

## **BOARD INCLUSION AND DIVERSITY POLICY**

### **I. PURPOSE**

This Policy sets out the approach to promote and achieve inclusion and diversity on the Board of Directors of Finning International Inc. (“Finning”). Finning is also committed to fostering an inclusive culture based on merit and free of conscious or unconscious bias.

### **II. OBJECTIVES – BUILDING INCLUSION AND DIVERSITY**

At Finning, inclusion of diverse perspectives, experiences, and identities is a shared responsibility that drives our strategy to place our people at the heart of Finning’s business to drive customer loyalty and build a resilient business foundation for sustainable growth. Being a global leader necessitates inclusive behaviours that diversify talent, drive engagement, and ultimately deliver better outcomes for key stakeholders. The Board is committed to supporting management in building and sustaining an inclusive and diverse workforce at Finning, with a clear accountability framework.

As with the organization as a whole, an inclusive and diverse Board itself leads to a better understanding of opportunities, issues and risks; enables stronger decision-making; and ultimately improves our 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 Finning’s long-term success and viability.

### **III. BOARD DIVERSITY**

The Board’s Governance and Risk Committee (the “Committee”) considers a variety of factors when recruiting candidates to the Board, including diversity of thought, decision-making ability, skill, geography, experience with businesses and other organizations of a comparable size, the representation of individuals from the designated groups<sup>1</sup> (women, Indigenous peoples, visible minorities and persons with disabilities), the interplay of a candidate’s experience with the experience of other Board members, and the extent to which a candidate would be a desirable addition to the Board. For purposes of this policy, diversity includes business experience, geography, age, gender, gender expression or identity, sexual orientation, visible minorities, Indigenous peoples, persons with disabilities, and other personal characteristics.

When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, Finning is committed to a merit-based system and will consider

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<sup>1</sup> For more information on the definition of “designated groups”, see Section 3 of the Employment Equity Act, S.C. 1995, c. 44.

candidates using objective criteria having due regard to the benefits of diversity and the needs of the Board. When external search firms are engaged to identify potential

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candidates, the selection criteria will include diversity, including an instruction to include candidates that are women and/or from other designated groups, and the skills, experience and attributes prioritized by the Board.

In recognition that the increased participation of women is a significant aspect of diversity and acknowledging the important role that women have in contributing to diverse perspectives, the Board set a target in 2020 to have women comprise at least 30% of the Board. The Board met this target in advance and expects to maintain a Board composition in which women comprise at least 30% of all directors. Beyond gender diversity, the Board also aspires to maintain a Board composition that has at least one director from the other designated groups.

### **IV. MONITORING AND REPORTING**

In consultation with the CEO, the Committee shall annually review the appropriate skills and characteristics required of Board members in the context of the current composition of the Board and the objectives of Finning. This assessment will evaluate the diversity of thought present on the Board by looking at all aspects of diversity outlined in this Policy.

In the Management Proxy Circular prepared in connection with any meeting of Finning's shareholders involving the election of directors, the Board will disclose the percentage of Board members in each of the designated groups (and all other diversity disclosures required by applicable law) and report on the effectiveness of this Policy in building inclusion and diversity on the Board itself.

### **V. POLICY REVIEW**

On an annual basis, the Committee will review this Policy and assess (i) the measures taken to ensure the Policy has been effectively implemented, (ii) annual and cumulative progress in achieving its diversity targets, and (iii) the effectiveness of the Policy in promoting an inclusive and diverse Board of Directors. As part of its review, the Committee may recommend revisions to the Policy to the Board for approval.