Wajax Corporation
2014 Annual Report

POINTS OF GROWTH

Wajax is a leading Canadian distributor engaged in the sale and service support of mobile equipment, power systems and industrial components. Reflecting a diversified exposure to the Canadian economy, Wajax has three distinct product divisions, which operate through a network of 123 branches across Canada.

Wajax's customer base covers core sectors of the Canadian economy, including; construction, industrial and commercial, transportation, the oil sands, forestry, oil and gas, metal processing and mining.

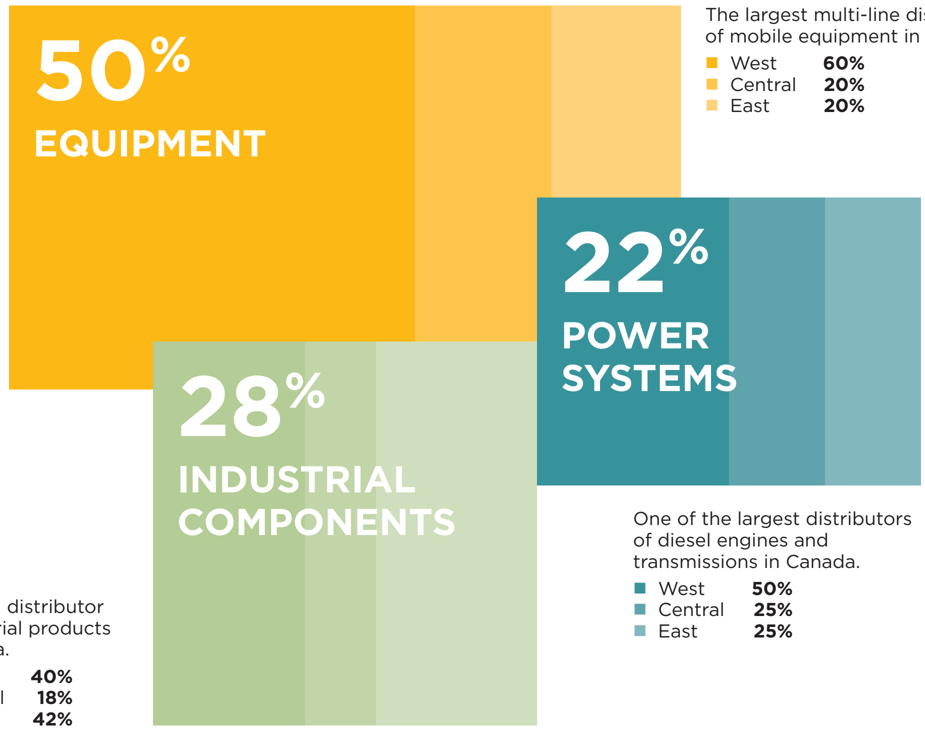
Contents

Forward-Looking Statements and Information

This Annual Report, including the accompanying Management's Discussion and Analysis, includes forward-looking statements and information that is based on Wajax's current beliefs, expectations, estimates and assumptions in light of information currently available. Actual results, performance and achievements may differ materially from those anticipated or implied in such forward-looking statements or information. Please see page 21 for a discussion of the risks and uncertainties related to such statements and information.

FINANCIAL HIGHLIGHTS

2014 REVENUE SOURCE DISTRIBUTION



The largest multi-line distributor of mobile equipment in Canada.

- West **60%**
- Central **20%**
- East **20%**

One of the largest distributors of diesel engines and transmissions in Canada.

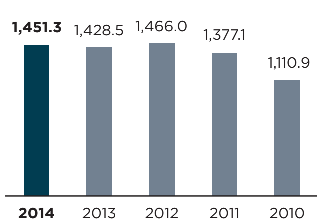
- West **50%**
- Central **25%**
- East **25%**

A leading distributor of industrial products in Canada.

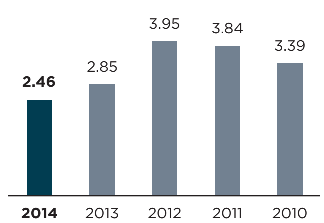
- West **40%**
- Central **18%**
- East **42%**

For the years ended December 31 (in millions of Canadian dollars, except per share data)	**2014**	2013	2012
Revenue	**$ 1,451.3**	$ 1,428.5	$ 1,466.0
Net earnings	**41.2**	47.7	65.9
Cash generated from (used in) operating activities	**52.9**	24.1	(39.1)
Current assets net of current liabilities, exclusive of funded net debt(2)(3)	**270.0**	272.6	243.9
Funded net debt(2)(3)	**201.0**	205.0	173.7
Shareholders' equity	**248.5**	247.2	241.9
Basic earnings per share	**2.46**	2.85	3.95
Cash dividends declared	**2.40**	2.68	3.10
Leverage ratio(3)	**2.12**	2.15	1.55
Weighted average number of shares outstanding	**16,772,769**	16,737,086	16,699,874

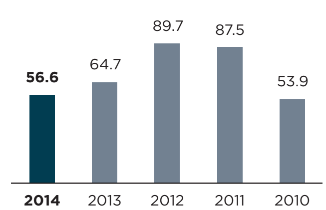
REVENUE ($ millions)



BASIC EARNINGS PER SHARE(1) ($)



EARNINGS BEFORE INCOME TAXES(1)(3) ($ millions)



(1) For years prior to 2011, Wajax was an income fund and effectively not subject to income tax.
(2) Funded net debt includes bank debt, senior unsecured notes, bank indebtedness and obligations under finance leases, net of cash.
(3) These amounts do not have standardized meaning prescribed by GAAP, see Management's Discussion and Analysis, page 21.

OUR PRODUCT DIVISIONS

Wajax has three distinct product divisions, which operate through a network of 123 branches across Canada.

Wajax is a multi-line distributor and each of its divisions represents a number of leading worldwide manufacturers.

Our customer base is diversified, spanning construction, industrial and commercial, transportation, the oil sands, forestry, oil and gas, metal processing and mining.

2014 REVENUE BY GEOGRAPHIC REGION

	2014	2013
Western Canada	**52%**	53%
Central Canada	**21%**	20%
Eastern Canada*	**27%**	27%

*Includes Quebec and the Atlantic provinces.

2014 REVENUE BY MARKET(2)

	2014	2013
Construction	**16%**	16%
Industrial/Commercial	**16%**	18%
Transportation	**13%**	12%
Oil Sands	**13%**	12%
Forestry	**11%**	10%
Oil and Gas	**8%**	8%
Mining	**7%**	7%
Metal Processing	**4%**	4%
Government and Utilities	**3%**	5%
Other	**9%**	8%

EQUIPMENT

- The largest multi-line distributor of mobile equipment in Canada.
- 32 branches.
- 933 employees.
- 50% of total revenue and 60% of total earnings before finance costs and income taxes.(1)

BUSINESS

Distribution, rental, modification and servicing of mobile equipment from leading manufacturers.

PRODUCTS AND SERVICES

Sales and service of excavators, articulated dump trucks, lift trucks, mining trucks and shovels, forest harvesting equipment, utility equipment, loader backhoes, container handlers, cranes (including crawler and rough terrain cranes), skid steer loaders and wheel loaders, road paving equipment, milling machines, crushing and screening equipment.

MAJOR VENDORS

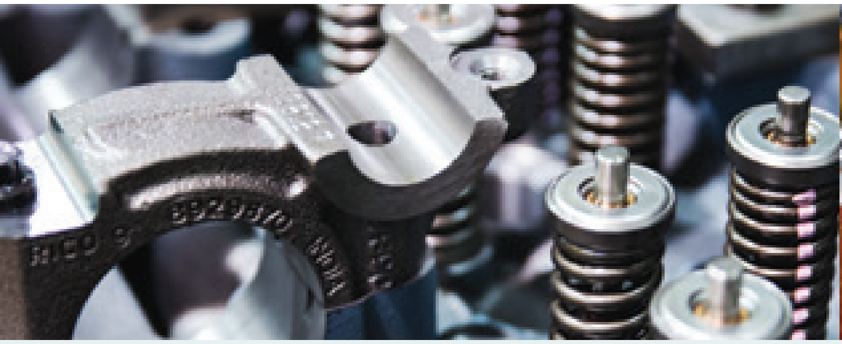
Hitachi, Hyster, Yale, Tigercat, JCB, Telelect/Terex, Palfinger, Bell and the Wirtgen Group.

2014 REVENUE BY MARKET(2)

	2014	2013
Construction	**29%**	29%
Oil Sands	**16%**	16%
Forestry	**14%**	12%
Industrial/Commercial	**14%**	17%
Transportation	**7%**	8%
Mining, Oil and Gas (excluding Oil Sands)	**7%**	7%
Government and Utilities	**6%**	5%
Other	**7%**	6%

(1) Total revenue and total earnings before financial costs and income taxes exclude segment eliminations.
(2) Certain 2013 revenues have been reclassified to conform with current year classifications.

POWER SYSTEMS



- One of the largest distributors of diesel engines and transmissions in Canada.
- 28 branches.
- 986 employees.
- 22% of total revenue and 21% of total earnings before finance costs and income taxes.[1]

BUSINESS

Distribution, sales and service of heavy-duty engines and transmissions across a wide range of markets and power generation product sales, service and rentals across Canada.

PRODUCTS AND SERVICES

Heavy-duty diesel and natural gas engines, transmissions and power generation equipment supported by a national parts and service network.

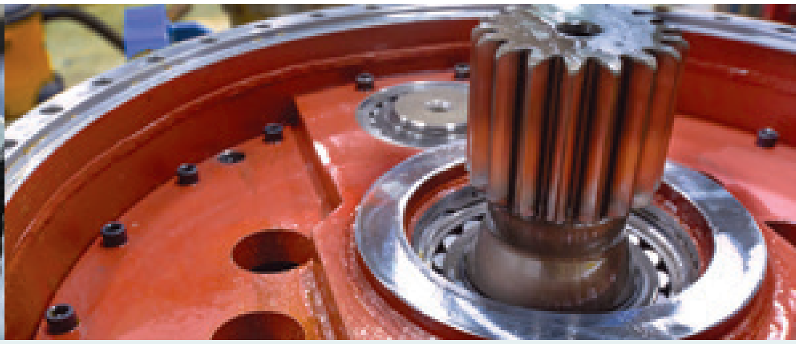
MAJOR VENDORS

MTU, Detroit, Allison, Volvo and Deutz.

2014 REVENUE BY MARKET[2]

	2014	2013
On-Highway Transportation	**37%**	32%
Industrial/Commercial	**16%**	21%
Oil and Gas	**15%**	19%
Oil Sands	**12%**	8%
Mining	**6%**	6%
Other	**14%**	14%

INDUSTRIAL COMPONENTS



- A leading distributor of industrial products in Canada.
- 63 branches.
- 769 employees.
- 28% of total revenue and 19% of total earnings before finance costs and income taxes.[1]

BUSINESS

Distribution, servicing, engineering, custom design and assembly of industrial components for in-plant customers and original equipment manufacturers.

PRODUCTS AND SERVICES

Bearings, power transmission, hydraulics, pneumatics, pumps, filtration, instrumentation, process bulk material handling, fluid handling, safety and mill supplies and engineered repair services.

MAJOR VENDORS

SKF, Eaton, Timken, Schaeffler, Moyno and 3M.

2014 REVENUE BY MARKET[2]

	2014	2013
Industrial/Manufacturing	**16%**	16%
Forestry	**13%**	12%
Mining	**12%**	12%
Metal Processing	**11%**	10%
Oil and Gas	**10%**	10%
Oil Sands	**8%**	9%
Transportation	**5%**	5%
Construction	**4%**	5%
Food and Beverage	**4%**	4%
Other	**17%**	17%

TO OUR SHAREHOLDERS

In 2014, we made significant progress in laying the foundation for future growth. Following the first quarter, our financial performance improved as the year progressed despite continuing and emerging challenges in the mining, oil and gas and oil sands markets.

This letter provides a brief summary of our performance and introduces the fundamentals of a renewed long-term strategy that re-orients our focus on investment and growth. The strategy is a result of an extensive review of our competitive position and shareholder value creation and plots a course for improvements to both.

In 2014, consolidated revenue of $1.45 billion increased 2% compared to 2013. Basic earnings per share declined 14% to $2.46 due primarily to increased financing costs and a restructuring provision.

Among the many achievements in 2014:

- We continued to improve our Health and Safety programs and achieved an overall branch safety evaluation score of 93%, an increase from 90% in 2013. Our branch evaluation and training programs focus on our goal of ensuring that every member of our team goes home safely and uninjured at the end of every shift.
- We restructured our Industrial Components division, implementing a new organizational model that reduced related costs by an estimated $5 million per year and improves our ability to grow product and service volume.
- We combined our Equipment division's oil sands services business (previously referred to as Rotating Products) with our Engineered Repair Services business in Industrial Components. Managed by Industrial Components, this change creates a national platform to cover a broader range of our customers' needs in their day-to-day maintenance and repair operations.
- We maintained a strong position in oil sands mining with Hitachi hydraulic shovel sales and with our Hitachi EH5000 truck pilot. In 2014, oil sands new equipment shovel sales were $24.8 million (versus $5.8 million in 2013) and $35.7 million remained in backlog at year end for future delivery (versus $5.1 million in 2013).
- Our performance in markets with more stable conditions helped to offset some of the pressure from mining and oil and gas. Notably, we experienced strong growth in forestry related sales in both our Equipment and Industrial Components divisions of 15% and 8% respectively, and our Power Systems On-Highway parts and service sales increased 12% in a highly competitive market.

To all the members of the Wajax team who worked on these and other objectives serving the needs of our customers, thank you for your hard work and continuing dedication.

Wajax Senior Management Team
Left to right: Michael Gross, Stuart Auld, Mark Foote, Katie Hunter, Steve Deck, Brian Dyck, John Hamilton.

The following pages of this Annual Report provide an overview of our renewed long-term growth strategy. Simply stated, our goal is to be Canada's leading industrial products and services provider, distinguished through:

- The excellence of our sales force;
- The breadth and efficiency of our repair and maintenance operations; and
- Our ability to work closely with existing and new vendor partners to constantly expand our product offering to customers.

As one of Canada's most diversified industrial distributors, our strategy builds upon our dedicated team, national branch network, diverse market expertise, world-class vendor base and strong customer relationships.

To those existing strengths, we add our 4 Points of Growth:

- Development of our Core Capabilities;
- Clear organic growth priorities;
- Building our capacity to complete and integrate Engineered Repair Services acquisitions; and
- Investment in systems that will improve our operational efficiencies and customer service.

Wajax is building a stronger organization, broader customer value proposition and more durable future earnings.

Improving the durability of our earnings was a key factor in establishing our direction. Our product sales expertise and strong vendor base have allowed us to benefit greatly from positive capital investment cycles, particularly in resource markets that have benefited from strong commodity prices. However, our performance under less positive conditions must improve. The strategy addresses that requirement in large part through investment in our core capabilities and a clear focus, in all of our divisions, on the profitability and growth of a wide range of repair, maintenance and value-added services that are a more stable source of revenue. Our strategy also brings our businesses closer together to improve efficiencies and meet a broader range of our customers' needs.

We have established financial targets for the 5-year timeframe from 2015 – 2019. Our goals over that period are to grow net earnings at a minimum compounded annual growth rate (CAGR) of 7.5% and to target a leverage ratio range of 1.5 – 2.0 times[1].

In order to increase the funds available to invest in this strategy, provide additional liquidity in this time of economic uncertainty and bring more stability to dividend payments over the business cycle, the board of directors has approved a change to the Corporation's dividend policy and a reduction in the dividend amount. The previous policy of paying a monthly dividend based on a minimum of 75% of expected net earnings has been changed to implement a quarterly dividend with an initial target amount of $0.25 per share.

We are focussed on the long term despite what we expect will be a difficult 2015.

Ongoing weakness in oil and other commodity prices is anticipated to have a negative effect on our customers in the mining, oil and gas and oil sands markets, which represented 28% of total revenue in 2014. As a result, we expect that the 52% of our revenue derived from Western Canada will come under pressure in 2015. Respecting these issues, we plan to push forward with a prudent investment plan to support our strategy, balancing current conditions with the long-term benefits these programs deliver.

Over 157 years of operation, Wajax has a long history of reinvention. We are very confident that our strategy provides a strong platform for future growth and our team is committed to executing our plan and delivering our targets.

Mark Foote
Chief Executive Officer

(1) Leverage ratio does not have a standardized meaning prescribed by GAAP, see Management's Discussion and Analysis, page 21.

OUR FOUR POINT GROWTH STRATEGY

As one of Canada's most diversified industrial distributors, this strategy builds upon our dedicated team, national branch network, diverse market expertise, world-class vendor base and strong customer relationships. To those existing strengths, we add our 4 Points of Growth:

- Development of our Core Capabilities;
- Clear organic growth priorities;
- Building our capacity to complete and integrate Engineered Repair Services acquisitions; and
- Investment in systems that will improve our operational efficiencies and customer service.

Our goal is to be Canada's leading industrial products and services provider, distinguished through:

- The excellence of our sales force;
- The breadth and efficiency of our repair and maintenance operations; and
- Our ability to work closely with existing and new vendor partners to constantly expand our product offering to customers.

No. 1

CORE CAPABILITIES

***Core Capabilities* are the organizational skills that drive our business. We are investing to achieve excellence and to continually improve the service we provide to our customers and the added value we deliver for our vendors.**

OUR SALES FORCE

The Wajax team includes approximately 660 sales representatives and leaders. Increasing our investment in our sales force is one of the most important aspects of our strategy – it has a direct effect on relationships with customers, improves short-term revenue and earnings and builds a stronger future sales pipeline. The excellence of our sales force is also a major driver in developing even stronger vendor relationships and attracting new vendors to broaden our product offerings.

