

TOROMONT

February 14, 2011

Mayor and Members of Council
City of Hamilton
Hamilton City Hall
71 Main St. West
Hamilton, ON L8P 4Y5

Dear Mayor Bratina and Members of Council:

We understand that Hamilton City Council is considering a resolution calling on the City of Hamilton to boycott businesses or products that have relationships with Caterpillar Inc. We also understand that this matter stems from the unfortunate situation in which Electro-Motive Diesel (EMD), a subsidiary of Caterpillar, has announced its intention to close a locomotive manufacturing facility in London.

This is an emotionally charged issue, but we believe the proposed boycott can have unintended and negative results, including the consequences for Toromont, its employees, the City of Hamilton and its neighbours.

We believe Council would be well-advised to consider:

- Toromont is an independent Canadian company that has been listed on the Toronto Stock Exchange for 43 years. An estimated 90% of our shares are owned by Canadians and, to our knowledge, Caterpillar has no ownership interest in Toromont;
- The unfortunate EMD situation in London has nothing to do with Toromont, its employees or the local businesses that also rely on us. While Caterpillar is one of our many suppliers, we have no influence over its business decisions.
- We provide a range of heavy equipment and related services to businesses in Ontario, Manitoba, Nunavut and Newfoundland & Labrador.
- Toromont employs approximately 3,000 Canadian residents. We employ 2,200 in Ontario alone, 500 in south-west Ontario and 160 at our two branches in Hamilton.

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Mayor Bratina and Members of Council

- We have a long and constructive relationship with the Canadian Auto Workers' union through their representation of certain Toromont employees, the same union that is representing the EMD workers.
- Our company and its predecessors have been employing Hamilton residents for decades and in the past five years alone have contributed over \$1 million in property taxes to your city. We are a significant and ongoing contributor to Hamilton's economy.

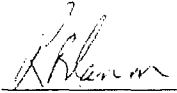
We recognize the motivation for the proposed boycott resolution, however we would ask Council to weigh the effect it is likely to have on resolving the London EMD issue against the damage it could do to those who have no role in that situation. That would include Toromont, its people, its customers and suppliers throughout the region.

We have enjoyed a successful and mutually beneficial relationship with the City of Hamilton for many years and certainly hope to continue for many years to come. Before Council makes potentially rash and damaging decision, we would appreciate the opportunity to discuss the matter further at your convenience and to answer any questions you may have, perhaps through presentation at the General Issues Committee.

Kindest regards,



Scott Medhurst
President
Toromont CAT



Randy Casson
President
Battlefield – The CAT Rental Store