2023 unless otherwise noted. All dollar amounts are in Canadian (CAD) dollars.

### Where to get more information

Financial information about Finning is in our consolidated financial statements and MD&A for the most recently completed financial year.

You can find these documents and other information about Finning on our website ([www.finning.com](http://www.finning.com)) and under our profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

## How to vote

Each common share you held at the close of business on March 14, 2024 (the record date) carries one vote that may be cast on each of the items to be voted on and any other matters that may be properly brought before the meeting.

How you vote depends on whether you're a registered shareholder or a non-registered (beneficial) shareholder.

You're a **registered shareholder** if your shares are registered in your name.

You're a **non-registered (beneficial) shareholder** if your shares are registered in the name of an intermediary (such as a bank, trust company, trustee, investment dealer, clearing agency or other institution). You have the right to tell your intermediary how to vote your shares. Your intermediary must vote your shares or withhold your shares from voting according to your instructions.

As of the record date, we had 143,380,013 common shares issued and outstanding.

As of the date of this circular, the directors and executive officers of Finning are not aware of anyone who beneficially owns, directly or indirectly, or exercises control or direction over, more than ten percent of our common shares.

### Appointment of a third party as proxy

The following applies to shareholders who wish to appoint someone as their proxyholder other than the management nominees named in the form of proxy or voting instruction form. This includes non-registered shareholders who wish to appoint themselves as proxyholder to attend and participate at the meeting.

**Shareholders have the right to appoint a person or company to represent them at the meeting other than the management nominees designated in the form of proxy. Shareholders who wish to appoint someone other than the management nominees as their proxyholder to attend and participate at the meeting as their proxy and vote their shares MUST submit their proxy or voting instruction form, as applicable, appointing that person as proxyholder.**

**To submit your proxy or voting instruction form:** To appoint someone other than the management nominees as your proxyholder, insert that person's name in the blank space provided in the proxy or voting instruction form and follow the instructions for submitting the proxy or voting instruction form.

**If you are a non-registered shareholder and you wish to vote your shares yourself at our meeting, you must appoint yourself as proxyholder by inserting your own name in the space provided on the proxy or voting instruction form sent to you by your intermediary and you must follow all of the applicable instructions provided by your intermediary.** By doing so, you are instructing your intermediary to appoint you as proxyholder. Non-registered holders who have not appointed themselves as proxyholder cannot vote during the meeting. This is because we and our transfer agent do not maintain the records for non-registered holders of our shares and we have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder.

### Canadian notice and access

This year we are using notice and access to deliver this circular, as well as our annual financial statements and related management's discussion and analysis for the year ended December 31, 2023 (2023 financial report, and together with the circular, the meeting materials) to both registered and non-registered (beneficial) shareholders of our common shares. Notice and access is a set of rules developed by the Canadian Securities Administrators (CSA) that permit us to post these materials online rather than mail them, substantially reducing our printing and mailing costs, and our impact on the environment through reduced paper and energy consumption.

You will receive a package in the mail with a notification outlining the matters to be addressed at the meeting and explaining how to access and review the meeting materials electronically, how to request a paper copy of the meeting materials at no charge and how to return your proxy or voting instructions. You will also receive a form of proxy or voting instruction form in the mail so you can vote your common shares. A printed copy of the meeting materials will be delivered to shareholders who have given us standing instructions to receive, or have otherwise requested us to provide, a printed copy. All meeting materials will be forwarded to beneficial holders at our expense.

Meeting materials are available on our website ([www.finning.com](http://www.finning.com)) and under our profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)). You can request a paper copy of the meeting materials, at no cost, up to one year after the date the meeting materials were filed on SEDAR+. You may make such a request prior to the meeting by calling 1-888-346-6464.

## How to vote

---

### Registered shareholders

---

#### What your package includes

Your package should include the following documents:

- notice and access notification to shareholders
- proxy form

#### Ways to vote

1. Vote by proxy; or
2. Attend the meeting and vote in person

If you want to vote in person at the meeting, check in with a Computershare representative when you arrive at the meeting.

**Voting by proxy** means you can appoint someone (your proxyholder) to attend the meeting in person for you and vote or withhold your shares from voting according to your instructions. Your proxyholder does not need to be a Finning shareholder.

#### *How to appoint someone to be your proxyholder*

Print the name of the person you are appointing in the blank space provided in the proxy form. Make sure the person understands that you have appointed them as your proxyholder and that they must attend the meeting in person and vote your shares on your behalf for your vote to be counted.

If you don't appoint someone to be your proxyholder, the two Finning representatives named in the proxy form, **James E.C. Carter** and **Kevin Parkes**, will act as your proxyholder and vote your shares according to your instructions.

#### *How to provide your voting instructions*

Complete your voting instructions, sign and date the proxy and send it to Computershare right away.

As an alternative to providing voting instructions by signing, dating and sending your proxy to Computershare, you may vote by proxy using one of the following methods:

- Online – Go to [www.investorvote.com](http://www.investorvote.com), enter your 15-digit control number from your form of proxy and provide your voting instructions.
- Telephone – Call 1-866-732-VOTE (8683) from a touch-tone phone and follow the automatic voice recording instructions to vote. You will need your 15-digit control number from your proxy to vote.
- Fax – Complete your voting instruction, sign and date the proxy and fax it to Computershare at 1-866-249-7775 (for registered shareholders in Canada and the U.S.) or 1-416-263-9524 (for registered shareholders outside Canada and the U.S.).

If you return the signed proxy but do not give your voting instructions or specify that you want your shares withheld from voting, your proxyholder must vote FOR the items of business:

- FOR the appointment of Deloitte LLP as auditor
- FOR our advisory vote on executive pay
- FOR the election of the nominated directors

If an amendment or variation to an item of business, or if any other item, is properly brought before the meeting, to the extent permitted by law, your proxyholder has discretionary authority to vote as your proxyholder sees fit.

#### *Send in your proxy*

Complete, sign and date your proxy form and send it to:

Computershare Investor Services Inc.

Attention: Proxy Department

100 University Avenue, 8th Floor

Toronto, Ontario, M5J 2Y1

Computershare must receive your proxy form, or you must have voted your proxy online, by telephone or fax by **2:00 p.m. Pacific time on May 3, 2024** or **at least 48 hours, excluding weekends and holidays**, before the date of the reconvened meeting if the meeting is postponed or adjourned. The proxy deadline may be waived or extended by the chair of the meeting, in the chair's sole discretion, without notice.

---

---

## Non-registered (beneficial) shareholders

---

### What your package includes

Your investment dealer or other intermediary should have sent you the following documents:

- notice and access notification to shareholders
- voting instruction form

### Ways to vote

1. Submit your voting instructions to your intermediary; or
2. Attend the meeting and vote in person, by appointing yourself as proxy

If you want to vote in person at the meeting, print your name in the space provided in your voting instruction form to appoint yourself as proxyholder and follow the instructions from your intermediary for returning the completed form. Check in with a Computershare representative when you arrive at the meeting.

**To submit your voting instructions to your intermediary**, complete and return the voting instruction form following the instructions on the form.

As an alternative to submitting your voting instructions to your intermediary by completing and returning your voting instruction form, non-registered (beneficial) shareholders (other than non-registered shareholders (employees) under the employee stock purchase plan (ESPP)) may vote using one of the following methods:

- Online – Go to [www.proxyvote.com](http://www.proxyvote.com), enter your 16-digit control number from your voting instruction form and provide your voting instructions
- Telephone – Call the toll-free number listed on your voting instruction form from a touch-tone phone and follow the automatic voice recording instructions to vote. You will need your 16-digit control number from your voting instruction form to vote.

We may use Broadridge Financial Solutions Inc.'s QuickVote™ service to assist non-registered (beneficial) shareholders with voting. Our proxy solicitation agent, Laurel Hill, may contact certain non-registered shareholders who have not objected to the company knowing who they are (non-objecting beneficial owners, or NOBOs) to conveniently obtain a vote directly over the telephone.

Be sure you allow enough time for your intermediary to receive your completed form so they can provide your voting instructions to Computershare by **2:00 p.m. Pacific time on May 3, 2024**. The proxy deadline may be waived or extended by the chair of the meeting, in the chair's sole discretion, without notice.

If an amendment or variation to an item of business, or if any other item, is properly brought before the meeting, to the extent permitted by law, your proxyholder has discretionary authority to vote as they see fit.

### US beneficial shareholders

To attend and vote at the meeting, you must first obtain and complete a valid legal proxy from your broker, bank or other agent.

Follow the instructions from your broker, bank or other agent included with the proxy materials, or contact your broker, bank or other agent to request a legal proxy form. After obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend and vote at the meeting, you must bring the completed legal proxy form to the meeting. Check in with a Computershare representative when you arrive at the meeting.

### Non-registered (beneficial) shareholders (employees) under the ESPP

To submit your voting instructions to your intermediary, complete and return the voting instruction form following the instructions on the form. The above information for non-registered (beneficial) shareholders applies to non-registered (beneficial) shareholders (employees) under the ESPP unless indicated otherwise.

---

## How to change your vote or revoke your proxy

If you're a registered shareholder and have voted by proxy, you can revoke your proxy (with or without providing new voting instructions) before the meeting is held or an item is voted on. Here's how:

- By providing new voting instructions on a proxy form with a later date or at a later time if you are voting by mail, telephone or online. Any new voting instructions must be received by Computershare by 2:00 p.m. Pacific time on May 3, 2024 or at least 48 hours, excluding weekends and holidays, before the date of the reconvened meeting if the meeting is postponed or adjourned.
- By delivering a written and signed revocation of proxy (without giving new voting instructions) to the registered office of Finning to the attention of the Corporate Secretary at 19100 94 Avenue, Surrey, BC V4N 5C3 any time before 5:00 p.m. Pacific time on May 6, 2024, or, if the meeting is adjourned or postponed, before 5:00 p.m. Pacific time on the business day before the date of the reconvened meeting.
- By delivering a written and signed revocation of proxy to the chair of the meeting before the start of the meeting or before any adjournment or postponement. You may then vote at the meeting.
- By any other manner permitted by law.

If you're a non-registered shareholder, you must contact your intermediary right away if you need help providing new voting instructions, if you want to revoke your voting instructions (without giving new instructions) or if you want to vote in person instead. However, your intermediary is subject to the same time constraints noted above for registered shareholders.

## How the votes are tabulated

Computershare acts as our transfer agent. They receive, count and tabulate all proxies received. Computershare keeps the individual shareholder votes confidential except when:

- the law requires it
- there is a proxy contest
- a shareholder has written a comment that is clearly intended for management or the board
- there is a need for the chair of the meeting to rule on the validity of the proxy.

### Questions?

Call Laurel Hill at 1-877-452-7184 (for shareholders in Canada and the USA) or 1-416-304-0211 (for callers outside Canada and the USA)

Or send Laurel Hill an email at:

[assistance@laurelhill.com](mailto:assistance@laurelhill.com)

# Business of the meeting

## 1. Receive the consolidated financial statements

The consolidated financial statements for the year ended December 31, 2023 and the auditor's report will be placed before the meeting. Copies of our 2023 consolidated financial statements are available on our website ([www.finning.com](http://www.finning.com)) and under our profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)). You will receive a printed copy of our 2023 consolidated financial statements only if you requested one.

## 2. Appoint the auditor

You will be asked to appoint the auditor and authorize the directors to set the auditor's fees.

Deloitte LLP (Deloitte) has been our external auditor since 2002. The audit committee oversees Deloitte's performance, qualifications, independence and audit of Finning's financial statements.

Each year the audit committee performs a formal review of the external auditor prior to making its reappointment recommendation to the board. The review focuses on five areas: (i) independence, objectivity and professional skepticism, (ii) quality of the engagement team, (iii) quality of communication and interaction with the external auditor, (iv) quality of service provided, and (v) relationship between the external auditor and the internal auditor. External auditor independence is also monitored through rotation of the lead audit partner every seven years in accordance with the rules of the Canadian Public Accountability Board (CPAB) and other applicable professional regulatory agencies.

Pursuant to the audit committee's terms of reference, the audit committee also conducts a more comprehensive review of the external auditor at least every five years. The most recent comprehensive review was conducted in 2022 and included an assessment by audit committee members and key Finning management of Deloitte's performance and effectiveness, and addressed topics that included the audit team, audit quality, audit strategy and business insights. The purpose of these reviews is to ensure that the audit quality of the external auditor is prioritized and continually enhanced.

The table below sets out the fees paid to Deloitte for the years ended December 31, 2023 and 2022 for audit and other services.

	2023	2022
<b>Audit fees</b> generally relate to fees charged for the annual audit, interim reviews, administrative charges and other services related to the performance of the annual audit of our financial statements.	\$3,994,654	\$3,528,378
<b>Audit related fees</b> generally relate to fees charged for assurance and related services. The 2023 fees relate to audits of Finning's pension plans and due diligence in connection with a debt offering. The 2022 fees relate to audits of Finning's pension plans.	\$135,316	\$89,284
<b>Tax fees</b> generally relate to tax advisory services. The 2022 fees relate to services provided in relation to the Canada Emergency Wage Subsidy (CEWS).	-	\$41,954
<b>All other fees</b> generally relate to fees charged for any non-audit related or non-tax services. The 2023 fees relate to assurance over GHG emissions for 2022 and performance of certain agreed-upon procedures in testing of internal control over financial reporting and disclosure controls and procedures for the annual CEO/CFO certifications for 2022 (billed in 2023). The 2022 fees relate to ESG reporting advisory services, assurance over GHG emissions for 2021, and performance of certain agreed-upon procedures in testing of internal controls over financial reporting and disclosure controls and procedures for the annual CEO/CFO certification for 2021 (billed in 2022).	\$134,833	\$146,830
<b>Total</b>	<b>\$4,264,803</b>	<b>\$3,806,446</b>

All amounts were billed in various currencies and converted to Canadian dollars using the exchange rates at the time of billing.

The board recommends you vote FOR appointing Deloitte LLP as our auditor for 2024 and authorizing the directors to set the auditor's fees.

### Key things to know

According to our by-laws, we must have a quorum (at least two people present who together hold, or represent by proxy, 25 percent or more of our issued and outstanding common shares) for the meeting to continue and to transact business.

We must receive a simple majority of the votes cast at the meeting for an item to be passed. We will disclose the voting results in a news release after the meeting and in our report on the voting results for the 2024 meeting, which will be filed under our profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)). You can read more about voting beginning on page 12.

None of our directors or executive officers in 2023, and none of this year's nominated directors, and no one associated or affiliated with any of them, has a direct or indirect material interest in any matter to be acted on at the meeting other than the election of directors.

### Pre-approving audit services

The audit committee pre-approves audit, non-audit and tax related services to be provided by the external auditor.

Any services that are not pre-approved require specific approval by the audit committee. The audit committee chair can approve up to \$100,000 of services between audit committee meetings. Management and the external auditor update the audit committee every quarter on all services that have been provided by the external auditor and the fees paid or accrued. Management cannot ask the external auditor to perform services that have not been approved by the audit committee.

### 2023 Auditor vote

Last year, the vote to appoint the auditor for 2023 was conducted by a show of hands and passed by the requisite simple majority of votes cast on the resolution at the meeting.



### 3. Participate in our advisory vote on executive pay

As a shareholder you have the opportunity to vote on an advisory basis *for* or *against* our overall approach to executive compensation.

This is an advisory vote, which means the results are not binding on the board or Finning. The board, through the human resources committee, is fully responsible for compensation decisions and is not relieved of these responsibilities by either a positive or a negative vote by shareholders.

The board and the human resources committee will consider the outcome of the vote as part of their ongoing review of our executive compensation program, together with feedback they receive from shareholders through regular communications and engagement activities.

You will be voting on the following resolution:

**BE IT RESOLVED**, on an advisory basis only and not to diminish the role and responsibilities of the board of directors, that shareholders accept the approach to executive compensation disclosed in Finning's management proxy circular delivered in connection with the 2024 annual meeting.

The board recommends you vote FOR our approach to executive pay.

#### 'Say on pay'

We've held an advisory 'say on pay' vote every year since 2011 as part of our commitment to strong corporate governance practices and engaging with our shareholders.

Last year, a total of 110,769,749 (97.40%) votes were cast in favour and 2,955,557 (2.60%) votes were cast against our approach to executive compensation.

We encourage you to take some time to read the executive compensation section beginning on page 55 before you decide how to vote your shares. It discusses our compensation philosophy, individual compensation elements and our performance and the impact that our performance has had on the pay decisions for our most senior executives in 2023.

If you have feedback, questions or concerns about executive compensation at Finning, please contact the Board Chair, c/o the Corporate Secretary at Finning (see page 44 for details).

#### 4. Elect directors

This year you will vote to elect thirteen directors to the board for a term of one year. All of our current directors are standing for re-election except Nicholas Hartery, who is retiring at the annual meeting. As previously announced, Jacynthe Côté and Christopher Patterson retired from our board on January 1, 2024 and February 16, 2024, respectively. Michael Putnam, John Rhind and Charles Ruigrok are all standing for election for the first time. For more information about our nominated directors and commitment to board diversity, see page 19.

As announced on February 6, 2024, Harold Kvisle has decided to step down as Board Chair for personal reasons but is standing for re-election this year and will retire when he reaches mandatory retirement at the 2025 annual meeting. The board, on the recommendation of the governance and risk committee, has appointed James Carter, an independent director, as successor Board Chair effective on April 1, 2024, and extended the waiver of Mr. Carter's mandatory retirement for an additional year to facilitate the board's Board Chair transition plan to identify a long-term Board Chair by the 2025 annual meeting.

For more information about the extension of Mr. Carter's tenure and appointment as successor Board Chair, see pages 40 and 54.

Our director nominees are:

Vicki L. Avril-Groves	Stuart L. Levenick	Edward R. Seraphim
James E.C. Carter	Kevin Parkes	Manjit K. Sharma
Mary Lou Kelley	Michael C. Putnam	Nancy G. Tower
Andrés Kuhlmann	John R. Rhind	
Harold N. Kvisle	Charles F. Ruigrok	

All thirteen nominated directors have expressed their willingness to serve on the Finning board.

The board recommends you vote FOR each nominated director.

##### Shareholder proposals

Shareholders who wish to submit a proposal for consideration at the 2025 annual meeting must deliver their proposal to Finning between December 8, 2024 and February 5, 2025. All shareholder proposals must comply with the requirements of the CBCA. Shareholders who wish to make proposals are urged to seek legal advice to make sure their proposal complies in full with these requirements.

##### Nominating directors

If you want to nominate candidates for election to the board, submit your proposal in accordance with our advance notice by-law in writing to the Corporate Secretary prior to any annual or special meeting where directors are being elected. Notice must be delivered to us at least 30 days before the date of a shareholder meeting or 40 days if we use "notice and access" to deliver meeting materials to shareholders, as is the case with this meeting. You will need to provide the information outlined in our advance notice by-law. This description of our advance notice by-law is a summary only and is qualified by reference to the by-law. You can find a copy of our advance notice by-law under our profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) or on our website ([www.finning.com](http://www.finning.com)).

##### Majority voting for directors

In accordance with and subject to the CBCA, directors stand for election each year at the annual meeting of shareholders, and a separate vote of shareholders is taken with respect to each candidate for election as a director. If there is only one candidate nominated for each position available on the board (an uncontested election), each candidate is elected only if the number of votes cast in their favour represents a majority of the votes cast for and against them by the shareholders present in person or represented by proxy. If an incumbent director who was a candidate in an uncontested election is not re-elected in accordance with the above, the director may continue in office until the earlier of the 90<sup>th</sup> day after the day of the election and the day on which their successor is appointed or elected.

Majority voting will not apply in the case of a contested election of directors, in which case the directors will be elected by a plurality of votes of the shares represented in person or by proxy at the meeting, and voted on the election of directors.

## About the nominated directors

We're committed to building a qualified and diverse board that has the knowledge, experience and capabilities necessary to support Finning's strategic direction.

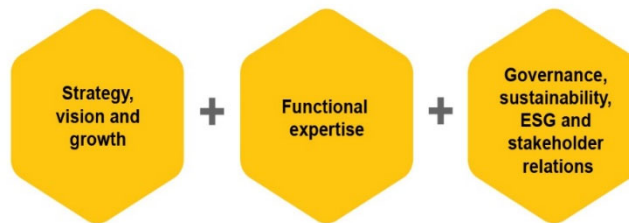
This year thirteen directors are nominated for election to the board. All of the nominated directors are qualified and have agreed to serve on Finning's board.

### Independence

Twelve of the thirteen nominated directors (92.3%) are independent. Kevin Parkes is not independent because he is Finning's President and CEO.

### Key skills and experience

We recruit directors who have skills and experience in three core areas:



### Board Diversity

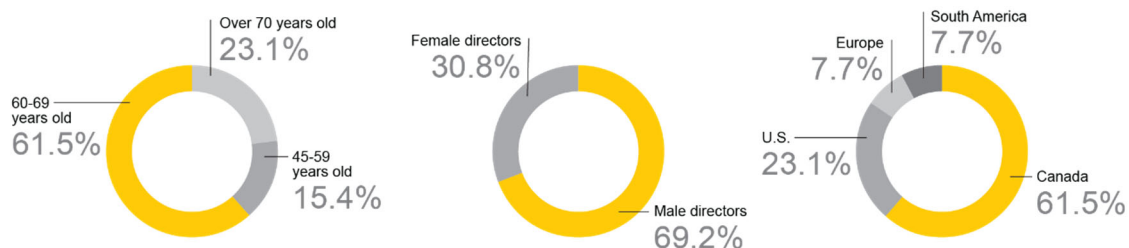
This year's director nominees represent a wide range of backgrounds and expertise. A key component to our effective governance is the board's commitment to provide oversight and perspectives reflecting a diversity of independent views. The board also strives to maintain a balance between retaining directors with deep knowledge of Finning and adding new directors with a fresh perspective. During times of significant board renewal, we may increase the size of our board to provide an appropriate transition and orientation period for new directors before longer-serving directors retire from the board.

Board renewal has been a key area of focus for the board to address several longer-serving directors retiring in the near-term. Over the last two years, five independent directors have been recruited to the board, namely, Manjit Sharma and Nancy Tower in 2022, Charles Ruigrok and John Rhind, in 2023 and 2024, respectively, and most recently, the nomination of Michael Putnam for election at the annual meeting, resulting in a board size of thirteen nominated for election at the meeting. We believe that thirteen directors is an appropriate size to ensure proper transition and orientation of our newer directors as longer-serving directors have retired or will be retiring from the board, and effective board stewardship to serve the interests of shareholders.

Pursuant to our board inclusion and diversity policy, in 2020, the board set a target for women to comprise at least 30% of our board. We continue to meet or exceed this target, with 30.8% of the nominees for election at the meeting being women. We exceeded this target in 2020 and 2021 with a board composition of 33% women, and in 2022 and 2023, 38% and 36% women, respectively.

For further information on our approach to board diversity, see page 42 and Appendix B.

This year's nominated directors reflect the following diversity in terms of age, gender and geographic representation.



### Director nominee meeting attendance in 2023

In 2023, three board meetings were held in person and two were held by videoconference. The table below shows the attendance record of our nominee directors at board and committee meetings in 2023. It does not include John Rhind and Michael Putnam because they did not serve on our board in 2023. You can read more about each director's attendance record in the profiles that follow and in the detailed attendance table on page 49.

	Board meetings	Committee meetings <sup>1</sup>	Percentage of total meetings attended
Vicki L. Avril-Groves	5 of 5	8 of 8	100%
James E.C. Carter	5 of 5	8 of 8	100%
Mary Lou Kelley	5 of 5	8 of 8	100%
Andrés Kuhlmann	5 of 5	8 of 8	100%
Harold N. Kvisle <sup>2</sup>	5 of 5	n/a	100%
Stuart L. Levenick	5 of 5	8 of 8	100%
Kevin Parkes <sup>3</sup>	5 of 5	3 of 4	89%
Charles F. Ruigrok <sup>4</sup>	3 of 3	2 of 2	100%
Edward R. Seraphim	5 of 5	8 of 8	100%
Manjit K. Sharma	5 of 5	8 of 8	100%
Nancy G. Tower	5 of 5	8 of 8	100%

#### Notes:

- 1 For a breakdown of meetings held by committees, please refer to the individual director profiles starting on page 21.
- 2 Mr. Kvisle is the Board Chair and is not a member of any board committees, however, he attends various committee meetings in his capacity as Board Chair.
- 3 Mr. Parkes did not attend the safety, environment and social responsibility committee meeting held by videoconference on August 8, 2023 and instead joined the governance and risk committee meeting to address board succession planning matters.
- 4 Mr. Ruigrok was appointed to the board and to the audit committee and the safety, environment and social responsibility committee on August 8, 2023. On December 11, 2023, Mr. Ruigrok was appointed as a member and chair of the human resources committee and ceased being a member of the audit committee.

#### Director share ownership requirements

Directors are required to own Finning equity so their interests are aligned with those of our shareholders. We have two-year and five-year targets for meeting these requirements (see page 48).

Information about shareholdings is provided by each nominee as at December 31, 2023 and includes shares they hold directly or indirectly and deferred share units (DSUs). Market value is based on our year-end closing share price on the Toronto Stock Exchange (TSX) of \$38.32 for 2023 and \$33.66 for 2022. You can read more about director DSUs on page 46.

## Director profiles

### Harold N. Kvisle

Independent | Age 71 | Calgary, Alberta, Canada | Director since 2017



Mr. Kvisle is a Corporate Director. Mr. Kvisle was appointed as Board Chair of Finning in January 2019. He has served as a leader in the oil and gas, utilities and power generation industries for more than 35 years. Mr. Kvisle currently serves as the board chair of ARC Resources Ltd. and as past chair of the Business Council of Alberta. He also serves as a board member of Cenovus Energy. Mr. Kvisle served as chief executive officer of Talisman Energy from 2012 to 2015 and chief executive officer of TransCanada Corporation from 2001 to 2010. Prior to joining TransCanada in 1999, he was the founder and President of Fletcher Challenge Energy Canada from 1990 to 1999. He held engineering, finance and management positions with Dome Petroleum Limited from 1975 to 1988.

Mr. Kvisle holds a Bachelor of Science in Engineering from the University of Alberta and a Master of Business Administration from the Haskayne School of Business, University of Calgary.

Board Chair from January 2019 to April 1, 2024

2023 voting results	Finning board/committees	2023 meeting attendance	
Votes for: 109,405,363 (96.20%) Votes against: 4,319,933 (3.80%)	Board of directors Mr. Kvisle attended various committee meetings in his capacity as Board Chair	5 of 5	100%

Top five areas of expertise:

- Board governance
- Financial leadership, accounting and audit
- Human capital, compensation, talent and culture
- Operational expertise
- Risk management

Finning securities held				Compensation received from Finning (\$)	
Year	Common shares (#)	DSUs (#)	Total Units (#)	Total market value (\$)	
2023	50,000	91,474	141,474	5,421,284	410,000
2022	50,000	78,566	128,566	4,327,532	410,000
Change	0	12,908	12,908	1,093,752	0

Meets his share ownership requirements.

#### Other public company boards, including committee membership

ARC Resources Ltd. – Board chair

Cenovus Energy Inc. – Governance; Human resources and compensation

### James E.C. Carter, O.C., AOE

Independent | Age 74 | Edmonton, Alberta, Canada | Director since 2007



Mr. Carter is a Corporate Director. Mr. Carter retired from Syncrude Canada Ltd. in 2007 after 28 years, including 10 years as President and 18 years as Operations Chief. He currently serves on the board of directors of Brand Industrial Services and EllisDon Construction Services Inc. Mr. Carter serves as board chair for Careers: The Next Generation, a not-for-profit organization. He is a former Chair of the Mining Association of Canada.

In June 2019 Mr. Carter was inducted as a Fellow of the Institute of Corporate Directors. Mr. Carter has also been awarded honorary doctorates by three Canadian universities. Mr. Carter is a registered professional engineer in the Province of Alberta and a Fellow of the Canadian Academy of Engineering. He holds a Bachelor of Engineering degree from the Technical University of Nova Scotia (now Dalhousie Engineering) and completed the Advanced Management Program at Harvard Graduate School of Business Administration.

Incoming Board Chair effective April 1, 2024

2023 voting results	Finning board/committees	2023 meeting attendance	
Votes for: 109,075,989 (95.91%) Votes against: 4,649,307 (4.09%)	Board of directors Governance and risk committee Human resources committee	5 of 5 4 of 4 4 of 4	100% 100% 100%

Top five areas of expertise:

- Board governance
- Human capital, compensation, talent and culture
- Industry experience
- Operational expertise
- Sustainability, ESG and health and safety

Finning securities held				Compensation received from Finning (\$)	
Year	Common shares (#)	DSUs (#)	Total Units (#)	Total market value (\$)	
2023	10,000	112,025	122,025	4,675,998	249,500
2022	10,000	105,387	115,387	3,883,926	263,511
Change	0	6,638	6,638	792,072	(14,011)

Meets his share ownership requirements.

#### Other public company boards, including committee membership

None

**Vicki L. Avril-Groves****Independent | Age 69 | Cape Coral, Florida, United States | Director since 2016**

Ms. Avril-Groves is a Corporate Director. Ms. Avril-Groves retired from IPSCO Tubulars Inc. in 2013 after nine years, including five years as President and CEO. Prior to 2008, she held progressively senior executive positions with IPSCO Inc., including Senior Vice President of IPSCO Tubulars Operations and Chief Financial Officer of IPSCO Inc. Prior to 2004, Ms. Avril-Groves served as Chief Financial Officer for Wallace Computer Services and as a senior officer at Inland Steel Industries in various financial and strategy roles, including Chief Financial Officer, Treasurer, and head of Corporate Planning. Ms. Avril-Groves is a director of Commercial Metals Company and Greif, Inc.

Ms. Avril-Groves holds a Bachelor of Science degree in Accountancy from the University of Illinois and a Master of Business Administration degree from the University of Chicago.

2023 voting results	Finning board/committees	2023 meeting attendance	
Votes for: 113,016,435 (99.38%)	Board of directors	5 of 5	100%
Votes against: 708,861 (0.62%)	Audit committee (financial expert)	4 of 4	100%
	Safety, environment and social responsibility committee	4 of 4	100%

Top five areas of expertise:

- Board governance
- Communications and stakeholder relations
- Financial leadership, accounting and audit
- Human capital, compensation, talent and culture
- Industry experience

Finning securities held				Compensation received from Finning (\$)	
Year	Common shares (#)	DSUs (#)	Total Units (#)	Total market value (\$)	
2023	15,000	51,252	66,252	2,538,777	248,550
2022	15,000	46,156	61,156	2,058,511	246,625
Change	0	5,096	5,096	480,266	1,925

Meets her share ownership requirements.

**Other public company boards, including committee membership**

Commercial Metals Company – Compensation (chair); Finance

Greif, Inc. – Compensation; Audit

**Mary Lou Kelley****Independent | Age 63 | South Bend, Indiana, United States | Director since 2018**

Ms. Kelley is a Corporate Director. From 2014 to 2017 she served as the President of e-commerce for Best Buy, a retail company, and as senior vice president of Chico's FAS from 2010 to 2014. Prior to Chico's FAS, she held senior leadership roles in marketing and e-commerce with various companies, including L.L. Bean and Ashford.com. Earlier in her career, Ms. Kelley served as a management consultant with McKinsey and Company. From 2017 to 2019, Ms. Kelley served as advisor to the senior leadership and board of directors of Falabella Retail. Ms. Kelley is a director of Vera Bradley, Inc. and YETI Holdings, Inc.

Ms. Kelley holds a Bachelor of Arts in Economics from Boston College and a Master of Business Administration from The University of Virginia.

2023 voting results	Finning board/committees	2023 meeting attendance	
Votes for: 113,190,693 (99.53%)	Board of directors	5 of 5	100%
Votes against: 534,603 (0.47%)	Human resources committee	4 of 4	100%
	Safety, environment and social responsibility committee	4 of 4	100%

Top five areas of expertise:

- Board governance
- Digital, technology and cybersecurity
- Human capital, compensation, talent and culture
- International business and cultural perspective
- Operational expertise

Finning securities held				Compensation received from Finning (\$)	
Year	Common shares (#)	DSUs (#)	Total Units (#)	Total market value (\$)	
2023	0	57,777	57,777	2,214,015	264,500
2022	0	49,478	49,478	1,665,429	263,000
Change	0	8,299	8,299	548,586	1,500

Meets her share ownership requirements.

**Other public company boards, including committee membership**

Vera Bradley, Inc. – Audit; Nomination and governance

YETI Holdings, Inc. – Compensation; Nomination and governance (chair)

**Andrés J. Kuhlmann****Independent | Age 61 | Santiago, Chile | Director since 2019**

Mr. Kuhlmann is a Corporate Director. Mr. Kuhlmann is currently Chairman of the Board of Clínica Alemana in Santiago, Chile and served most recently as Chief Executive Officer of Transelec SA, a leading power transmission company in Chile, from 2007 to 2022. Prior to Transelec, he was the Chief Executive Officer of Siemens, Chile, from 2001 to 2007. He also served as the Chief Executive Officer of Electroandina South America from 1997 to 2001, and was the Operations Vice President at Enel Generación Perú S.A.A., formerly Edegel, a private electric power generation company in Peru, from 1995-1996.

Mr. Kuhlmann is a graduate in civil and industrial engineering from the Pontifical Catholic University of Chile.

2023 voting results	Finning board/committees	2023 meeting attendance	
Votes for: 112,961,323 (99.33%)	Board of directors	5 of 5	100%
Votes against: 763,973 (0.67%)	Audit committee	4 of 4	100%
	Safety, environment and social responsibility committee (chair)	4 of 4	100%

Top five areas of expertise:

- Human capital, compensation, talent and culture
- Industry experience
- International business and cultural perspective
- Risk management
- Sustainability, ESG and health and safety

Finning securities held				Compensation received from Finning (\$)	
Year	Common shares (#)	DSUs (#)	Total Units (#)	Total market value (\$)	

2023	0	39,195	39,195	1,501,952	299,000
2022	0	30,487	30,487	1,026,192	253,989
Change	0	8,708	8,708	475,760	45,011

Meets his share ownership requirements.

**Other public company boards, including committee membership**

None

**Stuart L. Levenick****Independent | Age 71 | Naples, Florida, United States | Director since 2016**

Mr. Levenick is a Corporate Director. Mr. Levenick retired from Caterpillar Inc. in 2015 after 37 years, including 10 years as Group President. His most recent responsibility included leadership of customer and dealer support for Caterpillar. Other responsibilities during his tenure as Group President included management of businesses spanning marketing, manufacturing operations, engineering, supply chain, procurement and human resources. Prior to assuming the Group President position in 2004, Mr. Levenick served as Vice President, Caterpillar Inc., and Chairman of Shin Caterpillar Mitsubishi Ltd. from 2000 to 2004, and as Vice President, Asia Pacific Division, from 2001 to 2004. Prior to 2000, he held various senior positions with Caterpillar in North America, Asia and Europe. Previously, he held positions as Chairman of the Association of Equipment Manufacturers, Executive Director of the United States Chamber of Commerce and Director of the U.S./China Business Council and the U.S./Russia Business Council. Currently, Mr. Levenick is the lead director of Entergy Corporation and of W.W. Grainger, Inc. and a director of the University of Illinois Foundation.

Mr. Levenick graduated from the University of Illinois with a Bachelor of Science degree in Forestry and is a Sloan Fellow with a Master of Science degree in management from the Massachusetts Institute of Technology.