660 sales personnel

Our strategy includes:

- Implementation of a new and customized Wajax sales process and increased investment in training for sales representatives and leaders. Through our partnership with CorpU, an emerging leader in interactive on-line learning, new training programs will be piloted in 2015. As these programs are implemented, they will increasingly be available from a variety of mobile devices, ensuring our sales professionals benefit from ongoing access to training without sacrificing time with customers.
- Implementation of a company-wide Customer Relationship Management (CRM) solution to support our new sales process and improve access to customer information across our product divisions.
- Development of Strategic Account programs that improve our efficiencies and growth with major customers.

CORP/U
GROW SMARTER

Wajax is partnering with CorpU to launch our corporate university to provide the training platform that will build our core capabilities.

OUR REPAIR AND MAINTENANCE OPERATIONS

Our repair and maintenance operations include approximately 900 shop, field and supervisory technical personnel, as well as a growing engineering team. Our focus is to improve the efficiency and profitability of current service operations and to expand our range of services.

900+ technicians

EXPANDING THE SERVICE OF INDUSTRIAL COMPONENTS

Wajax engineered pillow blocks being installed on an aluminum crucible cleaner located in Bahrain.

Our strategy includes:

- Establishing aggressive profit improvement goals and enhancing measurement systems for service operations, increased levels of operational support and improved training.
- Expanding our range of services, with a heavy focus in Industrial Components, where our branch network, engineering and technical teams continue to build new capabilities, including shop and field maintenance, and on-site project and process management. For further information, see *Organic Growth* and *Acquisitions*.

OUR PRODUCT AND VENDOR DEVELOPMENT CAPABILITY

Due to our national branch network, broad range of customers and diverse market experience, Wajax is uniquely positioned to work with existing and new vendors to extend the scope of products and services we offer, with a focus on markets that offer the highest aftermarket opportunity.

Our strategy includes:

- Creation of market teams which combine experts from our product divisions to identify and develop new product and service opportunities based on the needs of our customers. These programs are valuable vendor development opportunities for existing and new vendors where Wajax's infrastructure and expertise can cooperatively build new business.
- Implementation of new measurement systems to monitor new product and service development. We are focused on building a multi-year pipeline which will contribute significantly to future growth.

PRODUCT AND VENDOR DEVELOPMENT EXAMPLES

MTG GET (Ground Engaging Technology) Innovative, proprietary teeth, adapters, shroud and locking devices for earthmoving machinery increase customer production through "stay-sharp" cost effective solutions, resulting in lowering customer production and operating costs.

GFS Bi-Fuel The GFS EVO Bi-Fuel system, which is used in the oil and gas market, substitutes natural gas in diesel engines to reduce diesel fuel costs by up to 50% in drilling rigs, frac and power generation units.

3M Filtration The High Flow series filter system is an advanced design that uses 3M innovation and 3M Purification's extensive filtration experience to deliver a high flow filter in a compact housing design, optimizing both performance and effluent quality.

No. 2 ORGANIC GROWTH

ERS Expertise Assists Large Mining Customer
Two pillow block assemblies (each weighing between 13,000 and 14,500 lbs.) were replaced, supporting a new 102 ton convertor for customer QIT (Rio Tinto group) in Sorel-Tracy, Quebec.

We estimate that the majority of our earnings growth over the 5-year timeframe from 2015 – 2019 will result from investing in our Core Capabilities, increases in our base business and four major organic growth programs.

ENGINEERED REPAIR SERVICES (ERS)

The experience gained in providing products and services to mining, oil and gas and oil sands customers will allow us to significantly grow our ERS business. Using field sales, major accounts groups, engineering teams and our branch network, we are extending our product and service range to better meet customers' day-to-day plant maintenance and repair needs. In 2014, our revenue from ERS was $68.8 million.

- Our capabilities include field and shop repair and maintenance, in-house process and product engineering, turn-key solutions development and on-site project and process management and asset management.
- Our services promote the full range of industrial components products we offer, including hydraulics, process pumps, bearings and power transmission.

ELECTRICAL POWER GENERATION (EPG)

Our objective is to grow significantly in the estimated $900 million Canadian market by leveraging strong vendor relationships and what we consider to be the industry's best team of EPG professionals. Our EPG revenue in 2014 was $95.4 million and the business has achieved a CAGR growth rate of 6.4% over the past three years.

The Wajax Quiet Power 600 is a 600KW proprietary rental generator designed and built by Wajax for cold weather operations. This unit and additional power nodes units will be added to Wajax's EPG rental fleet.

The Hitachi EX8000 loads a Hitachi rigid frame mining truck in four passes. Wajax is Hitachi's exclusive national partner in Canada. Working together, Wajax will build on its strong hydraulic mining shovel platform for entry into the rigid frame mining truck market.

- In partnership with our primary vendor, MTU On-Site Energy, we offer a broad range of generator set options and services for both diesel and natural gas applications. Our project capabilities range from small commercial standby systems to very large prime power projects.
- Our growth opportunities are in project and product sales, rental, service and the expansion of our preventative maintenance and inspection services.

MINING EQUIPMENT

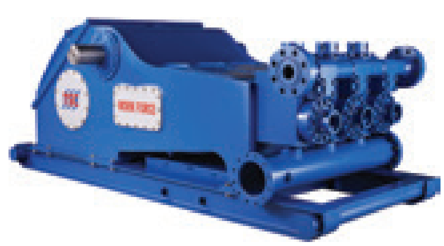
Our strategy is to work in partnership with Hitachi to continue to be a leader in the sales and servicing of hydraulic mining shovels and to become a new force in the large (>140 MT) rigid-frame mining truck market. Trucks and shovels are major purchasing decisions for mining customers due to their integral role in production costs. The total Hitachi-related revenue of our Equipment division in 2014 from mining (including oil sands) equipment, parts and service was $111.5 million.

- Hitachi is a world leader in hydraulic mining shovels. Wajax is Hitachi's Canadian national partner with 2014 shovel market share estimated at 30%. The credibility established by Hitachi and Wajax is a strong platform for entry into the truck market.
- Success in the large mining truck market is an important part of Hitachi's global business strategy and Canada is a key market due to the prevalence of surface mining operations, including the oil sands. Success in the Canadian mining truck market will provide Wajax with long-term growth potential in an equipment category with significant aftermarket potential.

DIVERSIFY OIL AND GAS PRODUCTS AND SERVICES

Our strategy is to build on our strong market share and expertise in core oil and gas equipment components (engines, transmissions and hydraulics). Extending our range of products and services will improve our growth and resiliency in this important market. In 2014, total revenue of our Power Systems and Industrial Components divisions from oil and gas products and services was approximately $112.7 million.

- In partnership with our primary vendors, MTU, Detroit and Allison, we are continuing to introduce new products that address the high horsepower demands of drilling and well stimulation customers, as well as emerging emissions requirements.
- We are extending our range of products and services to improve our responsiveness to the needs of customers and to increase our share of the maintenance, modification and refurbishment market. New products include mud pumps and bi-fuel conversion kits which allow diesel engines to run partially on natural gas. New services include repair and custom rebuild programs targeted at the estimated 2,500 major pieces of equipment operated by drilling, service and pressure pumping companies in Canada.



TSC offers a comprehensive range of triplex mud pumps that deliver exceptional performance for oil field application.

No. 3

ACQUISITIONS

Our focus is building our capacity to acquire and integrate regional Engineered Repair Services companies into our Industrial Components ERS business.

Acquisitions are intended to accelerate the growth we achieve organically and to expand our repair and maintenance capabilities.

Ideal target companies:

- $10 – $20 million in revenue and operating profit margins of 10 – 20%;
- Generally low capital requirements;
- Focused on markets with high maintenance and repair requirements, such as mining;
- Excellent customer relationships;
- Specialize in services related to one or more of our industrial components categories of hydraulics, process pumps and bearing and power transmission products;
- Have personnel and capabilities to add to Wajax's existing ERS business; and
- Have complementary product distribution rights, where applicable.

Through acquisitions, Wajax adds additional expertise to its team to improve internal repair and maintenance capabilities and accelerate growth.

Based on our current view of the Canadian marketplace, we anticipate that Wajax will allocate up to $100 million in capital to the acquisition of ERS companies over the 5-year timeframe.

No. 4

SYSTEMS

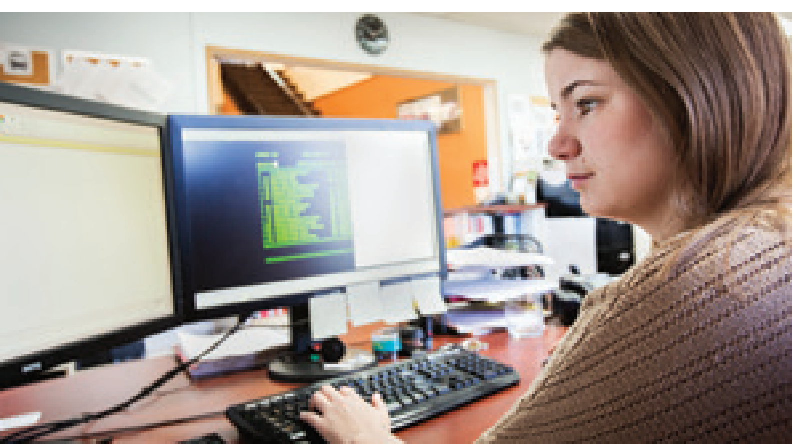
We plan to increase our investment in systems over the 5-year timeframe to improve operational efficiencies, support for our sales and service teams and to increase the integration and operational consistency of our product divisions.

Our strategy includes:

- The phased implementation of a common operating system for our product divisions, replacing the multiple systems currently in use.
- Implementation of a company-wide Customer Relationship Management (CRM) system to support our new sales process and improve access to customer information across our product divisions.
- Implementation of common training systems to increase our effectiveness in managing the safety, recruitment and development of our team.

Based on our current estimates, we plan to invest up to an incremental $30 million in systems (capital and operating expenses) over the 5-year timeframe. Decisions on specific systems vendors are expected to be made in 2015 and no significant spending is expected to begin before 2016.

$30 million
in planned incremental systems investment



Our investment in systems will improve operational efficiency, support our sales and service teams and enhance our ability to meet customer requirements.

WAJAX TEAM

We continued to act on the feedback from our most recent employee opinion survey to enhance the safety, engagement and satisfaction of our 2,725 team members.

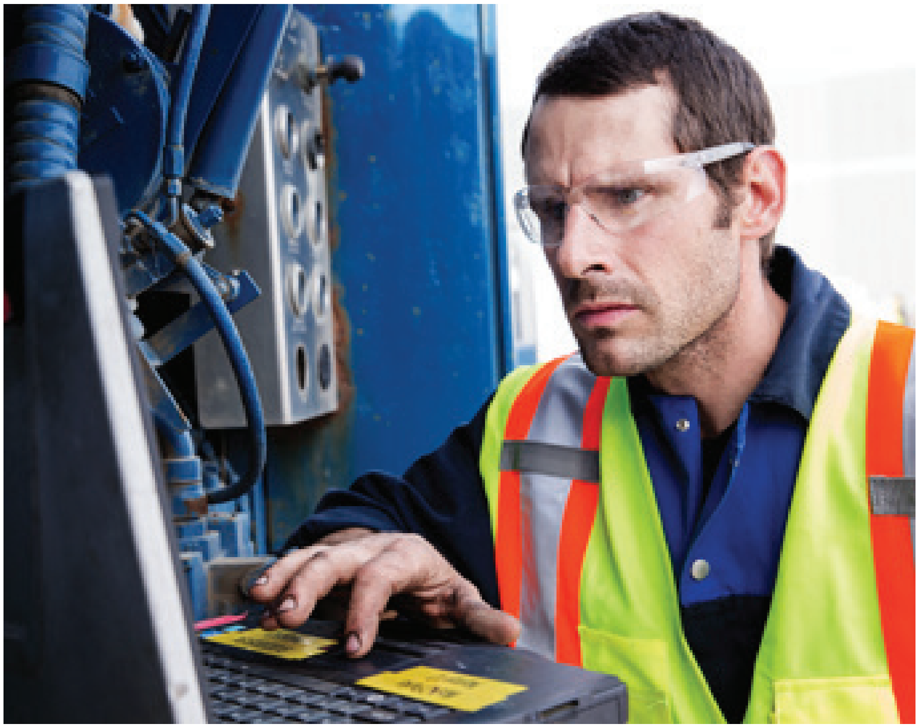
In addition to our health and safety programs, our focus has been on two specific areas that our team members have identified as priorities:

- **Enhancing Communications –** Our team is spread among multiple product divisions and a national branch network and our field technicians and sales representatives are regularly on the road. In addition to the many group and regional meetings now conducted to keep the overall team aware of what's happening in the company, we launched the *Wajax Connector* in 2014. This quarterly bilingual digital newsletter combines news and information from all product divisions, including information on markets and customers, health and safety and team and individual achievements.
- **Investment in Training –** In addition to the technical training our teams receive, we increased the focus in other areas, including supervisory training to support our front line leaders.

In 2014, we launched an online learning centre which currently delivers 12 programs in areas such as leadership, performance and financial management for Branch Managers. Our attention to training will continue to increase with the more advanced infrastructure being designed to support our sales and service teams.

Launched in 2014, the *Wajax Connector* digital newsletter provides regular updates to employees on the company and the markets we serve.

We held 69 local team meetings to discuss the results of the Employee Opinion Survey (EOS) and to create action plans to address issues. On a quarterly basis, we bring all of the company's branch managers and leadership together via a webcast to discuss results and provide information on important objectives that are then shared with the branch teams.



WAJAX @

Training and development tools are provided through Wajax's online learning centre

HEALTH AND SAFETY

Our objective is to ensure that every member of our team goes home safely and uninjured at the end of every shift.

In 2014, we continued to improve our Health and Safety programs in support of that important objective:

- Our primary tool for assessing Health and Safety effectiveness is our Branch Evaluation Program. In 2014, we made significant upgrades to that program, including expanding the areas of safety review, increasing the frequency of staff interviews and implementing higher minimum evaluation scores. Branch evaluations conducted by our Health and Safety team are not announced in advance, to ensure the results of the evaluation represent the actual day-to-day safety environment in which our team works.
- Even with the increased intensity of the program and the higher minimum standards, we are proud that our team achieved an average overall branch evaluation score of 93%, an increase from last year's average score of 90% and exceeding the new minimum target of 90%.

Ultimately, the success and effectiveness of our Health and Safety programs is measured on actual workplace injury performance and we have yet to achieve our goal of zero injuries. To continue progress, our planned 2015 program enhancements include revised evaluation procedures and an increased focus on learning from incidents to improve accident prevention.

Lost time Injuries down

↓73%

Improvement since the start of the Health and Safety program in 2007.

Total recordable injuries down

↓61%

From 2007 to 2014.

93%

Average health and safety branch evaluation score for 2014.

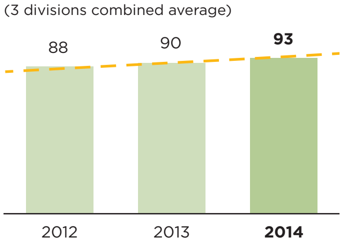
Days lost to workplace injury down

↓33%

From 2007 to 2014.

ANNUAL BRANCH EVALUATION SCORE (%)

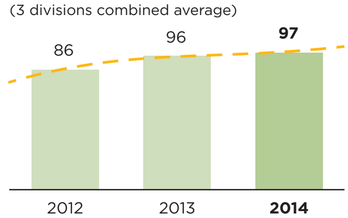
(3 divisions combined average)



Average branch evaluation score increased to 93% in 2014. Each year, we increase the scope and effectiveness of the audit process and the expectations of results. Branch evaluation scores are an important leading indicator of health and safety performance.

ON-TIME COMPLETION OF BRANCH EVALUATION CORRECTIVE ACTIONS (%)

(3 divisions combined average)



Corrective Actions are treated as a priority and a key to accident prevention. Issues that could result in injury are assigned a timeframe within which they must be corrected. In 2014, 97% of issues identified were corrected on time.


HITACHI

MESSAGE FROM THE CHAIRMAN

Despite new and ongoing market challenges in 2014, Wajax continued to strengthen management capability and effectiveness through talent acquisition and development, to build better operating systems, to drive efficiencies and to gradually improve operating results as the year progressed. The development and execution of a renewed long-term strategy is expected to generate more sustained and resilient earnings as we look to 2015 and beyond.

The continued hard work of Mark and his team to drive efficiencies and execute on key growth initiatives led to a gradual improvement in operating performance throughout the year, despite continuing challenges in the mining and oil and gas markets, as well as new challenges presented by the more recent and significant decline in global oil prices. During the year, senior management embarked on an extensive, months long review of Wajax's competitive position and value creation model, resulting in the renewed long-term corporate strategy introduced in Mark's letter to shareholders in this Annual Report. As a Board, we believe very strongly that the strategy's enhanced focus on the company's core capabilities, organic growth initiatives, acquisitions and systems will build a more robust organization and position Wajax for more sustained and resilient earnings over the planning cycle and beyond.

During 2014, the Board continued to monitor and assess evolving corporate governance trends and best practices. We held our second say-on-pay advisory vote, again achieving positive results, and maintained our emphasis on ongoing director education through our regular speaker series and director site visit program. We also adopted a formal policy regarding board and executive officer diversity, with gender diversity as a specific objective. To further strengthen the relevant industry-specific knowledge and experience on the Board, we welcomed Thomas Alford as a director in December 2014. Thomas brings over 34 years of experience in the western Canadian oil and gas servicing industry, and was most recently the President and Chief Executive Officer of IROC Energy Services. We look forward to his contributions as a director.

J.D. Hole will be retiring from the Board at Wajax's upcoming Annual Meeting. A director since 2006, J.D. has added significantly to the work of the Governance and Human Resources and Compensation Committees, and his counsel to the Board and management has been invaluable. On behalf of Wajax shareholders, management and the Board, I extend our gratitude to J.D. for his service and wish him health and happiness.

