

Global Anti-Bribery and Anti-Corruption Policy
Finning International Inc.

How we achieve our goals is equally important as the end result.

Operating safely and ethically is something Finning has stood for since the company's start over 85 years ago. In fact, our reputation is one of our most valuable assets and an important reason why customers, employees and shareholders choose Finning.

Our values and Code of Conduct and our complementary policies set out very clearly how we will achieve our results. We care for each other's safety and well-being, communicate openly, take responsibility, empower and trust one another, and do our best. These values are reinforced by our Code of Conduct. The Code outlines key policies and principles for employees at all levels of the company and everywhere we operate.

If you are ever unsure of what to do in any situation, take the time to ask before you act. If you have a concern about something that you think may be unethical, we value your input. Talk to your manager, legal, internal audit or human resources representative or make use of our confidential ethics website or hotline.

While our values and Code of Conduct make our expectations clear, words alone are not enough to maintain our reputation. It is up to each of us to put these words into action in all aspects of our daily work. It is *our* actions and decisions that define Finning.

I. GENERAL

Finning's success as a company is built upon a strong foundation of integrity and we are committed to conducting business in accordance with the highest ethical and moral standards. Our Code of Conduct reflects this commitment and our business values guide us and define the principles by which we deliver service excellence each and every day.

At Finning, we comply with all applicable laws and regulations. This includes compliance with all applicable anti-bribery and anti-corruption laws, rules and regulations existing in or applying to jurisdictions in which we operate including the Corruption of Foreign Public Officials Act (Canada), the UK Bribery Act, the US Foreign Corrupt Practices Act and other similar such laws against corruption, money laundering prevention, terrorism and bribery funding in Chile, Argentina, Uruguay and Bolivia. We recognize these local laws may, in some instances, be less restrictive than the principles set forth in this policy. As applicable laws, rules and regulations vary between jurisdictions and may have extra-territorial application, Finning and its employees and business associates will be expected to comply with the principles set out in this policy in respect of its and their conduct in all jurisdictions where we operate, even where compliance with this policy prohibits conduct that may otherwise be permitted by the local law of a particular jurisdiction.

Finning has zero-tolerance for bribery and corruption in all business dealings and relationships in jurisdictions in which Finning operates.

Finning employees and any business associates working on Finning's behalf may not offer, promise or give a bribe to anyone, and may not request, agree to accept or take a bribe from anyone. Bribery is a crime in all countries where Finning operates and penalties can be severe, including prison sentences and large financial penalties. Depending on the circumstances, these penalties can be applied to the company and its directors, officers, employees and business associates, or a combination of any of them. In certain jurisdictions, a company can also be held liable for failing to prevent acts of bribery by those working on its behalf. To defend itself against these types of claims, Finning must put in place adequate procedures designed to prevent bribery by those acting on its behalf.

The purpose of this global policy is to assist in the prevention of bribery and corruption in Finning's business dealings. This policy provides information and guidance on how to recognize and deal with bribery and corruption and ensures that all individuals have a clear and consistent understanding of their responsibility for following and upholding the policy.

Any questions regarding compliance with this global policy should be addressed with your manager or your local legal, human resources or internal audit representative, or the Compliance Officer (as defined in our Code of Conduct), or may be submitted following our confidential whistleblower process outlined in our Code of Conduct.

Any changes in local regulations that render this policy non-compliant with local regulations must be reported to the Compliance Officer to facilitate the amendment of this policy to incorporate the change and strengthen the global policy.

This policy complements and should be read in conjunction with our Code of Conduct and our Whistleblower policy, copies of which can be obtained from Finning's website at www.finning.com.

II. WHO DOES THIS POLICY APPLY TO?

This policy applies to all Finning employees and business associates.

Finning is defined to include Finning International Inc. and its subsidiaries, as well as affiliates and joint ventures in which Finning has a controlling interest.