2023 voting results	Finning board/committees	2023 meeting attendance	
Votes for: 110,047,698 (96.77%)	Board of directors	5 of 5	100%
Votes against: 3,677,608 (3.23%)	Audit committee (chair)	4 of 4	100%
	Governance and risk committee	4 of 4	100%

Top five areas of expertise:

- Board governance
- Digital, technology and cybersecurity
- Financial leadership, accounting and audit
- Industry experience
- Operational expertise

Finning securities held				Compensation received from Finning (\$)	
Year	Common shares (#)	DSUs (#)	Total Units (#)	Total market value (\$)	

2023	0	80,590	80,590	3,088,209	280,500
2022	0	71,299	71,299	2,399,924	276,000
Change	0	9,291	9,291	688,285	4,500

Meets his share ownership requirements.

**Other public company boards, including committee membership**

Entergy Corporation – Lead director; Corporate governance (chair); Executive; Nuclear

W.W. Grainger, Inc. – Lead director; Board affairs and nominating (chair); Audit

**Kevin Parkes****Not independent | Age 49 | Edmonton, Alberta, Canada | Director since November 2022**

Mr. Parkes was appointed President and Chief Executive Officer of Finning International Inc. in November 2022 after serving as Executive Vice President and Chief Operating Officer since April 2022. Over the course of his 21-year career at Finning, Mr. Parkes has held progressively senior leadership positions. In 2019, he was appointed President of Finning (Canada) after holding the position of Managing Director of Finning UK and Ireland. In addition, Mr. Parkes was Chief Executive Officer of Hewden Stuart from 2010 to 2015, following the sale of this business by Finning in 2010.

Mr. Parkes holds a BA in Business Administration from Staffordshire University.

2023 voting results	Finning board/committees	2023 meeting attendance	
Votes for: 113,231,769 (99.57%)	Board of directors	5 of 5	100%
Votes against: 493,527 (0.43%)	Safety, environment and social responsibility committee	3 of 4	75%

**Finning securities held**

Year	Common shares (#)	DSUs <sup>1</sup> (#)	Stock Options (#)	Performance share units (#)	Restricted share units (#)
2023	38,371	7,493	214,479	71,098	42,661
2022	28,252	7,303	156,934	44,742	26,848
Change	10,119	190	57,545	26,356	15,813

## Notes:

1 Mr. Parkes does not receive director compensation as a member of the Finning board. He receives executive compensation and received his executive DSUs in lieu of cash payouts under our short-term incentive plan on February 26, 2016 and March 21, 2018.

Mr. Parkes was appointed Chief Executive Officer on November 16, 2022 and has until November 16, 2027 to meet his executive share ownership requirements (see page 62).

**Other public company boards, including committee membership**

None

## Top five areas of expertise:

- Communications and stakeholder relations
- Industry experience
- International business and cultural perspective
- Operational expertise
- Sustainability, ESG and health and safety

**Michael C. Putnam****Independent | Age 63 | Oxford, England, UK | Director nominee**

Mr. Putnam is a Corporate Director. Mr. Putnam spent his executive career across the full spectrum of construction and underground foundations, tunnelling and mining. Most recently, he served as President and Chief Executive Officer of Skanska UK PLC from 2009 to 2017, having held various board and non-executive positions prior to that during his 22 years with Skanska, a leading project development and construction group active in Europe and the United States. Following his retirement from Skanska in 2017, Mr. Putnam moved into a portfolio non-executive career and currently serves as Vice Chair of the Supervisory Board of Arcadis NV, a global design, engineering and management consulting company based in Amsterdam, and as a non-executive director of Network Rail, an infrastructure delivery company owned by the UK Government (including as a director of Transpennine Route Upgrade rail infrastructure Programme Board), Bazalgette Tunnel Limited (Thames Tideway Tunnel), an infrastructure program in London, UK, and Southern Water Utility Company, a private utility company operating in the UK. He also acted as a specialist advisor to the Acceleration Unit of the Department for Transport (UK) from 2020 – 2023 and the UK House of Lords Science and Technology Committee in 2018.

Mr. Putnam holds a Bachelor of Science Honours in Civil Engineering from the University of Surrey. He is a Chartered Engineer, a Fellow of the Institution of Civil Engineers and a Fellow of the Royal Institute of Chartered Surveyors in the UK.

2023 voting results	Finning board/committees	2023 meeting attendance	
n/a votes for	n/a	n/a	n/a
n/a votes against			

**Finning securities held**

As of March 14, 2024	Compensation received from Finning (\$)			
	Common shares (#)	DSUs (#)	Total Units (#)	Total market value (\$)
	0	0	0	0

Following Mr. Putnam's election to the board, he will have until May 7, 2026 to meet his two-year share ownership requirement and until May 7, 2029 to meet his five-year share ownership requirement.

**Other public company boards, including committee membership**

Arcadis N.V. – Supervisory board (vice chair); Sustainability (chair); Audit and risk; Selection



**John R. Rhind****Independent | Age 66 | Calgary, Alberta, Canada | Director since January 2024**

Mr. Rhind has more than 35 years of business and executive leadership experience in the oil and gas industry, primarily focused on oil sands operations. He currently serves as President and CEO of Rhind Management Limited, a management consulting firm serving the Canadian oil and gas industry, since 2015. Mr. Rhind served as Chair of the board of directors of Energy Safety Canada, a not-for-profit safety organization, from 2019 to 2022, after serving as its Chief Executive Officer from 2017 to 2019. Prior to that, Mr. Rhind served in several executive officer roles at Shell Canada Ltd., including leading the Oil Sands business as Vice President, Heavy Oil. Before joining Shell, Mr. Rhind spent 25 years at Syncrude Canada Ltd., where he held management and operational roles across various business divisions, including mining, extraction and utilities.

Mr. Rhind holds a Bachelor of Science degree in Geology from the University of Alberta.

2023 voting results	Finning board/committees <sup>1</sup>	2023 meeting attendance <sup>1</sup>	
n/a votes for	Board of directors	n/a	n/a
n/a votes against	Safety, environment and social responsibility committee	n/a	n/a
	Human resources committee	n/a	n/a

Top five areas of expertise:

- Human capital, compensation, talent and culture
- Industry experience
- Operational expertise
- Risk management
- Sustainability, ESG, and health and safety

Finning securities held					Compensation received from Finning (\$)
As of March 14, 2024	Common shares (#)	DSUs (#)	Total Units (#)	Total market value (\$)	
	0	0	0	0	0

Notes:

<sup>1</sup> Mr. Rhind was appointed to the board and the human resources and safety, environment and social responsibility committees effective January 1, 2024.

Mr. Rhind was appointed to the board on January 1, 2024 and has until January 1, 2026 to meet his two-year share ownership requirement and until January 1, 2029 to meet his five-year share ownership requirement.

**Other public company boards, including committee membership**

None

**Charles F. Ruigrok****Independent | Age 67 | Calgary, Alberta, Canada | Director since August 2023**

Mr. Ruigrok is a Corporate Director. Mr. Ruigrok has over 40 years of business and executive experience in the energy industry. He currently serves as Board Chair of ENMAX Corporation, a leading electricity provider in Alberta, Canada, since 2022, and previously served as Board Chair of Versant Power, ENMAX's Maine, U.S.A. based transmission and distribution business from 2021 to 2022. He also served as President and Chief Executive Officer of ENMAX on an interim basis from 2011 to 2012 and from 2021 to 2022. Mr. Ruigrok was Chief Executive Officer of Syncrude Canada Ltd. from 2003 to 2007 and, prior to Syncrude, spent 26 years at Imperial Oil Limited where he held various senior executive positions, including Vice President of Oil Sands Development and Research.

Mr. Ruigrok holds both Bachelor of Engineering Science and Master of Engineering degrees in Civil Engineering from University of Western Ontario.

2023 voting results	Finning board/committees <sup>1</sup>	2023 meeting attendance <sup>1</sup>	
n/a votes for	Board of directors	3 of 3	100%
n/a votes against	Audit committee	1 of 1	100%
	Governance and risk committee	1 of 1	100%
	Human resources committee	0 of 0	n/a

Top five areas of expertise:

- Human capital, compensation, talent and culture
- Board governance
- Operational expertise
- Industry experience
- Sustainability, ESG and health and safety

Finning securities held					Compensation received from Finning (\$)
Year	Common shares (#)	DSUs (#)	Total Units (#)	Total market value (\$)	
2023	0	2,523	2,523	96,681	99,842
2022	n/a	n/a	n/a	n/a	n/a
Change	0	2,523	2,523	96,681	99,842

Notes:

<sup>1</sup> Mr. Ruigrok was appointed to the board and the audit and governance and risk committees on August 8, 2023. On December 11, 2023, he was appointed to the human resources committee and ceased being a member of the audit committee. No meetings of the human resources committee were held in 2023 after Mr. Ruigrok's appointment.

Mr. Ruigrok was appointed to the board on August 8, 2023 and has until August 8, 2025 to meet his two-year share ownership requirement and until August 8, 2028 to meet his five-year share ownership requirement.

**Other public company boards, including committee membership**

None

**Edward R. Seraphim****Independent | Age 64 | North Vancouver, British Columbia, Canada | Director since 2019**

Mr. Seraphim is a Corporate Director. From 2013 until his retirement in 2019, he was Chief Executive Officer and a director of West Fraser Timber Company Limited. Mr. Seraphim held the role of President from 2012 to 2018 and also held previous positions as Chief Operating Officer and Vice President, Pulp & Paper. Prior to joining West Fraser, he worked for Fletcher Challenge Canada from 1985 to 1997. Mr. Seraphim has over 30 years of operations, marketing and sales experience in the forest products industry. Mr. Seraphim is a former Chairman of the Council of Forest Industries and a former board member of the Softwood Lumber Board, British Columbia Lumber Trade Council and Forest Products Association of Canada.

Mr. Seraphim holds a Bachelor of Commerce degree from the University of British Columbia and is a Chartered Accountant.

Top five areas of expertise:

- Human capital, compensation, talent and culture
- International business and cultural perspective
- Operational expertise
- Risk management
- Sustainability, ESG and health and safety

2023 voting results	Finning board/committees	2023 meeting attendance	
Votes for: 113,230,019 (99.56%)	Board of directors	5 of 5	100%
Votes against: 495,277 (0.44%)	Human resources committee	4 of 4	100%
	Safety, environment and social responsibility committee	4 of 4	100%

Finning securities held				Compensation received from Finning (\$)	
Year	Common shares (#)	DSUs (#)	Total Units (#)	Total market value (\$)	
2023	1,400	42,117	43,517	1,667,571	245,000
2022	1,400	34,722	36,122	1,215,867	245,000
Change	0	7,395	7,395	451,704	0

Meets his share ownership requirements.

**Other public company boards, including committee membership**

None

**Manjit K. Sharma****Independent | Age 58 | Toronto, Ontario, Canada | Director since 2022**

Ms. Sharma is a Corporate Director. Ms. Sharma served most recently as Chief Financial Officer of WSP Canada Inc., a leading professional services consulting firm, from 2020 to 2021. Prior to WSP Canada, she was on the National Executive Team of General Electric Canada (GE Canada), serving as Chief Financial Officer from 2016 to 2019. From 1999 to 2016, she held various senior positions with GE Canada, with responsibilities that spanned strategic planning and analysis, mergers and acquisitions, tax oversight, risk, governance, and diversity and inclusion. Ms. Sharma currently serves as a board member of each of Vermilion Energy Inc., TransAlta Corporation and Export Development Canada.

Ms. Sharma holds a Bachelor of Commerce degree (with Honours) from the University of Toronto, is a Fellow Chartered Accountant and holds the ICD.D Directors designation and the GCB.D Global Competent Boards designation. In 2019, Ms. Sharma was recognized as one of Canada's Top 100 Most Powerful Women by the Women's Executive Network.

Top five areas of expertise:

- Board governance
- Financial leadership, accounting and audit
- Human capital, compensation, talent and culture
- Industry experience
- Operational expertise

2023 voting results	Finning board/committees	2023 meeting attendance	
Votes for: 112,595,596 (99.01%)	Board of directors	5 of 5	100%
Votes against: 1,129,700 (0.99%)	Audit committee (financial expert)	4 of 4	100%
	Governance and risk committee	4 of 4	100%

Finning securities held				Compensation received from Finning (\$)	
Year	Common shares (#)	DSUs (#)	Total Units (#)	Total market value (\$)	
2023	0	9,056	9,056	347,026	255,500
2022	0	5,030	5,030	169,310	163,500
Change	0	4,026	4,026	177,716	92,000

Meets her share ownership requirements.

**Other public company boards, including committee membership**

Vermilion Energy Inc. – Audit (chair); Governance

TransAlta Corporation – Audit; Human resources

**Nancy G. Tower****Independent | Age 65 | Halifax, Nova Scotia, Canada | Director since 2022**

Ms. Tower is a Corporate Director. She most recently served as President and Chief Executive Officer of Tampa Electric Company, a regulated electric utility and a subsidiary of Emera Inc. (Emera) in Tampa, Florida from December of 2017 until 2021. As part of her planned retirement, she transitioned to the role of President in February 2021 and retired in June 2021. From 2014 until 2017, she was the Chief Corporate Development Officer of Emera. Ms. Tower joined Emera in 1997, and over the course of her tenure, held several senior positions in corporate finance and operations at Emera and with its subsidiaries, including Controller and Vice President, Customer Operations, of Nova Scotia Power Inc., Chief Financial Officer of Emera, and Chief Executive Officer of Emera Newfoundland and Labrador. Ms. Tower currently serves on the board of directors of AltaGas Ltd. and Toronto-Dominion Bank.

Ms. Tower holds a Bachelor of Commerce degree from Dalhousie University and is a Fellow Chartered Accountant.

2023 voting results	Finning board/committees	2023 meeting attendance	
Votes for: 113,012,702 (99.37%)	Board of directors	5 of 5	100%
Votes against: 712,594 (0.63%)	Audit committee (financial expert)	4 of 4	100%
	Safety, environment and social responsibility committee	4 of 4	100%

## Top five areas of expertise:

- Board governance
- Communications and stakeholder relations
- Financial leadership, accounting and audit
- Human capital, compensation, talent and culture
- Operational expertise

Finning securities held				Compensation received from Finning (\$)	
Year	Common shares (#)	DSUs (#)	Total Units (#)	Total market value (\$)	
2023	700	12,222	12,922	495,171	249,500
2022	700	5,466	6,166	207,548	159,000
Change	0	6,756	6,756	287,623	90,500

Meets her share ownership requirements.

**Other public company boards, including committee membership**

AltaGas Ltd. – Audit; Human resources and compensation (chair)

Toronto-Dominion Bank – Audit (chair); Risk and governance

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of the company, no proposed director or personal holding company of a proposed director:

(a) is, at the date hereof or has been, within the ten years before, a director, chief executive officer or chief financial officer of any company (including Finning) that, while that person was acting in that capacity:

(i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for more than 30 consecutive days, or

(ii) was subject to an event that resulted, after the director or executive officer ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for more than 30 consecutive days, or

(b) is, as at the date hereof, or has been, within the ten years before, a director or executive officer of any company (including Finning) that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

---

## Committee reports

The board has four standing committees to assist it in fulfilling its duties and responsibilities:

- audit
- governance and risk
- human resources
- safety, environment and social responsibility

Committee responsibilities and their mandates are set out in each committee's terms of reference, which are approved by the board and are available on our website ([www.finning.com](http://www.finning.com)). Each committee is satisfied that it has fulfilled all of its responsibilities in 2023.

Three of the four committees are made up of independent directors. Mr. Parkes is a member of the safety, environment and social responsibility committee because of his role as President and CEO, which is mandated in the committee's terms of reference. Committees are constituted annually following the election of directors at our annual meeting. Each committee meets in-camera, without management present, at each meeting. You can read more about the committees and governance at Finning beginning on page 36.

### Audit committee

The committee is 100% independent and met four times in 2023.

#### Members

Stuart L. Levenick (chair)  
Vicki L. Avril-Groves (financial expert)  
Andrés J. Kuhlmann  
Christopher W. Patterson  
Manjit K. Sharma (financial expert)  
Nancy G. Tower (financial expert)

Mr. Ruigrok joined the committee on August 8, 2023 and ceased being a member of the committee on December 11, 2023 when he became a member and chair of the human resources committee. Mr. Patterson retired from the board on February 16, 2024.

#### Mandate

The audit committee is responsible for oversight of financial reporting, information systems, financial risk management, internal control over financial reporting and disclosure controls and procedures, and the pension plans of the corporation.

The primary mandate of the audit committee is to assist the board in fulfilling its oversight responsibilities to the shareholders and other stakeholders of the corporation with respect to:

- the integrity of annual and quarterly financial statements that will be provided to the shareholders and others
- audits of the financial statements
- the systems of internal controls over financial reporting and disclosure controls and procedures established by management and the board
- all audit, accounting, financial reporting, ethics and financial risk management processes, including those related to financial risk areas of financial reporting, information technology systems (including cybersecurity), business continuity and legal claims and exposures
- compliance with accounting and finance based legal and regulatory requirements, relevant laws, regulations and policies
- the external auditor's qualifications and independence
- the internal and external audit processes and performance of the internal auditor and external auditor
- the corporation's pension plans
- the implementation and effectiveness of the Ethics Program Charter and the compliance program under the Ethics Program Charter.

The audit committee also reviews and approves any related party transactions. You can read more about our governance related to conflicts of interest and related party transactions on page 38.

It is the audit committee's responsibility to maintain an open avenue of communication between the committee, the external auditor, the internal auditor and management of the corporation. At each meeting, the committee meets separately with the chief financial officer and meets in separate closed sessions, with only independent directors in attendance, with the external auditor and with the internal auditor.

In discharging its oversight role, the audit committee is empowered to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the corporation, and the power to retain outside counsel or other experts for this purpose.

<p><b>2023 highlights</b></p> <p>Ethical business conduct</p>	<ul style="list-style-type: none"> <li>• reviewed our code of conduct and recommended certain amendments for board approval, including responsibilities related to cybersecurity and our commitment to respect human rights</li> <li>• reviewed and approved our ethics program charter and oversaw the activities of our global ethics committee and received quarterly updates on its investigations into complaints under our code of conduct</li> </ul>
<p>External audit function</p>	<ul style="list-style-type: none"> <li>• reviewed and recommended the external auditor's audit plan and fees to the board for approval (see page 16 for details about the external auditor's services and fees)</li> <li>• received quarterly reports and observations from the external auditor following the external auditor's review and audit procedures</li> <li>• met independently with the external auditor at each meeting</li> <li>• completed the annual assessment of the external auditor</li> <li>• monitored audit quality indicators for the 2023 audit</li> <li>• reviewed reports from the external auditor, including the 2022/2023 audit quality report and 2023 audit transparency report, and reports on the external auditor's independence</li> <li>• reviewed and approved the written policy for pre-approving the external auditor's services</li> <li>• recommended the reappointment of the external auditor for 2023</li> <li>• reviewed the Canadian Public Accountability Board (CPAB) 2022 Annual Report, 2022 Annual Inspection Report, and 2023 Interim Results on Audit Quality Inspection</li> </ul>
<p>Risk management</p>	<ul style="list-style-type: none"> <li>• received quarterly executive updates on global top financial risks and mitigation measures, including top financial risks related to cybersecurity, information technology and data governance, and macroeconomic and capital markets</li> <li>• received semi-annual reports on cyber and information security from the Chief Financial Officer and the Chief Information Security Officer (CISO), including global cyber trends and incidents, cyber risks, information technology security and compliance, and Finning's cybersecurity training program</li> <li>• reviewed the financial and accounting management talent and succession plan</li> </ul>
<p>Financial reporting and internal controls</p>	<ul style="list-style-type: none"> <li>• reviewed and recommended to the board for approval the annual and interim MD&amp;A, financial statements and related earnings releases</li> <li>• received quarterly executive updates on climate and sustainability related regulatory reporting developments in Canada, the EU, and internationally (International Sustainability Standards Board), and reports on Finning's compliance readiness</li> <li>• reviewed new, pending and amended International Financial Reporting Standards (IFRS) and considered impacts on Finning's financial reporting</li> <li>• reviewed and approved amendments to Finning's non-GAAP and other financial measures global policy</li> <li>• received an update on global tax developments</li> </ul>
<p>Internal audit function</p>	<ul style="list-style-type: none"> <li>• reviewed the internal audit function and approved the internal audit charter</li> <li>• reviewed and approved the annual internal audit plan, and monitored the plan's progress and any changes</li> <li>• met independently with the internal auditor at each meeting</li> <li>• reviewed the results of internal audit activities and compliance with applicable regulatory requirements</li> <li>• completed the internal auditor's annual performance review</li> <li>• reviewed the results of the review of disclosure controls and procedures and internal controls over financial reporting in all regions</li> <li>• received a report on our global and regional Business Continuity Plans</li> </ul>
<p>Treasury</p>	<ul style="list-style-type: none"> <li>• reviewed the dividend strategy and made dividend recommendations</li> <li>• reviewed financial arrangements and refinancing strategies and liquidity, including recommending the issuance of \$350 million of 4.445% senior unsecured notes due in May 2028 and the extension of the \$300 million supplemental credit facility for an additional year, reviewing the repayment of £70 million of 3.40% senior notes, and monitoring our sustainability-linked revolving \$1.3 billion credit facility</li> <li>• reviewed compliance with debt covenants and status with credit rating agencies</li> <li>• reviewed and approved key treasury policies</li> <li>• recommended renewal of our normal course issuer bid (NCIB)</li> <li>• monitored the purchase and cancellation of an aggregate \$272 million of common shares under our NCIB</li> <li>• reviewed and approved our global insurance coverage and premiums</li> </ul>

	<ul style="list-style-type: none"> <li>• monitored foreign exchange risks in South America</li> </ul>
Pension plans	<ul style="list-style-type: none"> <li>• reviewed and approved pension plan funding, investment and governance policies</li> <li>• monitored the investment and financial position of our pension plans</li> <li>• monitored the risk reduction activities of our defined benefit plans</li> <li>• reviewed and approved the management pension committee's terms of reference and adherence to them</li> </ul>
General	<ul style="list-style-type: none"> <li>• oversaw our regulatory and legal compliance</li> <li>• monitored the status of legal claims affecting Finning</li> <li>• recommended amendments to the audit committee's terms of reference for board approval</li> <li>• reviewed the code of ethics for senior executive and financial management</li> <li>• established audit committee priorities for 2023</li> <li>• completed a self-assessment of the committee and committee chair</li> </ul>

The audit committee oversees Deloitte's performance, qualifications, independence and audit of Finning's financial statements, and recommends the auditor's compensation to the board for approval. See page 16 for information about the fees paid to Deloitte in 2023 and 2022.

You can find more information about the audit committee in our most recent 2023 annual information form, which is available on our website ([www.finning.com](http://www.finning.com)) and under our profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

## Governance and risk committee

The committee is 100% independent and met four times in 2023.

### Members

Nicholas Hartery (chair)  
James E.C. Carter  
Stuart L. Levenick  
Charles F. Ruigrok  
Manjit K. Sharma

Mr. Ruigrok joined the committee on August 8, 2023. Mr. Carter will cease being a member of the committee when he becomes Board Chair on April 1, 2024, at which time Mr. Kvisle will join the committee.

### Mandate

The mandate of the governance and risk committee is to assist the board in fulfilling its obligations by providing a focus on risk management processes and management and a focus on governance that will enhance corporate performance. The committee assesses and makes recommendations regarding board effectiveness, including the development of annual board objectives and the implementation of annual board performance evaluations, and establishes a process for identifying, recruiting, appointing, re-appointing and providing ongoing development of directors. The committee also assesses and makes recommendations to the board regarding risk management processes. The committee delegates the assessment and recommendation-making function regarding specific risks that are within the mandate of other standing committees of the board to such other committees, which report directly to the board on such risks.

The board continues to have overall responsibility for risk oversight, which is the process for determining that the corporation has an appropriate process in place for managing its significant risks and is improving that process continuously as the corporation's business environment changes.

### 2023 highlights

Overseeing corporate governance policies

- reviewed terms of reference for the board, Board Chair, committees, directors and President and CEO, and recommended certain amendments for board approval
- reviewed board and committee operating guidelines, and recommended certain amendments for board approval
- reviewed executive participation on outside boards and community involvement
- reviewed the code of conduct, whistleblower policy, board inclusion and diversity policy, and corporate disclosure policy and recommended certain amendments for board approval
- reviewed the global political contributions policy and annual report on political contributions and evaluated compliance with the global political contributions policy

Board succession planning and board renewal

- oversaw board renewal and recommended the appointments of Charles Ruigrok and John Rhind to the board effective August 2023 and January 2024, respectively
- reviewed and updated the director skills matrix for alignment with our corporate strategy and identified skill sets and diversity requirements for potential director nominees
- monitored the board's independence
- recommended committee memberships and chair appointments to board committees
- reviewed and refreshed the Board Chair succession and emergency replacement plans

Director compensation

- reviewed individual director compliance with our director share ownership guidelines

Director orientation, assessment and development

- reviewed the director orientation and education program and onboarded a new director
- oversaw and reviewed the results of performance evaluations of the board, committees and committee chairs with board member and key management participation
- oversaw individual director peer evaluations, including one-on-one interviews conducted by the Board Chair with individual directors and by the governance and risk committee chair with the Board Chair

Risk management

- reviewed quarterly reports on our enterprise risk management (ERM) and global top risks
- received an annual in-depth report on our global top risks and emerging risks, and management's mitigation plans
- reviewed the Finning South America Advisory Council Terms of Reference and recommended certain amendments for board approval

General

- developed annual board objectives with the Board Chair and President and CEO and completed an assessment of the prior year's board objectives for board consideration
- established governance and risk committee priorities for 2023
- monitored information flow between management and the board
- monitored corporate governance best practices, potential regulatory changes and disclosure trends
- completed a committee self-assessment (a committee chair assessment was not completed in 2023 due to Mr. Hartery's upcoming retirement at the annual meeting)

## Human resources committee

The committee is 100% independent and met four times in 2023.

### Members

Charles F. Ruigrok (chair)  
James E.C. Carter  
Jacynthe Côté  
Nicholas Hartery  
Mary Lou Kelley  
Edward R. Seraphim

Mr. Ruigrok joined the committee and became committee chair on December 11, 2023, succeeding Ms. Côté in the role. Ms. Côté retired from the Board on January 1, 2024. Mr. Rhind joined the committee on January 1, 2024. Mr. Carter will cease being a member of the committee when he becomes Board Chair on April 1, 2024, at which time Mr. Kvisle will join the committee.

### Mandate

The board has established the human resources committee to provide guidance and recommendations to the board in the areas of human resources, talent, succession, compensation, benefits and pension applicable to Finning.

For purposes of the human resources committee's terms of reference, executive management means the President and CEO, all members of the executive of the corporation (Vice President level and above) and such other officers of subsidiaries of the corporation as the President and CEO may designate. The Finning leadership team means the President and CEO, the Chief Financial Officer, the General Counsel and Chief Human Resources Officer, the Executive Vice President, Global Used Equipment, the country operational presidents, and any other employees of the corporation or its wholly owned subsidiaries as the President and CEO may designate.

The mandate of the committee includes to:

- ensure, at a strategic level, that there are appropriate and effective human resources policies in place setting out the philosophy for the employment and motivation of the corporation's staff and their understanding of and engagement in the interests and success of both the group and the particular business in which they work, consistent with the corporation's purpose, vision and values statement, and to promote competencies that enable the corporation's strategy
- regularly review organizational structure, headcount and turnover, employee wellbeing, and inclusion and diversity
- regularly review with the President and CEO the plans of the President and CEO for the structure, development and succession of the Finning leadership team
- work to continuously improve the corporation's philosophy and guidelines on compensation
- ensure a broad plan of executive compensation is established that is competitive and motivating to attract, retain and inspire executive management and other key employees, while taking into account the overall cost of compensation of the executive management and the interests of shareholders
- work to ensure that the key elements of design within the corporation's pension plans remain appropriate and effective.

### 2023 highlights

Senior executive compensation

- reviewed and recommended the 2023 performance objectives and compensation for the President and CEO
- reviewed management's recommendations regarding salaries of the Finning leadership team
- reviewed and recommended short-term and long-term incentive awards for the President and CEO, the Finning leadership team and other senior executives
- reported quarterly to the board on the performance of the President and CEO relative to his annual objectives

Compensation programs and policies

- met with our independent consultant to receive and discuss a report on trends and recent developments in executive compensation
- reviewed and approved performance measures for the 2023 short-term and long-term incentive plans
- reviewed reports from management and our independent consultants on the proposed redesign of our short-term and long-term incentive plans
- approved adjustments to our compensation peer group in November 2023, effective January 1, 2024 (see page 64 for details about our compensation peer group)
- confirmed that senior executives have met, exceeded, or are on track to meet their share ownership requirements
- monitored employee retention programs

Succession planning

- developed and refreshed the CEO succession plan, including emergency plans (you can read more about the board's CEO succession planning at page 39)
- reviewed and refreshed succession plans and talent actions for the Finning leadership team
- received talent spotlight reports each quarter, including succession plan and inclusion and



	diversity updates for a specific region and/or global support services function
Leadership and management team development and officer appointments	<ul style="list-style-type: none"> <li>oversaw organizational changes in senior leadership and management teams to align with our corporate strategy</li> <li>recommended corporate officer appointments for board approval</li> </ul>
Human resources, talent management and I&D	<ul style="list-style-type: none"> <li>reviewed reports on employee metrics, programs and regional turnover, including by gender, and a female representation benchmarking assessment by region and industry</li> <li>received reports on the status of union negotiations in Canada, South America, and the UK and Ireland</li> <li>received reports on our refreshed people and customer strategy to create a “people first”, safe and secure culture and build a high-performing and resilient organization</li> </ul>
General	<ul style="list-style-type: none"> <li>reviewed on a quarterly basis the top risks within the scope of the committee’s responsibilities, including risks delegated to the committee by the governance and risk committee, along with management’s supporting risk mitigation plans</li> <li>recommended amendments to the human resources committee’s terms of reference for board approval</li> <li>established human resources committee priorities for 2023</li> <li>completed a committee self-assessment (a committee chair assessment was not completed in 2023 due to the transition of the committee chair position on December 11, 2023)</li> </ul>

## Safety, environment and social responsibility committee

The committee met four times in 2023.

### Members

Andrés Kuhlmann (chair)  
Jacynthe Côté  
Vicki L. Avril-Groves  
Mary Lou Kelley  
Kevin Parkes  
Christopher W. Patterson  
Edward R. Seraphim  
Nancy G. Tower

Ms. Côté and Mr. Patterson retired from the board on January 1, 2024 and February 16, 2024, respectively. Mr. Rhind was appointed to the board and joined the committee on January 1, 2024.

Mr. Parkes is a member of the committee, as required by the committee's terms of reference, because he is the President and CEO and is responsible for Finning's day-to-day operations. He is the only non-independent member of the committee.

### Mandate

The mandate of the safety, environment and social responsibility committee is to assist the board in its oversight of the corporation's safety and health, environmental, social responsibility, and sustainability policies and programs and monitor its performance against those policies and programs.

The committee encourages, assists and counsels management in its drive towards attaining and maintaining world-class safety, health and environmental performance and sustainability. The committee, through oversight of management's procedures and policies, ensures management builds compliance into the corporation's business processes and activities in order to meet or exceed applicable legal obligations. The committee supports management in achieving the goals of eliminating work-related injuries and occupational illnesses and reducing our impact on the environment.

Community investment is also a focus of this committee, as well as any matter affecting the company's sustainable development in the committee's areas of oversight responsibility. The committee is also involved in providing strategic input, monitoring risks on a quarterly basis related to its scope of responsibility, and reviewing action plans in all these areas.

The mandate of the committee includes to:

- review and approve goals and guidelines for environmental compliance, ensuring that environmental policies comply with applicable legal requirements
- review and approve metrics for target setting and tracking performance, and associated annual compensation targets, in the areas of health, safety, environment and community support
- support the development of short and long-term policies and procedures relating to sustainable development in the areas of employee health & safety, environment and social responsibility, including oversight of our global sustainability policy and matters addressed therein, such as human rights, environmental stewardship and commitments to our employees and communities
- guide and monitor management's strategies, action plans, risk management, duties and responsibilities relating to global health, environment, community support and social responsibility
- review applicable legal and regulatory frameworks, including significant trends or pending changes
- monitor any current, pending or threatened legal actions within the areas of the committee's mandate
- receive quarterly reports on (i) safety statistics, (ii) environmental metrics and trends in legislative framework, (iii) community and social responsibility investments, and (iv) applicable stakeholder requirements within the committee's mandate.

### 2023 highlights

Ensuring compliance with legal and regulatory standards and corporate policies

- monitored our health, safety, environmental and sustainability vision, strategic objectives, and global road map consistent with our global sustainability policy
- reviewed outcomes from global environment, health and safety audits
- received an update on climate and sustainability related regulatory reporting developments in Canada and internationally (International Sustainability Standards Board)

Preventing and eliminating environmental incidents, work-related injuries and occupational illnesses

- reviewed and approved total injury frequency targets and the significant incident modifier metric for 2023 Corporate STIP metrics
- discussed 2024 Corporate STIP metrics related to the identification of incidents with serious injury or fatality (SIF) potential (SIFp)
- monitored our health, safety and environmental performance, including leading indicators, and reviewed significant safety incidents
- monitored and guided our SIF prevention program implementation
- reviewed updated critical controls related to our Global Vehicle Safety Standard
- reviewed regional safety plans and monitored the evolution of our safety culture

Sustainable development	<ul style="list-style-type: none"> <li>• reviewed on a quarterly basis the top risks within the scope of the committee's responsibilities, including risks delegated to the committee by the governance and risk committee, along with supporting risk mitigation plans, which included top safety, environmental and social responsibility risks, and related financial, operational, legal and reputational exposures and mitigation measures</li> <li>• reviewed, in conjunction with the quarterly risk updates, developments affecting the company's regions around carbon pricing/tax and climate policies and environmental laws and regulations, and the potential financial and operational impacts on Finning</li> <li>• received quarterly executive reports on our regional and consolidated scope 1 and 2 absolute GHG emissions to monitor progress towards achieving our GHG emissions reduction target</li> <li>• reviewed climate-related risks and opportunities, including regional risks and mitigation measures related to severe heat from climate change</li> <li>• reviewed and supported management in the development of our annual sustainability report</li> </ul>
Community investment	<ul style="list-style-type: none"> <li>• received quarterly updates on regional corporate social responsibility initiatives</li> <li>• reviewed our social impact and community investment strategy, including Finning Canada Indigenous engagement and regional science, technology, engineering and math (STEM) initiatives</li> </ul>
General	<ul style="list-style-type: none"> <li>• reviewed the safety, environment and social responsibility committee's terms of reference</li> <li>• reviewed an annual update on emergency response plans</li> <li>• established safety, environment and social responsibility committee priorities for 2023</li> <li>• completed a self-assessment of the committee and committee chair</li> </ul>

## Corporate governance

We believe that high corporate governance standards are essential to operating effectively and enhancing shareholder value.

We are a Canadian reporting issuer listed on the Toronto Stock Exchange (TSX). Our corporate governance policies and practices meet Canadian regulatory requirements that apply to us, including:

- National Instrument 58-101 Disclosure of Corporate Governance Practices
- National Instrument 52-110 Audit Committees
- corporate governance requirements that apply to Canadian companies listed on the TSX.

You can find a list of the requirements of National Instrument 58-101 and a discussion of how Finning meets those requirements in Appendix A.

### Where to find it

<b>About the Finning board.....</b>	<b>37</b>
• Board independence.....	38
• Key priorities .....	39
• Sustainability.....	42
• Inclusion and diversity at Finning .....	42
• Communications and engagement.....	44
• Director compensation.....	45
<b>Our expectations of directors .....</b>	<b>48</b>
• Ethical business conduct .....	48
• Share ownership.....	48
• Attendance.....	49
• Serving on other boards .....	50
• Skills and development.....	50
• Retirement and term limits.....	54

---

## About the Finning board

Our shareholders elect the board of directors. Director nominees are voted on individually, not by slate voting. Our articles of incorporation provide for a minimum of three and a maximum of 14 directors.

