

## **TERMS OF REFERENCE FOR THE HUMAN RESOURCES COMMITTEE**

The Board of Directors has established the Human Resources Committee of the Board (the “Committee”) to provide guidance and recommendations to the Board in the areas of human resources, talent, succession, compensation, benefits and pension applicable to Finning International Inc. (the “Corporation”).

For the purposes hereof, “Executive Management” means the Chief Executive Officer (“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 CEO may designate. The term “FLT” means the Finning Leadership Team, which is the executive committee of the Corporation comprised of the CEO, Chief Financial Officer, country operational Presidents (Dealer Principals), Chief Development and Legal Officer and Executive Vice President, Used Equipment, and any other employees of the Corporation or its wholly-owned subsidiaries as the CEO may designate.

### **I. MANDATE**

#### **A. Human Resources**

The mandate of the Committee is to:

- i. ensure, at a strategic level, that there are appropriate and effective Human Resources policies in place for the employment and motivation of the Corporation’s employees consistent with the Corporation’s strategy, and to promote engagement, capabilities and competencies that enable the Corporation’s strategy; and
- ii. regularly review with the CEO the CEO’s plans for the structure, development and succession of the FLT.

#### **B. Compensation**

The Committee shall ensure a broad plan of executive compensation is established that is competitive and motivating in order to attract, hold and inspire the Executive Management and other key employees, while taking into account the overall cost of compensation of the Executive Management and the interests of the shareholders.

#### **C. Pension**

The Committee shall work to ensure that the key elements of design within the Corporation’s pension plans remain appropriate and effective.

**TERMS OF REFERENCE FOR THE HUMAN RESOURCES COMMITTEE**

**II. MEMBERSHIP**

- A.** The Committee shall consist of at least three directors of the Corporation including the Chair of the Committee. The Board, after considering the recommendation of the Governance and Risk Committee, will appoint and remove the Committee members by a majority vote. All members of the Committee will be independent directors (as “independent” is defined in the Guidelines for the Board of Directors).
- B.** The Board, after considering the recommendation of the Governance and Risk Committee and Board Chair, will appoint the Chair of the Committee from the Committee members by a majority vote. The Chair of the Committee will hold such position until otherwise determined by the Board.

**III. MEETINGS**

- A.** The Committee will meet not less than four times per year. Meetings of the Committee may be held in person or via remote communications, subject to the By-laws of the Corporation. The Committee shall meet at the call of the Committee Chair. Any two members of the Committee may request the Committee Chair to call a meeting of the Committee and, if the Committee Chair fails to do so, may call a meeting of the Committee. Notice of such meetings shall be provided in advance in the manner specified by each member of the Committee as their preferred method.
- B.** The Committee may meet, if necessary, with the Audit Committee to jointly review changes recommended by the Management Pension Committee, or individuals delegated by the CEO, if appropriate, with respect to the establishment of new pension plans, termination of any existing pension plans, or material changes to any of the Corporation’s pension plans that would fundamentally change the nature of the benefits provided by the pension plan.
- C.** The CEO and the person responsible for human resources of the Corporation designated by the CEO will attend meetings of the Committee at the pleasure of the Committee, except that the CEO or any other member of the Executive Management may not be present during voting or deliberations on his or her compensation.
- D.** The quorum necessary for transaction of business at Committee meetings will be a majority of the members of the Committee. Decisions of the Committee shall be by majority vote.

## **TERMS OF REFERENCE FOR THE HUMAN RESOURCES COMMITTEE**

- E.** The Chair of the Committee will appoint a Secretary for each meeting. The Committee will maintain minutes of its meetings.
- F.** The Committee will hold an in-camera session without the CEO and any management present as part of each Committee meeting.
- G.** The Committee will, on a quarterly basis, report to the Board on its activities, decisions and the execution of its mandate as described herein.
- H.** The Committee has the authority to communicate directly with the most senior human resources employee of the Corporation and any member of Executive Management regarding any matter within the mandate of the Committee as it deems appropriate in the circumstances.

### **IV. DUTIES AND RESPONSIBILITIES**

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of the Board.