For the purposes of this policy Finning employees and **business associates** is defined to include:

- Employees, officers, and directors of Finning
- Contractors, consultants and suppliers to Finning and their respective employees, contractors and agents
- Businesses to which Finning may outsource its services, processes or any business activity, and their respective employees, contractors, and agents

All Finning employees and business associates must comply with this policy and are required to act consistently with this policy. Independent contractors, consultants or suppliers will be made aware of this policy, and must also comply with Finning's Supplier Code of Conduct. Joint venture companies and joint venture partners not under

Finning's control are encouraged by Finning to adopt a similar policy and procedures to prevent bribery and corruption.

This global policy must be complied with by all Finning employees and business associates, even in situations where the anti-bribery or anti-corruption laws, rules, or regulations or local business practices in the applicable local jurisdiction are less restrictive. The best practices standards set out in this policy will be the prevailing criteria.

III. BRIBERY AND CORRUPTION – WHAT DOES IT MEAN?

Under our global policy **bribery** occurs when one person offers, pays, seeks or accepts a payment, gift, favour, or a financial or other advantage to/from another to improperly influence a business outcome, or to induce or reward improper conduct. **Corruption** is the misuse of public office or power for private gain within the realm of government, or the misuse of private power for gain in relation to commercial business.

Bribery and corruption –whether involving government officials or commercial entities, including joint ventures – can be direct or indirect through third parties such as agents, brokers and joint venture partners.

A bribe may be paid or received, is not limited to money, and can include anything of value such as:

- Gifts
- Corporate meals, hospitality or entertainment
- Payment or reimbursement of expenses
- Charitable or political donation or social contribution
- Offer of employment for an individual or relative
- Offer of scholarships to an individual or relative
- Sponsorship of supplier or customer events or teams

Examples of bribes:

Offering a bribe: You offer a potential customer tickets to a major sporting event, but ONLY if the customer agrees to do business with us.

Receiving a bribe: A supplier offers a job to your relative but makes it clear they expect you to use your influence to return the favour by ensuring we start (or continue) to do business with them.

Bribing a government official: You are asked to make a payment directly to a customs official to speed up the administrative process of clearing our property through customs.

Generally, requests for payments or commissions that exceed the normal or customary fee charged for a service (relative to the sector and region) is a warning sign that the payment may violate this policy. A non-comprehensive list of potential "red flags" which may indicate bribery or corruption is listed in Appendix A at the end of this policy.

IV. **GUIDELINES TO MITIGATE TYPICAL BRIBERY AND CORRUPTION RISKS**

Gifts and Hospitality

Our global policy does not prohibit normal and appropriate gifts, hospitality, entertainment and promotional or other similar normal course business expenditures. The practice of giving gifts and hospitality is recognized as an established and important part of doing business.

However, to avoid committing or creating the perception of committing a bribery offence, the gift or hospitality must:

- Be a reasonable value
- Be justifiable in all circumstances
- Be intended to improve the image of the commercial organization, better present its products and services, or establish cordial relations.

To be acceptable, gifts and hospitality whether being given or received must also meet all of the following requirements:

- Must be for a bona fide business purpose, not made with any intention to influence or reward a third party for obtaining or retaining business and not made as an exchange of favours. Requesting or soliciting gifts or hospitality from individuals or organizations is not permitted
- Must be given in Finning's name
- Must not be given or received frequently between the same individuals
- Must not be cash or a cash equivalent (for example, gift cards)
- Must not be given or received to/from individuals or individuals in businesses that are actively engaged in, or have a relation with, a bidding or tender process
- The type and value of the gift or hospitality item must be commensurate with the reason behind the gift. The gift or hospitality must not be

inappropriate or indecent, in order to avoid reputational damage to Finning

- Must be properly reported and recorded in Finning's books and records
 - Never engage in personal payment for any gift or hospitality to avoid the approval process or recording requirements
 - Gifts offered or considered for acceptance should be discussed with your manager to determine whether such gifts are acceptable under reasonable standards considering the nature, value and frequency, and whether they enhance the business relationship. When in doubt regarding the nature, value, or timing of a gift (whether given or received), your manager should confer further with your legal, internal audit, or human resources representative to determine the appropriateness of receiving the gift under the business circumstances
- Many national, regional and local jurisdictions also have special rules in place regarding gifts and hospitality. These can include the types of gifts that are permissible, financial limits and recipient reporting requirements. It is therefore always necessary to also comply with local laws and rules of the giving and the receiving organization and the guiding principles set in this policy