The board has overall responsibility for Finning's business conduct and fostering our long-term success to maximize shareholder value. It oversees our strategy, risk management, corporate governance policies, succession planning, safety and sustainability practices and community investment approach.

The board is directly responsible for:

- choosing the President and CEO, who is responsible for Finning's day-to-day operations
- reviewing and approving the annual operating plan and the strategic plan, which take into account business opportunities and business risks
- overseeing and monitoring management's systems for Finning's operations
- monitoring and assessing our performance in meeting both short and long-term goals established by management and approved by the board
- directly reviewing and approving major transactions proposed by management, including the payment of dividends, the terms for the issuance of securities and the repurchase of shares
- reviewing reports and recommendations from the board committees and giving management the necessary direction
- reviewing the content of significant communications with shareholders and the investing public, including this management proxy circular, the annual information form and the interim and annual financial statements, MD&A and associated earnings releases
- reviewing and approving key corporate policies
- managing the board's affairs, including planning its composition, selecting the Board Chair, recruiting and nominating candidates for election to the board, appointing committees and committee chairs and determining director compensation
- approving the appointment of all corporate officers and the compensation of the President and CEO.

The board has adopted written position descriptions and mandates (terms of reference) for the board, individual directors, the President and CEO, the Board Chair and each of the four board committees. Copies are available on our website ([www.finning.com](http://www.finning.com)) or from our Corporate Secretary.

The board met five times in 2023.

### Board committees

The board has four standing committees to help it carry out its responsibilities:

- audit
- governance and risk
- human resources
- safety, environment and social responsibility.

The board can create new committees, as needed.

Committees meet at least quarterly. The committee chair sets the agenda for each meeting with the assistance of the Corporate Secretary and other members of management, and reports on each meeting to the board. The Board Chair regularly attends meetings of the governance and risk and other committees.

Committee membership is reviewed at least once a year with changes to committee composition effective after our annual meeting, and at other times as appropriate. The board rotates committee members and committee chairs as necessary or appropriate. The governance and risk committee recommends to the board the appointment of directors to the committees based on their skills and experience, with reference to the following guidelines:

- all members of the audit committee must be independent and financially literate. At least one committee member must be a financial expert, which means they have accounting or related financial management expertise
- all members of the human resources committee must have knowledge and experience in human resources and compensation matters
- the President and CEO is required to be a member of the safety, environment and social responsibility committee.

Our committee meetings are organized so two committees meet at the same time, to allow more time at board meetings for discussion and focus on strategy, risk, business operations, education sessions, talent review and succession planning.

The board and its committees can retain outside counsel or other experts as needed.

Meridian Compensation Partners (Meridian) provides independent advice on director compensation to the board and on executive compensation to the human resources committee.

The Corporate Secretary's office oversaw the 2023 review of board effectiveness, which included an evaluation of the board and Board Chair, individual director peer reviews and committee and committee chair evaluations. You can read more about the evaluation process beginning on page 40.

## Board independence

Our board must have a majority of independent directors and our Board Chair and CEO are separate roles. Both of our current Board Chair and incoming Board Chair are independent. We do not have a lead director, but we can appoint one if necessary.

At every board meeting, including special board meetings, if any, the independent directors meet without management present. In 2023 the board met with the independent directors, without management present, at every meeting. Committees also meet without management present and in 2023 every committee met without management present at every meeting.

Directors assess their independence annually by completing a detailed questionnaire that asks if they:

- have a direct or indirect relationship with Finning that could prevent them from making an impartial judgment
- are employed by, or have a relationship with someone employed by, Finning or our internal or external auditor
- have a familial relationship with Finning, or with our internal or external auditor
- have received, or a family member has received, fees from Finning outside of their director compensation
- have a direct or indirect relationship with another member of the board
- have any actual or perceived interests that could constitute a conflict of interest, such as an association with a company that has a business relationship with Finning, such as a significant customer, competitor or supplier.

Potential conflicts of interest and related party transactions may also be identified by the board in conjunction with making director independence determinations. Our code of conduct (code) also 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. For more information on our code, see page 48.

Our board's process for handling potential and actual conflicts of interest if a director is associated with a company that has a business relationship with Finning is as follows:

- the Board Chair is advised of any potential or actual conflicts of interest and the director abstains from reviewing any related material
- the director recuses themselves from participating in any discussions and voting on a matter that involves the other company
- we evaluate all payments between Finning and the other company
- we evaluate all of the board's decisions about the other company.

This process allows us to have directors with both market expertise and customer experience, which contributes to the overall strength of our board. All material conflicts of interest involving a director are reviewed by the governance and risk committee, and all related party transactions (as defined under applicable securities laws) are reviewed and approved by the audit committee or, if appropriate, a special committee of the board formed for such purpose. In 2023, there were no related party transactions.

We also have a global hedging policy. Pursuant to this policy, we do not allow our board members to purchase financial instruments that are designed to hedge or offset a decrease in the market value of equity securities granted to them as compensation, or Finning securities that they hold directly or indirectly, and we also prohibit the use of hedging to offset the value of shareholdings for director share ownership requirements.

The board has determined that twelve of the thirteen nominated directors meet the definition of *independence* set out in National Instrument 58-101 of the Canadian Securities Administrators.

Mr. Parkes is not independent because he is our President and CEO.

No director or executive officer at Finning, 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.

## Key priorities

The board's five priorities for strong stewardship are:



### 1. Business strategy

The board is actively involved in helping direct Finning's long-term business strategy and the board discusses strategy at every board meeting. The board also holds a strategy session every year in conjunction with a board meeting. Our 2023 strategy session was an all-day Board meeting held in May.

Our strategic planning process in 2023 involved a comprehensive strategic refresh which identified our go-forward strategic priorities: drive product support, full-cycle resilience and sustainable growth. Our refreshed strategy was presented at our 2023 Investor Day in Antofagasta, Chile. For more information on our refreshed strategy, refer to page 6. At the December 2023 board meeting, management presented, and the board approved, our annual operating plan and budget for 2024, which is aligned with our go-forward strategy.

### 2. CEO leadership and succession planning

#### **CEO leadership**

The board gives support and direction to the President and CEO in the achievement of his objectives. Our President and CEO was appointed on November 16, 2022. During 2023, focus areas for the board in supporting Mr. Parkes included: executing the strategic reframe and our 2023 Investor Day, and building a robust strategic execution framework; developing a safe, sustainable, and inclusive high performing company; and driving disciplined execution of strategy and operating plans to achieve targeted earnings. You can read more about our President and CEO's leadership on page 75.

#### **Succession planning**

Succession planning involves identifying and developing successor candidates for senior management to ensure long-term growth and sustainability through an orderly process for leadership succession. To achieve this, the executive talent development and succession planning process is integrated into the board's annual activities.

The human resources committee is responsible, on behalf of the board, to oversee succession planning and talent management to develop an effective succession plan for the President and CEO and to oversee succession planning for senior management. The human resources committee recommends the CEO succession plan to the board and reports to the board at least annually in-camera without management present on the refreshment of succession plans and talent actions for the CEO and the Finning leadership team.

CEO and non-CEO executive succession planning involves working with the President and CEO, human resource executives and, where appropriate, external independent consultants, to identify and review internal and external candidates. The human resources committee also meets in-camera, without the CEO, to discuss potential CEO successors. Executive succession plans identify potential successors for each executive and development plans required for each candidate to be fully prepared to take on the position. An external search may be launched if no strong candidates are identified. In addition to long-term plans, the human resources committee also reviews emergency plans should unexpected events leave executive roles vacant (on a short-term or permanent basis) earlier than expected. Maintaining a robust succession planning process at all levels of the organization also helps monitor and drive towards reaching our diversity goals at the executive management and other levels within the organization. See page 42 for more information about our diversity initiatives and goals.

In 2023, the human resources committee reviewed and reported to the board on the CEO succession plan, including the refreshed emergency succession plan, and on each of the non-CEO executive leadership team succession plans and talent actions.

### **3. Board composition and renewal**

The governance and risk committee is responsible for board and Board Chair succession and recruiting new directors who will bring the appropriate competencies, skill set and diversity to our board, given our corporate strategy and objectives.

When considering director nominees, the board considers key attributes and qualities sought in all board members, which include strategic and business insight, integrity, independent judgment, high ethical standards, time commitment and an understanding of Finning's business. The board also considers the extent to which a candidate would enhance diversity of the board, including in terms of skill, age, geography, ethnicity, gender and other designated groups (as defined below). The individual candidate's skills and experience are further assessed against those that the board has identified in a skills matrix as desirable to enhance board performance. As the board composition changes and as Finning's strategy evolves, the director skills matrix is reviewed to ensure that the current director skill sets align with our strategic goals. The skills matrix also helps the board to prioritize and identify areas for future enhancement or gaps in the current skill sets and diversity of the board.

Board renewal has been a key area of focus for the governance and risk committee, with nine independent directors recruited to the board over the last seven years, including five independent directors over the last two years. Board renewal will continue to be an area of focus as the governance and risk committee plans for near-term director retirements.

In 2023, the governance and risk committee also reviewed and reported to the board on Board Chair succession planning and a refreshed Board Chair emergency replacement plan. Harold Kvisle has decided to step down as Board Chair for personal reasons but will stand for re-election this year and retire when he reaches mandatory retirement at the 2025 annual meeting. On the recommendation of the governance and risk committee, as previously announced on February 6, 2024 the board appointed James Carter as successor Board Chair effective upon, and subject to, Mr. Carter's re-election at the annual meeting. In light of intervening personal circumstances with respect to Mr. Kvisle, the board subsequently approved Mr. Carter's Board Chair appointment to be effective earlier on April 1, 2024. As Mr. Carter was scheduled to retire at the annual meeting, the board, on the recommendation of the governance and risk committee, extended the waiver of Mr. Carter's retirement for an additional one-year period. See page 54 for more information about the extension of Mr. Carter's tenure and appointment as incoming Board Chair.

The governance and risk committee will continue its Board Chair succession planning efforts to identify a long-term Board Chair for appointment by the 2025 annual meeting.

### **4. Board effectiveness**

The board sets objectives for board effectiveness at the beginning of each year. In 2023, the board agreed on five priority areas:

- Corporate Governance: Focus on shareholder engagement and rigorous board governance and regulatory compliance, including readiness to meet evolving ESG standards and reporting requirements.
- Board Composition, Effectiveness and Efficiency: Focus on board renewal, new director orientation, and director education on key strategic and operational topics.
- Business Strategy and Evolving Business Model: Navigate the changing economy and focus on capital allocation, driving financial performance, and supporting the strategic refresh process.
- People: Executive succession planning and employee rewards and engagement; safety performance and culture.
- Risks: Continued maturation of enterprise risk management, including developing strong linkages to strategic planning; risk identification and monitoring, including emerging risks; and CEO succession planning.

The board reviews its performance every year to assess its general performance and progress on its annual objectives. The governance and risk committee is responsible for the evaluation process, which is conducted annually in-house and at least every three years through an independent external consultant. In 2023, the board evaluation process was conducted by the office of the Corporate Secretary.

#### ***The board evaluation process:***

- included an online survey to assess board performance and identify areas for board focus with board member and key management participation
- covered a wide range of topics including board composition and succession, alignment of the board and executives on strategy and priorities, board/management relationship, board leadership, CEO succession planning, board culture and dynamics, director recruitment and development, stakeholder engagement, and board priorities, among other topics
- included a survey on committee and committee chair effectiveness, covering topics such as composition, committee reporting, committee leadership and priorities for the coming year.

In light of the transition of the chair position for the human resources committee in December 2023 and the retirement of the chair of the governance and risk committee at the annual meeting, the outgoing chairs of those committees were not evaluated.



**The director evaluation process:**

- included a comprehensive online survey to receive quantitative ratings and qualitative feedback on each director's contributions through a review by peers and key management
- covered a wide range of issues including strategic perspective, key strengths relevant to the skills matrix, knowledge, leadership skills, business and financial acumen, communication and culture, and level of engagement
- included a Board Chair survey, covering topics such as leadership, effectiveness of meetings, board culture and relationship with directors, management and key stakeholders.

The office of the Corporate Secretary compiled the results of the evaluations, discussed them with the governance and risk committee chair and the Board Chair and delivered a report to the governance and risk committee, which was then reported to the board. The results of the individual director assessments, including the Board Chair assessment, were also compiled and provided to the governance and risk committee chair and the Board Chair. Individual meetings between the Board Chair and each director to debrief individual directors on their results were held and the governance and risk committee chair also met with the Board Chair to review the Board Chair's individual results.

The conclusion of the evaluations is that our board is seen to have a strong level of engagement and there continues to be close alignment between directors and management on the board's effectiveness and board priorities. The committees are also seen to be working effectively, with good support from management. The observations and recommendations from this evaluation process will be considered in the development of board and committee objectives for 2024.

**5. Risk oversight**

Our business includes market, credit, liquidity and other risks. We have a strong risk management culture and an enterprise risk management process to manage our business activities and risks.

The governance and risk committee is responsible for oversight of our processes for managing key business risks. Each of our operations identifies the main risks that could have a negative effect on our business, and then develops a plan to mitigate those risks. Management reports key business risks and mitigation plans at each quarterly governance and risk committee meeting, which then reports to the board. The role of the governance and risk committee is to oversee management of the enterprise risk process. The governance and risk committee will delegate oversight of business risks that are within the mandate of one of the other committees to the relevant committee. Management provides updates on those delegated business risks, and management's mitigation plans, at each quarterly meeting of the relevant committee, which then reports to the board. Overall responsibility for risk oversight remains with the board. Management provides a comprehensive annual report to the board on enterprise risk management, major enterprise risks and mitigation plans, and emerging risks.

The board and its committees are responsible for ensuring that management has taken all reasonable steps to identify and manage all key business risks:

- the audit committee receives quarterly updates from management at every regularly scheduled meeting on major financial risks and our process for monitoring and controlling them
- the governance and risk committee receives quarterly updates from management at every regularly scheduled meeting on the top enterprise risks and any changes in the risks or their relative ranking and reviews our process for assessing and managing enterprise risks. The committee also receives quarterly updates on regulatory matters relevant to governance, to ensure that we stay at the forefront in this area, and reviews our governance practices to make sure they align with regulatory requirements and best practices
- the human resources committee reviews our executive compensation policies and practices to make sure they align with our compensation principles and do not encourage inappropriate or excessive risk-taking, and receives quarterly updates from management on risks related to culture and people, including talent, employee wellbeing, and inclusion and diversity
- the safety, environment and social responsibility committee oversees our policies and systems to monitor safety, health, environmental and social responsibility related risks and receives quarterly updates from management on these risks.

We discuss our principal risks in our 2023 annual information form and in our 2023 financial report. Both documents are available on our website ([www.finning.com](http://www.finning.com)) and under our profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

## Sustainability

In 2023, we continued to make progress in our sustainability journey. We invested time and resources in managing the sustainability topics that are deemed most relevant to our business, including People, Environment, Customers, Communities and Indigenous Engagement, and Governance, Ethics and Cybersecurity. Our performance and progress in our journey are described in our latest annual sustainability report, which is available on our website ([www.finning.com](http://www.finning.com)).

An important part of sustainability at Finning is inclusion and diversity, which is described in more detail below.

### Inclusion and diversity at Finning

At Finning, we believe that inclusion and diversity broadens talent, drives better performance and increases innovation, leading to better outcomes for all of our stakeholders and making us a stronger company overall. To promote an inclusive culture and protect the physical and psychological safety of Finning's employees, we are committed to ensuring all individuals enjoy respect and dignity in a safe work environment, free from discrimination, harassment and workplace violence.

Through leadership commitment, dedicated resourcing and a multi-year strategy that includes redesigning, where appropriate, people processes to reduce or eliminate systemic bias and improve decision quality, we continue to work to ensure our employee demographics are diverse in both visible and invisible ways to better reflect the global nature of our operations and customer base, so that our culture is one where everyone feels safe, valued and a sense of belonging.

Our priority is to build organizational capability (by empowering our employees, equipping and supporting our leaders and through our people practices) to drive continuous improvement in our efforts to recruit, develop, promote and lead diverse talent inclusively, measured by the demographic representation and employee experience across all levels of the organization, functions and geographies, benchmarked against high performance company norms. We are striving to achieve a more balanced gender composition across our workforce, leadership levels and on our board. You can find a list of the diversity disclosure requirements of the CBCA and a discussion of how Finning meets those requirements in Appendix B.

### 2023 inclusion and diversity highlights

In 2023, we updated our global diversity equity and inclusion plan, which outlines our commitment to creating a diverse workforce where each person is respected, seen, heard and valued. We continued to invest in organizational systems and culture transformation to drive ongoing continued improvements in the diversity and inclusivity of teams. Below are highlights from this year:

- Our Diversity, Equity and Inclusion employee experience score was 84% which is above our last employee experience score in this area (2021) and is also one point higher than the global high performing norm
- 79% of senior leaders and above have completed Conscious Inclusion training to date to build leadership capability to visibly champion our inclusion journey with their teams and be role models
- The majority of front-line level leaders and above completed Building Respectful Teams training to build leadership capability to stand up for respect and lay the foundation for a healthier culture
- Leaders at all levels continue to have conversations with teams to listen and learn from diverse perspectives while championing topics ranging from psychological safety, respect, anti-racism, LGBTQ+ inclusion, Indigenous inclusion and allyship
- Leaders continued embedding Courage to Care programming into regular team meetings, reinforcing the interconnectedness of physical and psychological safety, respect, inclusion and wellbeing
- Employees continued to have the ability to confidentially and voluntarily self-disclose diverse identity information, including pronouns, gender identity and expression, sexual orientation, disability and ethnicity, in order to assist in the development of our programming and other initiatives to improve diversity and inclusion
- We continue to support employee resource groups (ERGs) in Canada, the United Kingdom and Ireland. In Canada, these exist for members and allies of the LGTBQ+, Indigenous and Women's communities. In the United Kingdom and Ireland, ERGs exist for members and allies of the LGTBQ+, Women's, persons with disabilities and members of the armed forces communities. We also established an Allies for Inclusion group for South America. These groups support underrepresented talent and raise awareness with leaders about barriers and allyship
- Finning UK and Ireland is a Disability Confident Committed employer, equipping us with the knowledge, skills and confidence we need to attract, recruit, retain and develop persons with disabilities
- Finning South America is on track to meet a joint goal with BHP of 50% female worker representation at their Escondida mine in Chile
- Finning Canada continued our Truth and Reconciliation journey through cultural awareness training, Indigenous employee panel events, celebrating key dates, and sharing resources to support anti-racism and decolonization efforts

### Directors

We believe having a diverse and inclusive board leads to a better understanding of opportunities, issues and risks; enables stronger decision-making; and ultimately improves the board's performance and ability to provide strategic oversight and maximize shareholder value. In a dynamic global environment, the benefits of inclusion and diversity are critical to our long-term

success and viability. We have a board inclusion and diversity policy that sets out our approach for promoting and achieving diversity on our board, including the identification and nomination of directors who offer diversity, including, among others, in terms of gender, visible minorities, Indigenous peoples and persons with disabilities (designated groups).

The governance and risk committee considers diversity when conducting director recruitment activities and reviews diversity as part of its annual review of the director skills matrix. Diversity in this context includes geography, age, gender, visible minorities, Indigenous peoples, persons with disabilities, sexual orientation, and other personal characteristics. The committee retains the services of an external search firm or consultant for director recruitment as necessary. As part of the director candidate search process, the external search firm or consultant is informed of the skills, experience and attributes prioritized by the board and instructed to include in their candidate list gender diverse candidates, as well as members of visible minorities, Indigenous peoples and/or persons with disabilities.

Four of our thirteen director nominees are female (30.8%) (33% of independent director nominees). One of our director nominees self-identifies as a visible minority.

The board also considers relevant skills and experience and the need to fill any gaps in the board's skill set when recruiting potential director candidates. When candidates have similar skills and experience, the board will advance the candidate with diversity characteristics to enhance diversity and add a broader perspective. See Appendix B for further information on our approach to board and senior management (as defined under the CBCA) diversity in terms of the designated groups.

### Employees

We recognize there is a compelling business case for inclusion and diversity at all levels of the organization. We are committed to having a culture that values diversity and inclusion.

Our global inclusion and diversity strategy outlines that we want to be known for:

- Inclusive leaders who inspire, motivate and empower
- Innovation and high performance underpinned by diversity of thought
- Visible representation that reflects the diversity of the communities in which we work
- Empowered employees who co-create an environment of inclusion and belonging
- A culture of care and psychological safety where employees can be themselves
- Fair and equitable talent processes

In 2023, we continued our journey of embedding Diversity, Equity and Inclusion (DEI) in all that we do and repositioned our global DEI council to have DEI as part of the regular agenda with the Finning Leadership Team.

At the board level, our human resources committee oversees employee wellbeing and our inclusion and diversity initiatives as part of its overall oversight of our human resources policies and practices.

### Measuring our progress

We continually endeavour to improve the equity of our talent processes by monitoring gender balance and making interventions to sustainably improve gender balance in recruitment, hiring, succession planning, performance management activities and turnover. In addition, we have expanded performance reporting to include leadership accountability, leadership commitment and inclusive culture. The results of our biannual employee experience survey in 2023 confirmed that we are making good progress: 84% of our employees responded favourably to the questions in our DEI category. We are proud that this level of endorsement is one point above the norm for global high performing companies and five points above the engineering and construction industry norm.

### Women in leadership

We measure gender balance across our talent pipeline as an indicator of progress towards eliminating bias and systemic barriers for underrepresented talent across critical processes such as recruiting, hiring, development, compensation and succession.

We recognize the need to attract and retain female talent in leadership roles and invest in growing the supply of female talent in operational and technical roles. In our hiring and promotion practices, we consider merit, qualifications, experience and improving gender balance across all management roles and functions. We also partner with several organizations around the globe as part of our longer-term diversity strategy. As a member of the 30% Club Canada, our goal is to achieve at least 30% female representation at the executive management and board of director levels.

### Women in executive management roles (vice presidents and above)

As at December 31

2023	28%
2022	30%
2021	26%
2020	21%
2019	24%

Currently two of our eight executive officers (25%) are female. The number of women in executive management roles (vice presidents and above) decreased slightly in 2023 from 30% to 28%. Representation of women in senior level leader roles at a director level or above decreased slightly from 32.5% to 30.9%. Representation of women in front-line leader roles and in the overall employee population increased slightly to 17.3% and 18.7%, respectively. We continue to focus on leader accountability for inclusive leadership practices in hiring, as well as creating and maintaining an inclusive work

environment. We continue to rely on qualitative and quantitative data to drive programming and plan to expand our analysis beyond gender in 2024.

## Communications and engagement

The board is committed to engaging and communicating with all our stakeholders.

We hold an advisory vote on executive pay at each annual meeting as part of our shareholder engagement and to receive feedback on this important topic. We have held this 'say on pay' vote every year since 2011.

We regularly engage with institutional investors and proxy advisory groups and monitor governance and disclosure practices to ensure we maintain our high governance standards.

As part of our stakeholder outreach program, our CEO, CFO, various members of the leadership team and our investor relations representatives engage with the investment community, government officials, media representatives and other stakeholders on a regular basis. These interactions are carried out throughout the year and are guided by our corporate disclosure policy, available on our website ([www.finning.com](http://www.finning.com)).

Some examples of our ongoing dialogue with the investment community include:

- Participating in institutional investor conferences
- Conducting one-on-one and group meetings
- Conducting quarterly earnings calls with Q&A sessions accessible to the public by phone and webcast
- Hosting tours of Finning's facilities and operations for the investment community and other interested stakeholders, including, most recently, our Investor Day and tours hosted in Antofagasta, Chile in September 2023
- Participating in industry events that are of interest to the investment community

In these interactions, we discuss our strategy, operational priorities, financial performance, market outlook, growth opportunities, capital allocation priorities and other topics of interest, such as CEO succession.

We are committed to continuously improving our investor relations program, as well as the effectiveness of our engagement with all stakeholders. To this end, we ask institutional investors for feedback on the effectiveness of our communications, closely review sell-side research reports and conduct media monitoring. We also engage an independent third party to conduct an Investor Perception Study every few years to obtain an assessment of the perception of Finning in the investment community.

In addition, as part of our disclosure obligations, we provide the following material, which can be found on the investor relations section of our website:

- Interim and annual financial statements and related MD&A and earnings releases
- Management proxy circulars
- Annual information forms
- News releases of material and important developments
- Investor presentations
- Sustainability reports

We encourage shareholders to attend our annual meeting to hear first-hand about our financial and operational results, our strategic plan to create value for all stakeholders, and to ask questions of management and the board.

Shareholders, employees and other stakeholders can communicate with the board by writing to the Board Chair:

Board Chair  
c/o Corporate Secretary  
Finning International Inc.  
19100 94 Avenue  
Surrey, British Columbia V4N 5C3

Please remember to mark your envelope *Private and Confidential*.

## Director compensation

Our director compensation program helps us recruit and retain qualified individuals for our board. The board sets the fees based on the recommendation of the governance and risk committee.

### 2023 fee schedule

The table below sets out the director fee schedule for 2023, which went into effect on January 1, 2022. The Board Chair receives a higher retainer because of the scope of responsibilities of this role. Mr. Parkes does not receive director compensation because he is compensated in his role as President and CEO.

<b>Board retainer</b>	<b>Amount<sup>1</sup></b>
Board Chair (includes an equity retainer of \$246,000 in DSUs)	\$410,000
All other directors (includes an equity retainer of \$147,000 in DSUs)	\$245,000
<b>Committee chair retainers</b>	
Paid in cash	
• Audit committee	\$25,000
• Human resources committee, governance and risk committee and safety, environment and social responsibility	\$20,000
• Other committee / working group / advisory council (or similar body) <sup>2</sup>	\$15,000 – \$25,000
<b>Travel fees</b>	\$1,500 – \$3,000
Paid in cash (Board Chair is not eligible to receive travel fees)	
• \$1,500 for the director to travel to a meeting on the same continent as their residence	
• \$3,000 if the director has to travel to a different continent from their residence	
<b>Daily stipend</b>	Up to \$1,500
Paid in cash (Board Chair is not eligible to receive a stipend)	
• up to \$1,500 per day if a director assumes short-term duties above ordinary director responsibilities	
• amount is set by the Board Chair and reviewed by the governance and risk committee	

Note:

- 1 Retainers and fees are paid quarterly. Compensation of directors who do not live in Canada is converted to their local currency on the date of payment.
- 2 The fee is determined in accordance with the director compensation program in an amount commensurate with the associated responsibility and time commitment.

Directors must receive at least 60% of their annual director or Board Chair, as applicable, retainer in deferred share units (DSUs). Directors can also elect annually to receive any other cash compensation they're entitled to receive (cash portion of the board retainer, chair retainers, travel fees and the stipend, if applicable) as DSUs. In 2023, directors received 78% of the total board compensation as DSUs. Compensation in the form of DSUs is at risk since DSUs can be redeemed only upon a director retiring from the board and the redemption amount of DSUs depends on the market value of our shares.

### Director Compensation Benchmarking and Peer Group Review

To be competitive with the market, total compensation for directors is targeted at the 50<sup>th</sup> percentile of a peer group of companies. We benchmark director compensation against the same group of companies we use to benchmark executive compensation. For information on our peer group companies, see page 64.

The governance and risk committee is responsible for reviewing director compensation periodically, and at least every two years facilitates that review through an independent compensation consultant. In late 2023, the governance and risk committee engaged Meridian Compensation Partners (Meridian), the board's external compensation consultant, to conduct a review of our director compensation against our peer group. Following its review, Meridian determined that our director compensation was positioned near market median (at the 49<sup>th</sup> percentile) and our Board Chair compensation was positioned slightly above market median (at the 51<sup>st</sup> percentile). Our committee-related fees and director share ownership guidelines were also well aligned with our peer group. The committee also considered other factors, including the workload and time commitment of board members, the size of the board, stakeholder expectations, and Finning's ability to remain competitive with peers in attracting and retaining directors with the skills and experience required for our board. Following its review of the director compensation program and all relevant factors in February 2024, the board, on the recommendation of the governance and risk committee, approved no changes to the director compensation program.

### About director deferred share units

Directors receive 60% of their board retainer as an equity retainer in DSUs, which increases the alignment of our directors' interests with shareholder interests. Directors can also choose to receive their other cash compensation in DSUs.

DSUs are notional units that track the value of Finning common shares. They earn dividend equivalents as additional units at the same rate as cash dividends paid on our common shares. There are no voting rights attached to DSUs. DSUs are issued at fair market value (the weighted average price per share at which board lots of Finning common shares have traded on the day preceding the issue date). Additional DSUs granted as dividend equivalents are based on the fair market value of our common shares on the trading day before the dividend payment date.

DSUs vest immediately and can only be redeemed after a director retires or resigns from the board. Directors can choose to receive the redemption amount in cash or, if permissible under applicable law, in Finning common shares. If a director chooses to receive shares, we purchase them on the TSX. Directors have until December 31 of the year after they leave the board to redeem their DSUs.

### 2023 Director compensation

The table below shows the compensation paid to our independent directors in 2023, including the portion they received as DSUs. For compensation paid to the President and CEO, who is also a director, please see the information beginning on page 75.

	Board retainer	Committee chair retainer	Other fees <sup>1</sup>	Total compensation	Allocation of fees earned		
					Cash	DSUs <sup>2,3</sup>	% received as DSUs (excludes reinvested dividends)
Vicki L. Avril-Groves	\$245,000	–	\$3,550	\$248,550	\$101,550	\$147,000	59%
James E.C. Carter	\$245,000	–	\$4,500	\$249,500	\$102,500	\$147,000	59%
Jacynthe Côté <sup>4</sup>	\$245,000	\$18,858	\$4,500	\$268,358	\$121,358	\$147,000	55%
Nicholas Hartery	\$245,000	\$20,000	\$13,500	\$278,500	–	\$278,500	100%
Mary Lou Kelley <sup>5</sup>	\$245,000	\$15,000	\$4,500	\$264,500	–	\$264,500	100%
Andrés Kuhlmann <sup>6</sup>	\$245,000	\$45,000	\$9,000	\$299,000	–	\$299,000	100%
Harold N. Kvisle	\$410,000	–	–	\$410,000	–	\$410,000	100%
Stuart L. Levenick	\$245,000	\$25,000	\$10,500	\$280,500	–	\$280,500	100%
Christopher W. Patterson <sup>4</sup>	\$245,000	–	\$4,500	\$249,500	\$102,500	\$147,000	59%
John R. Rhind <sup>7</sup>	–	–	–	–	–	–	–
Charles F. Ruigrok <sup>8</sup>	\$97,201	\$1,141	\$1,500	\$99,842	–	\$99,842	100%
Edward R. Seraphim	\$245,000	–	–	\$245,000	–	\$245,000	100%
Manjit K. Sharma	\$245,000	–	\$10,500	\$255,500	\$108,500	\$147,000	58%
Nancy G. Tower	\$245,000	–	\$4,500	\$249,500	–	\$249,500	100%
<b>Total</b>	<b>\$3,202,201</b>	<b>\$124,999</b>	<b>\$71,050</b>	<b>\$3,398,250</b>	<b>\$536,408</b>	<b>\$2,861,842</b>	

#### Notes:

- 1 Other fees include travel fees and tax preparation services for non-resident directors. The amounts received by Ms. Sharma and Messrs. Hartery and Levenick include daily stipends for their additional duties as members of a management/board working group.
- 2 All DSUs are issued at fair market value, being the weighted average price per share at which board lots of Finning common shares traded on the day preceding the grant date.
- 3 Amounts do not include DSUs credited as dividend equivalents on previous grants as they are not considered to be director compensation. See table titled "Outstanding share-based awards" on page 47 for DSUs credited as dividend equivalents to directors in 2023.
- 4 Ms. Côté and Mr. Patterson retired from the board effective January 1, 2024 and February 16, 2024, respectively.
- 5 Ms. Kelley received an annual committee chair retainer of \$15,000 for chairing a management/board working group.
- 6 Includes an annual committee chair retainer of \$25,000 to act as non-member chair of the Finning South America Advisory Council.
- 7 Mr. Rhind was appointed to the board effective January 1, 2024. He received no compensation in 2023.
- 8 On December 11, 2023, Mr. Ruigrok succeeded Ms. Côté as chair of the human resources committee and was paid a pro-rata committee chair retainer.

### Outstanding share-based awards

We do not grant options to non-executive directors and none of our non-executive directors hold any options. The following table includes details of outstanding share-based awards (DSUs) held by our non-executive directors as of December 31, 2023, including DSUs granted during 2023. DSUs granted to directors vest immediately but a director cannot redeem DSUs until the director retires or resigns from the board. For outstanding share-based awards granted to the President and CEO, who is also a director, please see the information beginning on page 75.

Share-based awards (DSUs)			
	Value vested during the year <sup>1</sup>		Market or payout value of vested share-based awards not paid-out or distributed <sup>2</sup>
	Directors' fees paid in DSUs in 2023	DSUs credited as dividend equivalents in 2023	
Vicki L. Avril-Groves	\$147,000	\$47,468	\$1,963,969
James E.C. Carter	\$147,000	\$106,438	\$4,292,803
Jacynthe Côté <sup>3</sup>	\$147,000	\$63,485	\$2,596,532
Nicholas Hartery	\$278,500	\$88,638	\$3,669,011
Mary Lou Kelley	\$264,500	\$51,994	\$2,214,033
Andrés Kuhlmann	\$299,000	\$33,422	\$1,501,957
Harold N. Kvisle	\$410,000	\$82,447	\$3,505,302
Stuart L. Levenick	\$280,500	\$73,883	\$3,088,210
Christopher W. Patterson <sup>3</sup>	\$147,000	\$61,852	\$2,532,049
John R. Rhind <sup>4</sup>	–	–	–
Charles F. Ruigrok	\$99,842	\$215	\$96,683
Edward R. Seraphim	\$245,000	\$37,095	\$1,613,916
Manjit K. Sharma	\$147,000	\$6,524	\$347,030
Nancy G. Tower	\$249,500	\$8,021	\$468,344

Notes:

- 1 Share-based awards – value vested during the year represents the amount of DSUs received by directors during 2023, valued as of the grant dates in 2023. DSUs are issued at fair market value, being the weighted average price per share at which board lots of Finning common shares traded on the day preceding the grant date.
- 2 Market or payout value of vested share-based awards not paid-out or distributed represents all vested DSUs held as of December 31, 2023, valued based on our 2023 year-end closing share price on the TSX of \$38.32.
- 3 Ms. Côté and Mr. Patterson retired from the board effective January 1, 2024 and February 16, 2024, respectively.
- 4 Mr. Rhind was appointed to the board effective January 1, 2024. He held no share-based awards as of December 31, 2023.

## Our expectations of directors

We expect our directors to exercise good judgment, act with integrity and comply with our code of conduct (code) and other governance policies.

### Ethical business conduct

Finning has earned a strong reputation for business integrity. For over 90 years, our rigorous standards of business conduct have been a key reason why employees work for us, customers and suppliers partner with us and shareholders invest in us.

Our code puts into practice our principles of transparency, ethics and professionalism. It covers areas including ambassadorship, shared commitment and accountability, ethical conduct, inclusion and diversity, human rights, environmentally responsible practices, health and safety, anti-bribery and anti-corruption, business integrity, cybersecurity, conflicts of interest and confidentiality.

The code applies to everyone at Finning, including our subsidiaries and affiliates, and we expect our agents, consultants and contractors to act consistently with our code. New employees receive a copy of the code when they are hired, and every year all officers and employees must take training regarding our code, acknowledge their understanding of the code and agree to comply with it. Our directors and our senior executives and financial management are also bound by a second code of ethics, which they are required to sign each year, because they hold an important and elevated role in corporate governance. We have also adopted a supplier code of conduct, which is available on our website ([www.finning.com](http://www.finning.com)).