As challenging as market conditions were in 2014, our determined team of managers and employees rose consistently to the challenge. On behalf of the Board, I thank them for their efforts and dedication. Thank you as well to our loyal customers and suppliers, and to my fellow directors for their support and guidance throughout the year.

Paul E. Gagné
Chairman of the Board

BOARD OF DIRECTORS

Thomas M. Alford ▲■
Director since 2014

Mr. Alford is a corporate director.

Edward M. Barrett ●▲
Director since 2006

Mr. Barrett is Chairman and Co-Chief Executive Officer of Barrett Corporation.

Ian A. Bourne ●
Director since 2006

Mr. Bourne is a corporate director.

Douglas A. Carty ●■
Director since 2009

Mr. Carty is a corporate director and the Chairman and Co-Founder of Switzer-Carty Transportation Inc.

Robert P. Dexter ▲■
Director since 1988

Mr. Dexter is Chairman and Chief Executive Officer of Maritime Travel Inc.

John C. Eby ●■
Director since 2006

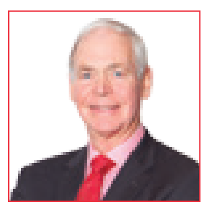
Mr. Eby is a corporate director and a Founder and the President of Developing Scholars.

A. Mark Foote
Director since 2012

Mr. Foote is President and Chief Executive Officer of the Corporation.

Paul E. Gagné
Director since 1996

Mr. Gagné is a corporate director and the Chairman of the Board of Directors of the Corporation.



J.D. Hole ▲■
Director since 2006

Mr. Hole is a corporate director and the President of J.D. Hole Investments Inc.

Alexander S. Taylor ▲■
Director since 2009

Mr. Taylor is President, Power Group of SNC-Lavalin Group Inc.

● Audit Committee
▲ Human Resources and Compensation Committee
■ Governance Committee

FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") discusses the consolidated financial condition and results of operations of Wajax Corporation ("Wajax" or the "Corporation") for the year ended December 31, 2014. This MD&A should be read in conjunction with the information contained in the Corporation's Consolidated Financial Statements and accompanying notes for the year ended December 31, 2014. Information contained in this MD&A is based on information available to management as of March 3, 2015.

Unless otherwise indicated, all financial information within this MD&A is in millions of Canadian dollars, except ratio calculations, share, share rights and per share data. Additional information, including Wajax's Annual Report and Annual Information Form, are available on SEDAR at www.sedar.com.

RESPONSIBILITY OF MANAGEMENT AND THE BOARD OF DIRECTORS

Management is responsible for the information disclosed in this MD&A and the Consolidated Financial Statements and accompanying notes, and has in place appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is materially complete and reliable. Wajax's Board of Directors has approved this MD&A and the Consolidated Financial Statements and accompanying notes. In addition, Wajax's Audit Committee, on behalf of the Board of Directors, provides an oversight role with respect to all public financial disclosures made by Wajax, and has reviewed this MD&A and the Consolidated Financial Statements and accompanying notes.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Wajax's management, under the supervision of its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), is responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR").

As at December 31, 2014, Wajax's management, under the supervision of its CEO and CFO, had designed DC&P to provide reasonable assurance that information required to be disclosed by Wajax in annual filings, interim filings or other reports filed or submitted under applicable securities legislation is recorded, processed, summarized and reported within the time periods specified in such securities legislation. DC&P are designed to ensure that information required to be disclosed by Wajax in annual filings, interim filings or other reports filed or submitted under applicable securities legislation is accumulated and communicated to Wajax's management, including its CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

As at December 31, 2014, Wajax's management, under the supervision of its CEO and CFO, had designed internal control over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS"). In completing the design, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in its 2013 version of Internal Control – Integrated Framework. With regard to general controls over information technology, management also used the set of practices of Control Objectives for Information and related Technology ("COBIT") created by the IT Governance Institute.

During the year, Wajax's management, under the supervision of its CEO and CFO, evaluated the effectiveness and operation of its DC&P and ICFR. This evaluation included a risk evaluation, documentation of key processes and tests of effectiveness conducted on a sample basis throughout the year. Due to the inherent limitations in all control systems, an evaluation of the DC&P and ICFR can only provide reasonable assurance over the effectiveness of the controls. As a result, DC&P and ICFR are not expected to prevent and detect all misstatements due to error or fraud. The CEO and CFO have concluded that Wajax's DC&P and ICFR were effective as at December 31, 2014.

There was no change in Wajax's ICFR that occurred during the three months ended December 31, 2014 that has materially affected, or is reasonably likely to materially affect, Wajax's ICFR.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Annual Report and MD&A contains certain forward-looking statements and forward-looking information, as defined in applicable securities laws (collectively, "forward-looking statements"). These forward-looking statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "anticipates", "intends", "predicts", "expects", "is expected", "scheduled", "believes", "estimates", "projects" or "forecasts", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward looking statements involve known and unknown risks, uncertainties and other factors beyond the Corporation's ability to predict or control which may cause actual results, performance and achievements to differ materially from those anticipated or implied in such forward looking statements. There can be no assurance that any forward looking statement will materialize. Accordingly, readers should not place undue reliance on forward looking statements. The forward looking statements in this Annual Report and MD&A are made as of the date of this MD&A, reflect management's current beliefs and are based on information currently available to management. Although management believes that the expectations represented in such forward-looking statements are reasonable, there is no assurance that such expectations will prove to be correct. Specifically, this Annual Report and MD&A includes forward looking statements regarding, among other things, our renewed long-term growth strategy and the goals for such strategy, including our goal of becoming Canada's leading industrial products and services provider; our "4 Points of Growth" framework to grow the Corporation; our financial targets for the 5-year timeframe from 2015 – 2019, including our goal of growing our net earnings at a minimum compounded annual growth rate of 7.5% and our target leverage ratio range of 1.5 – 2.0 times; our planned investments and strategies with respect to our core capabilities, organic growth initiatives, acquisitions and information systems/technology, and the expected benefits therefrom; the expected benefits and cost savings from the restructuring of our Industrial Components segment; our financing and working capital requirements, as well as our capital structure and leverage ratio; our foreign exchange exposure; our plan to increase the funds available to invest in our renewed long-term growth strategy, increase liquidity and enhance the stability of our dividends by adopting a new dividend policy and reducing our dividend amount; the frequency of our dividend payments and the expected target dividend amount; our belief that our renewed strategy will improve the rate and durability of our growth; our outlook for 2015 and some of the challenges expected during the year, including the anticipated negative effects of downward pressure on oil and commodity prices on key end markets such as mining, oil and gas and oil sands; and the expected effects of our cost reduction efforts and efforts to manage working capital. These statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions regarding general business and economic conditions; the supply and demand for, and the level and volatility of prices for, oil and other commodities; financial market conditions, including interest rates; our ability to execute our renewed long-term growth strategy, including our ability to develop our core capabilities, execute on our organic growth priorities, complete and effectively integrate acquisitions and to successfully implement new information technology platforms, systems and software; the future financial performance of the Corporation; our costs; market competition; our ability to attract and retain skilled staff; our ability to procure quality products and inventory; and our ongoing relations with suppliers, employees and customers. The foregoing list of assumptions is not exhaustive. Factors that may cause actual results to vary materially include, but are not limited to, a deterioration in general business and economic conditions; volatility in the supply and demand for, and the level of prices for, oil and other commodities; a continued or prolonged decrease in the price of oil; fluctuations in financial market conditions, including interest rates; the level of demand for, and prices of, the products and services we offer; levels of customer confidence and spending; market acceptance of the products we offer; termination of distribution or original equipment manufacturer agreements; unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, our inability to reduce costs in response to slow-downs in market activity, unavailability of quality products or inventory, supply disruptions, job action and unanticipated events related to health, safety and environmental matters); our ability to attract and retain skilled staff and our ability to maintain our relationships with suppliers, employees and customers. The foregoing list of factors is not exhaustive. Further information concerning the risks and uncertainties associated with these forward looking statements and the Corporation's business may be found in this MD&A under the heading "Risk Management and Uncertainties" and in our Annual Information Form for the year ended December 31, 2014, filed on SEDAR. The forward-looking statements contained in this Annual Report and MD&A are expressly qualified in their entirety by this cautionary statement. The Corporation does not undertake any obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws. Readers are further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgements and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

WAJAX CORPORATION OVERVIEW

Wajax is a leading Canadian distributor engaged in the sale and service support of mobile equipment, power systems and industrial components. Reflecting a diversified exposure to the Canadian economy, Wajax has three distinct product divisions which operate through a network of 123 branches across Canada.

Wajax's customer base covers core sectors of the Canadian economy, including construction, industrial and commercial, transportation, the oil sands, forestry, oil and gas, metal processing and mining.

STRATEGY

On March 3, 2015, the Corporation announced a renewed long-term growth strategy. The Corporation's goal is to be Canada's leading industrial products and services provider, distinguished through: sales force excellence, breadth and efficiency of repair and maintenance operations and an ability to work closely with existing and new vendor partners to constantly expand its product offering to customers.

As one of Canada's most diversified industrial distributors, the renewed strategy builds upon the Corporation's dedicated team, national branch network, diverse end market expertise, world-class vendor base and strong customer relationships. These existing strengths will be leveraged through the following 4 Points of Growth:

(1) Development of Core Capabilities;
(2) Clear organic growth priorities;
(3) Building the Corporation's capacity to complete and integrate Engineered Repair Services acquisitions; and
(4) Investment in systems that will improve operational efficiencies and customer service.

The Corporation has also established financial targets for the 5-year timeframe from 2015 – 2019. Goals over that period are to grow net earnings at a minimum compounded annual growth rate ("CAGR") of 7.5% and to target a leverage ratio range of 1.5 – 2.0 times. (See the Non-GAAP and Additional GAAP Measures section.)

Wajax's objective is to improve long-term shareholder value through earnings growth (both in terms of growth rate and durability), investment in organizational capabilities and a strengthened competitive position.

The following is a summary of the 4 Points of Growth and related initiatives going forward to drive the strategy:

1) Core Capabilities

The following "Core Capabilities" are the organizational skills that drive Wajax's business. The Corporation will invest to achieve excellence and continually improve the services provided to customers and the added value delivered for vendors.

Wajax Sales Force

Investing in Wajax's sales force is expected to have a direct effect on relationships with customers leading to improved short-term revenue and earnings and building a stronger future sales pipeline. In addition, the excellence of the Wajax sales force is a major driver in developing even stronger vendor relationships and attracting new vendors to broaden the Corporation's product offerings. Specific initiatives supporting this core capability include:

- Implementation of a new, customized Wajax sales process and increased investment in training for sales representatives and leaders.
- Implementation of a company-wide Customer Relationship Management (CRM) solution to support the new sales process and improve access to customer information across each segment of Wajax.
- Development of Strategic Account programs to increase efficiencies and enhance growth with major customers.

Wajax Repair and Maintenance Operations

The Corporation's focus is to improve the efficiency and profitability of current service operations and to expand the range of services. Specific initiatives to support this core capability include:

- Establishing aggressive profit improvement goals and enhanced measurement systems for service operations, and increased levels of operational support and improved training.
- Expanding the range of services, with a heavy focus in the Industrial Components segment, where the Corporation's branch network, engineering and technical teams continue to build new capabilities, including shop and field maintenance, and on-site project and process management. For further information, see the "Organic Growth" and "Acquisitions" sections following.

Product and Vendor Development Capability

Due to the Corporation's national branch network, broad range of customers and diverse end market experience, Wajax is uniquely positioned to work with existing and new vendors to extend the scope of products and services offered, with a focus on end markets that offer the highest aftermarket opportunity. Strategic initiatives to support this core capability include:

- Creation of end market teams which combine experts from each segment to identify and develop new product and service opportunities based on customers' needs.
- Implementation of new measurement systems to monitor new product and service development. The Corporation is focused on building a multi-year pipeline which will contribute significantly to future growth.

2) Organic Growth

The Corporation expects that the majority of its earnings growth over the 5-year timeframe from 2015 – 2019 will come from investing in its core capabilities, improvements in its base business and from the following four major organic growth initiatives:

Engineered Repair Services (ERS) – Using experience gained in providing products and services to mining, oil and gas and oil sands customers, the Corporation's strategy is to significantly grow the Industrial Components segment's ERS business. Through field sales, major accounts groups, engineering teams and the branch network, Wajax is extending its product and service range to better meet customers' day-to-day plant maintenance and repair needs. In 2014, revenue from ERS was approximately $69 million.

- Wajax capabilities include field and shop repair and maintenance, in-house process and product engineering, turn-key solutions development and on-site project and process management and asset management.
- These services will promote the full range of industrial components products offered by Industrial Components, including hydraulics, process pumps, bearings and power transmission.

Electrical Power Generation (EPG) – Wajax's objective is to significantly grow the Power System segment's EPG business in the estimated $900 million Canadian market by leveraging strong vendor relationships and what Wajax considers to be the industry's best team of EPG professionals. EPG revenue in 2014 was approximately $95 million and the business has achieved a CAGR growth rate of approximately 6.4% over the past three years.

- In partnership with the Power Systems segment's primary vendor, MTU On-Site Energy, Wajax offers a broad range of generator set options and services for both diesel and natural gas applications. The segment's project capabilities range from small commercial standby systems to very large prime power projects.
- Growth opportunities are in project and product sales, rental, service and the expansion of preventative maintenance and inspection services.

Mining Equipment – Wajax's strategy is to work in partnership with Hitachi to continue to be a leader in the sales and servicing of hydraulic mining shovels and to become a new force in the large (>140 MT) rigid-frame mining truck market. Trucks and shovels are major purchasing decisions for mining customers due to their integral role in production costs. The total revenue in the Equipment segment in 2014 from Hitachi related mining (including oil sands) equipment, parts and service was approximately $111 million.

- Hitachi is a world leader in hydraulic mining shovels. Wajax is Hitachi's Canadian national partner with 2014 Canadian market share estimated at 30%.
- Success in the Canadian mining truck market will provide Wajax with long-term growth potential in an aftermarket rich equipment category.

Oil and Gas Products and Services – Wajax's strategy is to build on its strong market share and expertise in core oil and gas equipment components (engines, transmissions and hydraulics). Extending the Corporation's range of products and services will improve its growth and resiliency in this important end market. In 2014, the estimated Wajax consolidated revenue from oil and gas products and services was approximately $113 million.

- In partnership with the Power Systems segment's primary vendors, MTU, Detroit and Allison, Wajax is continuing to introduce new products that address the high horsepower demands of drilling and well stimulation customers, as well as emerging emissions requirements.
- The Power Systems and Industrial Components segments are extending their range of products and services to improve their responsiveness to the needs of customers and to increase their share of the maintenance, modification and refurbishment market. New products include mud pumps and bi-fuel conversion kits which allow diesel engines to run partially on natural gas. New services include repair and custom rebuild programs targeted at the estimated 2,500 major pieces of equipment operated by drilling, service and pressure pumping companies in Canada.

3) Acquisitions

Wajax is focused on building capacity to acquire and integrate regional Engineered Repair Services companies into the Industrial Components segment's ERS business. Acquisitions are intended to accelerate the growth achieved organically and to expand repair and maintenance capabilities. Ideal targets are expected to have revenue in the range of $10 – $20 million, with operating profit margins of 10% – 20% generated from markets with high MRO (maintenance, repair and operations) requirements such as mining; generally low capital requirements; and capabilities and product distribution rights that will enhance or complement Wajax's existing ERS business. Based on Wajax's current knowledge and view of the Canadian marketplace, it is anticipated that the Corporation will allocate up to $100 million in capital to the acquisition of ERS companies over the 5-year timeframe.

4) Systems

Wajax plans to increase its investment in systems over the 5-year timeframe to improve operational efficiencies, support for its sales and service teams and to increase the integration and operational consistency of the three segments. Specific initiatives include:

- The phased implementation of a common operating system for each segment, replacing the systems currently in use.
- Implementation of a company-wide Customer Relationship Management (CRM) solution to support the Corporation's new sales process and improve access to customer information across all segments.
- Implementation of common training systems to increase the Corporation's effectiveness in managing the safety, recruitment and development of the Wajax team.

Based on current estimates, Wajax plans to invest up to an incremental $30 million in systems (capital and operating expenses) over the 5-year timeframe. Decisions on specific systems vendors are expected to be made in 2015 and no significant spending is expected to begin before 2016.

ANNUAL CONSOLIDATED RESULTS

		2014		2013
Revenue	**$**	**1,451.3**	$	1,428.5
Gross profit	**$**	**291.7**	$	283.3
Selling and administrative expenses	**$**	**219.3**	$	209.7
Restructuring costs	**$**	**2.8**	$	–
Earnings before finance costs and income taxes(1)	**$**	**69.6**	$	73.7
Finance costs	**$**	**13.0**	$	9.0
Earnings before income taxes(1)	**$**	**56.6**	$	64.7
Income tax expense	**$**	**15.3**	$	17.0
Net earnings	**$**	**41.2**	$	47.7
Basic earnings per share	**$**	**2.46**	$	2.85
Diluted earnings per share	**$**	**2.42**	$	2.81

(1) These amounts do not have a standardized meaning prescribed by generally accepted accounting principles ("GAAP"). See the Non-GAAP and Additional GAAP Measures section.

Overall, 2014 revenue increased $22.8 million as the Corporation's performance in end markets with more stable conditions helped to offset some of the pressure from the mining, oil and gas and construction sectors. In particular, the Industrial Components and Equipment segments were positively impacted by the strength in lumber prices. In addition, the Power Systems segment experienced stronger on-highway parts and service sales in a highly competitive transportation marketplace and the Industrial Components segment benefited from growth in the metal processing sector.

Revenue by Geographic Region

2014

Western Canada	**52%**
Central Canada	**21%**
Eastern Canada*	**27%**

2013

Western Canada	53%
Central Canada	20%
Eastern Canada*	27%

* Includes Quebec and the Atlantic provinces.