#### **A. HUMAN RESOURCES**

The Committee shall have the following duties and responsibilities with respect to Human Resources:

- i. on a regular basis, review the organizational structure and report any significant organizational changes to the Board;
- ii. on a regular basis, review organizational headcount, turnover, employee wellness, and inclusion and diversity and report any areas of significant concern to the Board;
- iii. at least three quarterly meetings per year, receive and review reports on the Corporation's talent;
- iv. at least once annually, together with the CEO, review and determine succession plans for the FLT, including specific development plans and career planning for potential successors;
- v. review and recommend to the Board for approval the succession plan for the CEO, including procedures for emergency replacement of the CEO if the CEO cannot act, and report to the Board at least annually on refreshment of the CEO succession plan;

**TERMS OF REFERENCE FOR THE HUMAN RESOURCES COMMITTEE**

- vi. review as frequently as the Committee considers advisable, the development of the Corporation's culture, including the engagement and experience of the workforce; and
- vii. review and recommend to the Board for approval any proposed appointment of any person to the FLT and any proposed appointment of any corporate officer of the Corporation.

**B. COMPENSATION**

The Committee shall have the following duties and responsibilities with respect to compensation:

- i. on an annual basis review, together with the person responsible for human resources of the Corporation designated by the CEO, Executive Management's compliance with the Corporation's share ownership guidelines, including any plans developed to facilitate compliance by Executive Management with such guidelines;
- ii. review and recommend to the Board for approval the establishment of, or any material changes to, employee compensation plans, guidelines and policies, including incentive plans, benefit and perquisite plans, all equity-based compensation plans, and pension plan design. Any material changes to pension plan design will be recommended jointly with the Audit Committee;
- iii. review and recommend to the Board for approval the CEO's goals and objectives that are relevant to compensation; assess the CEO's performance against these goals; lead the CEO performance review process and report the results of the process to the Board; and based on the evaluation, recommend any CEO compensation changes to the Board;
- iv. review and approve or determine at least once annually, the compensation (including incentive awards) of each member of the FLT, taking into account the evaluation and recommendation of the CEO and the overall structure of compensation of the Executive Management, and report its broad conclusions to the Board;
- v. review and approve or determine, on an as needed basis, the levels and types of benefits and perquisites, that may be granted to the FLT, in accordance with the terms of any applicable employee benefit plans and guidelines established by the Board;

**TERMS OF REFERENCE FOR THE HUMAN RESOURCES COMMITTEE**

- vi. review and approve or determine all agreements with members of the FLT, including, but not limited to, employment agreements (including termination provisions), change-in-control arrangements, and any exceptions or departures from the approved terms of such arrangements;
- vii. review and, if thought appropriate, approve any material exceptions granted to employees regarding compensation plan terms and conditions, following legal review (including incentive plans, retirement pension plans and equity-based compensation plans), either upon hiring, during service with the Corporation, or upon termination;
- viii. in compliance with existing equity-based compensation plans and guidelines, including with respect to the granting of stock options, deferred share units or other equity-based compensation, and approved exceptions as provided in clause (vii), above, the Committee will:
  - a. review management's recommendations for and recommend to the Board for approval, grants under such plans to Executive Management and other eligible participants in such plans;
  - b. annually consider the CEO's authority, so long as it has been approved by the Board, to make discretionary awards of attraction grants to candidates at the senior executive level under the Corporation's Long-Term Incentive Plan (LTIP), and recommend to the Board any changes in, or the cancellation of, such authorization as the Committee determines appropriate;
  - c. review management's report on a quarterly basis of any discretionary awards of attraction grants under the Corporation's LTIP made by the CEO pursuant to the authority under b. above;
  - d. propose, and review and recommend for Board approval any amendments to such plans;
- ix. review and recommend to the Board the adoption of, and amendments to, policies for clawback or recoupment of incentive compensation applicable to employees of the Corporation, and oversee the administration of such policies in accordance with their terms; and
- x. as part of the Corporation's overall risk management process, annually review the risk framework of the Corporation's executive compensation program as it relates to its strategy, philosophy, principles, and design. In its assessment, the Committee shall

## **TERMS OF REFERENCE FOR THE HUMAN RESOURCES COMMITTEE**

consider and identify any compensation programs or processes that could potentially encourage inappropriate or excessive risk-taking or actions that are reasonably likely to have a material adverse impact on the Corporation, within the context of the Corporation's overall risk tolerance.