Our global ethics committee oversees investigations of reports of suspected code violations. It is a management committee made up of our Compliance Officer (Chief Development and Legal Officer), Chief Financial Officer, Senior Vice President, Finance and Head of Global Internal Audit. Our regional ethics committees investigate suspected violations of the code in the regions and report on their investigations to the global ethics committee. The regional ethics committees include senior executives from finance, legal, human resources and internal audit.

The audit committee monitors compliance with the code. It receives quarterly reports from the global ethics committee on the number and nature of complaints, and specific reports of any suspected violations of the code that may constitute a material risk.

Everyone is responsible for reporting a suspected breach immediately, by contacting their supervisor, manager or local representative. Alternatively, they can file a report in English or Spanish through our ethics and compliance website, call the ethics and compliance hotline or contact our Compliance Officer by email. All reports are treated impartially and confidentially. Our code and our whistleblower policy reinforce that there is no retaliation for anyone who speaks up and acts in good faith.

The code is reviewed annually by management and any revisions are subject to review by the governance and risk committee and approval by the board. The code was last updated in January 2024 and a copy is available on our website ([www.finning.com](http://www.finning.com)) and under our profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

### Share ownership

We require our directors to hold significant equity in Finning to align their interests with those of our shareholders. Directors must meet share ownership targets within two and five years after being appointed to the board. These share ownership targets are:

	Two-year target	Five-year target
Board Chair	\$450,000	\$1,300,000
Non-employee directors	\$250,000	\$700,000

Directors can count common shares and DSUs toward meeting the targets. DSUs are included for purposes of determining compliance with our share ownership guidelines because the value of a DSU is tied to our share price on the TSX and DSUs cannot be redeemed until a director leaves the Finning board. We determine compliance in the case of DSUs using the market value (based on our year-end closing share price on the TSX) or the grant date value (whichever is higher).

### Key policies

The board is responsible for approving the following key governance policies to ensure our employees and directors maintain our high governance standards:

- code of conduct
- whistleblower policy
- corporate disclosure policy
- code of ethics for senior executive and financial management
- policy on share trading, hedging and use of material information
- compensation clawback policy
- global anti-bribery and anti-corruption policy
- board inclusion and diversity policy
- global political contributions policy
- global sustainability policy
- board authority and approvals policy.

Copies of these policies are posted on our website ([www.finning.com](http://www.finning.com)).



If a director does not meet the share ownership target by the required date or fails to maintain the minimum required, the governance and risk committee will review the matter with the board and recommend a course of action, which may include increasing the proportion of the total retainer received in DSUs until the guideline has been met.

Our Corporate Secretary reviews our directors' equity holdings at year-end and reports on the compliance results to the governance and risk committee. The 2023 review found that all directors have met or are on track to meeting their share ownership requirements. The table below shows each director's equity holdings at the end of 2023 compared to the previous year. The market value is based on our 2023 year-end closing share price on the TSX of \$38.32.

	Equity ownership						Market value Dec 31, 2023 (\$)	Share ownership requirement (\$)	Meets ownership requirement
	As at Dec 31, 2023		As at Dec 31, 2022		Net change				
	Shares	DSUs	Shares	DSUs	Shares	DSUs			
Vicki L. Avril-Groves	15,000	51,252	15,000	46,156	–	5,096	2,538,777	700,000	yes
James E.C. Carter	10,000	112,025	10,000	105,387	–	6,638	4,675,998	700,000	yes
Jacynthe Côté <sup>1</sup>	10,000	67,759	10,000	62,244	–	5,515	2,979,725	700,000	yes
Nicholas Hartery	–	95,747	–	86,118	–	9,629	3,669,025	700,000	yes
Mary Lou Kelley	–	57,777	–	49,478	–	8,299	2,214,015	700,000	yes
Andrés Kuhlmann	–	39,195	–	30,487	–	8,708	1,501,952	700,000	yes
Harold N. Kvisle	50,000	91,474	50,000	78,566	–	12,908	5,421,284	1,300,000	yes
Stuart L. Levenick	–	80,590	–	71,299	–	9,291	3,088,209	700,000	yes
Christopher W. Patterson <sup>1</sup>	4,525	66,076	10,150	60,604	(5,625)	5,472	2,705,430	700,000	yes
John. R. Rhind <sup>2</sup>	–	–	–	–	–	–	–	250,000	By January 2026
Charles F. Ruigrok <sup>3</sup>	–	2,523	–	–	–	2,523	96,681	250,000	By August 2025
Edward R. Seraphim	1,400	42,117	1,400	34,722	–	7,395	1,667,571	700,000	yes
Manjit K. Sharma	–	9,056	–	5,030	–	4,026	347,026	250,000	yes
Nancy G. Tower	700	12,222	700	5,466	–	6,756	495,171	250,000	yes

Notes:

1 Ms. Côté and Mr. Patterson retired from the board effective January 1, 2024 and February 16, 2024, respectively.

2 Mr. Rhind was appointed to the board effective January 1, 2024 and has until January 1, 2026 to meet his two-year target.

3 Mr. Ruigrok was appointed to the board on August 8, 2023 and has until August 2025 to meet his two-year target.

## Attendance

We expect directors to attend all board meetings and all of their committee meetings. If a director's attendance record falls below 75%, the board will reconsider the eligibility of the director to stand for re-election. The table below shows the 2023 director attendance record.

	Total 2023 attendance	Board meetings	Committee meetings			
			Audit	Governance and risk	Human resources	Safety, environment and social responsibility
Vicki L. Avril-Groves	100%	5 of 5 (100%)	4 of 4 (100%)	–	–	4 of 4 (100%)
James E.C. Carter	100%	5 of 5 (100%)	–	4 of 4 (100%)	4 of 4 (100%)	–
Jacynthe Côté <sup>1</sup>	100%	5 of 5 (100%)	–	–	4 of 4 (100%)	4 of 4 (100%)
Nicholas Hartery	100%	5 of 5 (100%)	–	4 of 4 (100%)	4 of 4 (100%)	–
Mary Lou Kelley	100%	5 of 5 (100%)	–	–	4 of 4 (100%)	4 of 4 (100%)
Andrés Kuhlmann	100%	5 of 5 (100%)	4 of 4 (100%)	–	–	4 of 4 (100%)
Harold N. Kvisle <sup>2</sup>	100%	5 of 5 (100%)	–	–	–	–
Stuart L. Levenick	100%	5 of 5 (100%)	4 of 4 (100%)	4 of 4 (100%)	–	–
Kevin Parkes	89%	5 of 5 (100%)	–	–	–	3 of 4 (75%)
Christopher W. Patterson <sup>1</sup>	100%	5 of 5 (100%)	4 of 4 (100%)	–	–	4 of 4 (100%)
John R. Rhind <sup>3</sup>	–	–	–	–	–	–
Charles F. Ruigrok <sup>3</sup>	100%	3 of 3 (100%)	1 of 1 (100%)	1 of 1 (100%)	–	–
Edward R. Seraphim	100%	5 of 5 (100%)	–	–	4 of 4 (100%)	4 of 4 (100%)
Manjit K. Sharma	100%	5 of 5 (100%)	4 of 4 (100%)	4 of 4 (100%)	–	–
Nancy G. Tower	100%	5 of 5 (100%)	4 of 4 (100%)	–	–	4 of 4 (100%)

Notes:

1 Ms. Côté and Mr. Patterson retired from the board effective January 1, 2024 and February 16, 2024, respectively.

2 Mr. Kvisle attended various committee meetings in his capacity as Board Chair.

3 Mr. Ruigrok and Mr. Rhind were appointed to the board on August 8, 2023 and January 1, 2024, respectively.

## Serving on other boards

Except as described below, we do not limit the number of other public company boards our directors can serve on, but we expect directors to fulfill their responsibilities and commitment to the Finning board. Before they join another public company's board, our independent directors are required to obtain the approval of the Board Chair and the chair of the governance and risk committee, who will take into account, among other things, our conflict of interest policies and governance best practices, including whether the board position would cause the director to be considered "over-boarded" under applicable corporate governance standards.

Our governance and risk committee, in consultation with the Board Chair, approves in advance any public company, and, if material in nature, private company board positions proposed to be held by the President and CEO. The President and CEO will generally be limited to serving on one public company board, in addition to the Finning board.

## Interlocks

The governance and risk committee reviews all directorships and interlocks when it assesses director independence and makes a recommendation based on its assessment to the board. As of March 14, 2024, no directors or director nominees are members of the same board of directors of another public company.

## Skills and development

We expect all of our directors to have senior leadership experience and a familiarity with our industry, as well as skills and experience in three core areas:



All of the nominated directors also have chief executive officer or senior officer experience, and experience developing strategy and leading business growth and transformation.

## Skills matrix

The governance and risk committee maintains a skills matrix to track the key skills and experience of individual directors and the expertise of the board as a whole, and to identify any gaps. The matrix is also a tool for identifying education opportunities and the desired skills when recruiting new director candidates to fill vacancies or address upcoming director retirements. The tiered rating system for director self-assessment in the matrix assists the governance and risk committee to differentiate between directors with expertise versus more limited exposure to a particular skill or experience. In addition to the key skills and experiences identified below, the governance and risk committee considers director diversity and key competencies and characteristics expected of all directors. See page 40 for more information about our board composition and renewal.

Our director nominees bring an array of skills and experience to the board. The table below gives a snapshot of the top five skills of each director nominee, in addition to their executive leadership, strategy and growth experience. You can read about each nominee in the director profiles beginning on page 21.

Key skills and experience	Total nominee directors												
	Vicki L. Avri-Groves	James E. C. Carter	Mary Lou Kelley	Andrés Kuhlmann	Harold N. Kvistle	Stuart L. Levenick	Kevin Parkes	Michael Putnam	John Rhind	Charles Ruijgrok	Edward R. Saraphim	Manjit Sharma	Nancy G. Tower
<b>Executive leadership and strategy</b> has experience as a CEO or senior executive officer of a publicly listed company or major international organization with significant experience developing strategy, driving strategic direction, and managing growth	13	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Business growth and transformation</b> has experience as a senior executive officer in an evolving industry, including experience in: mergers and acquisitions, capital markets, driving organic growth, leading significant strategic change, using technology to advance business objectives, international expansion, brand excellence or sales and marketing	13	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>International business and cultural perspective</b> has experience with companies that operate in the same international jurisdictions as Finning and a thorough understanding of business, cultural, regulatory and political requirements	5			✓	✓		✓	✓			✓		
<b>Industry experience</b> • has experience as a senior officer in mining, large construction, infrastructure, power generation, alternative energies, transportation or agriculture • relationship expertise through Caterpillar, other major dealerships or customers	9	✓	✓		✓		✓	✓	✓	✓			✓
<b>Operational expertise</b> has experience as a senior officer overseeing international manufacturing, heavy equipment, distribution, supply chain or rental	10		✓	✓		✓	✓	✓		✓	✓	✓	✓
<b>Digital technology and cybersecurity</b> has experience overseeing complex technical systems, emerging technologies, cybersecurity, digital analytics and innovations, technology solutions for customer support and product monitoring, or technology for operational excellence	2			✓		✓							
<b>Financial leadership, accounting and audit</b> has significant experience as a senior officer of an organization of similar complexity as Finning, or significant experience overseeing financial accounting, reporting and internal controls, and corporate finance	5	✓				✓	✓					✓	✓
<b>Risk management</b> has significant experience in a leadership role with respect to enterprise risk management, systems and processes	5				✓	✓			✓	✓		✓	
<b>Human capital, compensation, talent and culture</b> has a thorough understanding of talent management, compensation, human resources and organizational culture from senior executive experience	10	✓	✓	✓	✓	✓				✓	✓	✓	✓
<b>Board governance</b> has experience as a board member of a publicly listed company or a private company of similar scope and scale to Finning	9	✓	✓	✓		✓	✓		✓			✓	✓
<b>Communications and stakeholder relations</b> has significant experience in communications and stakeholder engagement	3	✓						✓					✓
<b>Sustainability, ESG and health and safety</b> has significant experience in a leadership role overseeing sustainability, including environmental, social and governance, diversity, equity and inclusion, and/or overseeing health and safety	7		✓		✓			✓	✓	✓	✓	✓	

## Director development

We design our director orientation and education programs to inform and educate our directors on a range of topics so they are better equipped to deal appropriately with issues that may arise during their tenure, make more informed decisions and perform their duties as a member of the Finning board generally.

The governance and risk committee oversees the program, which includes putting together materials, resources and sessions on corporate governance matters as well as on our business, strategy, operations and current issues facing the business.

## Director orientation

The orientation process begins with prospective directors. As part of the on-boarding process, we provide information about Finning's culture and strategy, board composition, director compensation and the board mandate, which outlines the key responsibilities of directors.

New directors receive training and access to the board portal, which provides important orientation materials such as the board policy manual, board and committee meeting materials, key policies and communications materials. They also receive detailed information about Finning and our business, and new directors meet with senior management to receive briefings and materials on:

- our business and strategic plans
- key strategic risks and risk management
- our operations
- governance and legal matters
- compliance programs
- treasury (funding position, arrangements and policies)
- financial reporting and accounting policies and procedures.

Director orientation also includes visits to plant sites and facilities where appropriate.

## Continuing education

Each director is responsible for staying informed about our business and outside developments that could have an impact on Finning. Senior management provides regular updates to the board about our business, including financial, business and strategic information, Environmental, Social and Governance (ESG) topics, operations, as well as recent developments and other issues. Outside advisors, key customers and suppliers may make presentations on specific topics or developing issues, and directors visit plant sites and facilities from time to time to gain additional insight into our business.

We provide information about emerging corporate governance trends and best practices and other relevant information through presentations to the board, advise directors of outside educational opportunities, and directors receive paid memberships to professional organizations like the Institute of Corporate Directors.

Our 2023 education program focused on the following areas:

Topic	Presenter	Attendees
<b>Corporate strategy, operations &amp; sustainability</b>		
Global strategy session and updates • Reframing corporate strategic priorities around "simplify, prioritize and empower" • Executing refreshed strategic priorities: driving product support, full cycle resilience, and sustainable growth in used, rental and power	President & CEO, Executive Vice President, Chief Financial Officer, President, Finning Canada, Executive Vice President, General Counsel and Chief Human Resources Officer, Executive Vice President, Global Used Equipment, and President, Finning South America	Board
Updates on social, political, economic, tax and commodities: Chile, Bolivia and Argentina	Finning South America Advisory Council and President, Finning South America	Board
Caterpillar Tucson, Arizona facility and proving grounds tour	Caterpillar	Board and Finning leadership team
Used equipment and rental updates	Executive Vice, President, Global Used Equipment, President, Finning Canada and Senior Vice President, Construction Industries and Aftermarket, Finning Canada	Board
Inventory and supply chain updates	Executive Vice President, Global Supply Chain	Board
Serious injury and fatality (SIF) prevention program	President, Finning Canada and General Manager, Global EHS Strategy and Canada Operations	Safety, environment & social responsibility committee
Canada Indigenous engagement	Indigenous Business Development Manager and Director, Energy Transition and Indigenous Business Development	Safety, environment & social responsibility committee
Community investment	Regional Dealer Principals	Safety, environment & social responsibility committee
Regional risks and mitigations related to severe heat from climate change	President, Finning Canada and General Manager, Global EHS Strategy and Canada Operations	Safety, environment & social responsibility committee
Climate and sustainability related reporting developments updates (Canada, EU, and International)	Senior Vice President, Corporate Controller	Audit committee

<b>Topic</b>	<b>Presenter</b>	<b>Attendees</b>
Business continuity plans	Vice President, EH&S and Sustainability and Global Head of Internal Audit	Audit committee
Regulatory updates	Executive Vice President, General Counsel and Chief Human Resources Officer	Audit committee and Governance and risk committee
Accounting and assurance updates	Senior Vice President, Corporate Controller	Audit committee
Global tax update	Global Head of Tax	Audit committee
Impact of the Canadian Federal Government's 2030 GHG emissions reduction plan on the oil sands	Head of Commercial and Business Development	Governance and risk committee
Canada-China trade tensions	Executive Vice President and Chief Financial Officer and Director, Finance, UK & Ireland	Governance and risk committee
Risk management processes, global top risks, emerging risks, and World Economic Forum 2023 risk report	Executive Vice President and Chief Financial Officer and Director, Finance, UK & Ireland	Governance and risk committee and Board
Executive officer participation on outside boards and community involvement	Executive Vice President, General Counsel and Chief Human Resources Officer	Governance and risk committee
<b>Technology</b>		
Cybersecurity reports (global trends, risks, security and compliance, and cybersecurity training program)	Executive Vice President and Chief Financial Officer and Chief Information Security Officer (CISO)	Audit committee
Disaster recovery plans (IT) – risk update	Chief Financial Officer and Director, Finance, UK & Ireland	Governance and risk committee
Financial IT systems transformation update	Executive Vice President and Chief Financial Officer, Senior Vice President, Corporate Controller, and Vice President, Commercial and Financial Performance Management	Audit committee
Digital transition and customer performance strategy	Managing Director, UK & Ireland, Executive Vice President and Chief Financial Officer, and Vice President, Customer Performance	Digital working group
Autonomy and customer safety and productivity	General Manager, Technology & Performance Solutions	Digital working group
Customer fleet health and availability	Vice President, Customer Experience and Performance Solutions and Director, Product Management Mining Performance Solutions	Digital working group
<b>Human resources</b>		
Trends and developments in executive compensation	Meridian Compensation Partners	Human resources committee
Total rewards refresh – short and long-term incentive plans	General Counsel and Chief Human Resources Officer and Senior Vice President, Human Resources Canada and Global Talent	Human resources committee
Female leadership turnover and involuntary turnover	General Counsel and Chief Human Resources Officer and Senior Vice President, Human Resources Canada and Global Talent	Human resources committee
Female benchmarking assessment by region and industry	General Counsel and Chief Human Resources Officer and Senior Vice President, Human Resources Canada and Global Talent	Human resources committee
People and customer strategy	General Counsel and Chief Human Resources Officer and Senior Vice President, Human Resources Canada and Global Talent	Human resources committee

Some directors also attended external education sessions, including education sessions provided by organizations such as the Institute of Corporate Directors, Deloitte Global Boardroom, and Canadian Chamber of Commerce, among others. Sessions attended in 2023 covered the following topics:

- risk management
- generative artificial intelligence
- cybersecurity, cyber disclosure, and data governance
- anti-money laundering
- climate integrity
- DEI metrics
- mergers and acquisitions, shareholder activism
- geopolitical and macroeconomic outlook
- non-GAAP and purchase price accounting
- margin improvement for industrial service companies

## Retirement and term limits

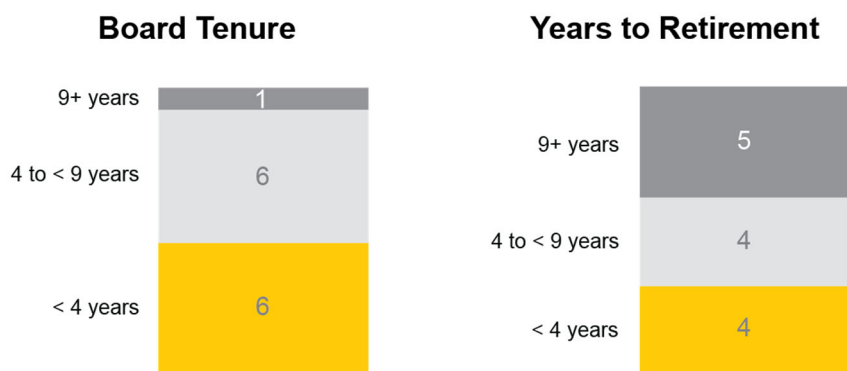
Pursuant to our retirement policy, when directors turn 72 years old, they are no longer eligible to stand for re-election at the next annual meeting and will retire from the board. The board can waive this requirement if a qualified replacement director has not been identified after a thorough search, or if the director's retirement would have a material impact on Finning because it would mean losing a unique set of skills.

The board has not adopted term limits because it would risk losing directors with a deep understanding of our company, business and strategic relationships. The board believes that it has achieved healthy renewal through ordinary turnover and its retirement policy. In the past seven years, nine new independent directors have been recruited to the board, including, in the last two years, five new independent directors: Manjit Sharma and Nancy Tower in 2022, Charles Ruigrok and John Rhind, in 2023 and 2024, respectively, and most recently, the nomination of Michael Putnam for election at the annual meeting. The significant board renewal activity is part of the board's longer-term succession plans to address the near-term retirements of several longer-serving directors who have reached or will soon reach mandatory retirement, including Nicholas Hartery, who will retire at the annual meeting after ten years of board service, and Harold Kvisle and Stuart Levenick, who will both reach mandatory retirement and retire at the 2025 annual meeting.

As disclosed in our 2022 and 2023 management proxy circulars, the board, on the recommendation of the governance and risk committee, approved one-year waivers of James Carter's mandatory retirement given the criticality of the mix of skills and experience he brings to the board, including his extensive experience in the mining industry, particularly the oil sands, long-term customer perspective and great familiarity with the businesses of Caterpillar and Finning. Mr. Carter has served on the board since 2007, during which time he has provided leadership to the board in various capacities, including as chair of the pension, human resources, and the safety, environment and social responsibility committees.

With Mr. Kvisle's decision to step down as Board Chair, on February 6, 2024, the board, on the recommendation of the governance and risk committee, extended Mr. Carter's waiver of mandatory retirement for an additional one-year period and appointed Mr. Carter as successor Board Chair subject to, and effective upon, his re-election at the annual meeting. In light of intervening personal circumstances with respect to Mr. Kvisle, the board subsequently approved Mr. Carter's Board Chair appointment to be effective earlier on April 1, 2024. The board believes that the extension of Mr. Carter's tenure for one year and appointment as Board Chair provides the continuity necessary to facilitate the board's Board Chair transition plan while the board continues its efforts to identify a long-term Board Chair by the 2025 annual meeting.

The average tenure of the proposed board is 4 years and 7 months. Six of our thirteen director nominees have served on our board for less than four years.



## Executive compensation

This section of the circular discusses our executive compensation program and the 2023 pay decisions for our most highly compensated senior officers.

Our named executive officers (named executives or NEOs) for 2023 are:

- **Kevin Parkes**, President and Chief Executive Officer (President and CEO)
- **Greg Palaschuk**, Executive Vice President and Chief Financial Officer (CFO)
- **David Primrose**, President, Finning (Canada)
- **Juan Pablo Amar**, President, Finning South America
- **Tim Ferwerda**, Managing Director, Finning UK and Ireland

The human resources committee has reviewed and approved the content of this section. We encourage you to read this section before you decide how to vote on our advisory vote on executive pay.

### Where to find it

<b>Message from the Board Chair and chair of the human resources committee</b> .....	<b>56</b>
• Compensation principles .....	58
• What we do and don't do .....	59
• Compensation governance .....	60
• Decision-making process .....	61
• Share ownership .....	62
<b>Compensation discussion and analysis</b> .....	<b>63</b>
• Philosophy and approach .....	63
• Benchmarking and peer group .....	64
• Compensation program .....	65
• Executive compensation decisions for 2023 .....	66
• Pension, perquisites, and other benefits .....	73
• CEO performance highlights and compensation .....	75
• Share performance and executive compensation .....	81
<b>Executive compensation details</b> .....	<b>83</b>
• Summary compensation table .....	83
• Incentive plan awards .....	85
• Equity compensation plan information .....	87
• Pension plans .....	88

---

## Message from the Board Chair and chair of the human resources committee

Fellow shareholders,

Our board of directors and the human resources committee provide business oversight and accountability while ensuring there is strong alignment between executive compensation and corporate strategy, business results and shareholder interests. That means we're tasked with making sure what we pay Finning's executives is aligned with market practices, links to both short-term and long-term performance, serves to retain and motivate executives to achieve excellence, and supports longer-term stability and growth. Above all, we want to ensure our compensation programs support our purpose, vision and values while building shareholder value.

### 2023 compensation for our named executives

Strong overall performance in 2023 on the measures set under our short-term incentive plan led to achievement of an overall score calculated at 111% of target. Our sustained focus on improving our ROIC performance coupled with strong rTSR performance over the 2021 – 2023 period led to above target payouts for the Performance Share Units (PSUs) component of our long-term incentive plan.

You can find a full discussion of the year's compensation decisions, including details on 2023 salaries and our short-term and long-term incentive plans, beginning on page 66.

### Senior leadership in 2023

2023 marked the first full year of Kevin Parkes' leadership as President and CEO. As shared previously at Investor Day in September 2023, he presented our refreshed strategy to drive product support, full-cycle resilience, and sustainable growth. Mr. Parkes is also focused on creating a workplace that is safe and secure for our employees.

Detailed under "Our 2023 Performance" on page 7, we have achieved significant milestones under Mr. Parkes' leadership including 17% growth in product support revenue and record earnings per share and ROIC.

Mr. Parkes' strategic thinking, customer-centric mindset, focus on operational excellence, and leadership skills will continue to serve Finning well in the years ahead.

Tim Ferwerda became a Named Executive Officer in 2024. Mr. Ferwerda took on the role as Managing Director of Finning UK and Ireland in 2021 after serving as the Director of Sales, Marketing and Distribution when he joined Finning in 2016. He is highly regarded by all our stakeholders, driving forward the growth and customer-focused approach under which we have seen our business in the region flourish. He held progressively senior roles in sales, after-market, and supply chain at Pilkington/NSG Group in the UK, where he was most recently Global Commercial Director of the Automotive Division.

In January 2023, Greg Palaschuk, Chief Financial Officer, took on responsibility for our information technology department in addition to his responsibilities for finance, investor relations, risk management, strategic planning and business development.

### President and CEO – Compensation

At Finning, we believe in the importance of aligning executive compensation, business results and shareholder interests, while maintaining market competitiveness.

Following a detailed market review of CEO compensation against our compensation peer group and considering Mr. Parkes' work experience and performance and also considering appropriate target compensation positioning for a President and CEO who has been in the position for one year, the board approved Mr. Parkes' compensation plan, as outlined on page 66. We will continue to regularly assess Mr. Parkes' compensation to ensure alignment with our overarching compensation principles.

### Alignment with shareholder interests

Most of our executives' pay is variable or at risk, to motivate strong performance and align their interests with those of shareholders.

We continued to demonstrate a strong link between pay and performance in 2023, with 81% of Mr. Parkes' target total direct compensation at risk and an average of 69% of target total direct compensation at risk for our other named executives. Total direct compensation includes base salary, 2023 short-term incentive and long-term incentive awards.



Our executives are subject to share ownership requirements, so they have a significant interest in our future success and are exposed to the same share price volatility that our shareholders experience. All named executives have met or exceeded, or are on track to achieving, their share ownership requirements. For more details, please see page 62.

### **Advisory vote on executive pay**

We have held an advisory vote on executive pay every year since 2011 as part of our commitment to strong corporate governance practices and engaging with shareholders. Last year, 97.4% of our shareholders voted in support of our approach to executive compensation. The human resources committee, as part of its mandate, continuously reviews and adjusts, as appropriate, our executive compensation program to ensure alignment with objectives and support by shareholders.

The next section of the circular discusses our executive compensation program and the 2023 pay decisions for our most senior officers in more detail. We encourage you to read this section before you decide how to vote your shares. We welcome your feedback on executive compensation at any time and encourage you to participate in the advisory vote.

*/s/ Harold N. Kvisle*

Harold N. Kvisle  
Board Chair

*/s/ Charles F. Ruigrok*

Charles F. Ruigrok  
Human resources committee chair

## Finning's compensation principles

Finning's executive compensation philosophy is driven by nine core principles designed to align executive pay with our overall business strategy.

These core principles have been developed in the context of the executive compensation principles set out by the Canadian Coalition for Good Governance and philosophical concepts that are specific to our business. While actual performance targets and metrics may vary from year to year, the following principles relating to the program have remained consistent. In conjunction with our refreshed strategy announced at our Investor Day in September 2023, starting in 2024 these core principles will be updated to add a focus on sustainable growth and resilience.

### Core principles

<b>1 Focus the executive team on building shareholder value</b>	Our incentive plans focus the executive team on financial metrics that we consider are key drivers of shareholder value, including profitability (EBIT as a percentage of net revenue or EBIT %) and invested capital turnover (ICT) in our short-term incentive plan and ROIC and relative total shareholder return (rTSR) in our long-term incentive plan. Our share ownership requirements help to further align executives' interests with our shareholders' interests.
<b>2 Link executive compensation and performance</b>	Executive compensation varies from year to year depending on corporate, business unit and individual performance measured against performance objectives set at the beginning of the year.
<b>3 Designate a significant portion of executive compensation to at-risk pay</b>	The majority of executive compensation is variable or at-risk, with minimum performance thresholds. Payouts from incentive awards are higher when performance exceeds expectations and lower when performance is below expectations.
<b>4 Focus the executive team on building the business over the medium and longer term</b>	Our long-term incentive plan focuses on achieving results with a medium to longer-term view.
<b>5 Focus the executive team on employee health and safety</b>	Safety is an important component of the annual incentive plan structure. As part of corporate policy, even if the safety target is achieved in a given year, the safety component of the incentive plan is not paid out to named executives if there has been an employee fatality.
<b>6 Establish an incentive structure that is straightforward and easy to understand</b>	We use a limited number of metrics for the incentive plans, to drive a strong focus and not dilute the overall effect of the incentive structure.
<b>7 Focus the incentive structure on quantitative metrics</b>	Our incentive plans use quantitative financial and operational metrics that are aligned with our broader strategy and priorities, in areas the executive team can reasonably influence.
<b>8 Encourage and reward the executive team for teamwork</b>	A significant portion of the short-term incentive award is tied to corporate and business unit performance.
<b>9 Develop compensation programs that do not encourage inappropriate risk-taking</b>	Our executive compensation program provides a balance of fixed and variable pay and is designed to increase long-term value without encouraging excessive risk-taking. Our incentive plans use quantitative financial and operational metrics that are aligned with our broader strategy. Incentive plan payouts are capped and can be clawed back. Executives are required to own Finning equity.

The nature of our business requires some level of risk-taking. As shown in the table below, our compensation policies and programs are designed to increase long-term value without encouraging excessive risk-taking. For more information on compensation governance and the role of the human resources committee, please see page 60.

### What We Do

- ✓ **Independent compensation committee** – All of the members of our human resources committee are independent and have experience in compensation as a former or current CEO or senior executive officer
- ✓ **Independent compensation consultant** – The human resources committee uses an external independent advisor who provides independent advice on executive compensation plan design, compensation governance and compensation best practices
- ✓ **Share ownership requirements** – Executives have share ownership requirements, so they have an interest in our future success and are exposed to the same share price volatility that our shareholders experience
- ✓ **Clawback policy** – If an employee's gross negligence, fraud or intentional misconduct causes or significantly contributes to our having to make a material financial restatement, Finning officers may have to repay incentive compensation they received
- ✓ **Use of discretion** – The human resources committee reviews situations where there are significant variances to our annual operating plan that have a clear positive or negative impact on short-term incentive payouts
  - the committee may use its discretion to increase or decrease the size of an award
- ✓ **Balanced program structure** – Our compensation program includes a balanced mix of short, medium and long-term compensation components with an emphasis on quantitative measures to provide a holistic assessment of performance
- ✓ **Overlapping performance cycles** – Our performance share unit plan, which comprises 50% of our long-term incentive plan for executives, has overlapping performance cycles, which encourages sustained long-term performance
- ✓ **Payout maximums** – Payouts are capped at a maximum level of performance for both our short-term and long-term incentive plans to discourage excessive risk-taking
- ✓ **Stress-testing and back-testing** – We test the incentive plan metrics and weightings, looking back historically and at potential future outcomes based on different performance scenarios to make sure the plan designs are sound and result in intended outcomes
- ✓ **Change-in-control provisions** – We have a double-trigger payment requirement for our NEOs
  - cash benefits are only payable if two events occur – a change-in-control and the executive terminates their employment for good reason

### What We Don't Do

- ✗ Allow repricing or backdating of stock options
- ✗ Count unexercised stock options or unvested Performance Share Units (PSUs) towards the share ownership requirement
- ✗ Offer excessive severance – agreements are in place for the President and CEO and other named executives that limit the amount of severance provided upon termination and/or a change-in-control
- ✗ Provide payouts if performance is below threshold levels
- ✗ Allow executives or directors to purchase financial instruments that are designed to hedge or offset a decrease in the market value of equity securities granted to them as compensation, or Finning securities that they hold directly or indirectly
  - we also prohibit the use of hedging to offset the value of shareholdings for executive and director share ownership requirements
- ✗ Offer excessive pension, perquisites and benefits

## Compensation governance

The human resources committee oversees the development of our executive compensation plans, philosophy, guidelines and policies and regularly reviews them to make sure we maintain a strong link between pay and performance. It also provides oversight on human resources, inclusion and diversity and talent management strategies and provides input to the board on planning for leadership succession at Finning.

For more information on the human resources committee's mandate, please see page 32.

### Qualified and experienced

Each member of the human resources committee must have knowledge and experience in human resources and compensation so they can make a meaningful contribution to the work of the committee. All of the members are independent and have experience in compensation as a former or current CEO or senior executive officer. The relevant qualifications and experience of the members of the human resources committee are set out below:

	Executive leadership and strategy	Human capital, compensation, talent and culture	International business and cultural perspective	Governance / risk management	Industry experience	Operational expertise	Sustainability, ESG, and health and safety	Other human resources committees
Charles F. Ruigrok (chair) <sup>1</sup>	■	■		■	■	■	■	
Jacynthe Côté (chair) <sup>2</sup>	■	■		■	■			■
James E.C. Carter <sup>3</sup>	■	■		■	■	■		
Nicholas Hartery	■	■	■	■	■			
Mary Lou Kelley	■	■	■	■		■		■
Harold N. Kvisle <sup>4</sup>	■	■		■		■		■
John Rhind <sup>5</sup>	■	■		■	■	■	■	
Edward Seraphim	■	■	■	■		■	■	

Notes:

1 Mr. Ruigrok joined the committee and became committee chair on December 11, 2023.

2 Ms. Côté retired from the Board on January 1, 2024.

3 Mr. Carter will cease being a member of the committee on April 1, 2024 when he becomes Board Chair.

4 Mr. Kvisle will join the committee on April 1, 2024 when he steps down as Board Chair.

5 Mr. Rhind joined the committee on January 1, 2024.

The committee meets in-camera without management present at each committee meeting. It also sets aside time at each meeting to meet with senior management.

You can read more about the individual committee members' relevant skills and experience in the director profiles beginning on page 21.

### Independent advice

The human resources committee receives independent advice on governance, executive compensation plan design and best practices as additional input in its decision-making process.

The committee has retained Meridian Compensation Partners (Meridian) since 2014 as an independent consultant on executive compensation. Meridian is accountable to the committee and performs work on its behalf. In its role as the committee's independent advisor, Meridian may also be asked to review work performed by other external compensation consulting firms.

In 2023, Meridian met with the committee to discuss a variety of key compensation topics, including executive and director compensation trends and regulatory updates. They did not provide any services to the company, or to any of its directors or management, other than in the areas of executive and director compensation-related consulting.

The table below shows the fees paid to Meridian in 2023 and 2022:

	2023	2022
Executive and director compensation-related fees	\$18,798	\$16,425
All other fees	n/a	n/a
<b>Total</b>	<b>\$18,798</b>	\$16,425

For information on our compensation approach for directors, please see page 45.