Revenue by Segment (2)

2014

Equipment	**50%**
Power Systems	**22%**
Industrial Components	**28%**

2013

Equipment	51%
Power Systems	21%
Industrial Components	28%

EBIT by Segment (2)

2014

Equipment	**60%**
Power Systems	**21%**
Industrial Components	**19%**

2013

Equipment	56%
Power Systems	21%
Industrial Components	23%

Revenue by Market (2)

2014

Construction	**16%**
Industrial/Commercial	**16%**
Transportation	**13%**
Oil Sands	**13%**
Forestry	**11%**
Oil and Gas	**8%**
Mining	**7%**
Metal Processing	**4%**
Government and Utilities	**3%**
Other	**9%**

2013

Construction	16%
Industrial/Commercial	18%
Transportation	12%
Oil Sands	12%
Forestry	10%
Oil and Gas	8%
Mining	7%
Metal Processing	4%
Government and Utilities	5%
Other	8%

(2) Certain 2013 amounts have been reclassified to conform with current year classifications.

Although mining activity, including the oil sands market, remained soft during the year resulting in reduced product support revenues in the Industrial Components and Equipment segments, the Equipment segment increased Hitachi hydraulic shovel sales in 2014 and had a larger backlog at year end compared to 2013.

Revenue

Revenue in 2014 of $1,451.3 million increased 2%, or $22.8 million, from $1,428.5 million in 2013. Equipment segment revenue decreased 1%, or $5.9 million, as increases in forestry volumes were more than offset by lower construction and mining sales. Power Systems segment revenue increased 7%, or $21.7 million, due primarily to higher volumes to on-highway, power generation and off-highway customers. Industrial Components segment revenue increased 2%, or $9.3 million, as strength in the metal processing, industrial and forestry sectors was somewhat offset by lower demand in the oil sands market.

Gross profit

The increase in revenue combined with higher margins in the Equipment segment were the primary contributors to the $8.4 million, or 3%, increase in gross profit in 2014 compared to last year. The gross profit margin percentage of 20.1% increased from 19.8% in 2013 due mainly to higher equipment margins.

Selling and administrative expenses

Selling and administrative expenses increased $9.6 million in the year. The increase was due mainly to higher personnel related costs, including higher annual and mid-term incentives. Selling and administrative expenses as a percentage of revenue increased to 15.1% in 2014 from 14.7% in 2013.

Restructuring costs

The Industrial Components segment recorded restructuring costs of $2.8 million in 2014 to improve the effectiveness of and to simplify the sales force and branch management organization. The restructuring plan has been completed and is expected to result in annual pre-tax cost savings in excess of $5.0 million.

Finance costs

Finance costs of $13.0 million increased $4.0 million compared to 2013 due primarily to the higher cost of borrowing resulting from the Corporation's issuance of $125 million of senior notes on October 23, 2013. See the Liquidity and Capital Resources section.

Income tax expense

The Corporation's effective income tax rate of 27.1% in 2014 increased slightly from 26.3% in 2013.

Net earnings

Net earnings decreased $6.5 million to $41.2 million, or $2.46 per share, from $47.7 million, or $2.85 per share, in 2013. The decrease in net earnings resulted from additional selling and administrative expenses, higher finance costs and $2.8 million of restructuring costs. These negative factors were partially offset by the positive impact of higher volumes compared to last year.

Comprehensive income

Total comprehensive income of $40.7 million in 2014 included net earnings of $41.2 million and an other comprehensive loss of $0.5 million. The other comprehensive loss resulted from after-tax actuarial losses on pension plans of $1.0 million offset by a $0.5 million change in the amount of gains on derivative instruments designated as cash flow hedges recorded in the year.

Funded net debt (See the Non-GAAP and Additional GAAP Measures section)

Funded net debt of $201.0 million at December 31, 2014 decreased $4.0 million compared to $205.0 million at December 31, 2013. The decrease during the year was due to cash generated from operating activities of $52.9 million being greater than dividends paid of $40.2 million, investing activities of $5.4 million, finance lease payments of $3.4 million and deferred financing costs of $0.7 million.

On August 6, 2014, the Corporation amended its bank credit facility on more favourable terms, including a three year extension of the maturity date from August 12, 2016 to August 12, 2019. The Corporation's restriction from declaring dividends in the event the Corporation's leverage ratio, as defined in the bank credit facility agreement, exceeds 3.0 times was amended to restrict the declaration of dividends in the event the leverage ratio exceeds 3.25 times. In addition, the fully secured facility of $250 million is now comprised of a $30 million non-revolving term portion and a $220 million revolving term portion. The $0.7 million cost of amending the facility has been capitalized and will be amortized over the remaining term of the facility. See the Liquidity and Capital Resources section.

Dividends

For the twelve months ended December 31, 2014 monthly dividends declared totaled $2.40 per share. For the twelve months ended December 31, 2013 monthly dividends declared totaled $2.68 per share.

Backlog (See the Non-GAAP and Additional GAAP Measures section)

Consolidated backlog at December 31, 2014 of $177.7 million increased $22.6 million, or 15%, from $155.1 million at December 31, 2013. Increases in the Equipment segment, driven by higher mining related orders, and increases in the Industrial Components segment were partially offset by reduced power generation related orders in the Power Systems segment. See the Annual Results of Operations section for further backlog detail by segment.

Comparative information

During the second quarter of 2014, accountability for the oil sands services business (previously referred to as the rotating products group) was transferred from the Equipment segment to the Industrial Components segment. As a result, the oil sands services business results for 2014, along with comparative information, have been reclassified from the Equipment segment to the Industrial Components segment.

Director

Effective December 16, 2014, Thomas Alford was appointed a director of the Corporation. Thomas brings over 34 years of experience in the western Canada oil and gas servicing industry, and was most recently the President and Chief Executive Officer of IROC Energy Services.

Senior Vice President, Information Systems

Effective November 4, 2014, Stuart Auld was appointed Senior Vice President, Information Systems. Stuart has extensive IT, operations and finance experience gained at large multi-divisional and multi-branch organizations.

Senior Vice President, Industrial Components

Effective March 3, 2014, Steve Deck was appointed to the position of Senior Vice President, Wajax Industrial Components. Prior to his appointment Mr. Deck spent the last seven years in senior positions at a mining drilling products and services company. He also has over 20 years of experience in industrial distribution in Canada.

Senior Vice President, Power Systems

Effective January 5, 2015, Michael Gross was appointed Senior Vice President, Power Systems. Prior to joining Wajax, Michael had a 29 year career with a global electronics and engineering company in Germany and in Canada. Michael's experience covers a broad range of industrial markets with roles in senior management, sales and manufacturing.

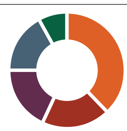
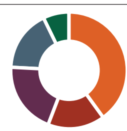
ANNUAL RESULTS OF OPERATIONS

Equipment

For the year ended December 31		**2014**		2013
Equipment(1)	**$**	**460.0**	$	464.2
Parts and service	**$**	**259.8**	$	261.5
Segment revenue	**$**	**719.8**	$	725.7
Segment earnings(2)	**$**	**48.9**	$	45.6
Segment earnings margin		***6.8%***		*6.3%*

(1) Includes rental and other revenue.
(2) Earnings before finance costs and income taxes.

Revenue by Product Type 2014 versus 2013

Market	**2014**	2013
Construction	**38%**	40%
Forestry	**19%**	16%
Mining/Oil sands	**18%**	20%
Material Handling	**17%**	17%
Crane and Utility	**8%**	7%

Revenue decreased 1%, or $5.9 million, to $719.8 million, from $725.7 million in 2013. Segment earnings increased 7%, or $3.3 million, to $48.9 million, compared to $45.6 million in 2013. The following factors contributed to the Equipment segment's 2014 results compared to 2013:

- Equipment revenue decreased $4.2 million with specific year-over-year variances as follows:
  - Forestry equipment revenue increased $13.0 million, as strength in the lumber market led to higher market demand for Tigercat equipment in central and eastern Canada and Hitachi equipment in western Canada.
  - Crane and utility equipment revenue increased $2.8 million as a result of sales to utility customers in central and eastern Canada.
  - Construction equipment revenue decreased $10.9 million, mainly as a result of lower Hitachi excavator sales in western Canada, related to competitive market pressures, and lower JCB volumes in eastern Canada. These decreases were partially offset by increased Bell truck deliveries in western Canada and higher road building equipment volumes in central Canada.
  - Mining equipment sales declined $6.8 million as increased Hitachi mining shovel deliveries were more than offset by the sale of four Hitachi EH5000 320 ton mining trucks in 2013 not repeated in 2014.
  - Material handling equipment revenue decreased $2.3 million, due primarily to the sale of higher dollar value container handling units in eastern Canada in 2013 not repeated in 2014.
- Parts and service volumes decreased $1.7 million, or 1%, compared to last year. The decrease was attributable to lower construction and mining sector volumes, mainly in western Canada, offset partially by higher forestry sector sales in all regions.
- Segment earnings increased $3.3 million compared to last year as higher equipment and product support gross profit margins more than offset the negative impact of lower volumes and higher selling and administrative expenses. Selling and administrative expenses increased $1.0 million due to higher personnel related costs, including higher annual incentives and severance costs, offset in part by lower sales related expenses.

Backlog of $93.8 million at December 31, 2014 increased $20.8 million compared to December 31, 2013, due mainly to higher mining and forestry market backlog offset partially by lower crane and utility sector backlog.

During the second quarter of 2014, management of the Equipment segment's oil sands services business (previously referred to as the rotating products group) was transferred to the Industrial Components segment. See the Results of Operations for Industrial Components section.

The segment has adjusted its cost structure in response to the decline in customer demand in certain markets. In particular, one mining branch was closed and another temporary shutdown in British Columbia. In addition, the workforce in areas affected by the steep decline in the price of oil has been reduced. The segment will continue to monitor costs and maintain disciplined control over inventories and receivables as market conditions change.

Power Systems

For the year ended December 31		**2014**		2013
Equipment(1)	**$**	**113.6**	$	105.2
Parts and service	**$**	**212.1**	$	198.8
Segment revenue	**$**	**325.7**	$	304.0
Segment earnings(2)	**$**	**16.5**	$	17.1
Segment earnings margin		***5.1%***		*5.6%*

(1) Includes rental and other revenue.
(2)Earnings before finance costs and income taxes.

Revenue by Market 2014 versus 2013


Market	**2014**	2013
On-highway Transportation	**37%**	32%
Industrial/Commercial	**16%**	21%
Oil and Gas	**15%**	19%
Oil Sands	**12%**	8%
Mining	**6%**	6%
Other	**14%**	14%

Revenue increased $21.7 million, or 7%, to $325.7 million compared to $304.0 million in 2013. Segment earnings decreased $0.6 million to $16.5 million in 2014 compared to $17.1 million in 2013. The following factors impacted year-over-year revenue and earnings:

- Equipment revenue increased $8.4 million due mainly to higher power generation volumes in western Canada and increased off-highway equipment sales to marine customers in eastern Canada.
- Parts and service volumes increased $13.3 million compared to last year mainly as a result of increased sales to on-highway customers and higher power generation sales in all regions.

- Segment earnings decreased $0.6 million compared to last year as lower product support and rental gross profit margins combined with higher selling and administrative expenses more than offset the positive impact of higher volumes. Selling and administrative expenses increased $3.4 million due to higher personnel related costs, including higher annual incentives, and increased bad debt and other office expenses. In addition, other provisions released into income were offset in part by a $0.8 million equipment inventory obsolescence provision.

Backlog of $40.6 million as of December 31, 2014 decreased $5.0 million compared to December 31, 2013 driven by decreases in power generation orders.

Effective January 5, 2015, Michael Gross was appointed Senior Vice President, Power Systems. Prior to joining Wajax, Michael had a 29 year career with a global electronics and engineering company in Germany and in Canada. Michael's experience covers a broad range of industrial markets with roles in senior management, sales and manufacturing.

Given the impact of the steep decline in the price of oil on the western Canadian economy, the segment's cost structure and asset base will be reviewed and adjusted in response the changed market conditions. In addition, the segment will continue to maintain disciplined control over inventories and receivables.

Industrial Components

For the year ended December 31		**2014**		2013
Segment revenue	**$**	**412.0**	$	402.7
Segment earnings before restructuring costs(1)	**$**	**18.4**	$	18.4
Restructuring costs	**$**	**2.8**	$	–
Segment earnings(2)	**$**	**15.5**	$	18.4
Segment earnings margin before restructuring costs(1)		***4.5%***		*4.6%*
Restructuring costs		***(0.7%)***		–
Segment earnings margin		***3.8%***		*4.6%*

(1) Earnings before restructuring costs, finance costs and income taxes. See the Non-GAAP and Additional GAAP Measures section.
(2) Earnings before finance costs and income taxes.

Revenue by Market 2014 versus 2013

Market	**2014**	2013
Industrial/ Manufacturing	**16%**	16%
Forestry	**13%**	12%
Mining	**12%**	12%
Metal Processing	**11%**	10%
Oil and Gas	**10%**	10%
Oil Sands	**8%**	9%
Transportation	**5%**	5%
Construction	**4%**	5%
Food and Beverage	**4%**	4%
Other	**17%**	17%

Revenue increased $9.3 million, or 2%, to $412.0 million in 2014 from $402.7 million in 2013. Segment earnings decreased $2.9 million, to $15.5 million, compared to $18.4 million in the previous year. Segment earnings before restructuring costs remained unchanged at $18.4 million compared to last year. See the Non-GAAP and Additional GAAP Measures section. The following factors contributed to the segment's year-over-year results:

- Bearings and power transmission parts sales increased $17.3 million, or 9%, with higher sales in all regions driven by strength in the metal processing, mining, forestry, industrial and oil and gas sectors.
- Fluid power and process equipment products and service revenue, including the oil sands services business, decreased $8.0 million, or 4%, compared to last year. The decrease was due mainly to reduced activity in the oil sands, construction and mining sectors in western Canada.
- Segment earnings decreased $2.9 million as the positive impact of higher volumes was more than offset by slightly lower gross profit margins and additional selling and administrative expenses of $4.4 million. The increase in selling and administrative expenses resulted mainly from higher personnel costs including $2.8 million of restructuring costs and higher annual incentives. Segment earnings before restructuring costs remained unchanged from last year. See the Non-GAAP and Additional GAAP Measures section.

The Industrial Components segment was restructured in the third quarter to implement a new organizational model that is expected to reduce related costs by an estimated $5.0 million per year and improve the segment's ability to grow product and service volume.

Backlog of $43.3 million as of December 31, 2014 increased $6.8 million compared to December 31, 2013, driven by higher orders in all regions.

During the second quarter of 2014, management of the Equipment segment's oil sands services business (previously referred to as the rotating products group) was transferred to the Industrial Components segment. Combined with the ERS business in Industrial Components, this change creates a national platform to cover a broader range of the Corporation's customers' needs in their day-to-day plant maintenance operations. As a result, the oil sands services business results for 2014, along with comparative information, have been reclassified from the Equipment segment to the Industrial Components segment.

Effective March 3, 2014, Steve Deck was appointed to the position of Senior Vice President, Wajax Industrial Components. Prior to his appointment Mr. Deck spent the last seven years in senior positions at a mining drilling products and services company. He also has over 20 years of experience in industrial distribution in Canada.

Given the impact of the steep decline in the price of oil on the western Canadian economy, the segment's cost structure and asset base will be monitored and adjusted in response to any further changes in market conditions. However, while respecting the current economic environment, the segment will continue to make investments in strategic initiatives that focus on growing maintenance and repair related revenues which are viewed to be more resilient in a market downturn. See Strategy section.

SELECTED ANNUAL INFORMATION

The following selected annual information is audited and has been prepared on the same basis as the 2014 annual audited Consolidated Financial Statements.

		2014		2013		2012
Revenue	**$**	**1,451.3**	$	1,428.5	$	1,466.0
Net earnings	**$**	**41.2**	$	47.7	$	65.9
Basic earnings per share	**$**	**2.46**	$	2.85	$	3.95
Diluted earnings per share	**$**	**2.42**	$	2.81	$	3.89
Total assets	**$**	**718.2**	$	682.1	$	671.9
Non-current liabilities	**$**	**202.0**	$	214.5	$	173.2
Dividends declared per share	**$**	**2.40**	$	2.68	$	3.10

Revenue in 2014 of $1,451.3 million increased $22.8 million compared to 2013. Increased equipment and parts and service revenue in the Power Systems segment and increased revenue in the Industrial Components segment more than offset a decrease in equipment and parts and service revenue in the Equipment segment. Revenue in 2013 of $1,428.5 million decreased $37.5 million compared to 2012 due to decreased equipment revenue in the Equipment and Power Systems segments that more than offset an increase in parts and service revenue in the Equipment and Industrial Components segments. The increase in revenue in the Industrial Components segment in 2013 included $21.1 million of revenue from the ACE Hydraulic and Kaman Canada acquisitions.

Net earnings decreased $24.7 million, or $1.49 per share, from 2012 to 2014. The decrease was attributable to a $14.7 million decrease in revenue and slightly lower margins combined with additional selling and administrative expenses and higher finance costs. Increased finance costs of $8.5 million were driven by higher debt levels and increased costs of borrowing resulting from the Corporation's issuance of $125 million of senior notes on October 23, 2013. See the Liquidity and Capital Resources section.

The $46.3 million increase in total assets between December 31, 2012 and December 31, 2014 was mainly attributable to higher inventory in the Equipment segment and higher rental fleet additions in the Equipment and Power Systems segments.

Non-current liabilities at December 31, 2014 of $202.0 million increased $28.8 million from December 31, 2012. The primary factor for the increase was a $29.2 million increase in long-term debt to fund working capital requirements and rental fleet additions.

SELECTED QUARTERLY INFORMATION

The following table summarizes unaudited quarterly consolidated financial data for the eight most recently completed quarters. This quarterly information is unaudited but has been prepared on the same basis as the 2014 annual audited Consolidated Financial Statements.