Finning business units may apply local gift policies which apply more restrictive approval or self-reporting limits than those specified in this policy to suit local culture and conditions. Please ensure you are aware of your local requirements. If unsure please contact your manager or local legal department.

Travel expenses and promotional visits

Travel expenses paid on the behalf of or reimbursed to third parties must be associated with business related activities only, with no payment for trips to tourist attractions or to visit family members. Finning can only pay reasonable and *bona fide* expenses for travel directly related to the promotion, demonstration or explanation of products or services, or the execution of a contract or other

normal course business. Such travel and visits must be preapproved and recorded in accordance with Finning's authorization guidelines and internal controls.

Political Contributions/Donations

Finning does not make contributions to individual political party officials or candidates for political office. Finning only makes charitable donations that are legal and ethical under local laws and practices and are consistent with Finning's internal guidelines on charitable giving.

Illegal Payments

Finning does not make and will not accept illegal payments.

Illegal payments include facilitation payments and kickbacks. **Facilitation payments** (also known as "grease payments") are typically small, unofficial payments demanded by lower level and lower-income officials in exchange for providing or "expediting" routine services to which one is legally entitled without such payments. **Kickbacks** are typically payments made to commercial organizations in return for a business favour or advantage, such as a payment made to secure the award of a contract.

Although facilitation payments rules vary between the Canadian *Corruption of Foreign Public Officials Act*, the United States *Foreign Corrupt Practices Act*, the *UK Bribery Act* and other local regulations, they are not permitted under our global policy.

We must avoid and prevent any activity that might lead to or create the perception that we will make or accept an illegal payment. It is often difficult to determine if routine governmental or business requests are legitimate or if they are facilitation payment requests. No facilitation payment should be made to individuals in connection with a process which is that individual's job to perform unless the local law provides clearly for a payment to be made and such payments are appropriately documented. Such payments should be rare and discouraged in all cases. When in doubt, refer to your legal department for proper

approval and ensure that thorough and appropriate accounting and documentation is prepared in conjunction with any such payment.

It is our policy not to make any illegal payments; however, there may be extenuating circumstances involving a threat to the health, safety, or welfare of a Finning employee or a member of his or her family or co-worker. Where there is such a threat, the employee must make a good faith effort to obtain legal department approval before making such payment. When it is made, it must immediately be reported to your manager or a member of the legal department. The legal department in conjunction with other internal groups will investigate the circumstances surrounding any such payments and take appropriate legal actions. Such transactions must be accurately recorded and properly documented reflecting the amount, date, purpose, and recipient, and clearly reflect the nature of the payment.

Use of business associates: agents / intermediaries / independent consultants

The actions of an agent, intermediary, or independent consultant can expose Finning to liability. A level of due diligence appropriate to the market and the potential risks involved should be undertaken prior to their appointment and retention and at the time of renewal of any agreement to provide reasonable assurance such individual or business understands and will abide by this policy and applicable anti-bribery and anti-corruption laws.

Provisions must be included in such individual's or business' written agreement requiring them to comply with all applicable laws and evidencing their agreement to comply with Finning's policy against bribery and corruption. It is the responsibility of any Finning employee who engages an agent, intermediary, or independent consultant to ensure that these requirements are specified in any engagement agreement. Your internal legal department must approve all such agreements as well as any changes to Finning's standard agreements.

V. WHO HAS ACCOUNTABILITY AND RESPONSIBILITY FOR THE POLICY?

At Finning, we all share the accountability and responsibility for our policy against bribery and corruption.