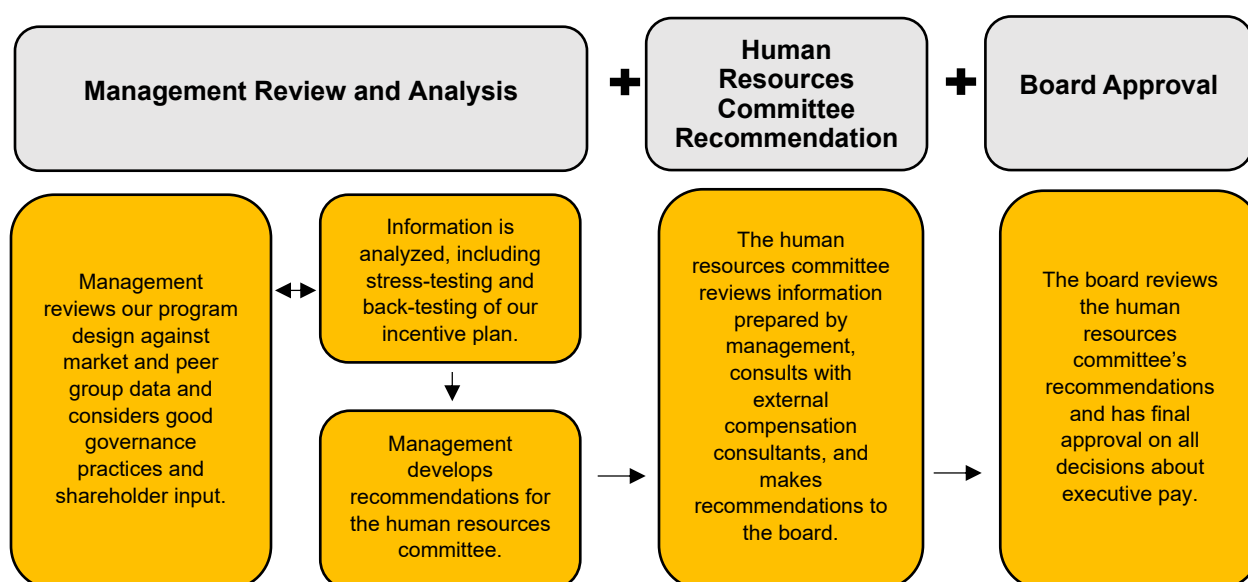
## Managing compensation risk

The nature of our business requires some level of risk-taking. Our compensation policies and programs are designed to increase long-term value without encouraging excessive risk-taking. You can read more about many of the key features, practices and policies relating to our executive compensation program that help to manage risk and limit excessive risk-taking on page 65.

In 2012, the committee began conducting an annual compensation risk assessment, with annual reviews performed by external compensation consultants. In 2023, the committee provided oversight to management's comprehensive review of the company's total rewards program and recommendations about updates to the program. Considering that work, a comprehensive compensation risk assessment was not conducted in 2023 but will be conducted in 2024 upon completion of the program updates. Supported by advice from our external compensation consultants, given there has been no change in compensation policies and practices since the last review in 2022, the committee believes that Finning's current compensation policies and practices do not pose any risks that could have a material adverse effect on Finning or our shareholders.

## Decision-making process

The chart below shows how management, the human resources committee and the board work together to design, recommend, approve and implement executive compensation program decisions.



## Review and Analysis

Compensation planning and performance targets are integrated with our overall corporate strategy and annual operating plan. At the beginning of the year, our review process includes a multi-phased approach to incorporate economic, market, historical and internal performance factors. Stress-testing is conducted by looking at potential payout outcomes over a number of performance scenarios. Back-testing is also conducted to make sure compensation plan designs are sound and result in intended outcomes.

At the end of the year, the President and CEO reviews each named executive's performance against the executive's objectives and completes a detailed performance review and compensation recommendation for each named executive.

## Recommendations

The committee considers current and emerging market trends in executive compensation and the competitive positioning of Finning's compensation plan relative to our compensation peer group to determine the appropriate level of compensation for each named executive. The committee also sets the incentive plan measures and targets, taking into consideration the President and CEO's recommendations and discussions with the board.

In its decision-making, the committee also considers our financial performance, shareholder input, market pay practices and current and past compensation, as well as the advice of external compensation consultants.

The committee reviews the President and CEO's performance, prepares a performance review and compensation recommendation and presents these to the board for review and approval.

Also, the committee reviews the performance of the other named executives and considers time in the role, demonstrated leadership competence, oversight of strategic projects and initiatives, as well as the President and CEO's recommendations and performance reviews.

## Board Approval

The board approves the corporate strategy and our annual operating plan, which drive the approved budget and performance objectives for corporate, business unit and individual performance.

The board reviews Finning's performance, the President and CEO's performance and the human resources committee's analysis and recommendations regarding executive compensation. It has final approval on all decisions about executive pay and can use its discretion to adjust the final awards up or down.

## Share ownership

We require executives to meet share ownership requirements, so they have a significant interest in our future success. They must meet their requirements within five years of assuming their position and maintain the minimum required ownership level while at Finning. If the executive is promoted to a higher level, they will have another five years to meet the higher incremental ownership requirement.

Position	Ownership requirements (as a multiple of salary)
President and CEO	5x
Executive Vice President	2.5x
Senior Vice President	1.5x
Vice President	1x

Equity ownership includes common shares, restricted share units (RSUs) and deferred share units (DSUs). Executives in Canada and the UK can elect to redirect any portion of the cash payment of their short-term incentive into a DSU plan on a pre-tax basis until they meet their ownership requirement. Executives make the election before the start of each fiscal year.

The table below sets out the share ownership of each named executive as at December 31, 2023. All named executives have met and exceeded, or are on track to achieving, their share ownership requirements.

	Ownership Requirement (Multiple of Salary)	Common Shares		DSUs		RSUs		Actual Multiple (Total Holdings) <sup>1</sup>	Compliance Due Date
		Value	Units	Value	Units	Value	Units		
Kevin Parkes <sup>2</sup>	5x \$5,000,000	\$1,470,377	38,371	\$287,117	7,493	\$1,634,770	42,661	3.4x \$3,392,263	Nov. 16/27
Greg Palaschuk	2.5x \$1,675,000	\$1,760,076	45,931	\$0	-	\$973,903	25,415	4.1x \$2,733,979	Mar. 1/25
David Primrose	2.5x \$1,470,563	\$1,424,316	37,169	\$231,338	6,037	\$603,387	15,746	3.8x \$2,259,041	Dec. 31/23
Juan Pablo Amar <sup>3</sup>	2x \$1,192,292	\$1,297,132	33,850	\$0	-	\$691,446	18,044	3.3x \$1,988,578	Dec. 30/24
Tim Ferwerda	2.5x \$1,061,588	\$516,247	13,472	\$118,409	3,090	\$498,658	13,013	2.7x \$1,133,314	Aug. 23/26

### Notes:

- The total holdings shown were calculated using the market value of our common shares, based on our 2023 year-end closing share price on the TSX of \$38.32 and unit values rounded to the nearest whole number. We do not include stock options to determine compliance with our share ownership requirements because we do not consider them as equity until they are exercised and retained as common shares. PSUs are not included because vesting is contingent upon meeting performance conditions over a three-year period. Vested DSUs and unvested RSUs count towards an executive's ownership requirement. DSUs are not paid out until the holder leaves the company and RSUs have a three-year cliff vesting design, meaning the holder must be employed by Finning for at least three years for their RSUs to vest. Upon vesting, RSUs are paid out and are then no longer included to determine compliance with our share ownership guidelines. You can read more about our RSUs and DSUs beginning on page 73.
- Mr. Parkes' share ownership requirements increased from 2.5x to 5x on November 16, 2022 when he was appointed President and CEO. He has until November 16, 2027 to achieve his new share ownership requirement.
- Mr. Amar's share ownership multiple is lower compared to other Executive Vice Presidents because Chilean tax rules do not allow a payout from our short-term incentive plan to be redirected to a DSU plan on a pre-tax basis. The 20% reduction in his share ownership requirement reflects this tax item and equalizes the share ownership requirements for all Executive Vice Presidents on an after-tax basis.

## Compensation discussion and analysis

### Philosophy and approach

At Finning, we believe in the importance of aligning executive compensation with our corporate strategy, business results and shareholder interests.

In this spirit, we offer a competitive compensation program that allows our leaders to share in the company's financial success when they deliver performance that helps achieve our corporate goals, increases shareholder value, and demonstrates commitment to our operational excellence agenda.

Compensation is designed to meet five objectives:

- 1 **Attract** individuals who have the leadership and management skills to drive the future growth and success of Finning
- 2 **Retain** talented and valued members of the executive team
- 3 **Motivate** executives to achieve excellence in their respective areas of responsibility and together as a team
- 4 **Reward** executives for their individual and collective contributions to Finning's success and provide a strong link between compensation and the interests of Finning and our shareholders
- 5 **Support** the health and the wellbeing of the members of the executive team

### Pay for performance

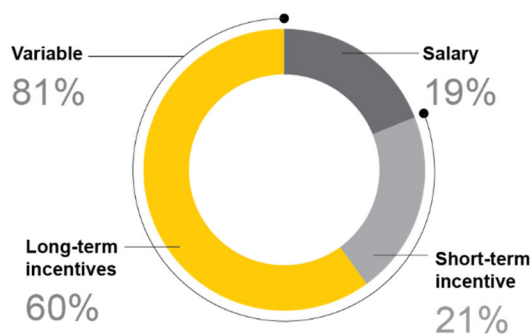
Our senior executive team plays a key role in executing our short and long-term goals and maintaining our unwavering commitment to our people and their safety. This understanding shapes our approach to providing a competitive total rewards package for our named executives.

Most of what we pay our executives is variable or at-risk, to motivate strong performance and align their interests with those of shareholders.

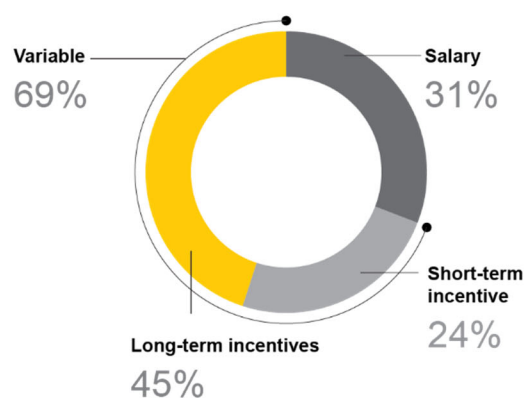
Incentive awards focus on the achievement of corporate, business unit and individual performance goals. They do not encourage excessive risk-taking, and their value is not guaranteed.

The images below show the breakdown of 2023 total direct compensation for our CEO, Mr. Parkes, and other named executives. Individual profiles of our named executives, including 2023 actual pay mix summaries, can be found beginning on page 75.

Pay Mix for President and CEO



Pay Mix for Other NEOs (average)<sup>1</sup>



Notes:

1 Pay mix data shown for Messrs. Palaschuk, Primrose, Amar and Ferwerda.

## Benchmarking

We compare our compensation structure and each component against a peer group as a general guide for setting compensation levels and the pay mix for our named executives. We monitor the relevance of our peer group by reviewing key statistics such as revenue, assets, and market capitalization on a regular basis. We use the same compensation peer group for our executives as for the board.

We target the median (50<sup>th</sup> percentile) of the total compensation offered by companies in our peer group. Our executives can earn more through higher payouts from incentive awards when performance exceeds expectations and less when performance is below expectations.

The human resources committee applies the following general criteria to select appropriate peer companies:

- Similar in size, based on revenue, assets and/or market capitalization
- Industries that face similar dynamics (such as heavy equipment distributors or industries affected by commodity cycles)
- Publicly traded, national Canadian companies with global operations and consideration given to US companies, if viewed to be particularly relevant (e.g. global heavy equipment distributors)

An initial screen is conducted of companies that meet the above criteria. The human resources committee then conducts a qualitative review of the composition of the peer group. Additional refinements may be made to the peer group to ensure Finning is reasonably positioned on an overall size basis and to ensure the group accurately reflects the diverse set of companies we compete with for executive talent.

### Other things to note

We also consider other factors such as macroeconomic conditions, local labour market considerations, work experience, complexity of the role and internal equity when setting executive compensation.

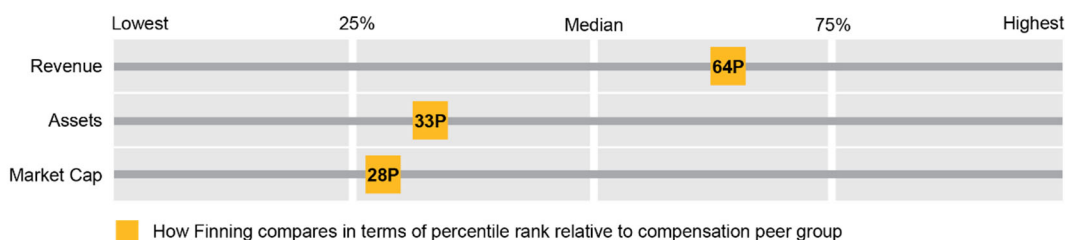
## Compensation peer group

Based on the selection criteria and process outlined above and with the support of the board's consultant, Meridian Compensation Partners, Finning's board and executive compensation peer group was updated to include Bombardier Inc. and Russel Metals Inc. and remove Agnico Eagle Mines Limited (limited overall fit compared to Finning) and Resolute Forest Products (no longer publicly listed). The peer group size remains unchanged at a total of 18 companies.

Company	Industry
AGCO Corp.	Agriculture/farm machinery
Bombardier Inc.	Aerospace and Defense
Gibson Energy Inc.	Energy
Kinross Gold Corp.	Materials
Lundin Mining Corp.	Materials
Methanex Corp.	Commodity chemicals
Oshkosh Corp.	Construction machinery and heavy trucks
Parkland Corp.	Oil and gas refining and marketing
Ritchie Bros. Auctioneers Inc.	Industrials
Russel Metals Inc.	Trading Companies and Distributors
SNC-Lavalin Group Inc.	Construction and engineering
Stantec Inc.	Research and consulting services
Teck Resources Ltd.	Diversified metals and mining
Terex Corp.	Construction machinery
TFI International Inc.	Industrials
Toromont Industries Ltd.	Trading/distributors
West Fraser Timber Co.	Forest products
WSP Global Inc.	Construction

We use the S&P/TSX Capped Industrials Index to benchmark rTSR performance for our PSU plan.

How Finning compares against the current compensation peer group on key financial measures:





## Compensation program

We offer a competitive compensation package that balances salary with short and long-term incentives and indirect compensation that includes pension, perquisites, and other benefits.

Our incentive compensation plans are designed to link compensation to the full spectrum of our business goals, including short-term goals and other goals that may take several years or more to achieve.

		Link to program objectives	Key features	
Fixed pay	Salary	<ul style="list-style-type: none"> <li>standard element in executive compensation packages</li> <li>important element for attracting and retaining individuals who have the leadership and management skills to drive further growth and success of our business</li> <li>only portion of total direct compensation that is not "at-risk"</li> </ul>	<ul style="list-style-type: none"> <li>provides a stable source of income</li> <li>competitive with the market</li> </ul>	Page 66
	Short-term incentive	<ul style="list-style-type: none"> <li>cash-based annual incentive</li> <li>encourages executives to focus on specific corporate, business unit and individual goals that support our short-term operational business priorities</li> </ul>	<ul style="list-style-type: none"> <li>target opportunity set as a percentage of salary</li> <li>awarded only if threshold performance levels are met</li> </ul>	Page 67
Variable (at-risk) pay	Deferred compensation (deferred share units or DSUs)	<ul style="list-style-type: none"> <li>equity-based compensation directly aligned with shareholders</li> <li>executives who have not yet met their share ownership requirement may elect to receive a portion of their short-term incentive award in DSUs</li> <li>also may be granted to executives in special situations</li> </ul>	<ul style="list-style-type: none"> <li>may only be redeemed after the executive retires or leaves the company</li> <li>settled in cash</li> </ul>	Page 73
	Long-term incentives			Page 70
	Performance share units or PSUs	<ul style="list-style-type: none"> <li>equity-based incentive that links compensation to building of long-term shareholder value</li> <li>balances short-term operating focus with long-term strategic financial goals</li> <li>aligns the long-term financial interests of executive management with those of our shareholders</li> </ul>	<ul style="list-style-type: none"> <li>designed to reward executives for achieving specific corporate ROIC and rTSR goals each year in a three-year period</li> <li>settled in cash</li> </ul>	Page 71
	Stock options	<ul style="list-style-type: none"> <li>equity-based incentive that links executive pay to the achievement of Finning's long-term objectives as reflected in growth in Finning's share price</li> <li>focuses on creating long-term shareholder value</li> </ul>	<ul style="list-style-type: none"> <li>vest over three years</li> <li>expire after seven years</li> <li>help retain executive talent</li> <li>only have value if our share price rises</li> <li>settled in equities</li> </ul>	Page 73
	Restricted share units or RSUs	<ul style="list-style-type: none"> <li>equity-based incentive that aligns the long-term financial interests of executive management with those of our shareholders</li> </ul>	<ul style="list-style-type: none"> <li>three-year cliff vesting</li> <li>help retain executive talent</li> <li>settled in cash</li> </ul>	Page 73
Indirect pay	Pension	<ul style="list-style-type: none"> <li>critical element of a total rewards program</li> <li>helps attract and retain executive talent</li> </ul>	<ul style="list-style-type: none"> <li>eligible senior executives receive retirement benefits through a defined contribution plan<sup>1</sup></li> </ul>	Page 73
	Perquisites and other benefits	<ul style="list-style-type: none"> <li>helps keep total rewards program competitive</li> </ul>	<ul style="list-style-type: none"> <li>perquisites are limited</li> </ul>	Page 73

To protect both Finning and the named executives, we have employment agreements in place for our named executives, allowing them to focus their efforts on creating sustainable performance.

Notes:

<sup>1</sup> Prior to January 1, 2010, executives were enrolled in a registered defined benefit pension plan and an executive supplementary income plan (ESIP). These plans were closed to new entrants on January 1, 2010. Mr. Primrose participates in these plans.

## Executive compensation decisions for 2023

### President and CEO compensation

Mr. Parkes was appointed President and CEO effective November 16, 2022, following many years of progressively senior positions in Finning (see page 75 for Mr. Parkes' biography). Following a detailed market review of CEO compensation amongst our compensation peer group and commensurate with Mr. Parkes' relatively recent appointment as CEO, work experience and strong knowledge of the organization and industry, the board approved Mr. Parkes' compensation plan, as outlined in the table below. We will continue to assess Mr. Parkes' compensation to ensure it remains market competitive, is performance-based, and is focused on building shareholder value.

Compensation Element	Mr. Parkes
Salary	\$1,000,000
Target Short-Term Incentive %	100%
Target Total Cash <sup>1</sup>	\$2,000,000
Long-Term Incentive	\$3,200,000

Notes:

- 1 Target total cash = salary + target short-term incentive.

### 2023 Salary Decisions – Other NEOs

Effective April 1, 2023, salaries increased by an average of 6% for our other NEOs compared to 2022.

	2023 approved salary <sup>1</sup>	2022 salary	2023 increase
Greg Palaschuk	\$670,000	\$641,254	4%
David Primrose	\$588,225	\$534,750	10%
Juan Pablo Amar <sup>2,3</sup>	\$541,407	\$512,921	6%
Tim Ferwerda <sup>3</sup>	\$406,723	\$396,658	3%

Notes:

- 1 Approved new salaries, effective April 1, 2023.
- 2 The salary amount shown in the above table includes an inflationary adjustment that all Chilean employees received.
- 3 Currency conversion for 2023 salary to CAD is based on 2022 average annual exchange rate: 1 CLP = \$0.0015 CAD, 1 GBP = \$1.6076 CAD. Currency conversion for 2022 salary to CAD is based on 2021 average annual exchange rate: 1 CLP = \$0.0017 CAD, 1 GBP = \$1.7246 CAD.

### Short-term incentive plan

The short-term incentive plan rewards executives for achieving corporate, business unit and individual performance targets important to Finning's business and shareholders. The metrics for the short-term incentive are set at the beginning of each year. Target awards are set as a percentage of salary.

	2023 Target Short-Term Incentive (as a % of salary)	Potential payout range (as a % of salary)	Performance mix		
			Corporate	Business unit	Individual
Kevin Parkes	100%	0-200%	85%		15%
Greg Palaschuk	75%	0-150%	85%		15%
David Primrose	65%	0-130%	25%	60%	15%
Juan Pablo Amar	65%	0-130%	25%	60%	15%
Tim Ferwerda	65%	0-130%	25%	60%	15%

Our short-term strategic priorities are integrated with our annual operating plan through budget drivers and operational expectations.

Performance targets under the short-term incentive plan vary from year to year depending on business and market conditions and are approved by the board, following review and recommendation by the human resources committee. Targets are set as part of our annual planning process and consider economic, market, historical and internal performance factors, as well as risks and opportunities. These include factors such as changes in commodity prices, potential upside and downside to market activity in mining, construction and the oil sands, and other considerations including government, customer and political factors in our geographies.

Executives can earn more when performance exceeds the pre-determined targets. There is no payout on a metric if performance is below threshold. Payouts are capped at a maximum level of performance to discourage excessive risk-taking.

### 2023 Corporate metrics for the short-term incentive

We use financial and non-financial corporate metrics.

What we measure	How it's calculated	Why it's important
<b>Financial performance (70%)</b>		
EBIT %	The ratio of EBIT to net revenue	Cost management and our market leadership and service excellence priorities are factors within our control that impact EBIT
Invested capital turnover (ICT)	Net revenue for the last twelve months divided by average invested capital over the last four quarters. Invested capital is capital that is invested to build and run the business, calculated as net debt plus total equity. Net debt is calculated as short-term and long-term debt, net of cash and cash equivalents.	ICT is a key indicator of capital efficiency Our supply chain and asset utilization priorities are factors within our control that impact invested capital turnover
Absorption	Product support gross profit divided by total selling, general, and administrative costs (SG&A)	Absorption measures the profitability of our product support business within our overall cost structure It aligns with the company's strategic focus on improving operating leverage through cost efficiencies and our ability to leverage incremental revenue on fixed costs
<b>Non-financial performance (30%)</b>		
Customer loyalty: Net Promoter Score (NPS)	The % of promoters (loyal customers who refer others) less the % of detractors (unsatisfied customers) as determined through customer surveys	NPS is an industry standard measure that drives future demand for products and services and demonstrates the importance of strong customer relationships
Safety: Total Injury Frequency (TIF)	The total number of injuries (lost time cases, restricted duties, medical treatment injuries and first aid cases) divided by 200,000 exposure hours	TIF aligns with the fundamental importance of employee safety at Finning. It helps us address the root cause of incidents and enables us to take action along our journey towards zero incidents.

The table below shows our 2023 financial and non-financial targets, thresholds and maximums for the short-term incentive along with the resulting 2023 corporate metrics score. The targets were set and approved in April 2023.

Despite continued macroeconomic headwinds, political and economic uncertainty in Argentina and Chile, and impacts from inflation and supply constraints, we anticipated healthy activity for our business. As a result, 2023 financial targets were set at higher levels compared to 2022. EBIT% was brought back to replace EBITDA% as a measure of profitability.

Due to continued supply chain challenges and import restrictions in Argentina, our customer loyalty target (NPS) was set below 2022.

Reflecting Finning's strong commitment to serious injury and fatality prevention and reduction, a significant incident modifier was overlaid on our safety target (TIF), for each region.

Consistent with the prior year, we continued to use an expanded performance range (both threshold and maximum) for our short-term incentive targets to address the uncertainty and volatility expected in the market.

	<b>Threshold (50%)</b>	<b>Target (100%)</b>	<b>Maximum (200%)</b>	<b>2023 result<sup>5</sup></b>
<b>Financial performance (70%)</b>				
EBIT % payout <sup>1,2</sup>	8.5%	9.5%	10.4%	9.8%
ICT payout <sup>1,2</sup>	2.00x	2.22x	2.33x	2.16x
Absorption <sup>3</sup>	ND	ND	ND	ND
<b>Non-financial performance (30%)</b>				
NPS	65.6%	72.9%	80.2%	77.8%
TIF <sup>4</sup>	1.68	1.19	0.51	1.29
<b>2023 corporate metrics score</b>				<b>110.9%</b>

Notes:

1 These are specified financial measures. Please see page 95 for more information.

2 For the purpose of the short-term incentive calculation:

Management recommended excluding from EBIT for EBIT % payout the following items:

- Foreign exchange and tax impact of devaluation of the Argentine peso in Q4 2023 which was above forecast;
- Gain on wind up of foreign subsidiaries;
- Gain on sales of certain property, plant, and equipment which were not included in the budget;
- Severance costs;
- Write-off of intangible assets; and
- Unforeseen negative impacts related to supply chain challenges

Management recommended excluding from net revenue for EBIT % payout the following item:

- Unforeseen negative impacts related to supply chain challenges

Management recommended excluding from net revenue for ICT payout the following items:

- Net revenue of 4Refuel as it was not in the targets; and,
- Unforeseen negative impacts related to supply chain challenges

Management recommended excluding from invested capital for ICT payout the following items:

- Invested capital of 4Refuel as it was not in the targets;
- The net pension benefit asset (net of deferred tax) in the UK; and
- The intangible assets written off (net of deferred tax)

3 The specifics relating to our absorption metric are not disclosed ("ND") here nor in our MD&A, as this information is confidential and proprietary and disclosure of these details would prejudice the company's interests. At target, the absorption metric comprises 20% of the overall weighting within the set of corporate metrics.

4 The target for TIF was set as a range between 1.40 and 0.98. Consistent with the prior year, to help drive additional focus on the reduction of significant injuries in the workplace, a significant incident modifier was incorporated into our safety metric. In 2023, a 75% modifier was applied to the final TIF result.

5 The human resources committee applied its discretion and agreed to management's recommendations as outlined above.

### Business unit performance

The short-term incentive award is also based on business unit performance for some executives, depending on their areas of responsibility. In 2023, in addition to the corporate metrics outlined above, business unit level metrics were set for Mr. Primrose, Mr. Amar and Mr. Ferwerda. These metrics were quantitative in nature and set at a similar degree of difficulty as our corporate metrics. We rely on the exemption in Subsection 2.1(4) of Form 51-102F6 *Statement of Executive Compensation* and as such do not disclose details about our business unit goals on the basis that this information is strategically confidential. The disclosure of these goals could compromise our competitive position and seriously prejudice the company's interests.

For Mr. Primrose, business unit performance metrics (at target values) equated to approximately 14% of his 2023 total compensation. For Mr. Amar, business unit performance metrics (at target values) equated to approximately 19% of his 2023 total compensation. For Mr. Ferwerda, business unit performance metrics (at target values) equated to approximately 9% of his 2023 total compensation.

### Individual performance

While corporate and business unit goals promote teamwork, individual accountability is also an important element in determining the award.

The President and CEO's personal objectives are approved by the board after considering the recommendation of the human resources committee. The President and CEO approves the personal objectives of the other named executives to make sure they align with our corporate priorities and objectives. We rely on the exemption in Subsection 2.1(4) of Form 51-102F6 and as such do not disclose details about individual personal objectives because this information is strategically confidential and the disclosure of these objectives could seriously prejudice the company's interests. These objectives were set at a similar degree of difficulty as our corporate metrics. The table below shows the 2023 individual performance score results.

	2023 individual performance score	Weighting
Kevin Parkes	120%	15%
Greg Palaschuk	110%	15%
David Primrose	120%	15%
Juan Pablo Amar	120%	15%
Tim Ferwerda	100%	15%

The table below shows the 2023 short-term incentive awards for the named executives.

	2023 Salary <sup>1</sup> \$	x	2023 Short-term incentive target opportunity (% of salary)	x [	Corporate metrics score (0-200%) x weighting	+	Business unit score (0-200%) x weighting	+	Individual score (0-200%) x weighting	]	=	2023 short-term incentive award \$	Compared to target
Kevin Parkes	\$1,000,000		100%		110.9%				120%			\$1,122,480	112%
Greg Palaschuk	\$662,912		75%		110.9%				110%			\$550,081	111%
David Primrose	\$575,039		65%		110.9%		100.6%		120%			\$395,733	106%
Juan Pablo Amar <sup>2</sup>	\$579,797		65%		110.9%		149.3%		120%			\$509,845	135%
Tim Ferwerda <sup>3</sup>	\$415,117		65%		110.9%		78.0%		100%			\$241,504	90%

Notes:

1 Amounts reflect actual salaries earned in 2023.

2 Amounts for Mr. Amar were converted from Chilean pesos. Please refer to footnote on page 66 for details.

3 Amounts for Mr. Ferwerda were converted from British pounds. Please refer to footnote on page 66 for details.

## Long-term incentive

The long-term incentive is awarded annually and recognizes the executive's role in driving Finning's business growth, increasing shareholder value and supporting our continued long-term financial success. The award has three components: PSUs, stock options and RSUs.

The target award is set at a level that positions each named executive's total direct compensation at approximately the median (50<sup>th</sup> percentile) relative to our compensation peer group.

In addition to considering market competitiveness and alignment with our compensation principles, the human resources committee considers several other factors when making their recommendations to the board on the size of annual long-term incentive awards, including:

- retention considerations;
- executive level; and
- future potential of the executive.

We also take into consideration previous grant values. The total value of 2023 long-term incentive awards for named executives was higher compared to 2022.

The table below shows what was granted to each named executive in 2023 during our annual long-term incentive award cycle. It shows how the award was allocated and the value of each award based on its grant date value. See the footnotes to the summary compensation table on page 83 for details about how we determined the grant date fair values of PSUs, stock options and RSUs.

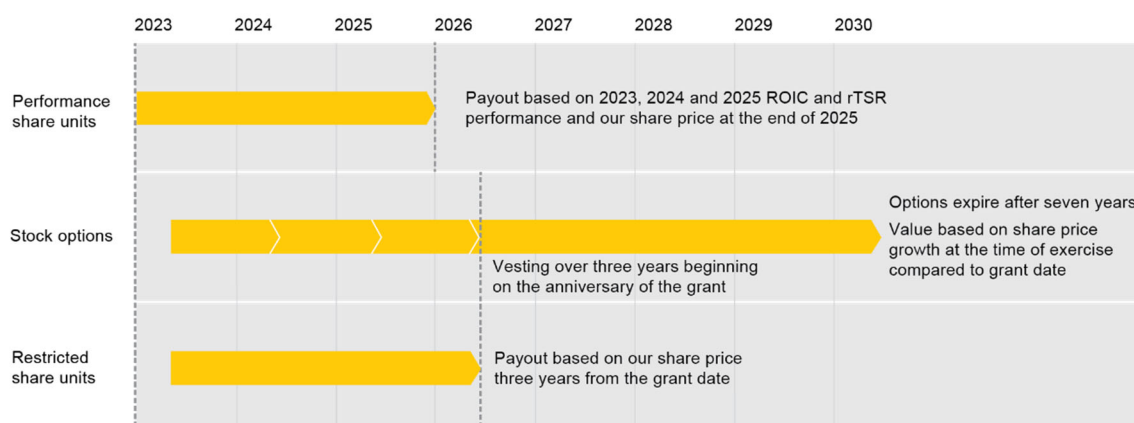
	2023 long-term incentive award	Allocation (\$/#)					
		Performance share units (50%)		Stock options (20%)		Restricted share units (30%)	
		value	units	value	units	value	units
Kevin Parkes <sup>1</sup>	\$3,200,000	\$1,600,000	45,121	\$640,000	70,386	\$960,000	27,072
Greg Palaschuk <sup>2</sup>	\$1,200,000	\$600,000	16,920	\$240,000	26,395	\$360,000	10,152
David Primrose	\$605,000	\$302,500	8,531	\$121,000	13,307	\$181,500	5,118
Juan Pablo Amar	\$687,500	\$343,750	9,694	\$137,500	15,122	\$206,250	5,816
Tim Ferwerda	\$687,500	\$343,750	9,694	\$137,500	15,122	\$206,250	5,816

Notes:

1 Mr. Parkes' 2023 long-term incentive award was the first award made based on the higher target as President and CEO.

2 Mr. Palaschuk's 2023 long-term incentive award was the first award made based on the board-approved increase in 2022 to improve alignment with our compensation peer group.

The image below shows how our long-term incentive award granted in 2023 pays out over time. Long-term incentives are at-risk pay and their value is not guaranteed. The arrows represent the performance period or term of the relevant incentive, and that the performance of PSUs is calculated over the calendar year and that stock options and RSUs are typically granted in May each year.



### Performance share unit plan

PSUs vest after three years and the payout value is based on our financial and relative performance each year in the three-year performance period. The final value of the award depends on our share price at the end of three years, aligning the longer-term interests of executives and our shareholders. PSUs earn additional units as dividend equivalents at the same rate as cash dividends paid on our common shares.

### Assessing performance

The 2023 PSU awards vest on December 31, 2025, based on our financial and relative performance in each of the years 2023, 2024 and 2025.

What we measure	How it's calculated	Why it's important
<b>Relative performance (50%)</b>		
rTSR compared to the return of the companies that are included in the S&P/TSX Capped Industrials Index at both the beginning and the end of each year in the three-year performance period (the index includes several companies that are comparable to Finning)	Combines the appreciation in share price and reinvestment of dividends paid to show the total return to the shareholder, expressed as a percentage	Measures the value an investor receives from common shares over time Shareholders ultimately want to pay management for strong share performance and for outperforming other companies
<b>Financial performance (50%)</b>		
ROIC	EBIT divided by average invested capital over the last four quarters, expressed as a percentage	Aligns with our operational priorities, which are directly linked to improving profitability and capital efficiency, and puts a clear focus on factors we can control

### 2023 PSU Plan Targets

We calculate PSU performance based on our performance against the following targets. There is no payout on a metric if performance is below threshold. If performance meets threshold, the payout amount is set at 50%. If performance exceeds threshold but is below target, or exceeds target, the payout value is calculated on a linear scale between threshold and target, or target and maximum, respectively. Payouts are capped at a maximum level of performance to discourage excessive risk-taking. The annual target, threshold, and maximum values for rTSR and ROIC are set at the end of each year during the three-year performance period for the next year in the performance period.

#### rTSR – 50%

Year	Weighting	Threshold (50% payout)	Target (100% payout)	Maximum (200% payout)
2023	33.33%	25P	50P	100P
2024	33.33%	25P	50P	100P
2025	33.33%	25P	50P	100P

#### ROIC – 50%

Year	Weighting	Threshold (50% payout)	Target (100% payout)	Maximum (200% payout)
2023	33.33%	14.3%	20.4%	26.5%
2024	33.33%	17.1%	21.4%	25.3%
2025	33.33%	Targets to be set at the end of 2024		

We measure our rTSR performance under the plan based on our relative performance compared to companies in the S&P/TSX Capped Industrials Index for the full year in 2023, 2024 and 2025. We use the volume weighted average trading price of the shares for the 30 trading days before the grant date and the volume weighted average trading price of the shares for the 30 trading days prior to December 31 at the end of each year of the three-year performance period and assume reinvestment of dividends.

ROIC performance is measured over each of the years 2023, 2024 and 2025 against targets set in relation to our annual operating plan.

At the end of 2025, the vesting of PSUs is contingent upon the achievement of rTSR and ROIC performance targets set out above for each of 2023, 2024 and 2025.

We will calculate the payout value of the 2023 PSU awards using the volume weighted average trading average price for our shares on the TSX for the five trading days preceding December 31, 2025.

### Payout of 2021 PSU awards

Performance targets and results for the 2021 to 2023 cycle are summarized in the following tables:

#### rTSR<sup>1</sup> – 50%

Year	Threshold (50% payout)	Target (100% payout)	Maximum (200% payout)	Results	Score	Weighting	Performance factor
2021	25P	50P	100P	59P	118%	33.33%	118%
2022	25P	50P	100P	69P	138%	33.33%	138%
2023	25P	50P	100P	51P	102%	33.33%	102%
2021 PSU performance factor for rTSR:							119%

#### ROIC<sup>2,3</sup> for PSU Payout – 50%

Year	Threshold (50% payout)	Target (100% payout)	Maximum (200% payout)	Results	Score	Weighting	Performance factor
2021	10.1%	14.4%	18.7%	16.3%	144.2%	33.33%	144.2%
2022	12.0%	17.2%	22.4%	18.7%	128.8%	33.33%	128.8%
2023	14.3%	20.4%	26.5%	19.3%	91.0%	33.33%	91%
2021 PSU performance factor for ROIC:							121.3%

Based on the results outlined above, the resulting performance factor for the 2021 PSU grant is 120.3%.