	2014								2013							
		Q4		**Q3**		**Q2**		**Q1**		Q4		Q3		Q2		Q1
Revenue	**$**	**386.1**	**$**	**359.5**	**$**	**374.4**	**$**	**331.4**	$	391.7	$	338.5	$	362.0	$	336.3
Net earnings	**$**	**11.2**	**$**	**11.1**	**$**	**12.3**	**$**	**6.7**	$	12.2	$	11.6	$	13.5	$	10.4
Net earnings per share																
– Basic	**$**	**0.67**	**$**	**0.66**	**$**	**0.73**	**$**	**0.40**	$	0.73	$	0.69	$	0.81	$	0.62
– Diluted	**$**	**0.66**	**$**	**0.65**	**$**	**0.72**	**$**	**0.39**	$	0.72	$	0.68	$	0.80	$	0.61

Quarterly fluctuations in revenue and net earnings are difficult to predict. A normally weaker first quarter for the Equipment segment can be offset by seasonally stronger activity in the oil and gas sector, primarily affecting the Power Systems and Industrial Components segments. As well, large deliveries of mining trucks and shovels and power generation packages can shift the revenue and net earnings throughout the year.

A discussion of Wajax's previous quarterly results can be found in Wajax's quarterly MD&A available on SEDAR at www.sedar.com.

CONSOLIDATED FINANCIAL CONDITION

Capital Structure and Key Financial Condition Measures

	December 31			
		2014		2013
Shareholders' equity	**$**	**248.5**	$	247.2
Funded net debt[1]		**201.0**		205.0
Total capital	**$**	**449.5**	$	452.2
Funded net debt to total capital[1]		**44.7%**		45.3%
Leverage ratio[1]		**2.12**		2.15

(1) See the Non-GAAP and Additional GAAP Measures section.

The Corporation's objective is to manage the capital structure such that it maintains a prudent leverage ratio as the Corporation pays dividends to shareholders equal to a significant amount of its earnings. The Corporation's objective is to maintain a leverage ratio between 1.5 times and 2.0 times. However, there may be instances where the Corporation is willing to maintain a leverage ratio outside the range to either support key growth initiatives or fluctuations in working capital levels during changes in economic cycles. See the Funded Net Debt section.

In addition, the Corporation's tolerance to interest rate risk decreases/increases as the Corporation's leverage ratio increases/decreases. At December 31, 2014, $125 million of the Corporation's funded net debt, or 62%, was at a fixed interest rate which is within the Corporation's interest rate risk policy. See the Liquidity and Capital Resources section.

Shareholders' Equity

The Corporation's shareholders' equity at December 30, 2014 of $248.5 million increased $1.3 million from December 31, 2013, as earnings exceeded dividends declared during the year.

The Corporation's share capital, included in shareholders' equity on the balance sheet, consists of:

Issued and fully paid common shares as at December 31, 2014	Number		Amount
Balance at the beginning of the year	16,743,520	$	106.7
Rights exercised	35,363		0.8
Balance at the end of the year	**16,778,883**	**$**	**107.5**

At the date of this MD&A, the Corporation had 16,778,883 common shares issued and outstanding.

At December 31, 2014, Wajax had four share-based compensation plans; the Wajax Share Ownership Plan ("SOP"), the Directors' Deferred Share Unit Plan ("DDSUP"), the Mid-Term Incentive Plan for Senior Executives ("MTIP") and the Deferred Share Unit Plan ("DSUP"). During the year all of the outstanding Deferred Share Program ("DSP") rights were settled. SOP, DSP and DDSUP rights are issued to the participants and are settled by issuing Wajax Corporation shares on a one-for-one basis. As of December 31, 2014, there were 287,550 (2013 – 282,573) SOP, DSP and DDSUP rights outstanding. The cash-settled MTIP and DSUP consist of annual grants that time vest over three years and a portion is also subject to performance vesting criteria. A portion of the MTIP and the full amount of the DSUP grants are determined by the price of the Corporation's shares. Compensation expense for the SOP, DSP and DDSUP is determined based upon the fair value of the rights at the date of grant and charged to earnings on a straight-line basis over the vesting period, with an offsetting adjustment to contributed surplus. Compensation expense for the DSUP and the share-based portion of the MTIP varies with the price of the Corporation's shares and is recognized over the vesting period. Wajax recorded compensation cost of $1.5 million for the year (2013 – $0.6 million) in respect of these plans.

Funded Net Debt (See the Non-GAAP and Additional GAAP Measures section)

		December 31		
		2014		2013
Bank indebtedness (cash)	**$**	**7.7**	$	(4.2)
Obligations under finance lease		**12.3**		13.3
Long-term debt		**180.9**		195.9
Funded net debt(1)	**$**	**201.0**	$	205.0

(1) See the Non-GAAP and Additional GAAP Measures section.

Funded net debt of $201.0 million at December 31, 2014 decreased $4.0 million compared to December 31, 2013. The decrease during the year was due to $52.9 million of cash generated from operating activities being greater than: dividends paid of $40.2 million, investing activities of $5.4 million and finance lease payments of $3.4 million.

The Corporation's ratio of funded net debt to total capital decreased slightly to 44.7% at December 31, 2014 from 45.3% at December 31, 2013.

The Corporation's leverage ratio of 2.12 times at December 31, 2014 decreased from the December 31, 2013 ratio of 2.15 times mainly due to the lower funded net debt level at December 31, 2014.

See the Liquidity and Capital Resources section.

Financial Instruments

Wajax uses derivative financial instruments in the management of its foreign currency and interest rate exposures. Wajax's policy restricts the use of derivative financial instruments for trading or speculative purposes.

Wajax enters into short-term currency forward contracts to hedge the exchange risk associated with the cost of certain inbound inventory and certain foreign currency-denominated sales to customers along with the associated receivables as part of its normal course of business. As at December 31, 2014, Wajax had contracts outstanding to buy U.S. $41.8 million (December 31, 2013 – to buy U.S. $31.1 million). The U.S. dollar contracts expire between January 2015 and December 2015, with a weighted average U.S./Canadian dollar rate of 1.1319.

Wajax measures derivative instruments not accounted for as hedging items at fair value with subsequent changes in fair value being recorded in earnings. Derivatives designated as effective hedges are measured at fair value with subsequent changes in fair value being recorded in other comprehensive income until the related hedged item is recorded and affects income or inventory. The fair value of derivative instruments is estimated based upon market conditions using appropriate valuation models. The carrying values reported in the balance sheet for financial instruments are not significantly different from their fair values.

A change in foreign currency, relative to the Canadian dollar, on transactions with customers that include unhedged foreign currency exposures is not expected to have a material impact on the Corporation's results of operations or financial condition.

Wajax will periodically institute price increases to offset the negative impact of foreign exchange rate increases and volatility on imported goods to ensure margins are not eroded. However, a sudden strengthening U.S. dollar relative to the Canadian dollar can have a negative impact mainly on parts margins in the short term prior to price increases taking effect.

Wajax is exposed to the risk of non-performance by counterparties to short-term currency forward contracts. These counterparties are large financial institutions and although in 2014 they experienced an outlook downgrade to "Negative" by Standard & Poor's, they maintain high short-term and long-term credit ratings. To date, no such counterparty has failed to meet its financial obligations to Wajax. Management does not believe there is a significant risk of non-performance by these counterparties and will continue to monitor the credit risk of these counterparties.

Contractual Obligations

Contractual Obligations	Total	< 1 year	1 – 5 years	After 5 years
Bank debt[1]	**$ 60.0**	$ –	$ 60.0	$ –
Senior notes[1]	**$ 125.0**	$ –	$ –	$ 125.0
Operating leases	**$ 91.7**	$ 16.1	$ 51.3	$ 24.3
Obligations under finance leases[1]	**$ 12.3**	$ 4.2	$ 8.1	$ –
Total	**$ 289.0**	$ 20.3	$ 119.4	$ 149.3

(1) Amounts exclude finance costs.

The $60.0 million bank debt obligation relates to the long-term portion of the bank credit facility and excludes current bank indebtedness and letters of credit.

The senior notes obligation relates to the Corporation's issuance on October 23, 2013 of $125.0 million in senior notes bearing an annual interest rate of 6.125% per annum, payable semi-annually, maturing on October 23, 2020.

The operating leases relate primarily to contracts entered into for facilities and office equipment. See the Off Balance Sheet Financing section for additional information.

The obligations under finance leases relate to certain leased vehicles that have a minimum one year term and are extended on a monthly basis thereafter until termination.

The above table does not include obligations to fund pension benefits. Wajax sponsors certain defined benefit plans that cover executive employees, a small group of inactive employees and certain employees on long-term disability benefits. The defined benefit plans are subject to actuarial valuations in 2015 and 2017. Management does not expect future cash contribution requirements to change materially from the 2014 contribution level of $0.5 million as a result of these valuations or any declines in the fair value of the defined benefit plans' assets.

Off Balance Sheet Financing

Off balance sheet financing arrangements include operating lease contracts for facilities with various landlords and other equipment related mainly to office equipment. The total obligations for all operating leases are detailed in the Contractual Obligations section. At December 31, 2014, the non-discounted operating lease commitments for facilities totaled $91.3 million and for other equipment $0.4 million.

Although Wajax's consolidated contractual annual lease commitments decline year-by-year, it is anticipated that existing leases will either be renewed or replaced, resulting in lease commitments being sustained at current levels. In the alternative, Wajax may incur capital expenditures to acquire equivalent capacity.

The Equipment segment had $95.8 million (2013 – $68.9 million) of consigned inventory on-hand from a major manufacturer at December 31, 2014. In the normal course of business, Wajax receives inventory on consignment from this manufacturer which is generally sold to customers or purchased by Wajax. This consigned inventory is not included in Wajax's inventory as the manufacturer retains title to the goods. In the event the inventory consignment program was terminated, Wajax would utilize interest free financing, if any, made available by the manufacturer and/or utilize capacity under its credit facilities.

Although management currently believes Wajax has adequate debt capacity, Wajax would have to access the equity or debt markets, or reduce dividends to accommodate any shortfalls in Wajax's credit facilities. See the Liquidity and Capital Resources section.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's liquidity is maintained through various sources, including bank and non-bank credit facilities, senior notes and cash generated from operations.

Bank and Non-bank Credit Facilities and Senior Notes

On August 6, 2014, the Corporation amended its bank credit facility on more favourable terms, including a three year extension of the maturity date from August 12, 2016 to August 12, 2019. The Corporation's restriction from declaring dividends in the event the Corporation's leverage ratio, as defined in the bank credit facility agreement, exceeds 3.0 times was amended to restrict the declaration of dividends in the event the leverage ratio exceeds 3.25 times, which is the same level as under the senior note agreement. In addition, the fully secured facility of $250 million is now comprised of a $30 million non-revolving term portion and a $220 million revolving term portion. The reduction in the non-revolving term portion of the facility from $60 million to $30 million provides additional flexibility regarding the Corporation's debt levels. The $0.7 million cost of amending the facility has been capitalized and will be amortized over the remaining term of the facility.

The terms of the $250 million bank credit facility include the following:

- The facility is fully secured, expiring August 12, 2019, and is comprised of a $30 million non-revolving term portion and a $220 million revolving term portion.
- Borrowing capacity is dependent upon the level of inventories on-hand and the outstanding trade accounts receivable.
- The bank credit facility contains customary restrictive covenants including limitations on the payment of cash dividends and the maintenance of certain financial ratios all of which were met as at December 31, 2014. In particular, the Corporation is restricted from declaring dividends in the event the Corporation's leverage ratio, as defined in the bank credit facility agreement, exceeds 3.25 times.
- Borrowings under the bank credit facility bear floating rates of interest at margins over Canadian dollar bankers' acceptance yields, U.S. dollar LIBOR rates or prime. Margins on the facility depend on the Corporation's leverage ratio at the time of borrowing and range between 1.5% and 3.0% for Canadian dollar bankers' acceptances and U.S. dollar LIBOR borrowings, and 0.5% and 2.0% for prime rate borrowings.

At December 31, 2014, Wajax had borrowed $63.4 million and issued $5.5 million of letters of credit for a total utilization of $68.9 million of its $250 million bank credit facility. At December 31, 2014, borrowing capacity under the bank credit facility was equal to $250 million.

In addition, Wajax had $125 million of senior notes outstanding at December 31, 2014 bearing an interest rate of 6.125% per annum, payable semi-annually, maturing on October 23, 2020. The senior notes are unsecured and contain customary incurrence based covenants that, although different from those under the bank credit facility described above, are not expected to be any more restrictive than under the bank credit facility. All covenants were met as at December 31, 2014.

Under the terms of the bank credit facility, Wajax is permitted to have additional interest bearing debt of $15 million. As such, Wajax has up to $15 million of demand inventory equipment financing capacity with three lenders. At December 31, 2014 Wajax had no utilization of the interest bearing equipment financing facilities.

As of March 3, 2015, Wajax's $250 million bank credit facility, along with the additional $15 million of capacity permitted under the bank credit facility should be sufficient to meet Wajax's short-term normal course working capital and maintenance capital requirements. However, Wajax may be required to access the equity or debt markets or reduce dividends in order to fund significant acquisitions and growth related working capital and capital expenditures.

Cash Flow

The following table highlights the major components of cash flow as reflected in the Consolidated Statements of Cash Flows for the years ended December 31, 2014 and December 31, 2013.

For the year ended December 31	**2014**	2013	Change
Net earnings	**$ 41.2**	$ 47.7	$ (6.5)
Items not affecting cash flow	**51.7**	48.6	3.1
Net change in non-cash operating working capital	**7.4**	17.4	(10.0)
Finance costs paid	**(12.3)**	(6.9)	(5.4)
Income taxes paid	**(13.4)**	(60.3)	46.9
Other cash items[1]	**(21.7)**	(22.4)	0.7
Cash generated from operating activities	**$ 52.9**	$ 24.1	$ 28.8
Cash used in investing activities	**$ (5.4)**	$ (4.0)	$ (1.4)
Cash used in financing activities	**$ (59.4)**	$ (5.7)	$ (53.7)

(1) Other cash items includes rental equipment additions and changes in other non-current liabilities.

Cash Generated From Operating Activities

The $28.8 million year over year increase in cash flows generated from operating activities was mainly attributable to lower income taxes paid of $46.9 million, offset partially by a decrease in cash generated from changes in non-cash operating working capital of $10.0 million, a decrease in net earnings of $6.5 million and $5.4 million of additional finance costs in 2014.

Significant components of non-cash operating working capital, along with changes for the years ended December 31, 2014 and December 31, 2013 include the following:

Changes in Non-cash Operating Working Capital[1]	**2014**	2013
Trade and other receivables	**$ 4.2**	$ 6.6
Contracts in progress	**(3.8)**	(5.2)
Inventories	**(30.4)**	(2.8)
Prepaid expenses	**(2.0)**	1.1
Accounts payable and accrued liabilities	**40.7**	18.2
Provisions	**(1.3)**	(0.5)
Total Changes in Non-cash Operating Working Capital	**$ 7.4**	$ 17.4

(1) Increase (decrease) in cash flow.

Significant components of the changes in non-cash operating working capital for the year ended December 31, 2014 compared to the year ended December 31, 2013 are as follows:

- Trade and other receivables decreased $4.2 million in 2014 compared to a decrease of $6.6 million in 2013. The decrease in 2014 was mainly attributable to reductions in the Equipment segment due to lower sales activity in the fourth quarter compared to last year partially offset by higher sales activity in the Industrial Components segment. The decrease in 2013 was mainly attributable to the collection of a large mining equipment receivable in the Equipment segment partially offset by an increase in the Power Systems segment due principally to a large power generation receivable.
- Contracts in progress increased by $3.8 million in 2014 compared to an increase of $5.2 million in 2013. The increases in both years reflect higher contract revenue recognized in advance of billings related to power generation projects in the Power Systems segment.
- Inventories increased $30.4 million in 2014 compared to an increase of $2.8 million in 2013. The increase in 2014 was primarily related to higher construction, forestry and material handling inventory in the Equipment segment.
- Accounts payable and accrued liabilities increased $40.7 million in 2014 compared to an increase of $18.2 million in 2013. The increase in 2014 was driven by higher inventory trade payables in the Equipment segment. The increase in 2013 resulted primarily from higher trade payables in the Industrial Components segment.

Investing Activities

For the year ended December 31, 2014, Wajax invested $5.4 million in property, plant and equipment additions, net of disposals, compared to $3.9 million for the year ended December 31, 2013.

Financing Activities

The Corporation used $59.4 million of cash from financing activities in 2014 compared to $5.7 million used in 2013. Financing activities during the year included bank credit facility repayments of $15.0 million (2013 – $78.0 million), dividends paid to shareholders totaling $40.2 million (2013 – $46.0 million) and finance lease payments of $3.4 million (2013 – $3.5 million). In addition, financing activities in 2013 included senior note proceeds of $125.0 million that were used to repay borrowings under the bank credit facility.

DIVIDENDS

Dividends to shareholders for the periods January 1, 2014 to December 31, 2014 and January 1, 2013 to December 31, 2013 were declared as follows:

	2014		2013	
Month[1]	**Per Share**	**Amount**	Per Share	Amount
January	**$ 0.20**	**$ 3.3**	$ 0.27	$ 4.5
February	**0.20**	**3.3**	0.27	4.5
March	**0.20**	**3.4**	0.27	4.5
April	**0.20**	**3.4**	0.27	4.5
May	**0.20**	**3.4**	0.20	3.3
June	**0.20**	**3.4**	0.20	3.3
July	**0.20**	**3.4**	0.20	3.3
August	**0.20**	**3.4**	0.20	3.3
September	**0.20**	**3.4**	0.20	3.3
October	**0.20**	**3.4**	0.20	3.3
November	**0.20**	**3.4**	0.20	3.3
December	**0.20**	**3.4**	0.20	3.3
Total dividends for the years ended December 31	**$ 2.40**	**$ 40.3**	$ 2.68	$ 44.9

(1) The Corporation's monthly dividends were generally payable to shareholders of record on the last business day of each calendar month and were paid on or about the 20th day of the following month.