### **C. INDEPENDENT CONSULTANT**

The Committee has the authority to hire and terminate an independent consultant(s) to assist in the fulfillment of its responsibilities and evaluation of Executive Management proposals. The Committee shall authorize the work, including the fees to be charged, of such consultant(s) and review the expenditures annually.

### **D. OTHER DUTIES**

Under the authority of the Board, the Committee shall,

- i. review and recommend to the Board for approval the reports on executive compensation in all disclosure documents including the Corporation's Management Proxy Circular;
- ii. monitor risks within the scope of the Committee's responsibilities, including risks delegated to the Committee by the Governance and Risk Committee, and management's mitigation plans with respect to such risks;
- iii. at least annually, review and evaluate the adequacy of the Terms of Reference and report its recommendation for any change to the Governance and Risk Committee;
- iv. at least annually, review and evaluate the Committee's performance and report its evaluation and recommendation for any change to the Governance and Risk Committee; and
- v. assume responsibility for any other task that the Board assigns to it.

**TERMS OF REFERENCE FOR THE HUMAN RESOURCES COMMITTEE**
**Forward Agenda**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>A. Human Resources</b>												
i. Review organization structure on a regular basis.		√			√			√			√	
ii. Review organization headcount, turnover, employee wellness, and inclusion and diversity on a regular basis.		√			√			√			√	
iii. Review reports on the Corporation's talent.		<i>At least three quarterly meetings per year</i>										
iii. Review, at least annually, succession plans for the FLT, including specific development plans and career planning.		√										
iv. Review and recommend for approval the CEO succession plan, including procedures for emergency replacement, and report to the Board at least annually on refreshment of the CEO succession plan.		√										
v. Review as frequently as the Committee considers advisable the development of the Corporation's culture, including the engagement and experience of the workforce.			<i>Ongoing</i>									
vi. Review and recommend the FLT appointments and Corporate Officer appointments.		√			√			√			√	
<b>B. Compensation</b>												
i. Annually review Executive Management's compliance with share ownership guidelines								√				
ii. Recommend any material changes to compensation plans, guidelines and policies for Executive Management including incentive plans, benefit and perquisite plans, all equity-based compensation plans and pension plan design.		√			√			√			√	

## TERMS OF REFERENCE FOR THE HUMAN RESOURCES COMMITTEE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
iii. a. Review and recommend for approval CEO goals and objectives b. Review CEO's performance against goals and objectives in-camera at each Committee meeting c. Assess CEO performance, lead CEO performance review process, and recommend for approval CEO compensation changes		√			√			√			√	
iv. Review and approve, at least annually, compensation of the FLT, including salary adjustments and STIP and LTIP grants.		√										
v. Review and approve benefits and/or perquisite changes of the FLT (as applicable).											√	
vi. Review and approve all the FLT agreements.		√			√			√			√	
vii. Review and approve any material exceptions granted to employees, following legal review, regarding compensation plan terms and conditions.		√			√			√			√	
viii. a. review management's recommendations for and recommend to the Board for approval LTIP grants under such plans to Executive Management and other eligible participants in such plan; b. annually consider the CEO's authority to make discretionary awards of attraction grants; c. review management's report on a quarterly basis of any discretionary awards under the CEO's authority; d. propose, review and recommend for Board approval any amendments to such plans.		√			√			√			√	
		-			√			-			-	
		√			√			√			√	
		√			√			√			√	
ix. Review periodically, and at least every three years, the Compensation Clawback Policy.	Review every three years. Last review: May 2024											
x. Review, on an annual basis, the compensation risk framework.								√				



**TERMS OF REFERENCE FOR THE HUMAN RESOURCES COMMITTEE**

<b>C. Independent Consultants</b>												
Review, annually, the expenditures for the Committee's independent consultant(s).		√										
<b>D. Other Duties</b>												
i. Review and recommend for approval the Committee report for publication in Corporation's Management Proxy Circular.		√										
ii. Review, on a quarterly basis, top risks within the scope of the Committee's responsibilities (including risks delegated by the Governance and Risk Committee) and management's mitigation plans related to those risks.		√			√			√			√	
iii. Review annually the Committee's Terms of Reference.					√							
iv. Review annually the Committee's performance and report to the Governance and Risk Committee.											√	
v. Such other powers and duties as delegated to it by the Board.		√			√			√			√	