Notes:

- Payout amounts for the rTSR component of the 2021 PSU award were calculated by using the percentile ranking of our TSR performance in each year of the three-year performance period compared to the TSR of each of the companies that make up the S&P/TSX Capped Industrials Index in each year, provided they were in the index at the beginning and end of each year of the three-year period.
- This is a specified financial measure. Please see page 95 for more information.
- For the purpose of the ROIC component of the PSU performance factor calculations, management recommended excluding from ROIC for PSU Payout, the following items:
  - 2021 ROIC excluded the benefit of CEWS (\$12.1M) and the benefit of the return on our investment in Energyst B.B. (\$5.2M). The human resources committee applied its discretion and agreed to management's recommendations.

The 2021 PSUs were granted at \$33.31 and vested on December 31, 2023, based on the three-year average of annual achievement periods shown in the tables above, for the three-year period ending December 31, 2023. The value of each unit upon vesting was \$38.51 (the volume weighted average trading price of our shares on the TSX for the five trading days preceding December 31, 2023).

	Number of PSUs granted	Number of PSUs received as dividend equivalents <sup>1</sup>	PSU performance factor	Volume weighted average trading price	Payout <sup>1</sup>
Kevin Parkes	11,256	866	120.3%	\$38.51	\$561,774
Greg Palaschuk	11,256	866	120.3%	\$38.51	\$561,774
David Primrose	8,256	635	120.3%	\$38.51	\$412,048
Juan Pablo Amar	9,906	762	120.3%	\$38.51	\$494,397
Tim Ferwerda	2,520	194	120.3%	\$38.51	\$125,770

Notes:

- Values have been rounded to the nearest whole number.



### **Stock option plan**

Stock options strengthen the link between the interests of Finning, our executives, and our shareholders over the longer term.

Stock options are granted to senior executives under our 2005 stock option plan for senior executives. The following is a summary of the key terms of the plan:

Term	Seven years (or less, as determined by the board at the time of grant)
Exercise price	Weighted average trading price of our shares on the TSX on the business day prior to grant
Vesting	Over three years, in three equal tranches beginning on the first anniversary of the grant date
Exercise	Options are generally exercised using a cashless exercise method which involves the option holder voluntarily giving up the right to receive the number of common shares underlying the vested options being exercised with a value equal to the exercise price Common shares underlying options that are cancelled without being exercised continue to be available for issuance upon the exercise of options granted under the plan
Transferability	Cannot be assigned or transferred

Options only have value if our share price is higher than the exercise price when the options are exercisable.

### **Restricted share unit plan**

RSUs encourage a longer-term focus on initiatives and results and are designed to retain executive management. RSUs also align the interests of executives and shareholders as the value of each unit is tied to our share price at the end of the vesting period.

RSUs feature a three-year cliff vesting design, which means an executive must be employed by Finning for at least three years from the grant date for RSUs to vest. This feature of the plan helps to support the retention of executives and encourages a longer-term focus. RSUs earn additional units as dividend equivalents at the same rate as cash dividends paid on our common shares. The award is paid out in cash using the volume weighted average trading price of our shares on the TSX for the five trading days prior to the vesting date.

#### **About executive deferred share units**

DSUs are notional units that track the value of Finning common shares but do not entitle the holder to voting rights or to receive shares from treasury.

Executives who have not yet met their share ownership requirements can elect to receive a portion of their short-term incentive in the form of DSUs. The amount can only be up to the amount they need to meet their share ownership requirement and it is redirected on a pre-tax basis.

DSUs vest on grant and may only be redeemed for cash when the executive retires or leaves the company. DSUs earn additional units as dividend equivalents at the same rate as cash dividends paid on our common shares. DSUs are paid out based on the fair market value, defined as the average volume weighted price per Finning common share on the trading day before the redemption date. Executives have until December 15th of the year following their cessation of employment to redeem their DSUs.

The human resources committee may approve grants of DSUs or notional equivalents to senior executives in certain situations. A limited number of such grants have been made.

### **Pension, perquisites, and other benefits**

Pension and benefit plans for our named executives generally include:

- defined contribution pension plans in Canada and the UK and Ireland
- an executive supplementary accumulation plan in Canada
- health and dental coverage for employees and dependants
- death and disability benefits
- an employee share purchase plan (ESPP).

The programs may vary between our regions due to local market conditions or regulatory requirements.

You can find more information about our pension plans beginning on page 88.

Senior executives also receive perquisites, which include a car allowance, athletic club dues in some cases, tax preparation reimbursement and annual executive medical examinations. These items make up a very small portion of the executive's total compensation, but they are an important element in attracting and retaining individuals who have the leadership and management skills to drive the further growth and success of our business. Perquisites also help support the health and wellbeing of our people.

**Employee share purchase plan**

In all regions, we make a partial matching contribution for contributions employees make to the ESPP. Contributions are made to a fund that is used to automatically purchase Finning common shares on the open market for the benefit of plan participants.

## Kevin Parkes | President and CEO

Kevin Parkes became President and Chief Executive Officer of Finning in November 2022 after serving as Chief Operating Officer since April 2022. Over the course of more than two decades at Finning, Mr. Parkes has held progressively senior leadership positions. In 2019, he was appointed President of Finning (Canada) after holding the position of Managing Director of Finning UK and Ireland. Prior to that, Mr. Parkes served as Director of the Equipment Solutions Division for the UK and Ireland operations. In addition, Mr. Parkes was Chief Executive Officer of Hewden Stuart Plc. from 2010 to 2015, following the sale of this business by Finning in 2010.

Mr. Parkes holds a BA in Business Administration from Staffordshire University. He is a member of the Safety, Environment & Social Responsibility Committee.



### 2023 compensation

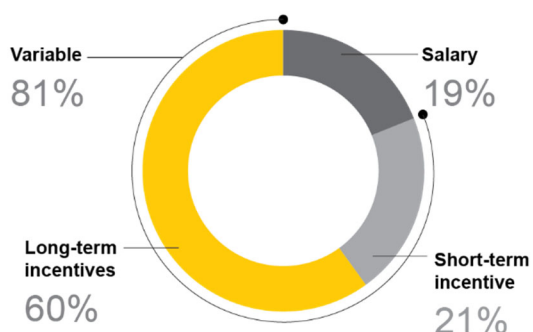
The table below shows Mr. Parkes' total direct compensation for 2023, compared to the two previous years. Please refer to the notes in the summary compensation table on page 83 and in our prior circulars for additional details.

	2023	2022	2021
<b>Fixed pay</b>			
Salary	\$1,000,000	\$751,369	\$613,702
<b>Variable (at-risk) pay</b>			
Short-term incentive (annual cash bonus)	\$1,122,480	\$696,578	\$432,450
Long-term incentive			
• Performance share units	\$1,600,000	\$412,500	\$375,000
• Stock options	\$640,000	\$165,000	\$150,000
• Restricted share units	\$960,000	\$247,500	\$225,000
<b>Total direct compensation</b>	<b>\$5,322,480</b>	<b>\$2,272,947</b>	<b>\$1,796,152</b>

The figures outlined above are reflective of long-term incentive awards granted during our annual compensation program cycle.

### 2023 pay mix

The graph below shows the breakdown of Mr. Parkes' total direct compensation for 2023. 81% of Mr. Parkes' 2023 pay was at risk.



### 2023 Key Performance Highlights

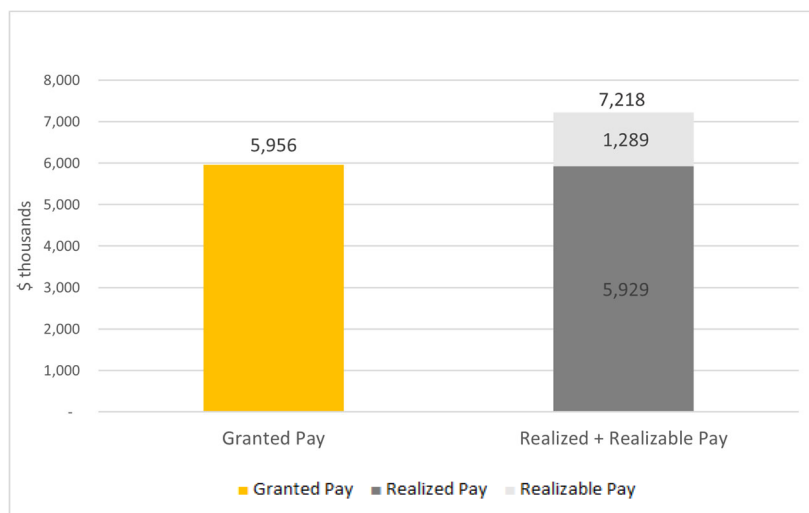
- Improved our employee experience results with an 86% sustainable engagement score, especially within our hourly and technical workforce. This reflects the positive impact we are bringing to our customers and our colleagues
- Expanded our technician workforce globally to nearly 5,500 people to keep up with the demand for product support contracts and rebuilds
- Delivered 60 ultra-class trucks and completed 15% more rebuilds than in 2022
- Grew our product support business by 17% in all regions over 2022
- Increased our power systems revenue by 31% over 2022 (all regions saw double-digit growth)
- Achieved 20% adjusted ROIC resulting in record earnings per share
- Empowered our front-line employees to improve critical control health as part of our Serious Injury and Fatality Prevention program

## President and CEO realized and realizable pay

Most of executive pay is variable or at-risk and the value is not guaranteed.

The graph below shows Finning's President and CEO average pay granted for the last five years compared to the average amount received over that five-year period (2019 – 2023) (realized pay) plus the average value of outstanding long-term incentive awards over the same period (realizable pay). The value of the outstanding awards, that is, unvested PSUs (assumed at target or 100%), unvested RSUs and unexercised stock options, is based on our 2023 year-end closing share price on the TSX of \$38.32 and is not guaranteed. Average granted CEO pay for the period was \$5,956,344 while average realized + realizable pay (totalling \$7,217,624) was 21.2% higher. For information on executive compensation and its correlation with Finning's share performance, please see page 81.

**Average President and CEO Pay – 2019 to 2023<sup>1</sup>**



Average President and CEO Pay – 2019 to 2023			
Compensation element	Granted <sup>2</sup>	Realized <sup>3</sup>	Realizable <sup>4</sup>
Salary	\$1,052,365	\$1,052,365	–
Short-term incentive	\$1,293,979	\$1,293,979	–
Long-term incentive			
• Performance share units	\$1,880,000	\$1,874,589	\$494,398
• Stock options	\$722,000	\$1,040,506	\$122,507
• Restricted share units	\$1,008,000	\$667,645	\$671,635
<b>Average total compensation<sup>4</sup></b>	<b>\$5,956,344</b>	<b>\$5,929,084</b>	<b>\$1,288,540</b>

### Notes:

- The majority of pay included is attributed to previous President and CEO, Mr. Thomson, who was employed until November 15, 2022. Compensation for current President and CEO, Mr. Parkes, is included based on his role's effective date of November 16, 2022.
- Granted pay: direct compensation (salary earned, actual short-term incentive award and the grant date fair market value of annual long-term incentive awards) reported in our summary compensation table on page 83 and in prior management proxy circulars.
- Realized pay: earned pay (salary earned, actual short-term incentive received, stock options exercised, and vested PSUs and RSUs). Realized pay reflects a 120.3% payout of target for the 2021 PSU award, a 140.8% payout of target for the 2020 PSU award, and a 70.6% payout of target for the 2019 PSU award.
- Realizable pay: reflects the potential realizable value of awards yet to be paid as at December 31, 2023 (unvested PSUs assumed at target (100%), unvested RSUs and unexercised option awards) based on our 2023 year-end closing share price on the TSX of \$38.32. These figures are variable and depend on future business performance.

**Greg Palaschuk** | Executive Vice President and Chief Financial Officer

Mr. Palaschuk was appointed Executive Vice President, Chief Financial Officer of Finning in March of 2020 and took on responsibility for information technology in January 2023. He is responsible for finance, information technology, tax, treasury, investor relations, risk management, strategic planning, and business development. Mr. Palaschuk joined Finning in 2014 and has held multiple senior leadership positions in the company including Vice President of Treasury for Finning, Finance Director for Finning UK and Ireland and Senior Vice President of Commercial and Financial Performance Management for Finning (Canada).

Prior to Finning, Mr. Palaschuk was Vice President of natural resources investment banking at Goldman Sachs in Calgary and New York.

Mr. Palaschuk holds a Bachelor of Commerce Degree in Finance (with distinction) from the University of Calgary.



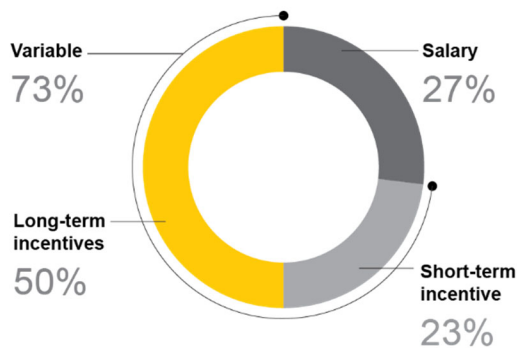
**2023 compensation**

The table below shows Mr. Palaschuk’s total direct compensation for 2023, compared to the two previous years.

	2023	2022	2021
<b>Fixed pay</b>			
Salary	\$662,912	\$620,630	\$539,678
<b>Variable (at-risk) pay</b>			
Short-term incentive (annual cash bonus)	\$550,081	\$483,522	\$388,684
Long-term incentive			
• Performance share units	\$600,000	\$412,500	\$375,000
• Stock options	\$240,000	\$165,000	\$150,000
• Restricted share units	\$360,000	\$247,500	\$225,000
<b>Total direct compensation</b>	<b>\$2,412,993</b>	<b>\$1,929,152</b>	<b>\$1,678,362</b>

**2023 pay mix**

The graph below shows the breakdown of Mr. Palaschuk’s total direct compensation for 2023. 73% of Mr. Palaschuk’s 2023 pay was at risk.



## David Primrose | President, Finning (Canada)

David Primrose was appointed President of Finning (Canada) in March 2022, after serving as the interim President for Finning (Canada) beginning in November 2021. Over the course of his 35-year career at Finning, Mr. Primrose has held several executive roles, including Executive Vice President of Core Industries for Finning (Canada), Executive Vice President of Mining for Finning (Canada), Senior Vice President of Human Resources for Finning International, Vice President of Human Resources for Finning (Canada), Managing Director for Finning United Kingdom and Ireland and Divisional Director of Power Systems for Finning UK.

Mr. Primrose is a Chartered Professional Accountant, Certified General Accountant, and a Stanford School of Business Executive Education graduate.



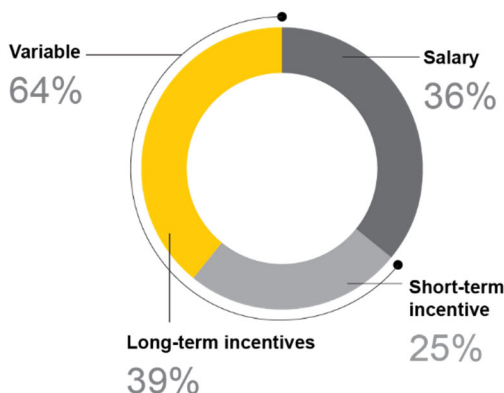
### 2023 compensation

The table below shows Mr. Primrose's total direct compensation for 2023, compared to the two previous years.

	2023	2022	2021
<b>Fixed pay</b>			
Salary	\$575,039	\$517,551	\$464,179
<b>Variable (at-risk) pay</b>			
Short-term incentive (annual cash bonus)	\$395,733	\$379,136	\$403,245
Long-term incentive			
• Performance share units	\$302,500	\$275,000	\$275,000
• Stock options	\$121,000	\$110,000	\$110,000
• Restricted share units	\$181,500	\$165,000	\$165,000
<b>Total direct compensation</b>	<b>\$1,575,772</b>	<b>\$1,446,687</b>	<b>\$1,417,424</b>

### 2023 pay mix

The graph below shows the breakdown of Mr. Primrose's total direct compensation for 2023. 64% of Mr. Primrose's 2023 pay was at risk.



**Juan Pablo Amar** | President, Finning South America

Mr. Amar was appointed President of Finning South America in January 2020. He has responsibility for all Finning’s operations in Chile, Argentina and Bolivia. He joined Finning South America in August 1992 and has worked in various areas and operations and leadership roles as Commercial Manager, Accounting and Taxation Manager, Report Manager and Controller for Finning South America.

In November 2010, Mr. Amar became Vice President of Human Resources, responsible for people strategy, training, organizational development, safety and corporate communications in Finning South America. In February of 2013, he assumed the position of Vice President of Finance, leading areas of legal and insurance, finance, controller, taxes, treasury, collections and internal audit. In March 2017, he took over as Vice President of Operations for Chile and Bolivia, responsible for the growth strategy and operations of those regions.

Mr. Amar is a Certified Public Accountant from Diego Portales University. He has also earned certification in project preparation and evaluation from the University of Chile.



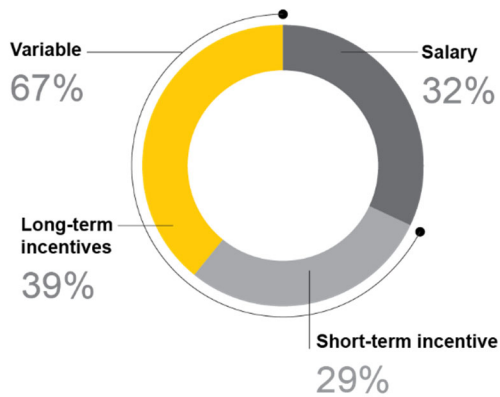
**2023 compensation**

The table below shows Mr. Amar’s total direct compensation for 2023, compared to the two previous years.

	2023	2022	2021
<b>Fixed pay</b>			
Salary	\$579,797	\$476,940	\$471,276
<b>Variable (at-risk) pay</b>			
Short-term incentive (annual cash bonus)	\$509,845	\$396,608	\$449,057
Long-term incentive			
• Performance share units	\$343,750	\$302,500	\$330,000
• Stock options	\$137,500	\$121,000	\$132,000
• Restricted share units	\$206,250	\$181,500	\$198,000
<b>Total direct compensation</b>	<b>\$1,777,142</b>	<b>\$1,478,548</b>	<b>\$1,580,333</b>

**2023 pay mix**

The graph below shows the breakdown of Mr. Amar’s total direct compensation for 2023. 67% of Mr. Amar’s 2023 pay was at risk.



**Tim Ferwerda** | Managing Director, Finning UK and Ireland

Tim Ferwerda became Managing Director of Finning UK and Ireland in August 2021 after serving as Director of Sales, Marketing and Distribution since joining in December 2016. During this time, Mr. Ferwerda was responsible for developing and delivering customer centric go-to-market strategies across equipment and product support. Prior to Finning, Mr. Ferwerda worked for Pilkington (NSG Group), one of the world's largest glass manufacturers, for 19 years. He held progressively senior leadership roles within sales and marketing, supply chain and general management, in both the original equipment and aftermarket lines of their automotive business.

Mr. Ferwerda holds a MA in Economics from Vrije Universiteit Amsterdam.



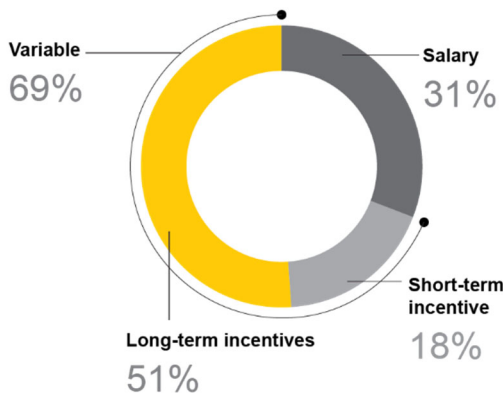
**2023 compensation**

The table below shows Mr. Ferwerda's total direct compensation for 2023, compared to the two previous years.

	2023	2022	2021
<b>Fixed pay</b>			
Salary	\$415,117	\$369,748	\$352,995
<b>Variable (at-risk) pay</b>			
Short-term incentive (annual cash bonus)	\$241,504	\$281,860	\$213,092
Long-term incentive			
• Performance share units	\$343,750	\$288,750	\$84,000
• Stock options	\$137,500	\$115,500	\$33,600
• Restricted share units	\$206,250	\$173,250	\$50,400
<b>Total direct compensation</b>	<b>\$1,344,121</b>	<b>\$1,229,108</b>	<b>\$734,087</b>

**2023 pay mix**

The graph below shows the breakdown of Mr. Ferwerda's total direct compensation for 2023. 69% of Mr. Ferwerda's 2023 pay was at risk.



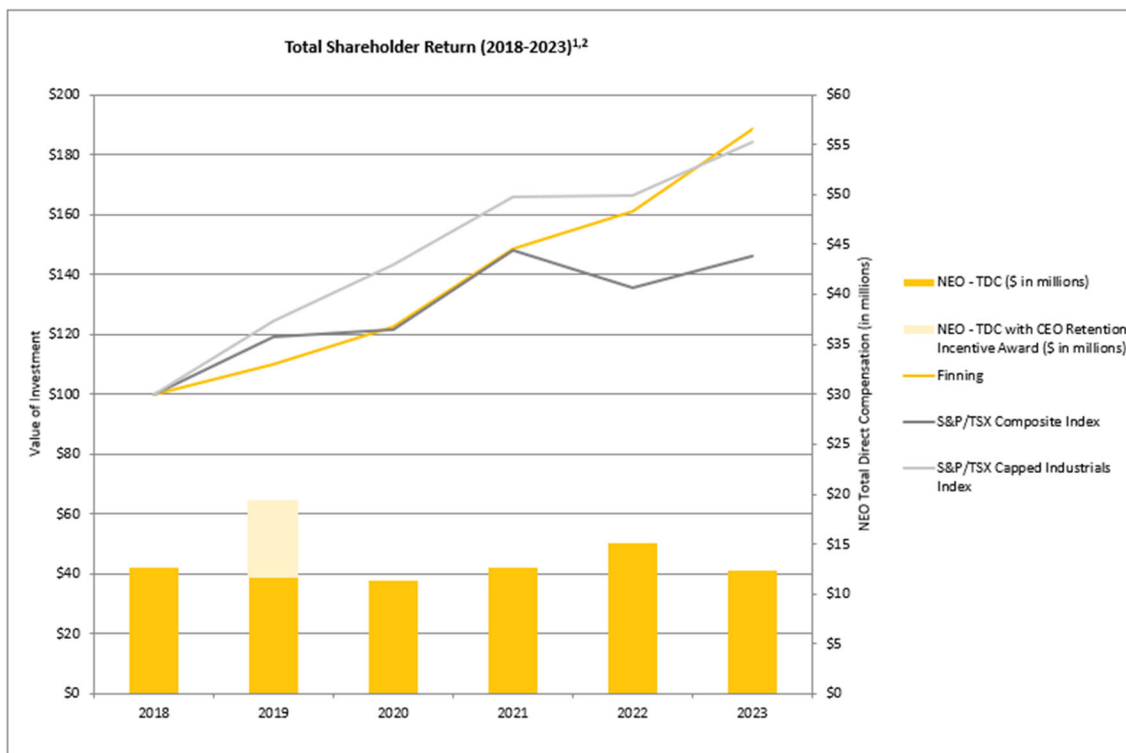


## Share performance and executive compensation

Each year, the human resources committee assesses the compensation of our named executives in comparison to Finning's performance, including total shareholder return.

The graph below compares the total shareholder return of \$100 invested in Finning common shares on December 31, 2018 against the total return of the S&P/TSX Composite Index and the S&P/TSX Capped Industrials Index for the five most recently completed financial years, assuming reinvestment of dividends. The graph also shows the total direct compensation awarded to our named executives over the same period.

Executive compensation generally correlates with our share performance, except for years 2019 and 2020, when total compensation declined slightly compared to higher share performance in those years.



	2018	2019 <sup>3</sup>	2020	2021	2022	2023
Finning	\$100	\$110	\$122	\$148	\$161	\$188
S&P/TSX Composite Index	\$100	\$119	\$122	\$148	\$135	\$146
S&P/TSX Capped Industrials Index	\$100	\$125	\$143	\$166	\$166	\$184
Total direct compensation awarded to the named executives (\$ millions)	\$12.62	\$11.70	\$11.39	\$12.69	\$15.15	\$12.40

### Notes:

- 1 Source: NASDAQ. Total shareholder return for indices is calculated using index values at closing.
- 2 Total shareholder return for Finning includes dividends.
- 3 2019 total direct compensation awarded to the named executives excludes the CEO retention incentive award. In the chart above, for 2019, the lightly shaded component for total direct compensation to named executives shows the \$8 million grant value of the retention incentive award, as described in the 2020 management proxy circular.

Named executives over this period is as disclosed in the summary compensation table in our management proxy circulars for these years as follows:

2018: L. Scott Thomson, Steven Nielsen, Juan Carlos Villegas, Marcello Marchese, Dave Cummings

2019: L. Scott Thomson, Steven Nielsen, Marcello Marchese, Kevin Parkes, Dave Cummings

2020: L. Scott Thomson, Greg Palaschuk, Kevin Parkes, Juan Pablo Amar, Dave Cummings, Steven Nielsen

2021: L. Scott Thomson, Greg Palaschuk, Kevin Parkes, Juan Pablo Amar, David Primrose

2022: L. Scott Thomson, Kevin Parkes, Greg Palaschuk, Juan Pablo Amar, David Primrose, Dave Cummings

2023: Kevin Parkes, Greg Palaschuk, Juan Pablo Amar, David Primrose, Tim Ferwerda

## Cost of management ratio

The table below shows the total direct compensation provided to NEOs in 2023 compared to 2022, expressed as a percentage of net revenue. Total direct compensation awarded to the named executives decreased, primarily driven by Finning's CEO change and changes in composition of the NEOs for 2023.

Year	Total direct compensation awarded to the named executives (\$ millions) <sup>1</sup>	Net revenue (\$ millions)	Cost of management ratio (net revenue) <sup>2</sup>
2023	\$12.40	\$9,543	0.13%
2022	\$15.15	\$8,215	0.18%

Notes:

- 1 In 2023, five named executives are included in the total direct compensation awarded compared to six in 2022.
- 2 This is a specified financial measure. Please see page 95 for more information.

## Executive compensation details

### Summary compensation table

The table below sets out the total compensation earned by each named executive in the last three fiscal years ending December 31, 2023, 2022 and 2021.

	Year	Salary	Share awards <sup>1</sup>	Option awards <sup>2</sup>	Non-equity incentive plan compensation <sup>3</sup>	Pension value <sup>4</sup>	All other compensation <sup>5</sup>	Total compensation
Kevin Parkes <sup>6</sup> President and Chief Executive Officer	2023	\$1,000,000	\$2,560,000	\$640,000	\$1,122,480	\$178,725	\$61,769	\$5,562,975
	2022	\$751,369	\$660,000	\$165,000	\$696,578	\$137,141	\$73,897	\$2,483,985
	2021	\$613,702	\$600,000	\$150,000	\$432,450	\$108,494	\$136,905	\$2,041,551
Greg Palaschuk Chief Financial Officer	2023	\$662,912	\$960,000	\$240,000	\$550,081	\$118,614	\$53,557	\$2,585,164
	2022	\$620,630	\$660,000	\$165,000	\$483,522	\$116,297	\$49,902	\$2,095,351
	2021	\$539,678	\$600,000	\$150,000	\$388,684	\$94,031	\$43,635	\$1,816,028
David Primrose President, Finning (Canada)	2023	\$575,039	\$484,000	\$121,000	\$395,733	\$728,000	\$40,262	\$2,344,034
	2022	\$517,551	\$440,000	\$110,000	\$379,136	\$758,000	\$42,025	\$2,246,712
	2021	\$464,179	\$440,000	\$110,000	\$403,245	\$255,000	\$82,073	\$1,754,497
Juan Pablo Amar <sup>7</sup> President, Finning South America	2023	\$579,797	\$550,000	\$137,500	\$509,845	n/a	\$100,697	\$1,877,839
	2022	\$476,940	\$484,000	\$121,000	\$396,608	n/a	\$94,441	\$1,572,989
	2021	\$471,276	\$528,000	\$132,000	\$449,057	n/a	\$85,998	\$1,666,331
Tim Ferwerda <sup>8</sup> Managing Director, Finning UK and Ireland	2023	\$415,117	\$550,000	\$137,500	\$241,504	\$12,308	\$82,724	\$1,439,153
	2022	\$369,748	\$462,000	\$115,500	\$281,860	\$7,502	\$85,144	\$1,321,755
	2021	\$352,995	\$134,400	\$33,600	\$213,092	\$5,174	\$84,824	\$824,086

#### Notes:

1 Refers to grants of PSUs and RSUs. The 2023 grant date value of PSU awards was calculated by taking the number of PSUs granted, multiplied by the volume weighted average trading price of our shares on the TSX for the five trading days preceding the grant date (\$35.46).

The table below sets out the underlying theoretical assumptions and values used to calculate the value of the PSUs. These are different from the values used to determine the accounting fair value for financial reporting purposes as for accounting purposes, the TSR component of PSUs is measured at fair value using the Monte Carlo model and the ROIC component of PSUs is measured at fair value using the company's share price on the TSX on the grant date of May 17, 2023.

Assumptions	2023	2022	2021
Expected term	3 years	3 years	3 years
Performance discount at target relative to payout schedule	100%	100%	100%
Share price at grant	\$35.46	\$33.32	\$33.31
PSU value	\$35.46	\$33.32	\$33.31
Accounting fair value at grant	\$40.21	\$37.87	\$36.93

See Incentive plan awards – Value vested or earned during the year on page 86 for the market or payout values at the end of 2023.

The grant value of RSU awards was calculated by taking the number of RSUs granted, multiplied by the volume weighted average trading price of our shares on the TSX for the five trading days preceding the grant date: \$35.46 in 2023, \$33.32 in 2022, and \$33.31 in 2021. The accounting fair value is the same.

2 The grant price of stock options is the fair market value on the day prior to the grant date. The Black-Scholes model was used in the valuation of the stock option awards.

The table below sets out the underlying theoretical assumptions and values used for the stock option awards. The option value is different from the accounting fair value used for financial reporting purposes. For administrative reasons, the valuation for stock option awards was conducted on April 30, 2023, prior to the grant date of May 17, 2023 which is used for accounting purposes. Also, the option value for stock option awards does not take into account the historical expected life of the stock options which is considered for accounting purposes.

<b>Assumptions</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Expected option term	7 years	7 years	7 years
Expected volatility	31.44%	31.39%	31.37%
Expected dividend yield	3.06%	3.13%	3.18%
Risk-free interest rate	2.79%	2.73%	0.97%
Exercise price	\$35.63	\$34.02	\$33.11
Option value	\$9.09	\$8.54	\$7.38
Accounting fair value	\$9.05	\$8.00	\$6.70

- 3 Amounts refer to the short-term incentive awards. These awards are in respect of the 2023 financial year and were paid out in March 2024.
- 4 Compensatory amounts include the current pension service costs during the year and the impact of pay increases since the previous year's calculation. For Mr. Ferwerda, compensatory amounts include company contributions into the UK Standard Life Master Trust. See pension plans beginning on page 88 for more information.
- 5 Includes employer matches for the ESPP and all perquisites (car allowance, athletic club dues, allowance for preparation of tax returns, executive medical examinations and life insurance) and other executive benefits. Amounts reported represent the total incremental cost to Finning.
  - Mr. Amar's 2022 amount includes a car allowance of \$44,522 and \$26,997 for executive medical and life insurance benefits
  - Mr. Ferwerda's amounts include values paid in lieu of pension due to limits permitted under the Income Tax Act (United Kingdom)
- 6 The significant increase in Mr. Parkes' base salary, equity compensation, and annual bonus reflect his promotion to President and CEO in November 2022.
- 7 Mr. Amar's amounts have been converted from Chilean pesos based on the following average annual exchange rates: 1 CLP = 0.0016 CAD in 2023, 1 CLP = 0.0015 CAD in 2022, and 1 CLP = 0.0017 CAD in 2021.
- 8 Mr. Ferwerda's amounts have been converted from British pounds based on the following average annual exchange rates: 1 GBP = 1.6784 CAD in 2023, 1 GBP = 1.6076 CAD in 2022, and 1 GBP = 1.7246 CAD in 2021.

## Incentive plan awards

### Outstanding equity awards

The following table summarizes all share-based and option-based awards that were held by each named executive as of December 31, 2023.

Option-based awards								
	Grant date	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options <sup>1</sup>	Number of shares or units of shares at target that have not vested <sup>2</sup>	Market or payout value of share awards at target that have not vested <sup>2</sup>	Market or payout value of vested share awards not paid out or distributed <sup>3</sup>
Kevin Parkes	May 17/23	70,386	\$35.63	May 17/30	\$189,338	73,583	\$2,819,701	-
	May 18/22	19,323	\$34.02	May 18/29	\$83,089	20,780	\$796,290	-
	May 19/21	20,322	\$33.11	May 19/28	\$105,878	7,275	\$278,778	\$561,774
	May 13/20	36,100	\$17.75	May 13/27	\$742,577	-	-	-
	May 15/19	29,418	\$22.31	May 15/26	\$470,982	-	-	-
	May 15/18	16,996	\$33.68	May 15/25	\$78,862	-	-	-
	Mar 21/18	-	-	-	-	-	-	\$117,719
	May 15/17	21,934	\$26.79	May 15/24	\$252,899	-	-	-
	Feb 26/16	-	-	-	-	-	-	\$169,413
<b>Total</b>		<b>214,479</b>			<b>\$1,923,625</b>	<b>101,638</b>	<b>\$3,894,769</b>	<b>\$848,906</b>
Greg Palaschuk	May 17/23	26,395	\$35.63	May 17/30	\$71,003	27,593	\$1,057,364	-
	May 18/22	19,323	\$34.02	May 18/29	\$83,089	20,780	\$796,290	-
	May 19/21	20,322	\$33.11	May 19/28	\$105,878	7,275	\$278,778	\$561,774
	May 13/20	33,092	\$17.75	May 13/27	\$680,702	-	-	-
	May 15/19	11,767	\$22.31	May 15/26	\$188,390	-	-	-
	May 15/18	6,799	\$33.68	May 15/25	\$31,547	-	-	-
	Nov 10/17	5,432	\$31.47	Nov 10/24	\$37,209	-	-	-
	May 15/17	6,700	\$26.79	May 15/24	\$77,251	-	-	-
<b>Total</b>		<b>129,830</b>			<b>\$1,275,069</b>	<b>55,648</b>	<b>\$2,132,432</b>	<b>\$561,774</b>
David Primrose	May 17/23	13,307	\$35.63	May 17/30	\$35,796	13,912	\$533,108	-
	May 18/22	12,882	\$34.02	May 18/29	\$55,393	13,853	\$530,847	-
	May 19/21	14,903	\$33.11	May 19/28	\$77,645	5,334	\$204,399	\$412,048
	May 13/20	30,083	\$17.75	May 13/27	\$618,807	-	-	-
	May 15/19	23,535	\$22.31	May 15/26	\$376,795	-	-	-
	Dec 31/10	-	-	-	-	-	-	\$231,338
<b>Total</b>		<b>94,710</b>			<b>\$1,164,436</b>	<b>33,099</b>	<b>\$1,268,354</b>	<b>\$643,386</b>
Juan Pablo Amar	May 17/23	15,122	\$35.63	May 17/30	\$40,678	15,809	\$605,801	-
	May 18/22	14,170	\$34.02	May 18/29	\$60,931	15,238	\$583,920	-
	May 19/21	17,883	\$33.11	May 19/28	\$93,171	6,401	\$245,286	\$494,397
	May 13/20	1	\$17.75	May 13/27	\$21	-	-	-
	May 15/18	6,799	\$33.68	May 15/25	\$31,547	-	-	-
<b>Total</b>		<b>53,975</b>			<b>\$226,348</b>	<b>37,448</b>	<b>\$1,435,007</b>	<b>\$494,397</b>
Tim Ferwerda	May 17/23	15,122	\$35.63	May 17/30	\$40,678	15,809	\$605,801	-
	May 18/22	13,526	\$34.02	May 18/29	\$58,162	14,545	\$557,364	-
	May 19/21	3,002	\$33.11	May 19/28	\$15,640	1,629	\$62,423	\$125,770
	May 19/21	1,550	\$33.09	May 19/28	\$8,107	-	-	-
	Mar 20/20	-	-	-	-	-	-	\$118,409
<b>Total</b>		<b>33,200</b>			<b>\$122,587</b>	<b>31,983</b>	<b>\$1,225,588</b>	<b>\$244,179</b>

Notes:

- 1 Based on our 2023 year-end closing share price on the TSX of \$38.32. Stock options have a seven-year term and vest over three years (see page 73). For more information, see page 87.
- 2 These figures represent unvested PSUs and RSUs, DSUs, and dividend equivalents, rounded to the nearest whole number. Value is based on our 2023 year-end closing share price on the TSX of \$38.32. PSUs vest at the end of three years if performance criteria are met (see page 71). RSUs vest at the end of three years (see page 73). DSUs vest on grant, or may have vesting conditions attached, but are not paid out until after the executive leaves employment with Finning (see page 73).
- 3 These figures represent vested PSU awards, DSUs and dividend equivalents as at December 31, 2023. The value of vested PSUs is based on a fair market value of \$38.51, the volume weighted average trading price on the TSX for the five trading days preceding December 31, 2023. Vested PSUs, as presented in this table, include dividend equivalents and were paid out in cash in February 2024. The value of vested DSUs is based on our 2023 year-end closing share price on the TSX of \$38.32. DSUs can only be redeemed when an executive leaves or retires from Finning (see page 73).