For the year ended December 31, 2014, Wajax declared dividends to shareholders totaling $2.40 per share. For the year ended December 31, 2013, Wajax declared dividends to shareholders totaling $2.68 per share. Dividends paid in 2014 were funded from cash generated from operating activities.

The Corporation declared monthly dividends of $0.20 per share, or $3.4 million, for January and February of 2015.

In order to increase the funds available to invest in the Corporation's strategy, provide additional liquidity in this time of economic uncertainty and bring more stability to dividend payments over the business cycle the board of directors has approved a change to the Corporation's dividend policy and a reduction in the dividend amount. The previous policy of paying a monthly dividend based on a minimum of 75% of expected net earnings has been changed to implement a quarterly dividend with an initial target amount of $0.25 per share.

The Corporation has declared a dividend of $0.0833 per share for March 2015, payable on April 20, 2015 to shareholders of record on March 31, 2015 and a second quarter dividend of $0.25 per share payable on July 3, 2015 to shareholders of record on June 15, 2015.

FOURTH QUARTER CONSOLIDATED RESULTS

For the three months ended December 31	**2014**	2013
Revenue	**$ 386.1**	$ 391.7
Gross profit	**$ 74.0**	$ 73.0
Selling and administrative expenses	**$ 55.6**	$ 53.4
Restructuring cost recovery	**$ (0.2)**	$ –
Earnings before finance costs and income taxes[1]	**$ 18.6**	$ 19.6
Finance costs	**$ 3.2**	$ 3.0
Earnings before income taxes[1]	**$ 15.4**	$ 16.6
Income tax expense	**$ 4.2**	$ 4.4
Net earnings	**$ 11.2**	$ 12.2
Basic earnings per share	**$ 0.67**	$ 0.73
Diluted earnings per share	**$ 0.66**	$ 0.72

(1) These amounts do not have a standardized meaning prescribed by generally accepted accounting principles ("GAAP"). See the Non-GAAP and Additional GAAP Measures section.

The Power Systems and Industrial Components segments benefitted from strength in oil and gas activity early in the quarter prior to the steep decline in oil prices.

The Equipment segment experienced reduced mining parts and service sales, including those in the oil sands market, as customers deferred spending in light of lower commodity prices.

The Industrial Components segment also had gains in other various markets including forestry, and metal processing sectors.

Revenue

Revenue in the fourth quarter of 2014 decreased 1%, or $5.6 million, to $386.1 million, from $391.7 million in the fourth quarter of 2013. Segment revenue increased 10% in the Industrial Components segment, driven by higher bearing and power transmission parts sales, and 3% in the Power Systems segment. These increases were offset by an 8% decrease in revenues in the Equipment segment on lower volumes in western Canada.

Gross profit

Gross profit in the fourth quarter of 2014 increased $1.0 million as the negative impact of lower volumes was more than offset by a higher gross profit margin compared to the fourth quarter last year. The gross profit margin percentage for the quarter of 19.2% increased from 18.6% in the fourth quarter of 2013 due mainly to a positive sales mix impact from a higher proportion of parts and service revenues compared to last year.

Selling and administrative expenses

Selling and administrative expenses increased $2.2 million in the fourth quarter of 2014 compared to the same quarter last year due mainly to higher personnel related costs, including higher annual employee incentives. Selling and administrative expenses as a percentage of revenue increased to 14.4% in the fourth quarter of 2014 from 13.6% compared to the same quarter of 2013.

Restructuring cost recovery

During the quarter, $0.2 million related to the restructuring costs provision recorded in the third quarter of 2014 was reversed.

Finance costs

Quarterly finance costs of $3.2 million increased $0.2 million compared to the same quarter last year due primarily to the higher cost of borrowing during the quarter related to the Corporation's issuance of the senior notes on October 23, 2013.

Income tax expense

The Corporation's effective income tax rate of 27.1% for the quarter increased slightly from 26.3% in the previous year.

Net earnings

Quarterly net earnings decreased $1.0 million to $11.2 million, or $0.67 per share, from $12.2 million, or $0.73 per share, in the same quarter of 2013. The positive impact of higher gross profits and the restructuring recovery were more than offset by additional selling and administrative expenses and finance costs.

Comprehensive income

Total comprehensive income of $10.4 million in the fourth quarter of 2014 was comprised of net earnings of $11.2 million and other comprehensive loss of $0.8 million. The other comprehensive loss was mainly attributable to actuarial losses on pension plans of $1.0 million.

Funded net debt (See the Non-GAAP and Additional GAAP Measures section)

Funded net debt of $201.0 million at December 31, 2014 decreased $23.7 million compared to September 30, 2014. The decrease during the quarter was due to $36.8 million of cash generated from operating activities exceeding dividends paid of $10.1 million, investing activities of $1.6 million and finance lease payments of $0.8 million. See the Fourth Quarter Cash Flows and Liquidity and Capital Resources sections.

Dividends

For the fourth quarter ended December 31, 2014 and December 31, 2013 monthly dividends declared totaled $0.60 per share.

Backlog (See the Non-GAAP and Additional GAAP Measures section.)

Consolidated backlog at December 31, 2014 of $177.7 million decreased $30.3 million, or 15%, compared to September 30, 2014 with reductions in all segments. See the Fourth Quarter Results of Operations section for further backlog detail by segment.

FOURTH QUARTER RESULTS OF OPERATIONS

Equipment

For the three months ended December 31		**2014**		2013
Equipment(1)	**$**	**128.7**	$	141.4
Parts and service	**$**	**63.1**	$	67.6
Segment revenue	**$**	**191.8**	$	209.0
Segment earnings(2)	**$**	**12.4**	$	13.6
Segment earnings margin		***6.5%***		*6.5%*

(1) Includes rental and other revenue.
(2) Earnings before finance costs and income taxes.

Revenue in the fourth quarter of 2014 decreased $17.2 million, or 8%, to $191.8 million, from $209.0 million in the fourth quarter of 2013. Segment earnings for the quarter decreased $1.2 million, to $12.4 million, compared to the fourth quarter of 2013. The following factors contributed to the Equipment segment's fourth quarter results compared to the fourth quarter of 2013:

- Equipment revenue for the fourth quarter decreased $12.7 million, or 9%, with specific year-over-year variances as follows:
  - Material handling equipment revenue increased $6.7 million due principally to increases in eastern Canada.
  - Mining equipment sales decreased $18.0 million mainly as a result of the sale of four Hitachi EH5000 320 ton mining trucks in 2013 not repeated in 2014.
  - Forestry equipment revenue decreased $1.4 million.
  - Construction equipment revenue remained unchanged.
  - Crane and utility equipment revenue remained unchanged.
- Parts and service volumes decreased $4.5 million, or 7%. The decrease was led by lower mining sector volumes in western Canada, including the oil sands, offset partially by higher forestry sector revenue in all regions.
- Segment earnings for the fourth quarter decreased $1.2 million to $12.4 million. The decrease was primarily attributable to lower volumes, offset partially by higher margins and a $0.3 million reduction in selling and administrative expenses compared to last year. Higher parts and service margins were partially offset by lower equipment margins due to competitive market pressures and foreign exchange adjustments.

Backlog of $93.8 million at December 31, 2014 decreased $20.3 million compared to September 30, 2014 due to reductions in all market sectors.

Power Systems

For the three months ended December 31		**2014**		2013
Equipment(1)	**$**	**33.3**	$	35.9
Parts and service	**$**	**55.0**	$	49.5
Segment revenue	**$**	**88.3**	$	85.4
Segment earnings(2)	**$**	**3.5**	$	6.0
Segment earnings margin		***3.9%***		*7.0%*

(1) Includes rental and other revenue.
(2) Earnings before finance costs and income taxes.

Revenue in the fourth quarter of 2014 increased $2.9 million, or 3%, to $88.3 million, compared to $85.4 million in the fourth quarter of 2013. Segment earnings for the quarter decreased $2.5 million to $3.5 million. The following factors impacted quarterly revenue and earnings compared to last year:

- Equipment revenue decreased $2.6 million, as lower power generation sales in all regions was offset somewhat by higher off-highway sales in western and eastern Canada.
- Parts and service volumes increased $5.5 million compared to last year, mainly attributable to higher sales to on-highway customers in all regions.

- Segment earnings in the fourth quarter of 2014 decreased $2.5 million compared to the same quarter last year as the positive impact of higher volumes was more than offset by lower gross profit margins and a $2.1 million increase in selling and administrative expenses. The increase in selling and administrative expenses was driven mainly by higher personnel costs.

Backlog of $40.6 million as of December 31, 2014 decreased $6.7 million compared to September 30, 2014 due to decreases in off-highway and power generation backlog.

Industrial Components

For the three months ended December 31		2014		2013
Segment revenue	**$**	**107.5**	$	98.1
Segment earnings before restructuring cost recovery[1]	**$**	**5.9**	$	2.0
Restructuring cost recovery	**$**	**(0.2)**	$	–
Segment earnings[2]	**$**	**6.2**	$	2.0
Segment earnings margin before restructuring cost recovery		***5.5%***		*2.0%*
Restructuring cost recovery		***0.2%***		–
Segment earnings margin		***5.7%***		*2.0%*

(1) Earnings before restructuring cost recovery, finance costs and income taxes. See the Non-GAAP and Additional GAAP Measures section.
(2) Earnings before finance costs and income taxes.

Revenue of $107.5 million in the fourth quarter of 2014 increased $9.4 million, or 10%, from $98.1 million in the fourth quarter of 2013. Segment earnings for the quarter increased $4.2 million, to $6.2 million. The following factors contributed to the segment's fourth quarter year-over-year results:

- Bearings and power transmission parts sales increased $8.5 million, or 17%, with higher sales in all regions driven by strength in the metal processing, forestry, mining, industrial and oil and gas sectors.
- Fluid power and process equipment products and service revenue in the fourth quarter of 2014 increased $0.9 million.
- Segment earnings increased $4.2 million due to higher volumes in all three regions, slightly higher gross profit margins and a $1.2 million reduction in selling and administrative expenses. The reduction in selling and administrative expenses included personnel cost savings, resulting from the restructuring in the third quarter, and other sales related cost reductions.

Backlog of $43.3 million as of December 31, 2014 decreased $3.3 million compared to September 30, 2014 with decreases in western and eastern Canada. See the Non-GAAP and Additional GAAP Measures section.

FOURTH QUARTER CASH FLOWS

Cash Flow

The following table highlights the major components of cash flow as reflected in the Consolidated Statements of Cash Flows for the quarters ended December 31, 2014 and December 31, 2013.

For the quarter ended December 31		2014		2013		Change
Net earnings	**$**	**11.2**	$	12.2	$	(1.0)
Items not affecting cash flow		**13.4**		13.8		(0.4)
Net change in non-cash operating working capital		**28.3**		16.5		11.8
Finance costs paid		**(5.0)**		(1.1)		(3.9)
Income taxes paid		**(2.6)**		(2.7)		0.1
Other cash items[1]		**(8.5)**		(6.1)		(2.4)
Cash generated from operating activities	**$**	**36.8**	$	32.6	$	4.2
Cash used in investing activities	**$**	**(1.6)**	$	(0.2)	$	(1.4)
Cash used in financing activities	**$**	**(37.8)**	$	(27.6)	$	(10.2)

(1) Other cash items includes rental equipment additions and changes in other non-current liabilities.

Cash Generated From Operating Activities

The $4.2 million increase in cash flows generated from operating activities was mainly attributable to an increase in cash generated from changes in non-cash operating working capital of $28.3 million in 2014 as compared to an increase of $16.5 million in 2013. This increase was partially offset by a $3.9 million increase in finance costs paid due to the timing of the semi-annual interest payment on the senior notes.

Significant components of non-cash operating working capital, along with changes for the quarters ended December 31, 2014 and December 31, 2013 include the following:

Changes in Non-cash Operating Working Capital[1]		2014		2013
Trade and other receivables	**$**	**18.4**	$	(2.6)
Contract in progress		**(3.4)**		(5.2)
Inventories		**0.5**		13.7
Prepaid expenses		**0.2**		0.1
Accounts payable and accrued liabilities		**11.9**		9.6
Provisions		**0.7**		0.9
Total Changes in Non-cash Operating Working Capital	**$**	**28.3**	$	16.5

(1) Increase (decrease) in cash flow

Significant components of the changes in non-cash operating working capital for the quarter ended December 31, 2014 compared to the quarter ended December 31, 2013 are as follows:

- Trade and other receivables decreased $18.4 million in 2014 compared to an increase of $2.6 million in 2013. The decrease in 2014 was mainly attributable to improved collections in the Equipment segment and the collection of a large power generation receivable in the Power Systems segment.
- Contracts in progress increased $3.4 million in the current year compared to an increase of $5.2 million in 2013. The increases in both years reflect higher contract revenue recognized in advance of billings related to power generation projects in the Power Systems segment.

- Inventories decreased $0.5 million in the current year compared to a decrease of $13.7 million in 2013. The decrease in 2013 was due to inventory reductions in the Equipment segment.
- Accounts payable and accrued liabilities increased $11.9 million in 2014 compared to an increase of $9.6 million in 2013. The increase in 2014 resulted primarily from higher inventory trade payables in the Power Systems and Industrial Components segments. The increase last year resulted primarily from higher inventory trade payables in the Industrial Components segment, offset somewhat by lower inventory trade payables in the Equipment segment.

Investing Activities

During the fourth quarter of 2014, Wajax invested $1.6 million on property, plant and equipment additions, net of disposals, compared to $0.1 million in the fourth quarter of 2013.

Financing Activities

The Corporation used $37.8 million of cash in financing activities in the fourth quarter of 2014 compared to $27.6 million of cash used in the same quarter of 2013. Financing activities in the quarter included bank credit facility repayments of $27.0 million, dividends paid to shareholders totaling $10.1 million and finance lease payments of $0.8 million. In addition, financing activities in the fourth quarter of 2013 included senior note proceeds of $125.0 million that were used to repay borrowings under the bank credit facility. See Liquidity and Capital Resources section.

NON-GAAP AND ADDITIONAL GAAP MEASURES

The MD&A contains certain non-GAAP and additional GAAP measures that do not have a standardized meaning prescribed by GAAP. Therefore, these financial measures may not be comparable to similar measures presented by other issuers. Investors are cautioned that these measures should not be construed as an alternative to net earnings or to cash flow from operating, investing, and financing activities determined in accordance with GAAP as indicators of the Corporation's performance. The Corporation's management believes that:

(i) these measures are commonly reported and widely used by investors and management;

(ii) the non-GAAP measures are commonly used as an indicator of a company's cash operating performance, profitability and ability to raise and service debt, in particular "Adjusted EBITDA" used in calculating the Leverage Ratio excludes the restructuring costs which is consistent with the leverage ratio calculations under the Corporation's bank credit and senior note agreements;

(iii) the additional GAAP measures are commonly used to assess a company's earnings performance excluding its capital, tax structures and restructuring costs; in particular "Segment earnings before restructuring costs" provides an indication of the Industrial Components segment's results by its principal business activities prior to recognizing restructuring costs.

Non-GAAP financial measures are identified and defined below:

Funded net debt	Funded net debt includes bank indebtedness, long-term debt and obligations under finance leases, net of cash.
EBITDA	Net earnings before finance costs, income tax expense, depreciation and amortization.
Adjusted EBITDA	EBITDA before restructuring costs.
Leverage ratio	The leverage ratio is defined as funded net debt at the end of a particular quarter divided by trailing 12-month Adjusted EBITDA.
Funded net debt to total capital	Defined as funded net debt divided by total capital. Total capital is the funded net debt plus shareholder's equity.
Backlog	Backlog includes the total sales value of customer purchase commitments for future delivery or commissioning of equipment, parts and related services.

Additional GAAP measures are identified and defined below:

Earnings before finance costs and income taxes (EBIT)	Earnings before finance costs and income taxes, as presented on the Consolidated Statements of Earnings.
Earnings before income taxes (EBT)	Earnings before income taxes, as presented on the Consolidated Statements of Earnings.
Segment earnings before restructuring costs	Segment earnings before restructuring costs, finance costs and income taxes.
Segment earnings margin before restructuring costs	Segment earnings before restructuring costs, finance costs and income taxes divided by segment revenue.

Reconciliation of the Corporation's net earnings to EBT, EBIT, EBITDA and Adjusted EBITDA is as follows:

	For the twelve months ended		
	December 31 2014	September 30 2014	December 31 2013
Net earnings	**$ 41.2**	$ 42.3	$ 47.7
Income tax expense	**15.3**	15.5	17.0
EBT	**56.5**	57.8	64.7
Finance costs	**13.0**	12.8	9.0
EBIT	**69.5**	70.6	73.7
Depreciation and amortization	**22.5**	22.9	21.6
EBITDA	**92.0**	93.5	95.3
Restructuring costs	**2.8**	3.1	–
Adjusted EBITDA	**$ 95.0**	$ 96.6	$ 95.3

Calculation of the Corporation's funded net debt and leverage ratio is as follows:

		December 31 2014		September 30 2014		December 31 2013
Bank indebtedness (cash)	**$**	**7.7**	$	5.1	$	(4.2)
Obligations under finance leases		**12.3**		11.9		13.3
Long-term debt		**180.9**		207.7		195.9
Funded net debt	**$**	**201.0**	$	224.7	$	205.0
Leverage ratio(1)		**2.12**		2.33		2.15

(1) Calculation uses trailing four-quarter adjusted EBITDA and finance costs.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results could differ from those judgements, estimates and assumptions. Note 3 of the annual Consolidated Financial Statements describes the significant accounting policies and methods used in preparation of the annual Consolidated Financial Statements. The Corporation bases its estimates on historical experience and various other assumptions that are believed to be reasonable in the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next fiscal year are as follows:

Allowance for doubtful accounts

The Corporation is exposed to credit risk with respect to its trade and other receivables. However, this is somewhat minimized by the Corporation's large customer base which covers most business sectors across Canada. The Corporation follows a program of credit evaluations of customers and limits the amount of credit extended when deemed necessary. The Corporation maintains provisions for possible credit losses, and any such losses to date have been within management's expectations. The provision for doubtful accounts is determined on an account-by-account basis. The $1.6 million provision for doubtful accounts at December 31, 2014 decreased $0.1 million from $1.7 million in 2013. As economic conditions change, there is risk that the Corporation could experience a greater number of defaults compared to 2014 which would result in an increased charge to earnings.