Our Board of Directors and its Committees – the Governance and Risk Committee periodically reviews this policy and recommends any revisions to the Board for approval. Oversight of compliance with the policy has been delegated to the Audit Committee.

Our Leadership Team – the Chief Executive Officer and the senior executive team set the tone at the top providing leadership and support for the policy and take responsibility for its effectiveness within their business units.

Our Global and Regional Ethics Committees – are responsible for the oversight of monitoring and reporting any suspected or reported violations of the policy, review of the policy and all investigations and implementing appropriate actions based on the evidence acquired as a result of the investigations. All reported violations of the policy are reported to the Audit Committee.

Internal Audit – includes a review of the effectiveness of the policy as part of their annual risk assessment process and periodically monitors compliance and reports any compliance issues directly to the Audit Committee.

Local Legal Departments – review the policy and establish and maintain practices and guidelines to ensure compliance with applicable local legal regulations. Give advice and guidance concerning activities that fall within the scope of this policy.

Management – is responsible for the implementation of the policy and all communication and training activities in relation to the policy to ensure that those reporting to them are made aware of, and understand, this policy. Management is responsible for the internal controls related to this policy.

Individuals – each of us is responsible for preventing, detecting and avoiding any activity that may lead to, or suggest, a breach of this policy and for reporting any

violation or suspected violation of this policy. A non-comprehensive list of potential red-flags is provided in Appendix A to assist you in identifying situations that may raise concerns.

VI. REPORTING VIOLATIONS

Our collective success and our reputation hinges on our personal commitment to adhere to this policy and our Code of Conduct. It is our responsibility to promptly report any suspected contraventions of this policy.

If you have any suspicions or concerns regarding conduct to which this policy applies, or if you become aware of any action that may be in conflict with this policy, you must report those concerns or actions to your manager, internal audit, human resources or legal department, or report your concerns, confidentially, utilizing Finning's whistleblower processes as explained in our Code of Conduct and our Whistleblower policy. A copy of these documents may be found on our website.

No retaliation. No individual who, in good faith, reports a violation of this policy shall suffer any retaliation. An employee who retaliates against someone who has reported a suspected violation in good faith is subject to discipline up to and including termination of employment.

Finning encourages openness and will support anyone who raises genuine concerns in good faith, even if they turn out to be mistaken. No person will suffer a penalty or other adverse consequences for refusing to engage in bribery or other conduct prohibited by this policy or for reporting possible wrongdoing, even if Finning loses business or otherwise suffers a disadvantage.

VII. INVESTIGATIONS

Any potential violations of this policy will be reported to the Chair of the Audit Committee and to the Global Ethics Committee.

The report will be recorded and an investigation will ensue in accordance with Finning's Whistleblower policy.

The identity of any person filing a report will be treated as confidential to the extent possible and will only be revealed on a need to know basis or as required by law or court order.

VIII. CONSEQUENCES

At Finning, we take bribery and corruption seriously and will take appropriate actions against violators, which could lead to termination of employment and prosecution.

Failure to comply with this policy may result in disciplinary consequences up to and including termination of employment. In cases where the conduct violates applicable laws, rules and regulations, Finning may also refer the matter to appropriate regulatory authorities, which could result in penalties, fines or imprisonment.

Finning also reserves the right to terminate contractual relationships with any consultant or business associate, including joint ventures, as well as any other third party, who has contractually agreed to comply with this policy and has violated the policy. It is the responsibility of all Finning employees who sign agreements on Finning's behalf to ensure that the other party contractually agrees to comply with our policy.

IX. RECORD KEEPING

Books and records must be kept in reasonable detail which accurately and fairly reflects all payments, transactions and dispositions of assets and clearly identify the purpose of such events. Gifts and hospitality received must be appropriately disclosed and reported to your manager. No accounting record or other document related to any transaction shall be falsified in any manner which may obscure or disguise the true nature of the transaction.