### Incentive plan awards – Value vested or earned during the year

The table below shows the value of all share-based and option-based awards that vested in 2023 for each named executive, as well as non-equity incentive plan compensation earned during the year.

	Option awards – value vested during the year <sup>1</sup>	Share awards – value vested during the year <sup>2</sup>	Non-equity incentive plan compensation – value earned during the year
Kevin Parkes	\$258,251	\$994,106	\$1,122,480
Greg Palaschuk	\$240,977	\$958,069	\$550,081
David Primrose	\$208,821	\$772,305	\$395,733
Juan Pablo Amar <sup>3</sup>	\$231,988	\$890,692	\$509,845
Tim Ferwerda <sup>4</sup>	\$73,572	\$235,814	\$241,504

Notes:

- 1 For option awards, the value is the difference between the exercise price of the options and the closing price of our common shares on the TSX on the vesting date. If the closing price was below the exercise price, the stock options have no current value. Stock options have a seven-year term and vest over three years (see page 73).
- 2 Includes PSUs, RSUs and DSUs. PSUs vest at the end of three years if performance criteria are met (see page 71).
- 3 The value for Mr. Amar has been converted from Chilean pesos based on an average exchange rate of 1 CLP = \$0.0016 CAD.
- 4 The value for Mr. Ferwerda has been converted from British pounds based on an average exchange rate of 1GBP = \$1.6784 CAD.

### Stock options exercised in 2023

The following table shows the number of stock options exercised by NEOs in 2023. The value realized by NEOs who exercised stock options in 2023 is the difference between the fair market value of our common shares on the TSX on the date of exercise and the exercise price of the stock options.

	Number of stock options exercised	Value Realized
Kevin Parkes	12,841	\$170,517
Greg Palaschuk	7,112	\$94,376
David Primrose	22,537	\$317,090
Juan Pablo Amar	14,796	\$292,330
Tim Ferwerda	8,522	\$182,274

## Equity compensation plan information

The table below provides details about the equity securities authorized for issuance under our 2005 stock option plan for senior executives.

(as at December 31, 2023)

	Number of shares to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Number of shares remaining available for future issuance under equity compensation plans (excluding outstanding options)
Equity compensation plans approved by shareholders			
2005 stock option plan for senior executives	1,149,866	\$30.06	3,609,124
Equity compensation plans not approved by shareholders	nil	nil	nil

### About the stock option plan

Under the 2005 stock option plan, the board is authorized to issue options to executives of Finning or its subsidiaries.

The maximum number of common shares that may be issued upon the exercise of options granted under the stock option plan is fixed at 7,470,000.

The table below is a summary of the activity under the stock option plan, including grants, cancellations and exercises from January 1, 2023 to December 31, 2023.

	As at January 1, 2023		Activity in 2023			As at December 31, 2023	
	# of common shares or options	% of shares outstanding	# of options granted	# of options cancelled and/or withheld	# of options exercised and issued	# of common shares or options	% of shares outstanding
2005 stock option plan							
Shares issued on exercise of options	2,528,234	1.67%			182,776	2,711,010	1.88%
Options granted and outstanding	1,567,168	1.04%	278,878	(513,404)	(182,776)	1,149,866	0.80%
Options available for future grants	3,374,598	2.23%	(278,878)	513,404		3,609,124	2.51%
<b>Total</b>	<b>7,470,000</b>	<b>4.94%</b>				<b>7,470,000</b>	<b>5.19%</b>

Note:

1 Options granted to executives in 2023 represent 0.19% of Finning's issued and outstanding common shares as at December 31, 2023.

The next table shows the burn rate under our stock option plan for the last three years, being the number of options granted during each year divided by the weighted average number of securities outstanding for the applicable fiscal year:

	2023	2022	2021
Weighted average number of securities outstanding	147,472,530	154,740,313	161,088,129
Options granted under our 2005 stock option plan	278,878	339,689	370,776
Burn rate	<b>0.19%</b>	<b>0.22%</b>	<b>0.23%</b>

### Making changes to our stock option plan

Any changes to the 2005 stock option plan require both shareholder and regulatory approvals. There is very limited ability for the board to make non-material changes.

We can only increase the maximum number of common shares that may be issued under our stock option plan if we receive shareholder approval and the approval of the necessary regulatory authorities. Shareholder approval is also required for any re-pricing of previously granted options.

The number of common shares that may be issued and the exercise price for stock options issued under our stock option plan will be adjusted if there is a stock split, consolidation or similar transaction.

If we receive all the necessary regulatory approvals, we can adopt sub-plans that apply to designated executives or groups of executives. This gives us the flexibility to tailor specific plans to meet local taxation and regulatory requirements in jurisdictions outside Canada where we employ senior executives. As part of the 2005 stock option plan, the board has approved a sub-plan for residents of the UK that has some minor variations that are necessary to comply with local tax requirements.

**Other things to know about the plan**

The total number of options granted to insiders of Finning under the 2005 stock option plan, when combined with all other security-based compensation arrangements of Finning, cannot exceed 10% of the total number of issued and outstanding common shares.

We have 3,609,124 common shares remaining in reserve to be issued under our 2005 stock option plan, representing 2.51% of the total number of issued and outstanding common shares as of December 31, 2023.

Since the plan's inception in 2005, 2,711,010 shares have been issued on the exercise of stock options granted under the plan, representing 1.88% of the total number of issued and outstanding common shares as of December 31, 2023.

All executives of Finning are eligible to receive stock option awards under the 2005 stock option plan. The plan terms are the same for all executives, including named executives. For further information on plan terms upon termination or a change-in-control, please see page 89.

You can read more about the stock option plan on page 73. You can receive a copy of the plan document by writing to our Corporate Secretary, Finning International Inc., 19100 94 Avenue, Surrey, British Columbia V4N 5C3 or send an email to [corporatesecretary@finning.com](mailto:corporatesecretary@finning.com).

**Pension plans**

Many of our employees participate in our various pension plans.

Executive pensions are generally set at the market median when compared to pension benefits provided by comparator companies in the appropriate region where the executive is based.

**Canada**

Since January 1, 2010, executives at the level of vice president or above are enrolled in a defined contribution pension plan (the Canadian Executive DC Plan) and an associated unfunded supplementary accumulation plan (ESAP). Mr. Parkes and Mr. Palaschuk participate in these plans.

Prior to January 1, 2010, executives were enrolled in a registered defined benefit pension plan (the Canadian Executive DB Plan) and an executive supplementary income plan (ESIP). These plans were closed to new entrants on January 1, 2010. Mr. Primrose participates in these plans.

Additional details are provided on both the Canadian Executive DC Plan and Canadian Executive DB plan below.

**Canadian Executive DC Pension Plan**

The Canadian Executive DC Plan is non-contributory. We contribute 12% of salary plus an amount equal to the short-term incentive (capped at target) to the plan. Contributions are made to the plan up to the limit permitted under the Income Tax Act (Canada) and notional contributions for amounts in excess of the limits are made to the unfunded ESAP.

Contributions to the Canadian Executive DC Plan are invested according to the investment options selected by the executive. Notional contributions to the ESAP are credited with interest based on a long-term Government of Canada bond yield plus 2%.

The table below shows the accumulated value at the start and end of the year, as well as compensatory amounts the named executives earned during the year in the Canadian Executive DC Plan and the ESAP.

	Accumulated value at start of year	Compensatory	Accumulated value at year end
Kevin Parkes	\$432,555	\$178,725	\$646,351
Greg Palaschuk	\$690,799	\$118,614	\$885,864

**Canadian Executive DB Pension Plan**

The Canadian Executive DB Plan is non-contributory. Contributions are made to the plan up to the limit permitted under the Income Tax Act (Canada) and notional contributions for amounts in excess of the limits are made to the unfunded ESIP.

The total combined amount of pension payable is determined as 2% of a participant's final average earnings multiplied by the total number of years of credited service. The total pension is capped at 70% of a participant's final average earnings. Final average earnings are defined as the average annual pensionable earnings (130% of base salary) during the 36 consecutive months within the last ten years of employment in which such earnings were the highest. Pensions are reduced at a rate of 3% per year before age 60, for retirement after age 55.



The number of credited years of service at December 31, 2023, the estimated annual pension benefits payable and the estimated value of the accrued obligation at the end of both 2022 and 2023 for the NEO participating in the Canadian Executive DB Plan are provided in the following table:

	Number of years credited service <sup>1</sup>	Annual benefits payable <sup>2</sup>		Accrued obligation at start year	Compensatory <sup>3</sup> change	Non-Compensatory <sup>3</sup> change	Accrued obligation at year end
		At year end	at age 65				
David Primrose	32.3	\$371,753	\$534,973	\$5,092,000	\$540,000	\$728,000	\$6,360,000

Notes:

- 1 As at December 31, 2023.
- 2 Annual benefits payable are determined using the plan formula. The estimate of annual benefits payable at year end represents unreduced pensions payable prior to any application of early retirement reductions. The estimate of annual benefits payable at age 65 uses Mr. Primrose's current salary rate.
- 3 Compensatory amount shown includes the current service cost earned during the current year as well as the impact of any pay increases since the previous year's calculation. Non-compensatory amounts include other elements such as changes in assumptions. The assumptions applied in determining the projected benefits and obligations reflect the same assumptions used in Finning's annual financial statements. The key assumption change that resulted in the non-compensatory decrease was the corporate bond yield discount rate, which increased over the year.

### South America

We do not offer company-sponsored pension plans in South America. Therefore, Mr. Amar is not included in the pension tables above.

### United Kingdom

The Standard Life Master Trust is a trust-based plan and is non-contributory. We contribute 16% of salary. Contributions are made to the plan up to the limit permitted under the Income Tax Act (United Kingdom) and are invested according to the investment options selected by the Trustee of the Plan.

The table below shows the accumulated value at the start and end of the year, as well as compensatory amounts for the NEO participating in the Standard Life Master Trust Plan.

	Accumulated value at start of year	Compensatory	Accumulated value at year end
Tim Ferwerda	\$186,136	\$12,308	\$225,446

Notes:

- 1 The value for Mr. Ferwerda has been converted from British pounds based on an average exchange rate of 1GBP = \$1.6784 CAD.

### Termination and change-in-control

We have employment agreements with each of our named executives that set out their salary, benefits and incentive plans and, for all named executives other than Mr. Amar, include change-in-control provisions. The normal termination without cause provisions in Mr. Amar's employment agreement would apply in a change-in-control scenario, in accordance with governing Chilean law.

These agreements protect Finning and the named executives and also serve as an important risk management tool by having clear terms on benefits payable upon termination or termination following a change-in-control. The agreements also include non-solicitation and non-competition provisions, which apply regardless of the reason for termination. For Messrs. Palaschuk, Primrose and Amar, they must comply with the non-solicitation and non-competition provisions for a period of 12 months and with confidentiality provisions indefinitely after the termination of their employment. Mr. Parkes must comply with the non-solicitation and non-competition provisions for a period of 24 months, and with non-disparagement and confidentiality provisions indefinitely after the termination of his employment. For Mr. Parkes, a breach of these contractual provisions would entitle Finning to immediately terminate any and all post-termination entitlements.

The President and CEO has a double-trigger change-in-control agreement. In 2020, in line with good governance and competitive market practices, we implemented double-trigger change-in-control agreements for our other named executives, other than Mr. Amar.

### Estimated payments if employment is terminated

The table below shows the amounts that would have been paid if any of the named executives resigned on December 31, 2023. It also shows the estimated value of incremental payments the named executives would receive in each of the situations listed below, assuming a termination date of December 31, 2023. If terminated with cause, no incremental payments are provided.

	Compensation element <sup>1,2</sup>	Estimated payments upon resignation	Estimated incremental value upon retirement, termination, or change-in-control		
			Retirement	Termination (without cause, no change-in-control) <sup>3</sup>	Termination (without cause and change-in-control) <sup>4</sup>
Kevin Parkes	Cash	\$1,122,480	n/a	\$3,129,028	\$3,129,028
	Vested Awards	\$2,492,507	n/a	n/a	n/a
	Unvested Awards	n/a	\$1,513,899	n/a	\$140,012
	Pension	\$646,351	n/a	n/a	n/a
	<b>Total</b>	<b>\$4,261,338</b>	<b>\$1,513,899</b>	<b>\$3,129,028</b>	<b>\$3,269,040</b>
Greg Palaschuk	Cash	\$550,081	n/a	\$1,441,103	\$2,212,206
	Vested Awards	\$1,675,155	n/a	n/a	n/a
	Unvested Awards	n/a	\$1,024,851	n/a	\$80,844
	Pension	\$885,864	n/a	n/a	n/a
	<b>Total</b>	<b>\$3,111,100</b>	<b>\$1,024,851</b>	<b>\$1,441,103</b>	<b>\$2,293,050</b>
David Primrose	Cash	\$395,733	n/a	\$1,455,857	\$1,941,143
	Vested Awards	\$1,709,214	n/a	n/a	n/a
	Unvested Awards	n/a	\$651,526	n/a	\$49,304
	Pension <sup>5</sup>	\$371,753	n/a	n/a	n/a
	<b>Total</b>	<b>\$2,476,700</b>	<b>\$651,526</b>	<b>\$1,455,857</b>	<b>\$1,990,446</b>
Juan Pablo Amar	Cash	\$509,845	\$1,587,994	\$1,566,711	n/a
	Vested Awards	\$608,388	n/a	n/a	n/a
	Unvested Awards	n/a	\$739,635	n/a	\$56,179
	Pension	n/a	n/a	n/a	n/a
	<b>Total</b>	<b>\$1,118,233</b>	<b>\$2,327,629</b>	<b>\$1,566,711</b>	<b>\$56,179</b>
Tim Ferwerda	Cash	\$241,504	n/a	\$813,656	\$1,344,222
	Vested Awards	\$279,396	n/a	n/a	n/a
	Unvested Awards	n/a	\$565,987	n/a	\$43,685
	Pension	\$225,466	n/a	n/a	n/a
	<b>Total</b>	<b>\$746,345</b>	<b>\$565,987</b>	<b>\$813,656</b>	<b>\$1,387,908</b>

#### Notes:

- Cash includes base salary and short-term incentive plan amounts.
- Vested and unvested awards include grants under the long-term incentive plan and DSUs.
- Amounts outlined under termination (without cause) are based on terms outlined in the relevant employment agreements.
- Reflects incremental payments as a result of a change-in-control and termination for good reason and when the surviving entity assumes all long-term incentive awards. For more details, see double trigger change-in-control provisions below.
- Mr. Primrose is a participant in the Canadian Executive DB Plan. There is no lump sum provision available under this plan after age 55. The amount shown for pension upon resignation assumes commencement of Mr. Primrose's pension at age 60 and reflects the accrued annual pension amount. Based on the terms of the Canadian Executive DB Plan, he would have the option to commence the pension prior to age 60; however, this would reduce his pension amount at a rate of 3% per year before age 60.

## Double trigger change-in-control provisions

We have a double-trigger change-in-control agreement with all named executives, other than Mr. Amar, which means that cash benefits are only payable if two events occur: a change-in-control of Finning and the named executive terminates their employment within twelve months after the change-in-control for “good reason.” In Mr. Amar’s case, cash benefits are payable simply if Mr. Amar is terminated without cause, in compliance with his employment agreement and applicable Chilean law.

A change-in-control is defined as follows:

- a merger of Finning with another corporation, entity or group which results in the holder of shares or units of that other corporation, entity or group holding, in the aggregate, more than 50% of all voting shares of Finning;
- a sale of all or substantially all of Finning’s assets to any individual, partnership, corporation, entity or group; or
- the sale by Finning of shares of Finning sufficient to transfer voting control of Finning to an individual, partnership, corporation, entity or group;

in each case other than a Permitted Transferee, being any company that is affiliated with Finning, including subsidiary companies; or any managing director, general partner, director, limited partner, officer or employee of an affiliated company, including subsidiary companies.

“Good reason” is defined as any action taken by the company after a change-in-control (without the named executive’s consent, which they must not withhold unreasonably) that results in:

- a material change in the executive’s status, duties, position or responsibilities
- a material reduction in the executive’s salary or benefits entitlements (other than short-term and long-term incentive plans)
- a requirement that the executive’s primary work location be more than 50 kilometres away from the executive’s present work location, or
- any reason amounting to constructive dismissal under the laws of British Columbia.

## Treatment of compensation if employment is terminated

The table below summarizes the compensation that would be paid to the named executives upon employment termination. If a named executive dies, unvested stock options vest immediately and must be exercised within one year or by the original expiry date, whichever is earlier. Any unvested PSUs and RSUs continue to be eligible to vest as if the executive were still employed and vesting amounts are pro-rated for the period of employment. Unvested DSUs become null and void.

Compensation element	Type of termination event				
	Resignation (prior to retirement eligibility)	Retirement <sup>1</sup>	Termination (involuntary, not for cause)	Termination (with cause)	Termination (without cause and change-in-control)
Salary	Salary ends <sup>2</sup>	Salary ends <sup>3</sup>	Lump sum payment: Mr. Parkes: 24 months' base salary Messrs. Palaschuk, Primrose, and Ferwerda: nine months plus one additional month per completed year of service up to maximum of 18 months' base salary Mr. Amar: monthly salary multiplied by each year of service with the company or fraction thereof	Salary ends	Messrs. Parkes, Palaschuk, Primrose, and Ferwerda: 24 months' base salary  Mr. Amar: no specific agreement in place <sup>4</sup>
Short-term incentive	Payable at assessed performance if the executive has worked the entire calendar year, otherwise award is forfeited	Incentive for the current year is pro-rated to the retirement date	Mr. Parkes: 24 months of the target award or the average award received in the previous two years, whichever is less Messrs. Palaschuk and Ferwerda: payment is pro-rated based on the number of months worked during the year, based on the average award received in the past two years Mr. Amar: no specific agreement in place Mr. Primrose: 18 months of the target award or average award received in the previous two years, whichever is less	No incentive paid	Messrs. Parkes, Palaschuk, Primrose, and Ferwerda: 24 months of the target award or the average award received in the previous two years, whichever is less  Mr. Amar: no specific agreement in place <sup>4</sup>
Performance share units	Vested PSUs are redeemed Unvested PSUs are cancelled	Vested PSUs are redeemed Unvested PSUs vest according to plan terms and are pro-rated to the retirement date	Vested PSUs are redeemed Unvested PSUs are cancelled	All PSUs are cancelled	If surviving entity does not assume awards, vested PSUs and any unvested PSUs the human resources committee deems to be vested are redeemed
Stock options	Vested stock options must be exercised within 30 days of resignation or by end of original term, whichever is sooner Unvested options are cancelled	Vested stock options must be exercised within three years of retirement or by the end of the original term, whichever is sooner Unvested options continue to vest	Vested stock options must be exercised within 30 days of termination or by the end of the original term, whichever is sooner Unvested stock options are cancelled	All vested and unvested stock options are cancelled	If surviving entity does not assume awards, vested options and 50% of unvested options are exercisable (within a seven-day window) before completion of the change-in-control, remaining unvested options are cancelled
Restricted share units	Vested RSUs are payable Unvested RSUs are cancelled	Vested RSUs are payable Unvested RSUs vest according to plan terms and are pro-rated to the retirement date	Vested RSUs are payable Unvested RSUs are cancelled	All RSUs are cancelled	If surviving entity does not assume awards, vested RSUs and any unvested RSUs the human resources committee deems to be vested are redeemed
Deferred share units	Vested DSUs are payable Unvested DSUs are cancelled	Vested DSUs are payable Unvested DSUs are cancelled	Vested DSUs are payable Unvested DSUs are cancelled	Vested DSUs are payable Unvested DSUs are cancelled	Vested DSUs are payable Unvested DSUs are cancelled
Pension (Defined Contribution)	Entitled to accrued pension	Entitled to accrued pension	Entitled to accrued pension	Entitled to accrued pension	Entitled to accrued pension
Pension	Entitled to accrued	Entitled to	Entitled to accrued pension	Entitled to accrued	Entitled to accrued

Compensation element	Type of termination event				
	Resignation (prior to retirement eligibility)	Retirement <sup>1</sup>	Termination (involuntary, not for cause)	Termination (with cause)	Termination (without cause and change-in-control)
(Defined Benefit)	pension	accrued pension		pension	pension
Benefits	Benefits end	Post-retirement benefits are provided for five years or to age 65, whichever is sooner	Benefits end	Benefits end	Benefits end

Notes:

- 1 If an executive retires to accept competitive employment, unvested stock options, PSUs and RSUs are immediately forfeited.
- 2 Per the terms outlined in his employment contract and local Chilean employment practices, Mr. Amar is entitled to receive a payment equivalent to eleven months' salary upon resignation from the company.
- 3 Per the terms outlined in his employment contract and local Chilean employment practices, Mr. Amar is entitled to receive a payment equivalent to his final monthly salary multiplied by each year of service with the company or fraction thereof.
- 4 No specific change-in-control agreement is in place for Mr. Amar. If he is terminated without cause after a change-in-control, payments are provided in accordance with the terms described in the above table under "Termination (involuntary, not for cause)."



## Other information

### Directors' and officers' insurance

We provide liability insurance for our directors and officers. Our policy has an aggregate limit of \$125,000,000 in a policy year. The retention is nil for a non-indemnifiable loss against individual directors and officers, \$250,000 to indemnify a loss against the directors and officers and \$500,000 for entity securities claims.

### Loans to directors and officers

As a general rule we do not provide loans to our directors and officers. As of February 28, 2024, we did not have any loans outstanding to a current or former director or officer of Finning or any of our subsidiaries. Any loan to a director would require the board's approval.

We do provide loans from time to time to employees that are routine indebtedness.

### Normal course issuer bid

We have maintained a normal course issuer bid (NCIB) continuously since 2015, which we renew annually in May. On May 9, 2022, we announced the renewal of our NCIB which allowed us to purchase up to 8,000,000 of our common shares for cancellation during the twelve-month period from May 13, 2022 to May 12, 2023. The amount represented 5.1% of our public float of 155,646,910 common shares as at May 5, 2022. On May 8, 2023, we announced the renewal of our NCIB. The current NCIB allows us to purchase up to 14,900,895 of our common shares for cancellation during the twelve-month period from May 13, 2023 to May 12, 2024, representing 10% of our public float of 149,008,958 common shares as at April 30, 2023.

In connection with our NCIB, we entered into an automatic share purchase plan with a designated broker, which became effective on May 15, 2023 following TSX approval. The automatic share purchase plan allows for the purchase of shares under the NCIB when Finning would ordinarily not be permitted to purchase shares due to regulatory restrictions and customary self-imposed blackout restrictions.

The purchase price under the NCIB is the market price of our common shares at the time of purchase, plus brokerage fees, or such other price as the TSX may permit. Under the current NCIB, we can purchase, through the facilities of the TSX or other Canadian marketplaces or alternative trading systems, if eligible, a daily maximum of 93,894 common shares representing 25% of the average daily trading volume, subject to certain exceptions for block purchases.

We implemented the NCIB because the board believes that purchasing our common shares from time to time is an effective way to use available cash to increase shareholder value.

Since May 11, 2015, we have purchased 29,827,236 common shares at a weighted average price of \$30.17 per common share.

Shareholders can obtain a free copy of our notice of intention to implement a NCIB by contacting our Corporate Secretary (see below for contact information).

### For more information

You can find additional information about Finning on our website ([www.finning.com](http://www.finning.com)) and under our profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)), including our consolidated financial statements and MD&A for the most recently completed financial year.

To request a printed copy of our consolidated financial statements and MD&A or other documents referenced in this circular, send a request to:

Corporate Secretary  
Finning International Inc.  
19100 94 Avenue  
Surrey, British Columbia V4N 5C3  
Or email [corporatesecretary@finning.com](mailto:corporatesecretary@finning.com).

## Description of specified financial measures

We believe that certain specified financial measures, including non-GAAP financial measures, provide users of our circular, MD&A and consolidated financial statements with important information regarding the operational performance and related trends of our business. In this circular, we use certain financial measures that do not have a standardized meaning prescribed by Canadian generally accepted accounting principles (GAAP) and therefore may not be comparable to similar measures presented by other issuers. Accordingly, specified financial measures should not be considered as a substitute or alternative for financial measures determined in accordance with GAAP (GAAP financial measures). By considering these specified financial measures in combination with the comparable GAAP financial measures (where available) we believe that users are provided a better overall understanding of our business and financial performance during the relevant period than if they simply considered the GAAP financial measures alone.

Non-GAAP financial measures include Adjusted EBIT, EBIT for PSU payout, Adjusted EBITDA, EBIT for EBIT % payout, free cash flow, invested capital for ICT payout, invested capital for PSU payout, net debt, net revenue for EBIT % payout, and net revenue for ICT payout.

In addition to the non-GAAP financial measures, other specified financial measures include cost of management ratio (net revenue), EBIT as a percentage of net revenue, Adjusted EBIT as a percentage of net revenue, EBIT as a percentage of net revenue, Adjusted EBIT as a percentage of net revenue, EBIT as a percentage of net revenue for EBIT % payout, Adjusted EPS, invested capital, ICT, invested capital turnover for ICT payout, net debt to Adjusted EBITDA, net revenue, ROIC, Adjusted ROIC, and ROIC for PSU payout.

- *Net revenue* is defined as total revenue less the cost of fuel related to the mobile refuelling operations in our Canadian operations. As these fuel costs are pass-through in nature for this business, we view net revenue as more representative than revenue in assessing the performance of the business because the rack price for the cost of fuel is fully passed through to the customer and is not in our control. EBIT as a percentage of net revenue is calculated as EBIT divided by net revenue. We also calculate *net revenue for EBIT % payout* and *net revenue for ICT payout* which may exclude certain items from net revenue, at the discretion of the human resources committee, for the purpose of incentive payout.

A reconciliation to net revenue used for EBIT % payout from revenue (the most directly comparable GAAP financial measure) is as follows:

<b>Year ended December 31, 2023</b>	
<b>(\$ millions)</b>	
Total revenue	\$ 10,527
Cost of fuel	(984)
<hr/> Net revenue	<hr/> 9,543
Items excluded for EBIT % payout:	
Unforeseen negative impacts related to supply chain challenges	6
<hr/> Net revenue used for EBIT % payout and ICT payout	<hr/> \$ 9,549

A reconciliation to net revenue used for ICT payout from revenue (the most directly comparable GAAP financial measure) is as follows:

<b>Year ended December 31, 2023</b>	
<b>(\$ millions)</b>	
Total revenue	\$ 10,527
Cost of fuel	(984)
<hr/> Net revenue	<hr/> 9,543
Items excluded for ICT payout:	
Net revenue of 4Refuel	(179)
Unforeseen negative impacts related to supply chain challenges	6
<hr/> Net revenue used for EBIT % payout and ICT payout	<hr/> \$ 9,370

- *EBIT* (a GAAP measure) is defined as earnings before finance costs and income taxes. *EBIT as a percentage of net revenue* is calculated as EBIT divided by net revenue. We may also calculate an *Adjusted EBIT* and *Adjusted EBIT as a percentage of net revenue* which excludes items that we do not consider to be indicative of operational and financial trends either by nature or amount, to provide a better overall understanding of our underlying business performance. We also calculate *EBIT for EBIT % payout* and *EBIT for PSU payout* which may exclude certain items from EBIT, at the discretion of the human resources committee, for the purpose of incentive payout.

A reconciliation to EBIT % payout from EBIT (the most directly comparable GAAP financial measure) is as follows:

<b>Year ended December 31, 2023</b>	
<b>(\$ millions)</b>	
EBIT	\$ 910
Items excluded for EBIT % payout:	
Foreign exchange impact of devaluation of the Argentine peso which was above forecast	49

Gain on wind up of foreign subsidiaries	(41)
Gain on sales of property, plant, and equipment which were not included in the budget	(18)
Severance costs	18
Write-off of intangible assets	12
Unforeseen negative impacts related to supply chain challenges	9
<b>EBIT used for EBIT % payout</b>	<b>\$ 939</b>

A reconciliation to EBIT used for PSU payout from EBIT (the most directly comparable GAAP financial measure) is as follows:

**Years ended December 31**

**(\$ millions)**

	2021	2022	2023
EBIT	\$ 552	\$ 768	\$ 910
Items excluded for PSU payout:			
CEWS support due to COVID-19	(12)	-	-
Return on our investment in Energyst	(5)	-	-
<b>EBIT used for PSU payout</b>	<b>\$ 535</b>	<b>\$ 768</b>	<b>\$ 910</b>

- *Adjusted EPS* excludes the after-tax per share impact of significant items that we do not consider to be indicative of operational and financial trends either by nature or amount to provide a better overall understanding of our underlying business performance.
- *Free cash flow* is cash flow provided by or used in operating activities less net additions to property, plant and equipment and intangible assets. We use free cash flow to assess cash operating performance, including working capital efficiency. Consistent positive free cash flow generation enables us to re-invest capital to grow our business and return capital to shareholders.
- *Invested capital* is total assets less total liabilities, excluding net debt. Net debt is calculated as short-term and long-term debt, net of cash and cash equivalents. We use invested capital as a measure of the total cash investment made in Finning and each reportable segment. Invested capital is used in a number of different measurements (*ROIC*, *Adjusted ROIC*, *ICT*) to assess financial performance against other companies and between reportable segments. We also calculate *invested capital for ICT payout* and *invested capital for PSU payout* which may exclude certain items from invested capital, at the discretion of the human resources committee, for the purpose of incentive payout.

Invested capital used for ICT payout is calculated as follows:

(\$ millions)	2023			
	Mar 31	Jun 30	Sep 30	Dec 31
Cash and cash equivalents	\$ (129)	\$ (74)	\$ (168)	\$ (152)
Short-term debt	1,266	1,142	1,372	1,239
Current portion of long-term debt	253	199	203	199
Non-current portion of long-term debt	675	949	955	949
Net debt	2,065	2,216	2,362	2,235
Total equity	2,480	2,414	2,535	2,530
Invested capital	\$ 4,545	\$ 4,630	\$ 4,897	\$ 4,765
Average invested capital over the last four quarters				4,709
Items excluded for incentive payout:				
Invested capital of 4Refuel (average of the last four quarters)				(296)
Net pension benefit asset (net of deferred tax) in the UK (average of the last four quarters)				(72)
Intangible assets written off (net of deferred tax) (average of the last four quarters)				2
<b>Average invested capital over the last four quarters used for ICT payout</b>				<b>\$ 4,343</b>

For the years 2021, 2022, and 2023, no adjustments were made to invested capital to calculate invested capital used for PSU payout. Invested capital was the same as reported in Finning's MD&A. Average invested capital of the last four quarters used for ICT payout for 2021, 2022, and 2023 were \$3,279 million, \$4,095 million, and \$4,709 million respectively.

- *ICT* is net revenue for the last twelve months divided by average invested capital of the last four quarters. We use *ICT* to measure capital efficiency. *Invested capital turnover for ICT payout* is net revenue for ICT payout for the last twelve months divided by average invested capital over the last four quarters used for ICT payout.
- *ROIC* is EBIT for the last twelve months divided by average invested capital of the last four quarters, expressed as a percentage. We view *ROIC* as a useful measure for capital allocation decisions that drive profitable growth and attractive returns to shareholders. We may also calculate an *Adjusted ROIC* using Adjusted EBIT to exclude significant items that we do not consider to be indicative of operational and financial trends either by nature or amount to provide a better overall understanding of our underlying business performance. *ROIC for PSU payout* is EBIT for PSU payout for the last twelve months divided by average invested capital over the last four quarters used for PSU payout.
- *Net debt to adjusted EBITDA ratio* is calculated as net debt divided by Adjusted EBITDA for the last twelve months. We use this ratio to assess operating leverage and ability to repay debt. This ratio approximates the length of time, in years, that it would take us to repay debt, with net debt and Adjusted EBITDA held constant.



- *Cost of management ratio (net revenue)* is total direct compensation awarded to the named executives divided by net revenue. We use cost of management ratio to monitor and track trends in total direct compensation awarded to our named executives relative to net revenues.

For additional information regarding these financial measures, including descriptions, composition, and where applicable, reconciliations from certain specified financial measures to their most directly comparable measure under GAAP, see the heading “Description of Specified Financial Measures and Reconciliations” in our 2023 MD&A, available on our website ([www.finning.com](http://www.finning.com)) and under our profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

You can read about how we use certain of these financial measures in our incentive plans in the discussion about 2023 executive compensation beginning on page 55.

## Forward-looking information disclaimer

This circular contains information about our business outlook, objectives, plans, strategic priorities and other information that is not historical fact. Information we provide is forward-looking when we use what we know and expect today to provide information about the future. Forward-looking information in this circular includes, but is not limited to, information with respect to: the implementation and execution of our go-forward strategy and our ability to demonstrate the new earnings power of the business by growing product support, building full cycle resilience by unlocking invested capital, and delivering sustainable growth in rental, used, and power systems; our expectation that further growth in customer value agreements, expanding our rebuild business and continuing to strategically grow our equipment population will capture a greater share of product support across the full asset life cycle; our belief that full cycle resilience will enable us to deliver more reliable and consistent earnings through all market conditions; our expectation that we will continue to optimize and variabilize our cost structure and implement initiatives that increase our invested capital velocity while concurrently improving customer service levels; our expectation that growing our addressable market in used equipment, rental and power systems will increase our equipment population and help us drive additional product support growth; our expectations for 2024 to be a year of execution, with a focus on greater security and certainty for our people, continued support for our customers, a strong partnership with Caterpillar, and reliable returns for our investors; our target to reduce our absolute Scope 1 and 2 GHG emissions by 40% by 2027 (from a 2017 baseline); our expectation for continued improvement in our full-cycle earnings capacity; driving disciplined execution of strategy and operating plans to achieve targeted earnings; our ability to identify a long-term Board Chair for appointment by the 2025 annual meeting; developing a safe, sustainable and high-performing company; building a workplace culture keeping safety top of mind; developing programming to prevent serious injuries and fatalities; advancing our sustainability journey; our NCIB and automatic share purchase plan, the number of shares repurchased thereunder, and the cancellation of such shares; and expanding our talent analysis to create a diverse workforce. All such forward-looking information is provided pursuant to the 'safe harbour' provisions of applicable Canadian securities laws. Unless otherwise indicated by us, forward-looking information in this circular reflects our expectations at the date in this circular. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events, or otherwise.