Inventory obsolescence

The value of the Corporation's new and used equipment is evaluated by management throughout the year, on a unit-by-unit basis. When required, provisions are recorded to ensure that the book value of equipment is valued at the lower of cost or estimated net realizable value. The Corporation performs an aging analysis to identify slow moving or obsolete parts inventories and estimates appropriate obsolescence provisions related thereto. The Corporation takes advantage of supplier programs that allow for the return of eligible parts for credit within specified time periods. The inventory obsolescence charged to earnings for 2014 was $3.5 million compared to $2.1 million in 2013. As economic conditions change, there is risk that the Corporation could have an increase in inventory obsolescence compared to 2014 which would result in an increased charge to earnings.

Goodwill and intangible assets

The value in use of goodwill and intangible assets has been estimated using the forecasts prepared by management for the next five years. The key assumptions for the estimate are those regarding revenue growth, gross margin and the level of working capital required to support the business. These estimates are based on past experience and management's expectations of future changes in the market and forecasted growth initiatives. To prepare the value in use calculations, the forecasts are extrapolated beyond the five year period at the estimated long-term inflation rate (2%) and discounted back to present value. The discount rate is based on the Corporation's pre-tax weighted average cost of capital of approximately 12% to reflect a market participant's view of the cash-generating unit.

During the year, the Corporation performed impairment tests, based on value in use, of its goodwill and intangible assets with an indefinite life and concluded that no impairment existed in either the goodwill associated with any of Wajax's cash-generating units ("CGUs") or the intangible assets with an indefinite life.

CHANGES IN ACCOUNTING POLICIES

The following new standards have been adopted in the current year:

On January 1, 2014, the Corporation adopted the amendments to IAS 32 *Offsetting Financial Assets and Liabilities* ("IAS 32"), which clarifies when an entity has a right to set-off and when a settlement mechanism provides for net settlement or gross settlement. The impact on the current year's consolidated financial statements from adopting IAS 32 was not material.

On January 1, 2014, the Corporation adopted IFRS Interpretations Committee 21 *Levies* ("IFRIC 21"), which provides guidance on accounting for levies in accordance with the requirements of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The impact on the current year's consolidated financial statements from adopting IFRIC 21 was not material.

New standards and interpretations not yet adopted

The new standards or amendments to existing standards that may be significant to the Corporation set out below are not yet effective for the year ended December 31, 2014 and have not been applied in preparing these consolidated financial statements.

On January 1, 2016, the Corporation will be required to adopt the amendments to IAS 1 *Presentation of Financial Statements,* which will facilitate improved financial statement disclosures. The extent of the impact of adoption of the amendment has not yet been determined.

On January 1, 2017, the Corporation will be required to adopt IFRS 15 *Revenue from Contracts with Customers*. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgemental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The Corporation is currently assessing the impact of this standard on its consolidated financial statements.

On January 1, 2018, the Corporation will be required to adopt IFRS 9 *Financial Instruments,* which is the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. Additional changes to the new standard will align hedge accounting more closely with risk management. The Corporation is currently assessing the impact of this standard on its consolidated financial statements.

RISK MANAGEMENT AND UNCERTAINTIES

As with most businesses, Wajax is subject to a number of marketplace and industry related risks and uncertainties which could have a material impact on operating results, Wajax's ability to meet its established financial targets as set out in the Strategy section and Wajax's ability to pay cash dividends to shareholders. Wajax attempts to minimize many of these risks through diversification of core businesses and through the geographic diversity of its operations. In addition, Wajax has adopted an annual enterprise risk management assessment which is prepared by the Corporation's senior management and overseen by the Board of Directors and Committees of the Board. The enterprise risk management framework sets out principles and tools for identifying, evaluating, prioritizing and managing risk effectively and consistently across Wajax.

The following are a number of risks that deserve particular comment:

Manufacturer relationships and product access

Wajax seeks to distribute leading product lines in each of its regional markets and its success is dependent upon continuing relations with the manufacturers it represents. Wajax endeavours to align itself in long-term relationships with manufacturers that are committed to achieving a competitive advantage and long-term market leadership in their targeted market segments. In the Equipment and Power Systems segments, and in certain cases in the hydraulics and process pumps portion of the Industrial Components segment, manufacturer relationships are governed through effectively exclusive distribution agreements. Distribution agreements are for the most part open-ended, but are cancellable within a relatively short notification period specified in each agreement. Although Wajax enjoys good relationships with its major manufacturers and seeks to develop additional strong long-term partnerships, a loss of a major product line without a comparable replacement would have a significantly adverse effect on Wajax's results of operations or cash flow.

There is a continuing consolidation trend among industrial equipment and component manufacturers. Consolidation may impact the products distributed by Wajax, in either a favourable or unfavourable manner. Consolidation of manufacturers may have a negative impact on the results of operations or cash flow if product lines Wajax distributes become unavailable as a result of the consolidation.

Suppliers generally have the ability to unilaterally change distribution terms and conditions or limit supply of product in times of intense market demand. Supplier changes in the area of product pricing and availability can have a negative or positive effect on Wajax's revenue and margins. As well, from time to time suppliers make changes to payment terms for distributors. This may affect Wajax's interest-free payment period or consignment terms, which may have a materially negative or positive impact on working capital balances such as cash, inventories, trade and other payables and bank debt.

Economic conditions/Business cyclicality

Wajax's customer base consists of businesses operating in the natural resources, construction, transportation, manufacturing, industrial processing and utilities industries. These industries can be capital intensive and cyclical in nature, and as a result, customer demand for Wajax's products and services may be affected by economic conditions at both a global or local level. Changes in interest rates, consumer and business confidence, corporate profits, credit conditions, foreign exchange, commodity prices and the level of government infrastructure spending may influence Wajax's customers' operating, maintenance and capital spending, and therefore Wajax's sales and results of operations. Although Wajax has attempted to address its exposure to business and industry cyclicality by diversifying its operations by geography, product offerings and customer base, there can be no assurance that Wajax's results of operations or cash flows will not be adversely affected by changes in economic conditions.

Commodity prices

Many of Wajax's customers are directly and indirectly affected by fluctuations in commodity prices in the forestry, metals and minerals and petroleum and natural gas industries, and as a result Wajax is also indirectly affected by fluctuations in these prices. In particular, each of Wajax's businesses is exposed to fluctuations in the price of oil and natural gas. A downward change in commodity prices, and particularly in the price of oil and natural gas, could therefore adversely affect Wajax's results of operations or cash flows.

Growth initiatives, integration of acquisitions and project execution

As part of its long-term strategy, Wajax has established financial targets for the 5-year timeframe from 2015 – 2019 including growing net earnings at a minimum CAGR of 7.5% and a target leverage ratio range of 1.5 – 2.0 times. (See Strategy section and the Non-GAAP and Additional GAAP Measures sections.) Wajax intends to continue growing its business through development of core capabilities, organic growth initiatives, strategic acquisitions and investment in systems to improve operational efficiencies. Wajax's ability to develop core capabilities and successfully grow its business through organic growth will be dependent on the segments' achieving their individual growth initiatives. Wajax's ability to successfully grow its business through acquisitions will be dependent on a number of factors including: identification of accretive new business or acquisition opportunities; negotiation of purchase agreements on satisfactory terms and prices; prior approval of acquisitions by third parties, including regulatory authorities; securing attractive financing arrangements; and integration of newly acquired operations into the existing business. All of these activities associated with growing the business and investments made in systems may be more difficult to implement or may take longer to execute than management anticipates. Further, any significant expansion of the business may increase the operating complexity of Wajax, and divert management away from regular business activities. Any failure of Wajax to manage its growth strategy, including acquisitions, successfully could have a material adverse impact on Wajax's business, results of operations or financial condition.

Key personnel

The success of Wajax is largely dependent on the abilities and experience of its senior management team and other key personnel. Its future performance will also depend on its ability to attract, develop and retain highly qualified employees in all areas of its business. Competition for skilled management, sales and technical personnel is intense, particularly in certain markets where Wajax competes. Wajax continuously reviews and makes adjustments to its hiring, training and compensation practices in an effort to attract and retain a highly competent workforce. However, there can be no assurance that Wajax will be successful in its efforts and a loss of key employees, or failure to attract and retain new talent as needed, may have an adverse impact on Wajax's current operations or future prospects.

Leverage, credit availability and restrictive covenants

Wajax has a $250 million bank credit facility which expires August 12, 2019 comprised of a $30 million non-revolving term portion and a $220 million revolving term portion. Wajax also has $125 million of senior notes outstanding bearing an annual interest rate of 6.125%, payable semi-annually, and maturing on October 23, 2020. The bank credit facility and senior notes contain restrictive covenants which place restrictions on, among other things, the ability of Wajax to encumber or dispose of its assets, the amount of finance costs incurred and dividends declared relative to earnings and certain reporting obligations. A failure to comply with the obligations of the facility or senior notes could result in an event of default which, if not cured or waived, could require an accelerated repayment of the facility or senior notes. There can be no assurance that Wajax's assets would be sufficient to repay the facility or senior notes in full.

Wajax's short-term normal course working capital requirements can swing widely quarter-to-quarter due to timing of large inventory purchases and/or sales and changes in market activity. In general, as Wajax experiences growth, there is a need for additional working capital as was the case in 2012. Conversely, as Wajax experiences economic slowdowns working capital reduces reflecting the lower activity levels as was the case in 2009. While management believes the bank credit facility will be adequate to meet the Corporation's normal course working capital requirements, there can be no assurance that additional credit will become available if required, or that an appropriate amount of credit with comparable terms and conditions will be available when the bank credit facility and senior notes mature.

Wajax may be required to access the equity or debt markets or reduce dividends in order to fund significant acquisitions and growth related working capital and capital expenditures.

The amount of debt service obligations under the bank credit facility will be dependent on the level of borrowings and fluctuations in interest rates to the extent the rate is unhedged. As a result, fluctuations in debt servicing costs may have a detrimental effect on future earnings or cash flow.

Wajax also has credit lines available with other financial institutions for purposes of financing inventory. These facilities are not committed lines and their future availability cannot be assured, which may have a negative impact on cash available for dividends and future growth opportunities.

Quality of products distributed

The ability of Wajax to maintain and expand its customer base is dependent upon the ability of the manufacturers represented by Wajax to improve and sustain the quality of their products. The quality and reputation of such products are not within Wajax's control, and there can be no assurance that manufacturers will be successful in meeting these goals. The failure of these manufacturers to maintain a market presence could adversely affect Wajax's results of operations or cash flow.

Inventory obsolescence

Wajax maintains substantial amounts of inventories in all three core businesses. While Wajax believes it has appropriate inventory management systems in place, variations in market demand for the products it sells can result in certain items of inventory becoming obsolete. This could result in a requirement for Wajax to take a material write down of its inventory balance resulting in Wajax not being able to realize expected revenue and cash flows from its inventory, which would negatively affect results from operations or cash flow.

Government regulation

Wajax's business is subject to evolving laws and government regulations, particularly in the areas of taxation, the environment, and health and safety. Changes to such laws and regulations may impose additional costs on Wajax and may adversely affect its business in other ways, including requiring additional compliance measures by Wajax.

Insurance

Wajax maintains a program of insurance coverage that is ordinarily maintained by similar businesses, including property insurance and general liability insurance. Although the limits and deductibles of such insurance have been established through risk analysis and the recommendation of professional advisors, there can be no assurance that such insurance will remain available to Wajax at commercially reasonable rates or that the amount of such coverage will be adequate to cover all liability incurred by Wajax. If Wajax is held liable for amounts exceeding the limits of its insurance coverage or for claims outside the scope of that coverage, its business, results of operations or financial condition could be adversely affected.

Information systems and technology

Information systems are an integral part of Wajax's business processes, including marketing of equipment and support services, inventory and logistics, and finance. Some of these systems are integrated with certain suppliers' core processes and systems. Any disruptions to these systems or new systems due, for example, to the upgrade or conversion thereof, or the failure of these systems or new systems to operate as expected could, depending on the magnitude of the problem, adversely affect Wajax's operating results by limiting the ability to effectively monitor and control Wajax's operations.

Credit risk

Wajax extends credit to its customers, generally on an unsecured basis. Although Wajax is not substantially dependent on any one customer and it has a system of credit management in place, the loss of a large receivable would have an adverse effect on Wajax's profitability.

Labour relations

Wajax has approximately 2,725 employees. Wajax is a party to thirteen collective agreements covering a total of approximately 362 employees. Of these, five collective agreements covering 68 employees have expired on December 31, 2014 and are currently being re-negotiated. Of the remaining eight collective agreements, three expire in 2015, two expire in 2016, two expire in 2017 and one expires in 2018. Overall, Wajax believes its labour relations to be satisfactory and does not anticipate it will be unable to renew the collective agreements. If Wajax is unable to renew or negotiate collective agreements from time to time, it could result in work stoppages and other labour disturbances. The failure to renew collective agreements upon satisfactory terms could have a material adverse impact on Wajax's businesses, results of operations or financial condition.

Foreign exchange exposure

Wajax's operating results are reported in Canadian dollars. While the majority of Wajax's sales are in Canadian dollars, significant portions of its purchases are in U.S. dollars. Changes in the U.S. dollar exchange rate can have a negative or positive impact on Wajax's revenue, margins and working capital balances.

Wajax mitigates certain exchange rate risks by entering into short-term foreign currency forward contracts to fix the cost of certain inbound inventory and to hedge certain foreign-currency denominated sales to customers. In addition, Wajax will periodically institute price increases to offset the negative impact of foreign exchange rate increases on imported goods. The inability of Wajax to mitigate exchange rate risks or increase prices to offset foreign exchange rate increases, including sudden and volatile changes in the U.S. dollar exchange rate, may have a material adverse effect on the results of operations or financial condition of Wajax.

A declining U.S. dollar relative to the Canadian dollar can have a negative effect on Wajax's revenue and cash flows as a result of certain products being imported from the U.S. In some cases market conditions require Wajax to lower its selling prices as the U.S. dollar declines. As well, many of Wajax's customers export products to the U.S., and a strengthening Canadian dollar can negatively impact their overall competitiveness and demand for their products, which in turn may reduce product purchases from Wajax.

A strengthening U.S. dollar relative to the Canadian dollar can have a positive effect on Wajax's revenue, as Wajax will periodically institute price increases on inventory imported from the U.S. to offset the negative impact of foreign exchange rate increases to ensure margins are not eroded. However, a sudden strengthening U.S. dollar relative to the Canadian dollar can have a negative impact mainly on parts margins in the short term prior to price increases taking effect.

Wajax maintains a hedging policy whereby significant transactional currency risks are identified and hedged.

Competition

The equipment, power systems and industrial components distribution industries in which Wajax competes are highly competitive. In the Equipment segment, Wajax primarily competes against regional equipment distributors that tend to handle a dedicated product line, such as those offered by John Deere, Komatsu and Caterpillar. There can be no assurance that Wajax will be able to continue to compete on the basis of product quality and price of product lines, distribution and servicing capabilities as well as proximity of its distribution sites to customers.

The Power Systems business competes with other major diesel engine distributors representing such products as Cummins and Caterpillar. Competition is based primarily on product quality, pricing and the ability to service the product after the sale.

In terms of the Industrial Components segment, the hydraulics and process equipment branches compete with other distributors of hydraulics components and process equipment on the basis of quality and price of the product lines, the capacity to provide custom engineered solutions and high service standards. The bearings and power transmission product branches compete with a number of distributors representing the same or competing product lines and rely primarily on high service standards, price and value added services to gain market advantage.

There can be no assurance that Wajax will be able to continue to effectively compete. Increased competitive pressures or the inability of Wajax to maintain the factors which have enhanced its competitive position could adversely affect its results of operations or cash flow.

Litigation and product liability claims

In the ordinary course of its business, Wajax may be party to various legal actions, the outcome of which cannot be predicted with certainty. One category of potential legal actions is product liability claims. Wajax carries product liability insurance, and management believes that this insurance is adequate to protect against potential product liability claims. Not all risks, however, are covered by insurance, and no assurance can be given that insurance will be consistently available, or will be consistently available on an economically feasible basis, or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving Wajax's assets or operations.

Guaranteed residual value, recourse and buy-back contracts

In some circumstances Wajax makes certain guarantees to finance providers on behalf of its customers. These guarantees can take the form of assuring the resale value of equipment, guaranteeing a portion of customer lease payments, or agreeing to buy back the equipment at a specified price. These contracts are subject to certain conditions being met by the customer, such as maintaining the equipment in good working condition. Historically, Wajax has not incurred substantial losses on these types of contracts, however, there can be no assurance that losses will not be incurred in the future. See the Contractual Obligations section.

Future warranty claims

Wajax provides manufacturers' and/or dealer warranties for most of the product it sells. In some cases, the product warranty claim risk is shared jointly with the manufacturer. In addition, Wajax provides limited warranties for workmanship on services provided. Accordingly, Wajax has some liability for warranty claims. There is a risk that a possible product quality erosion or a lack of a skilled workforce could increase warranty claims in the future, or may be greater than management anticipates. If Wajax's liability in respect of such claims is greater than anticipated, it may have a material adverse impact on Wajax's business, results of operations or financial condition.