The purpose of the books and records provision is to prevent companies from concealing bribes and to discourage fraudulent accounting practices. The books and records provision applies to all documents and require:

- Maintenance of books, records and accounts that accurately reflect each transaction and disposition of company assets
- Maintenance of a system of internal accounting controls that can detect and prevent illicit payments to government officials and other individuals
- Conformance with generally accepted accounting principles (International Financial Reporting Standards (IFRS))

X. RISK MITIGATION PROCEDURES AT FINNING

Monitoring and preventative controls exist at Finning to further enhance risk mitigation and include the following:

- Finning shall regularly identify bribery and corruption risks in its business and implement adequate risk-based procedures aimed at preventing bribery and corruption from occurring
- Finning shall maintain adequate books and records which properly and fairly document all transactions. We will maintain written evidence to record compliance with this policy
- Internal control systems and procedures will be periodically audited to provide assurance that they are effective in countering bribery and corruption
- Anti-bribery and anti-corruption training programs will be periodically audited to ensure that effective training is provided to all
- Appropriate due diligence will be applied before engaging any consultant or agent, entering into any joint venture relationship or participating in any merger or acquisition to prevent the acquisition of bribery and corruption related liabilities
- Employees and business associates (including agents, consultants and contractors of Finning) will be provided a copy of this policy and advised that it is available on our website. Key employees with exposure to red flag areas and significant business associates will also be advised when the policy is amended and will provide an annual written certification of compliance with this policy
- Training on this policy will form a part of the hiring process for all new employees, officers, directors, agents, consultants and contractors of Finning
- Periodic refresher training will be provided to those individuals deemed to be at a higher risk with more exposure to the red flag areas

- The Board of Directors will review this policy and approve such changes as the Board deems appropriate

XI. SUMMARY

Finning has zero-tolerance for bribery and corruption in all business dealings and relationships, in all jurisdictions where Finning operates.

Finning does not make and will not accept illegal payments.

This global policy must be complied with by all Finning employees and business associates, even in situations where the anti-bribery or anti-corruption laws, rules, or regulations or local business practices in the applicable jurisdiction are less restrictive. The best practices standards set out in this policy will be the prevailing criteria.

At Finning, we all share the accountability and responsibility for our policy against bribery and corruption.

Our collective success and reputation hinges on our personal commitment to comply with this policy and our Code of Conduct. It is our responsibility to promptly report any suspected contraventions of this policy.

No retaliation. No individual who, in good faith, reports a suspected violation of this policy shall suffer any retaliation. An employee who retaliates against someone who has reported a suspected violation in good faith is subject to discipline up to and including termination of employment.

At Finning, we take bribery and corruption seriously and will take appropriate actions against violators which could lead to termination of employment and prosecution.

APPENDIX A

POTENTIAL RED FLAGS

The following is a list of situations that may arise during the course of business at Finning that may raise concerns under this policy. Of course, this list is only indicative for illustrative purposes only and is by no means intended to be an exhaustive list of all possible problem areas:

- Use of an agent or consultant with a poor reputation or who is a former government official or politician or who has links to government officials or politicians
- Unusually large commission payments, commission payments that exceed the normal or customary fee, or commission payments where the agent or consultant does not appear to have provided significant services
- Cash payments or requests for cash payments
- Payments without adequate paper trails or compliance with normal internal controls
- Bids for services where the amounts bid are significantly in excess of prevailing levels
- Unusual bonuses for which there is little support
- Payment arrangements directed to third party countries or to offshore accounts
- Unexplained preference for certain contractors or suppliers
- Requests made by third parties that contributions be made to charitable organizations
- Refusal of third parties to acknowledge and adhere to our policies
- Requests for payments outside the standard terms and conditions of third party or supplier contracts
- Multiple intermediaries to provide the required services
- Payment requested by individuals where it is reasonably apparent that they do not have organizational authority to deal with the payments