Forward-looking information, by its very nature, is subject to numerous risks and uncertainties and is based on a number of assumptions. This gives rise to the possibility that actual results could differ materially from the expectations expressed in or implied by such forward-looking information and that our business outlook, objectives, plans, strategic priorities and other information that is not historical fact may not be achieved. As a result, we cannot guarantee that any forward-looking information will materialize. Factors that could cause actual results or events to differ materially from those expressed in or implied by this forward-looking information include: the impact and duration of, and our ability to respond to and manage, high inflation, increasing interest rates and supply chain challenges; general economic and market conditions; foreign exchange rates; commodity prices; interest rates; our ability to maintain our relationship with Caterpillar; the level of customer confidence and spending, and the demand for, and prices of, our products and services; our dependence on the continued market acceptance of our products, including Caterpillar products, and the timely supply of parts and equipment; our ability to continue to improve productivity and operational efficiencies while continuing to maintain customer service; our ability to manage cost pressures as growth in revenue occurs; our ability to negotiate satisfactory purchase or investment terms and prices, and secure financing on attractive terms or at all; the intensity of competitive activity; business disruption resulting from business process change, systems change and organizational change; labour shortages and inability to attract and retain skilled and diverse staff; our ability to implement workplace safety programming that achieves the intended purposes; regulatory initiatives or proceedings, litigation and changes in taxes, laws, regulations, or policies; stock market volatility; changes in political and economic environments in the regions we carry on business; our ability to respond to climate change-related risks; the occurrence of natural disasters, pandemic outbreaks, geo-political events, acts of terrorism, social unrest or similar disruptions; and our ability to protect ourselves from cybersecurity threats or incidents. Forward-looking information is provided in this circular for the purpose of giving information about management's current expectations and plans and allowing investors and others to get a better understanding of our operating environment. Readers are cautioned that it may not be appropriate to use such forward-looking information for any other purpose.

Forward-looking information provided in this circular is based on a number of assumptions that we believed were reasonable on the day we provided the forward-looking information, including but not limited to: that we will be able to successfully manage our business through the current challenging times involving volatile commodity prices, high inflation, increasing interest rates, supply chain challenges, and successfully execute our economic condition and business cyclicality mitigation strategies, including preparing for future waves (if any) of COVID-19; an undisrupted market recovery; the successful execution of our profitability drivers; that our cost actions to drive earnings capacity in a recovery can be sustained; the successful execution of our go-forward strategy; that commodity prices will remain at constructive levels; that our customers will not curtail their activities; that general economic and market conditions will continue to be strong; that we will have sufficient cash on hand to fund repurchases under the NCIB; that the level of customer confidence and spending, and the demand for, and prices of, our products and services will be maintained; that support and demand for renewable energy will continue to grow; we will successfully execute our plans and intentions; we will successfully execute climate change initiatives to reduce our GHG emissions; our ability to successfully attract and retain skilled and diverse staff; market competition will remain at similar levels; the products and technology offered by our competitors will be as expected; that we have sufficient liquidity to meet operational needs; consistent and stable legislation in the countries in which we operate; no disruptive changes in the technology environment and our current good relationships with Caterpillar, our customers and our

suppliers, service providers and other third parties will be maintained and that Caterpillar and such other suppliers will deliver quality, competitive products with supply chain continuity; quoting activity for requests for proposals for equipment and product support is reflective of opportunities; and strong recoveries in our regions, particularly in Chile and the UK. Some of the assumptions, risks and other factors that could cause results to differ materially from those expressed in the forward-looking information contained in this circular are discussed in Section 4 of our current annual information form (AIF) and in the annual management's discussion and analysis (MD&A), which are available under our profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

We caution readers that the risks described in the AIF and the annual MD&A are not the only risks that could impact us. Additional risks and uncertainties not currently known to us or that are currently deemed to be immaterial may also have a material adverse effect on our business, financial condition, or results of operations.

# Appendix A

## National Instrument 58-101 Disclosure of Corporate Governance Practices

PRACTICE	FINNING
<b>1. Board of Directors</b>	
(a) Disclose the identity of directors who are independent.	All directors of Finning are independent, other than Kevin Parkes.
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	Kevin Parkes is the current President and CEO of Finning. Mr. Parkes is the only director who is not independent of management.
(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.	Twelve of our thirteen directors as of the date of this circular are independent.
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	The directorships in other reporting issuers held by the director nominees are listed in the description of each nominee under the heading "Director profiles".
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	At each board meeting, the board meets without members of management present and also meets in-camera without its non-independent director, Kevin Parkes. Where matters directly involving Mr. Parkes (such as his compensation or performance) are being discussed, Mr. Parkes is excused from those discussions and the directors meet alone. For committee meetings, at every meeting the independent directors also meet in-camera without management present. Since the beginning of Finning's most recently completed financial year, every board meeting and committee meeting included an in-camera session at which members of management and the non-independent director were not in attendance.
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.	The Board Chair, Harold N. Kvisle, and the incoming Board Chair, James Carter, are both independent. The Board Chair's role and responsibilities are described in the "Terms of Reference for the Board Chair", which are posted on Finning's website in the Governance section – Corporate Governance Policies.
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	The attendance record of each of the directors is shown in the table "Attendance" on page 49.
<b>2. Board Mandate</b>	
Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.	The board's written Terms of Reference are attached as Appendix C.
<b>3. Position Descriptions</b>	
(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.	The board has developed written position descriptions for the Board Chair and has Committee Operating Guidelines which include Terms of Reference for committee chairs.

**PRACTICE**

(b) Disclose whether or not the board and Chief Executive Officer have developed a written position description for the Chief Executive Officer. If the board and Chief Executive Officer have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the Chief Executive Officer.

**FINNING**

The board and the President and CEO have developed a written position description for the President and CEO, which is reviewed annually. In addition, the human resources committee annually reviews goals and objectives for the President and CEO and assesses his performance against the goals and objectives for the year.

**4. Orientation and Continuing Education**

(a) Briefly describe what measures the board takes to orient new directors regarding:

A full description of these measures is contained under the heading "Director orientation" on page 52.

(i) the role of the board, its committees and its directors; and

(ii) the nature and operation of the issuer's business.

A full description of these measures is contained under the heading "Director orientation" on page 52.

(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

A full description of these measures is contained under the heading "Continuing education" on page 52.

**5. Ethical Business Conduct**

(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:

The board has adopted a written code of conduct (code), which is applicable to directors, officers and employees of Finning.

(i) disclose how a person or company may obtain a copy of the code;

The code is available on Finning's website ([www.finning.com](http://www.finning.com)) and under our profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and

Management is responsible for reporting violations of the code and any actions it has taken to the audit committee of the board. If any significant violation is reported, the audit committee chair would report to the board of directors.

(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

There were no material violations of the code in 2023 that required the filing of a material change report.

(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

If there is a conflict of interest or the perception of a conflict of interest regarding an executive officer or director, the executive officer or director is required to disclose the matter and does not participate in negotiations, discussions or approvals pertaining to the matter.

(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

In addition to adopting the code, which includes contact information for the Compliance Officer, a global whistleblower telephone hotline and an online reporting system exist, which are accessible through Finning's website and hosted by an independent third party. Further, Finning has a code of ethics for senior executive and financial management, a global anti-bribery and anti-corruption policy for directors, officers and employees of the company, and a supplier code of conduct. See page 48 for information about the code and steps taken to promote a culture of ethical business practices.

**6. Nomination of Directors**

(a) Describe the process by which the board identifies new candidates for board nomination.

The governance and risk committee is responsible for identifying, recruiting and recommending candidates for nomination or appointment to the board. At least annually, the committee reviews the board's current composition by comparing the diversity of skills, attributes and experience of board members against board requirements. See pages 18 and 40 and

**PRACTICE****FINNING**

(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

Appendix B for information about the director nomination process and page 51 for information about the skills matrix.

The duties of a nominating committee are carried out by the governance and risk committee. The governance and risk committee is composed entirely of independent directors.

(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The governance and risk committee mandate is described on page 31.

**7. Compensation**

(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.

The governance and risk committee and the human resources committee are responsible for recommending the compensation of Finning's directors and executive officers, respectively. The committees use comparative information to ensure that compensation is aligned with Finning's 50<sup>th</sup> percentile compensation philosophy, and is competitive considering the scope of responsibilities of our directors and executive officers. The process followed by the committees is described in "Director compensation" beginning on page 45 and in the executive compensation discussion and analysis beginning on page 55.

(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

The duties of a compensation committee are shared between the governance and risk committee and the human resources committee. The governance and risk committee is responsible for reviewing director compensation and making recommendations to the board regarding the director compensation program. The human resources committee is responsible for annually reviewing and approving executive compensation and for making recommendations to the board regarding the President and CEO's compensation. Both the governance and risk committee and the human resources committee are composed entirely of independent directors.

(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The governance and risk committee's mandate is described in their report beginning on page 31. The human resources committee's mandate is described in their report beginning on page 32.

**8. Other Board Committees**

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

Finning has a safety, environment and social responsibility committee. The mandate of this committee is described in their report beginning on page 34.

---

**PRACTICE**

---

**FINNING**

---

**9. Assessments**

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The governance and risk committee has responsibility for conducting performance evaluations of the board, the Board Chair, each of the board committees, the committee chairs and individual directors. The board's peer evaluation process is facilitated through individual director surveys and evaluations and one-on-one interviews between individual directors and the Board Chair and between the governance and risk committee chair and the Board Chair. The evaluation process is normally conducted by an independent external consultant every three years, with a survey in the interim years using in-house designed surveys, evaluating governance and performance against the board's objectives and obtaining the board's input on areas of priority focus for the board. The surveys and the external assessments also include executive management's input and perspective. In 2023, the annual board performance assessment was conducted in-house by the office of the Corporate Secretary. Details of the 2023 evaluation process and results are described on page 40. Ultimately, the governance and risk committee makes recommendations to the full board regarding any changes and improvements it determines necessary as a result of these assessments.

---

## Appendix B

# Canada Business Corporations Act

## Diversity disclosure

### PRACTICE

### FINNING

#### 1. Director Term Limits and Other Mechanisms of Board Renewal

Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not.

The board has not adopted term limits because it would risk losing directors with a deep understanding of our business and strategic relationships. The board believes that it has achieved healthy renewal through ordinary turnover and its retirement policy. Details about the board retirement policy and about board turnover can be found at page 54.

#### 2. Policies Regarding the Representation of Designated Groups on the Board

(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women, Aboriginal peoples, persons with disabilities, and members of visible minorities ("designated groups") as directors. If the issuer has not adopted such a policy, disclose why it has not done so.

The board has adopted a written inclusion and diversity policy that sets out our approach for promoting and achieving diversity on our board, including the identification and nomination of directors who offer diversity, including, among others, in terms of gender, visible minorities, Aboriginal peoples and persons with disabilities (designated groups). Refer to page 43 for more information about the board inclusion and diversity policy and diversity on our board.

b) If the issuer has adopted a policy referred to in 2.(a), disclose the following in respect of the policy:

- (i) a short summary of its objectives and key provisions,
- (ii) the measures taken to ensure that the policy has been effectively implemented,
- (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and
- (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.

The policy sets out our approach to enhancing inclusion and diversity on our board as a means to diversify perspectives and drive our business strategy to ultimately deliver better outcomes for our stakeholders. When assessing board composition and identifying and nominating candidates for election, the board considers candidates using objective criteria and considers the benefits of diversity as part of its overall business strategy. Diversity refers to business experience, geography, age, gender, Aboriginal peoples, persons with disabilities, visible minorities, sexual orientation and other personal characteristics.

The governance and risk committee is responsible for annually reviewing the policy, assessing its effectiveness in promoting an inclusive and diverse board consistent with the principles of the policy, and recommending to the board, as needed, amendments to the policy. As part of this process, the governance and risk committee annually surveys directors using a skills matrix, which includes diversity, and a confidential questionnaire to self-identify diversity within the designated groups. In 2020, the board set a target for women to comprise at least 30% of the board. The board met this target in advance and will continue to meet this target, with 31% of the nominees for election at the meeting being women. See pages 19 and 51 for more information on our board's commitment to board diversity and our skills matrix, respectively.



---

**PRACTICE**

---

**FINNING**

---

**3. Consideration of the Representation of Designated Groups in the Director Identification and Selection Process**

Disclose whether or not the board or nominating committee considers the level of representation of designated groups on the board in identifying and nominating candidates for election or re-election to the board and, as the case may be, how that level is considered or the reasons why it is not considered

The governance and risk committee and board consider the representation of designated groups on the board and diversity in general when identifying and evaluating potential nominees for election or re-election. This selection process includes considering (including through the survey referred to above) the current board composition and the skill set required to round out the capabilities of the board, together with the diversity principles of the policy, which include having due regard for all groups referred to in the policy, including the designated groups, with the expectation to maintain at least 30% female representation on the board. Where external search organizations are asked to identify board nominees, they are instructed to include in their candidate list gender diverse candidates, as well as members of visible minorities, Indigenous peoples and/or persons with disabilities. Where two candidates bring equivalent skills to the board, the candidate representing diversity characteristics will be preferred.

---

**4. Consideration Given to the Representation of Designated Groups in Senior Management Appointments**

Disclose whether or not the issuer considers the level of representation of designated groups when appointing members of senior management and, as the case may be, how that level is considered or the reasons why it is not considered.

For CBCA purposes, "members of senior management" comprise our "executive officers" as defined in National Instrument 51-102 Continuous Disclosure Obligations. As of the date of this proxy circular, we have eight executive officers.

We are a member of the 30% Club Canada, an initiative to aim for at least 30% female representation on boards and in executive management positions. When nominating candidates to senior management positions, our objective is to identify the person who best possesses the skills required for each position, regardless of whether the nominee falls within the designated groups. However, where two candidates bring equivalent skills to the position, the candidate representing diversity characteristics will be preferred.

The board is committed to support management in building and sustaining an inclusive and diverse workforce. Refer to page 42 for more information about our ongoing inclusion and diversity initiatives.

---

**PRACTICE****FINNING****5. Issuer's Targets Regarding the Representation of Designated Groups on the Board and in Senior Management Positions**

Disclose whether or not the issuer has, for each group referred to in the definition of designated groups, adopted a target number or percentage, or a range of target numbers or percentages, for members of the group to hold positions on the board of directors or in senior management by a specific date and

To further our commitment to gender equality and the advancement of women in corporate Canada, in 2020 the board established a target under the board inclusion and diversity policy for women to comprise 30% of our board. Also, as a member of the 30% Club Canada, we aim for at least 30% female representation on our board and in executive management positions.

The extent of our board and senior management team diversity is affected by a number of factors, including the size of the available candidate pool having the necessary qualifications, personal attributes, business background and experience. Therefore, we have not adopted targets regarding other designated groups for the board and/or our senior management team at this time. However, we are committed to increasing the diversity of our organization, as we recognize diversity enhances decision-making and improves results. When recruiting, we endeavour to seek out candidates with diverse backgrounds and when two candidates bring equivalent skills to the position, the candidate representing diversity characteristics will be preferred.

- for each group for which a target has been adopted, the target and the annual and cumulative progress of the corporation in achieving that target, and

Our target established in 2020 for 30% female representation on our board was achieved in advance and exceeded in 2020 and 2021 with four of twelve directors (33% female), in 2022, five of thirteen directors (38% female) and in 2023, five of fourteen directors (36% female).

Refer to page 43 for more information about female representation in executive management positions.

- for each group for which a target has not been adopted, the reasons why the corporation has not adopted that target

See the answer to question 5 above.

**6. Number and Percentages of Directors and Members of Senior Management Positions from Each of the Designated Groups**

For each group referred to in the definition of designated groups, the number and proportion, expressed as a percentage, of members of each group who are members of senior management of the corporation, including all of its major subsidiaries.

Our board currently has thirteen directors, of whom:

- Four identify as women (31%)
- One identifies as a visible minority (8%)
- None identify as being an Aboriginal person or a person with a disability

Of our thirteen director nominees:

- Four identify as women (31%)
- One identifies as a visible minority (8%)
- None identify as being an Aboriginal person or a person with a disability

For each group referred to in the definition of designated groups, the number and proportion, expressed as a percentage, of members of each group who are members of senior management of the corporation, including all of its major subsidiaries.

We have eight members of senior management (as defined in the CBCA), of whom:

- Two identify as women (25%)
- None identify as being an Aboriginal person, a member of a visible minority or a person with a disability

## Appendix C

# Finning International Inc. Terms of Reference for the Board of Directors

### I. INTRODUCTION

- A. The primary responsibility of the Board is to foster the long-term success of the Corporation to maximize shareholder value and provide strategic oversight, consistent with its fiduciary responsibility to act in the best interests of the Corporation as a whole.
- B. The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. Subject to the Articles and By-laws of the Corporation, 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.
- C. These terms of reference are prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

### II. COMPOSITION AND BOARD ORGANIZATION

- A. Director nominees are initially considered and recommended by the Governance and Risk Committee of the Board, approved by the Board and elected annually by the shareholders of the Corporation.
- B. A majority of directors comprising the Board must qualify as independent<sup>1</sup> directors.
- C. Certain of the responsibilities of the Board referred to herein may be delegated to committees of the Board. The responsibilities of those committees are set forth in their terms of reference, as amended from time to time upon approval by the Board.

### III. DUTIES AND RESPONSIBILITIES

#### A. Managing the Affairs of the Board

The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. The legal obligations of the Board are described in detail in Section IV. Subject to these legal obligations and to the Articles and By-laws of the Corporation, the Board retains the responsibility for managing its own affairs, including:

- i) planning its composition and size;
- ii) selecting and setting the terms of reference for the Board Chair;
- iii) nominating candidates for election to the Board;
- iv) appointing committees;
- v) determining director compensation;
- vi) assessing the effectiveness of the Board, committees and directors (including the Board Chair and committee chairs) in fulfilling their responsibilities;
- vii) approving any recommended changes to the terms of reference for the Board, the Board Chair, an individual director, the President & Chief Executive Officer, Board committees, Committee Operating Guidelines and the Guidelines for the Board of Directors;
- viii) approval of annual Board objectives;
- ix) facilitating annual site visits to country operations; and
- x) approval of the minutes of the annual meeting of shareholders.

#### B. Management and Human Resources

The Board has the responsibility:

---

<sup>1</sup> A definition of an independent director can be found in the Appendix to the Guidelines for the Board of Directors.

- i) for the appointment and succession of the Chief Executive Officer (CEO), for monitoring CEO performance, for approving CEO compensation and providing advice and counsel to the CEO in the execution of the CEO's duties;
- ii) for approving terms of reference for the CEO;
- iii) in consultation with the CEO, for approving annual objectives that the CEO is responsible for meeting;
- iv) to the extent feasible, for satisfying itself as to the integrity of the CEO and executive management and for ensuring that they create a culture of integrity throughout the organization;
- v) upon considering the advice of the CEO and the recommendation of the Human Resources Committee, for approving the appointment of all corporate officers; and
- vi) for ensuring that plans have been made for management succession including appointing, training and monitoring of senior management.

**C. Monitoring and Acting**

The Board has the responsibility:

- i) for monitoring the Corporation's progress towards its annual operating plan and strategic goals, and for revising and altering corporate direction through management in light of changing circumstances;
- ii) for approving any payment of dividends and new financings;
- iii) for monitoring the Corporation's approach to sustainability, including environment, social and governance strategy, risks and related matters;
- iv) to ensure management identifies the principal and emerging risks of the Corporation's business (including country investment and political risks) and takes all reasonable steps to ensure the implementation of appropriate systems to manage these risks; and
- v) for directing management to ensure systems are in place for the implementation and integrity of the Corporation's internal control and information technology systems.

**D. Planning and Strategy Determination**

The Board has the responsibility:

- i) for annual review and approval of the Corporation's annual operating plan;
- ii) for adopting a strategic planning process;
- iii) for approving, at least annually, a longer-range strategic plan that takes into account, among other things, the opportunities and risks of the business; and
- iv) for reviewing with management the mission of the business, its objectives and goals, and the strategy by which it proposes to reach those goals.

**E. Policies and Procedures**

The Board has the responsibility:

- i) for approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated;
- ii) for approving any recommended changes to the Global Political Contributions Policy;
- iii) for approving any recommended changes to the Board Inclusion and Diversity Policy;
- iv) for approving any recommended changes to the Code of Conduct and Code of Ethics for Senior Executive and Financial Management; and
- v) for ensuring systems are in place which are designed to ensure that the Corporation operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.

**F. Financial and Corporate Issues**

The Board has the responsibility:

- i) with consideration to the recommendation of the Audit Committee, for nominating an External Auditor for approval by shareholders; and if the Board does not adopt the Audit Committee's recommendation for External Auditor, ensure this fact is disclosed in the Annual Information Form;
- ii) with consideration to the recommendation of the Audit Committee, for approving the compensation of the External Auditor; and if the Board does not adopt the Audit Committee's recommendation, ensure this fact is disclosed in the Annual Information Form;
- iii) for taking reasonable steps to ensure the implementation and integrity of the Corporation's internal control and management information systems;
- iv) for reviewing operating and financial performance relative to budgets or objectives;

- v) for approving annual and quarterly financial statements, management's discussion and analysis and related news release, and approving the release thereof by management;
- vi) for approving any recommended changes to the Corporation's By-laws and ensuring any such changes are put before the shareholders for ratification;
- vii) for approving the Management Proxy Circular, Annual Information Form and documents incorporated by reference therein; and
- viii) for approving the commencement or settlement of litigation that may have a material impact on the Corporation.

**G. Reporting to Stakeholders**

- i) The Board has the responsibility to periodically review the communications policies of the Corporation.
- ii) The Board has the responsibility to direct management:
  - a) to ensure that the Corporation maintains effective, productive and appropriate reporting and communications links with Caterpillar;
  - b) to ensure that the financial performance of the Corporation is adequately reported to the public and regulators on a timely and regular basis as required by law;
  - c) to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles;
  - d) to ensure the timely reporting of any other developments that have a significant and material impact on the value of the Corporation;
  - e) to report annually to shareholders at its annual shareholders' meeting on its stewardship for the preceding year; and
  - f) to ensure that the Corporation has systems in place which accommodate feedback from stakeholders.

**IV. LEGAL REQUIREMENTS**

**A.** The Board is responsible for taking all reasonable steps to ensure that legal requirements have been met, annual shareholder meetings held, and documents and records have been properly prepared, approved and maintained.

**B.** Canadian law, the jurisdiction of incorporation of the Corporation, identifies the following as legal requirements for the Board:

- i) to manage, or supervise the management of, the business and affairs of the Corporation;
- ii) to act honestly and in good faith with a view to the best interests of the Corporation;
- iii) to exercise the care, diligence and skill that a reasonably prudent person 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 Corporation's Articles and By-laws; and
- v) 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:
  - a) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
  - b) the filling of a vacancy among the directors or in the office of the External Auditor;
  - c) any issuance of securities, including the manner of issuance and any terms applicable to the issuance of the securities;
  - d) the declaration of dividends;
  - e) the purchase, redemption or any other form of acquisition of securities issued by the Corporation;
  - f) the payment of a commission to any person in consideration of the purchase or agreement to purchase securities of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such securities;
  - g) the approval of Management Proxy Circulars;
  - h) the approval of any Take-over Bid Circular or Directors' Circular;
  - i) the approval of the financial statements of the Corporation; and
  - j) the adoption, amendment or repeal of By-Laws of the Corporation.

## Appendix D

### Withdrawn Shareholder Proposal

B.C. General Employees' Union General Fund and B.C. General Employees' Union Defence Fund of 4911 Canada Way, Burnaby, British Columbia V5G 3W3, Canada (BCGEU) submitted a proposal to our company for consideration at the annual meeting. Following a constructive discussion, we have agreed to conduct a review of our existing and current policies and practices related to human rights risk management. This review would include an examination of existing policies and disclosure, and engaging with, as appropriate, our management, including our enterprise risk management team, and board of directors. As part of this review, we will consider the appropriate approach, including whether such approach should consider the United Nations Guiding Principles on Business and Human Rights (UNGPs), and we plan to report back to shareholders on the results of this review in our next year's annual Sustainability Report. We have included the proposal in this circular for informational purposes only. In light of such commitments, BCGEU agreed to withdraw its proposal. We thank BCGEU for their engagement on this matter.

The proposal and related supporting statement are reproduced below in italics, along with our response. This proposal is not a part of the formal business or agenda of the meeting.

#### Shareholder Proposal and Supporting Statement

*Finning International is a premier distributor and servicer of heavy machinery and equipment in sectors including mining, construction, oil and gas, and defence. Finning operates 38 facilities in Chile, Argentina, Bolivia, and Uruguay, in addition to site presence at most major mining operations. Shareholders believe Finning's significant role as a provider and maintainer of heavy equipment in sensitive sectors and regions necessitates more robust and specific human rights due diligence measures.*

*Finning published a Modern Slavery Transparency Statement (2023), and its Global Sustainability Policy (2018) references the Universal Declaration of Human Rights. However, shareholders do not have enough information to determine whether its policies align with the United Nations Guiding Principles on Business and Human Rights (UNGPs). Additionally, despite some initiatives for Indigenous peoples in Canada, Finning's policies do not appear to sufficiently protect Indigenous rights globally, which is important due to significant environmental and social impacts from operations and documented Indigenous concerns.<sup>1,2,3</sup>*

*As long-term investors, we look to companies we own to manage and address human rights risks and impacts in demonstration of strong risk oversight and sound corporate governance. Corporate responsibility for adverse human rights impacts resulting from the use of a business's products strikes to the heart of the UNGPs. Principle 13 states that a company contributing to or causing adverse human rights impacts has an obligation to remediate impacts, whereas a company linked to adverse human rights impacts resulting from the use of its products has a responsibility to mitigate the impact or harm.<sup>4</sup>*

*The Canadian Ombudsperson for Responsible Enterprise (CORE) reviews complaints about possible human rights abuses by Canadian companies that operate abroad and recommends UNGP implementation.<sup>5</sup> The Canadian government through its Strategy for The Future expects Canadian companies operating abroad to take steps towards fulfilling due diligence responsibilities.<sup>6</sup>*

*The heavy construction equipment rental market is projected to reach \$118 billion by 2030.<sup>7</sup> This is in part fueled by expansion in mining transition minerals including lithium and cobalt which are mined primarily on territories inhabited by peasant and Indigenous peoples. These groups rights to consultation and free prior informed consent are embedded in UN declarations.<sup>8</sup>*

*Finning cannot rely on human rights due diligence conducted by project owners. Shareholders believe that a human rights policy could help proactively manage risk and protect company value.*

**Resolved that** *Finning develop and adopt a human rights policy that is informed by the United Nations Guiding Principles on Business and Human Rights. This policy should reference Indigenous rights, be comprehensive, actionable, and integrated into Finning's core business strategy and operations.*

<sup>1</sup> <https://www.nrdc.org/stories/lithium-mining-leaving-chiles-indigenous-communities-high-and-dry-literally>

<sup>2</sup> <https://www.business-humanrights.org/en/latest-news/chile-court-upholds-complaint-from-indigenous-communities-against-sqm-over-water-usage-rights-linked-to-lithium-mining/>

<sup>3</sup> <https://www.reuters.com/world/americas/how-chiles-progressive-new-plan-mine-lithium-faces-indigenous-hurdles-2023-07-20/>

<sup>4</sup> [https://www.ohchr.org/Documents/publications/hr.puB.12.2\\_en.pdf](https://www.ohchr.org/Documents/publications/hr.puB.12.2_en.pdf)

<sup>5</sup> [https://core-ombuds.canada.ca/core\\_ombuds-ocre\\_ombuds/about-a\\_propos.aspx?lang=eng](https://core-ombuds.canada.ca/core_ombuds-ocre_ombuds/about-a_propos.aspx?lang=eng)

<sup>6</sup> <https://www.international.gc.ca/trade-commerce/assets/pdfs/rbc-cre/strategy-2021-strategie-1-eng.pdf>

<sup>7</sup> <https://www.alliedmarketresearch.com/heavy-construction-equipment-rental-market>

A16394#:~:text=The%20global%20heavy%20construction%20equipment%20rental%20market%20was%20valued%20at,4.3%25%20from%202021%20to%202030

<sup>8</sup> <https://www.nature.com/articles/s41893-022-00994-6>

## Finning's Response

Finning takes human rights and sustainability issues seriously. These are a critical part of our core values across all of our business activities and operations. For the reasons discussed below, we believe that adopting a standalone human rights policy in the form contemplated by the shareholder proposal would be unduly burdensome and duplicative, may not be in the best interests of our business and our shareholders, and would have limited effect in addressing the issues highlighted in BCGEU's proposal given our business model and role in the value chain.

We believe that our current policies and practices appropriately and adequately reflect our commitment to respecting human rights and sustainability matters more broadly. We are focused on where we can have a meaningful positive impact on the people who work for us and the people in the communities where we work, including Indigenous and other groups, that is also beneficial for and aligned with our business needs and risk management.

Our approach to human rights is most prominently covered in our Sustainability Policy, which can be found on our website at <https://pages.finning.com/sustainability/>. We believe our Sustainability Policy includes everything that would reasonably be expected in a human rights policy appropriate for us, and also more completely encompasses sustainability matters important to our business, in one comprehensive resource. Shareholders benefit from the ability to review our disclosure on specific matters, such as human rights, in the broader context of our approach to sustainability. Our Sustainability Policy acknowledges our values in respecting the inherent human rights set out in the Universal Declaration of Human Rights (UNDHR) and addresses how we should partner with customers, develop our teams, protect the environment and act ethically. Our Sustainability Policy also publicly states our core beliefs and makes public commitments regarding human rights, including that we will:

- Comply with all applicable laws and regulations in each of the countries where we operate;
- Uphold and protect human rights;
- Maintain a high standard of environmental stewardship which supports the protection and preservation of the environment and the reduction and mitigation of any impacts we may have;
- Incorporate sustainability principles into our decision making regarding potential new initiatives, existing operations and daily management;
- Collaborate with our customers and suppliers to improve product performance and reduce and mitigate the environmental impact of our products; and
- Monitor, evaluate and disclose our performance on sustainability topics relevant to our business in our annual Sustainability Report.

We believe that we are adequately addressing the concerns raised in the shareholder proposal through our commitments in our Sustainability Policy and also through various mechanisms we already have in place. Those mechanisms include:

- **Established policies and procedures that reinforce our commitment to human rights.** In addition to our Sustainability Policy, we have other policies in place that govern our business dealings and relate to human rights, including our Code of Conduct and Supplier Code of Conduct. These Codes confirm that our respect for human rights is informed by the UNDHR, the International Labor Organization's (ILO) 1998 Declaration on Fundamental Principles and Rights at Work, and applicable legislation protecting human rights. In particular, our Supplier Code of Conduct sets out the expectations we have of our suppliers with respect to human rights, Indigenous rights, and impact on the environment. It states our support for the UN Sustainable Development Goals and, with respect to impact on communities, requires our suppliers to, among other things, acknowledge and respect Indigenous peoples' rights, cultures, and interests when operating on or near Indigenous communities. These resources are supported by a full suite of adjacent and supplemental policies, including our Global Anti-Bribery and Anti-Corruption Policy, Whistleblower Policy and Global Respect, Inclusion and Diversity Policy, all of which are readily available to shareholders on our website ([https://www.finning.com/en\\_CA/company/governance/corporate-policies.html](https://www.finning.com/en_CA/company/governance/corporate-policies.html)) and are noted throughout our public disclosure. We have also published our first Joint Modern Slavery Report, which reports on the steps we took last year to address the risk of forced labour and child labour in our supply chain. It can be found on our website at <https://pages.finning.com/sustainability/>.
- **Established board and senior management-level oversight through our Enterprise Risk Management (ERM) process.** We understand that BCGEU and other shareholders look to companies they invest in to demonstrate strong oversight of risks, including human rights related risks. At Finning, strong risk management is part of our culture. Our board oversees our overall approach to sustainability, including ESG strategies, risks, policies and programs, and has delegated certain areas of sustainability to relevant committees of the board, which review matters within their mandates and report back to the board. The safety, environment and social responsibility committee oversees sustainability matters, including employee and customer safety, environmental issues, and social responsibility, including community and Indigenous engagement. The human resources committee oversees human rights risks related to diversity, equity and inclusion, employee wellness, and culture. We also have a global ethics committee comprised of senior management, which oversees the investigation by regional ethics committees of reports of suspected Code of Conduct violations, and reports on such matters to the audit committee. Key risks, emerging risks, and mitigation plans are identified and assessed by management regionally and reported to the applicable board committee on a quarterly basis, and subsequently reported to the board, also quarterly. This approach enables us to proactively and continuously identify and manage short and longer-term risks in the regions where we operate. In South America specifically, we have worked with local expert advisors to provide us with guidance and insight into the social, economic and political risks in this region as they relate to our and our customers' business activities and the communities where we and they operate, which has informed our ERM process.
- **Community investment and development programs and initiatives.** We are an active corporate citizen and have a strong track record of investing in the people and communities where we operate. We take a targeted approach to focus on areas where we can have the greatest positive impact, and that are aligned with our business model. For example, we partner with leading non-profit organizations, and educational and governmental institutions, and provide significant volunteer hours, with a view to increasing the participation of women in STEM-related careers, as well as youth, Indigenous communities, and other under-represented communities. We have also collaborated with our mining and construction customers to develop our CUBIQ™ Sustainability Dashboard to help monitor emissions.

- **Indigenous relationship and partnership development.** Our relationship with Indigenous communities in Canada is supported by our Indigenous Guiding Principles, which are embedded into our recruitment and procurement processes, business, strategic relationships, and community investment partnerships. We work with First Nations communities in Canada to construct operational facilities on First Nations-owned land and track our expenditures on goods and services sourced from Indigenous suppliers. We are looking into expanding this expenditure tracking into our South America operations. We also support local Indigenous communities in Canada and in South America by sponsoring education, empowerment, and engagement programs, funding awards, scholarships, and bursaries to support STEM-related post-secondary education for Indigenous students and others, and offering hands-on apprenticeship training opportunities for participants from Indigenous and other communities.
- **Regular reporting on ESG, including human rights matters.** We report to shareholders on the above activities extensively in our annual Sustainability Report, which provides numerous examples of our demonstrated commitment to human rights and the long-term health of the communities we touch. Our next Sustainability Report, which will be available in April, contains an up-to-date and detailed summary of these investments, which are targeted at STEM-related activities – with a focus on youth, women, Indigenous communities and at-risk and marginalized communities – as well as training and apprenticeship programs for mechanics and heavy equipment technicians from these and other communities, leading to opportunities with us and other industry members for stable, well-paid employment.

We are committed to human rights in our own operations and within the scope of what we can control and what is appropriate for us, given our business model. As an equipment dealer and not a project operator, there are natural limitations on how much influence we can exert on our customers and their operations, and hence the communities where they operate. As demonstrated above, we strive to exert our influence to the extent practicable in the circumstances and work with our suppliers, customers and local communities when possible to improve sustainability matters, including human rights.

We take our role as a good corporate citizen very seriously and respect for human rights and Indigenous rights is fundamental to our business. As material ESG topics and human rights issues evolve, we will continue to monitor these areas so our response remains relevant to our business and stakeholders.



***FINNING***<sup>®</sup>

FINNING INTERNATIONAL INC.  
19100 94 AVE, SURREY, BC V4N 5C3

FINNING.COM [f](#) [@](#) [in](#) [X](#) [▶](#)