Maintenance and repair contracts

Wajax frequently enters into long-term maintenance and repair contracts with its customers, whereby Wajax is obligated to maintain certain fleets of equipment at various negotiated performance levels. The length of these contracts varies significantly, often ranging up to five or more years. The contracts are generally fixed price, although many contracts have additional provisions for inflationary adjustments. Due to the long-term nature of these contracts, there is a risk that significant cost overruns may be incurred. If Wajax has miscalculated the extent of maintenance work required, or if actual parts and service costs increase beyond the contracted inflationary adjustments, the contract profitability will be adversely affected. In order to mitigate this risk, Wajax closely monitors the contracts for early warning signs of cost overruns. In addition, the manufacturer may, in certain circumstances, share in the cost overruns if profitability falls below a certain threshold. Any failure by Wajax to effectively price and manage these contracts could have a material adverse impact on Wajax's business, results of operations or financial condition.

Environmental factors

From time to time, Wajax experiences environmental incidents, emissions or spills in the course of its normal business activities. With the assistance of environmental consultants, Wajax has established environmental compliance and monitoring programs which management believes are appropriate for its operations. To date, these environmental incidents, emissions and spills have not resulted in any material liabilities to the Corporation, however, there can be no assurance that any future incidents, emissions or spills will not result in a material adverse effect on Wajax's results of operations or cash flows.

STRATEGIC DIRECTION AND OUTLOOK

Fourth quarter earnings were marginally below expectations, the Equipment and Industrial Components segments performed at, or better than forecasted, however the Power Systems Segment fell short of expectations where weak gross margins and higher costs resulted in a shortfall in expected earnings. Corrective cost reduction actions in the Power Systems segment are currently underway.

Regarding the Corporation's renewed long-term strategy, Wajax's goal is to be Canada's leading industrial products and services provider. Management believes the "4 Points of Growth" framework provides a strong platform that will form the long-term basis of the Corporation's activities and investments to improve product and service offerings to customers. Management is very confident that the direction set will improve the rate and durability of growth and establishes a strong and unique position in the market.

While focused on the long term, management will manage carefully through what is expected to be a challenging 2015. Ongoing weakness in oil and other commodity prices is anticipated to have a negative effect on the Corporation's customers in the mining, oil and gas and oil sands markets which represented 28% of total revenue in 2014. Management also expects that the 52% of revenue derived from western Canada will come under pressure in 2015. In addition, the lower Canadian dollar will also have a short-term negative affect on earnings before selling prices in affected markets were readjusted. In an effort to minimize the impact on profitability and leverage in the short-term, all divisions are prudently reducing costs in affected areas and closely managing working capital as customer demand patterns become more firmly established.

Respecting these issues, Wajax plans to push forward with a prudent investment plan to support its renewed strategy, balancing current conditions with the long-term benefit these programs deliver.

Additional information, including Wajax's Annual Report and Annual Information Form, are available on SEDAR at www.sedar.com.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Wajax Corporation are the responsibility of management and have been prepared in accordance with International Financial Reporting Standards. Where appropriate, the information reflects management's judgement and estimates based on the available information. Management is also responsible for all other information in the Annual Report and for ensuring that this information is consistent with the consolidated financial statements.

Wajax maintains a system of internal control designed to provide financial information and the safeguarding of its assets. Wajax also maintains an internal audit function, which reviews the system of internal control and its application.

The Audit Committee of the Board, consisting solely of outside directors, meets regularly during the year with management, internal auditors and the external auditors, to review their respective activities and the discharge of their responsibilities.

Both the external and internal auditors have free and independent access to the Audit Committee to discuss the scope of their audits, the adequacy of the system of internal control and the adequacy of financial reporting. The Audit Committee reports its findings to the Board, which reviews and approves the consolidated financial statements.

Wajax's external auditors, KPMG LLP , are responsible for auditing the consolidated financial statements and expressing an opinion thereon.

Mark Foote
President and
Chief Executive Officer

John J. Hamilton
Senior Vice President and
Chief Financial Officer

Mississauga, Canada, March 3, 2015

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WAJAX CORPORATION

We have audited the accompanying consolidated financial statements of Wajax Corporation, which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013, the consolidated statements of earnings, comprehensive income, changes in shareholder' equity and cash flows for the years ended December 31, 2014 and December 31, 2013, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wajax Corporation as at December 31, 2014 and December 31, 2013, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2014 and December 31, 2013 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants,
Licensed Public Accountants
Toronto, Canada, March 3, 2015

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31 (in thousands of Canadian dollars)	2014	2013
ASSETS		
Current		
Cash	$ –	$ 4,153
Trade and other receivables (note 5)	**183,759**	187,974
Contracts in progress (note 6)	**9,003**	5,165
Inventories (note 7)	**323,764**	289,299
Income taxes receivable	**31**	203
Prepaid expenses	**7,970**	5,980
Derivative instruments	**1,343**	323
	525,870	493,097
Non-Current		
Rental equipment (note 8)	**59,394**	52,285
Property, plant and equipment (note 9)	**48,665**	49,716
Intangible assets (note 11)	**84,314**	85,944
Deferred taxes (note 22)	**–**	1,076
	192,373	189,021
	$ 718,243	$ 682,118
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$ 7,713**	$ –
Accounts payable and accrued liabilities (note 14)	**246,714**	206,022
Provisions (note 12)	**5,758**	7,011
Dividends payable (note 17)	**3,356**	3,349
Obligations under finance leases (note 10)	**4,175**	4,053
	267,716	220,435
Non-Current		
Provisions (note 12)	**4,250**	3,204
Deferred taxes (note 22)	**494**	–
Employee benefits (note 13)	**7,257**	5,549
Other liabilities	**947**	624
Obligations under finance leases (note 10)	**8,160**	9,208
Long-term debt (note 15)	**180,903**	195,906
	202,011	214,491
Shareholders' Equity		
Share capital (note 18)	**107,454**	106,704
Contributed surplus (note 20)	**5,176**	5,058
Retained earnings	**135,269**	135,317
Accumulated other comprehensive income	**617**	113
Total shareholders' equity	**248,516**	247,192
	$ 718,243	$ 682,118

On behalf of the Board:

Paul E. Gagné
Chairman

Douglas A. Carty
Director

CONSOLIDATED STATEMENTS OF EARNINGS

For the years ended December 31 (in thousands of Canadian dollars, except per share data)	**2014**	2013
Revenue (note 27)	**$ 1,451,333**	$ 1,428,481
Cost of sales	**1,159,603**	1,145,135
Gross profit	**291,730**	283,346
Selling and administrative expenses	**219,317**	209,683
Restructuring costs (note 28)	**2,849**	–
Earnings before finance costs and income taxes	**69,564**	73,663
Finance costs (note 19)	**12,982**	8,951
Earnings before income taxes	**56,582**	64,712
Income tax expense (note 22)	**15,349**	17,027
Net earnings	**$ 41,233**	$ 47,685
Basic earnings per share (note 23)	**$ 2.46**	$ 2.85
Diluted earnings per share (note 23)	**$ 2.42**	$ 2.81

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31 (in thousands of Canadian dollars)	**2014**	2013
Net earnings	**$ 41,233**	$ 47,685
Items that will not be reclassified to income		
Actuarial (losses) gains on pension plans, net of tax recovery of $351 (2013 – tax expense of $543) (note 13)	**(1,026)**	1,545
Items that may subsequently be reclassified to income		
Gains on derivative instruments designated as cash flow hedges in prior periods reclassified to cost of inventory or finance costs during the period, net of tax expense of $144 (2013 – $88)	**(405)**	(247)
Gains on derivative instruments outstanding at the end of the period designated as cash flow hedges, net of tax expense of $322 (2013 – $148)	**909**	416
Other comprehensive (loss) income, net of tax	**(522)**	1,714
Total comprehensive income	**$ 40,711**	$ 49,399

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2014 (in thousands of Canadian dollars)	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (AOCI) Cash flow hedges	Total
January 1, 2014	**$ 106,704**	**5,058**	**135,317**	**113**	**$ 247,192**
Net earnings	**–**	**–**	**41,233**	**–**	**41,233**
Other comprehensive (loss) income	**–**	**–**	**(1,026)**	**504**	**(522)**
Total comprehensive income for the year	**–**	**–**	**40,207**	**504**	**40,711**
Shares issued to settle share-based compensation plans (note 20)	**750**	**(750)**	**–**	**–**	**–**
Dividends (note 17)	**–**	**–**	**(40,255)**	**–**	**(40,255)**
Share-based compensation expense (note 20)	**–**	**868**	**–**	**–**	**868**
December 31, 2014	**$ 107,454**	**5,176**	**135,269**	**617**	**$ 248,516**

For the year ended December 31, 2013 (in thousands of Canadian dollars)	Share capital	Contributed surplus	Retained earnings	AOCI Cash flow hedges	Total
January 1, 2013	$ 106,651	4,346	130,944	(56)	$ 241,885
Net earnings	–	–	47,685	–	47,685
Other comprehensive income	–	–	1,545	169	1,714
Total comprehensive income for the year	–	–	49,230	169	49,399
Shares issued to settle share-based compensation plans (note 20)	53	(53)	–	–	–
Dividends (note 17)	–	–	(44,857)	–	(44,857)
Share-based compensation expense (note 20)	–	765	–	–	765
December 31, 2013	$ 106,704	5,058	135,317	113	$ 247,192

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31 (in thousands of Canadian dollars)	2014	2013
OPERATING ACTIVITIES		
Net earnings	**$ 41,233**	$ 47,685
Items not affecting cash flow:		
Depreciation and amortization:		
Rental equipment (note 8)	**11,905**	10,117
Property, plant and equipment (note 9)	**8,970**	9,661
Intangible assets (note 11)	**1,670**	1,839
(Gain) loss on disposal of property, plant and equipment	**(41)**	129
Share-based compensation expense (note 20)	**868**	765
Non-cash rental expense	**46**	(149)
Employee benefits expense, net of payments	**331**	477
Unrealized gain on derivative instruments	**(338)**	(243)
Finance costs	**12,982**	8,951
Income tax expense (note 22)	**15,349**	17,027
	92,975	96,259
Changes in non-cash operating working capital (note 24)	**7,451**	17,392
Rental equipment additions (note 8)	**(23,103)**	(20,008)
Other non-current liabilities	**1,369**	(2,343)
Finance costs paid	**(12,313)**	(6,870)
Income taxes paid	**(13,434)**	(60,336)
Cash generated from operating activities	**52,909**	24,094
INVESTING ACTIVITIES		
Property, plant and equipment additions	**(5,802)**	(4,353)
Proceeds on disposal of property, plant and equipment	**417**	468
Intangible assets additions (note 11)	**(40)**	(115)
Cash used in investing activities	**(5,425)**	(4,000)
FINANCING ACTIVITIES		
Net decrease in bank debt	**(15,000)**	(77,998)
Issuance of senior unsecured note (note 15)	**–**	125,000
Deferred financing costs (note 15)	**(691)**	(3,244)
Finance lease payments	**(3,411)**	(3,477)
Dividends paid	**(40,248)**	(46,027)
Cash used in financing activities	**(59,350)**	(5,746)
Change in (bank indebtedness) cash	**(11,866)**	14,348
Cash (bank indebtedness) – beginning of period	**4,153**	(10,195)
(Bank indebtedness) cash – end of period	**$ (7,713)**	$ 4,153

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014 (amounts in thousands of Canadian dollars, except share and per share data)

1. CORPORATION PROFILE

Wajax Corporation (the "Corporaton") is incorporated in Canada. The address of the Corporation's registered office is 3280 Wharton Way, Mississauga, Ontario, Canada. The Corporation is a leading Canadian distributor engaged in the sale and service support of mobile equipment, power systems and industrial components. Reflecting a diversified exposure to the Canadian economy, the Corporation has three distinct product divisions which operate through a network of 123 branches across Canada.

The Corporation's customer base covers core sectors of the Canadian economy, including construction, industrial and commercial, transportation, the oil sands, forestry, oil and gas, metal processing and mining.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the Board of Directors on March 3, 2015.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for derivative financial instruments and liabilities for cash-settled share-based payment arrangements that have been measured at fair value. The defined benefit liability is recognized as the net total of the fair value of the plan assets and the present value of the defined benefit obligation.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand, unless otherwise stated and except share and per share data.

Judgements and estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results could differ from those judgements, estimates and assumptions. The Corporation bases its estimates on historical experience and various other assumptions that are believed to be reasonable in the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next fiscal year are as follows:

Allowance for doubtful accounts

The Corporation is exposed to credit risk with respect to its trade and other receivables. However, this is somewhat minimized by the Corporation's large customer base which covers most business sectors across Canada. The Corporation follows a program of credit evaluations of customers and limits the amount of credit extended when deemed necessary. The Corporation maintains provisions for possible credit losses, and any such losses to date have been within management's expectations. The provision for doubtful accounts is determined on an account-by-account basis.

Inventory obsolescence

The value of the Corporation's new and used equipment is evaluated by management throughout the year, on a unit-by-unit basis. When required, provisions are recorded to ensure that the book value of equipment is valued at the lower of cost or estimated net realizable value. The Corporation performs an aging analysis to identify slow moving or obsolete parts inventories and estimates appropriate obsolescence provisions related thereto. The Corporation takes advantage of supplier programs that allow for the return of eligible parts for credit within specified time periods.

Goodwill and intangible assets

The value in use of goodwill and intangible assets has been estimated using the forecasts prepared by management for the next five years. The key assumptions for the estimate are those regarding revenue growth, gross margin and the level of working capital required to support the business. These estimates are based on past experience and management's expectations of future changes in the market and forecasted growth initiatives. See Note 11 for details of the value in use calculations.

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of Wajax Corporation and its subsidiary entities, which are all wholly-owned. Intercompany balances and transactions are eliminated on consolidation.

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable and is recognized as it is earned in accordance with the following:

- Revenue from the sale of equipment, parts and internally-manufactured or assembled products is generally recorded at the time goods are shipped to customers or when all contracted-upon conditions have been fulfilled.
- Revenue from the sale of equipment that involves the design, installation, and assembly of power and energy equipment systems is recognized based on the percentage of contract costs incurred in relation to total estimated contract costs.
- Revenue from the rental of equipment is recognized on a straight-line basis over the term of the lease.
- Revenue from the provision of engineering and technical services to customers is recognized upon completion of contracted–upon services with the customer.
- Revenue for separately priced extended warranty or product maintenance contracts is recognized over the contract period in proportion to the costs expected to be incurred in performing the services under the contract. If insufficient historical evidence exists to support this pattern, then revenue is recognized on a straight-line basis over the term of the contract.

Provision is made for expected returns, collection losses and warranty costs based on past performance, and for estimated costs to fulfill contractual obligations and other sales-related contingencies depending on the terms of each individual contract.

Derivative financial instruments

The Corporation uses derivative financial instruments in the management of its foreign currency exposures related to certain inventory purchases and customer sales commitments. The Corporation's policy is not to utilize derivative financial instruments for trading or speculative purposes.

Where the Corporation intends to apply hedge accounting it formally documents the relationship between the derivative and the risk being hedged, as well as the risk management objective and strategy for undertaking the hedge transaction. The documentation links the derivative to a specific asset or liability or to specific firm commitments or forecasted transactions. The Corporation also assesses, at the hedge's inception as well as on an ongoing basis, whether the hedge is effective in offsetting changes in fair values or cash flows of the risk being hedged. Should a hedge become ineffective, hedge accounting will be discontinued prospectively.

All derivative instruments are recorded in the consolidated statements of financial position at fair value unless exempted from derivative treatment as a normal purchase and sale. All changes in fair value are recorded in earnings unless cash flow hedge accounting is applied, in which case changes in fair value are recorded in other comprehensive income. If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognized, the associated gains or losses on the derivative that had previously been recognized in other comprehensive income are included in the initial measurement of the asset or liability.

Contracts in progress

Contracts in progress represent unbilled amounts expected to be collected from customers for contract work performed to date. The amount is measured at cost plus profit recognized to date less progress billings and recognized losses. Costs include all expenditures directly related to specific projects. Contracts in progress is presented as a current asset for all contracts in which costs incurred plus recognized profits exceeds the progress billings and the amounts are expected to be billed and recovered within twelve months. If progress billings exceed costs incurred plus recognized profits, the difference represents amounts billed in advance for contract work yet to be performed and is presented as deferred income.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Cost is determined using the weighted average method except where the items are not ordinarily interchangeable, in which case the specific identification method is used.

Cost of equipment and parts includes purchase cost, conversion cost, if applicable, and the cost incurred in bringing inventory to its present location and condition.

Cost of work-in-progress and cost of conversion includes cost of direct labour, direct materials and a portion of direct and indirect overheads, allocated based on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell.

Rental equipment

Rental equipment assets are recorded at cost less accumulated depreciation. Cost includes all expenditures directly attributable to the acquisition of the asset. Assets are depreciated over their estimated useful lives using the declining balance method at a rate of 20% per year for material handling equipment and a units of production method for power generation equipment.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Cost includes all expenditures directly attributable to the acquisition of the asset. Assets are depreciated over their estimated useful lives based on the following methods and annual rates:

Asset	Method	Rate
Buildings	declining balance	5%
Equipment and vehicles	declining balance	20% – 30%
Computer hardware	straight-line	3 – 5 years
Furniture and fixtures	declining balance	20%
Leasehold improvements	straight-line	over the remaining terms of the leases

Assets under finance leases are depreciated over the shorter of the lease term and their useful life.

Leases

As lessor:

The Corporation's equipment rentals and leases are classified as operating leases with amounts received included in revenue on a straight-line basis over the term of the lease.

As lessee:

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Corporation. Under finance leases the asset is recorded at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease. A liability is recorded and is classified as current and non-current liabilities. The interest component of the lease is charged to earnings over the period of the lease using the effective interest rate method.

All other leases are classified as operating leases. The cost of operating leases is charged to earnings on a straight-line basis over the periods of the leases.

Intangible assets

Product distribution rights represent the fair value attributed to these rights pursuant to an acquisition and are classified as indefinite life intangibles assets because the Corporation is generally able to renew these rights with minimal cost of renewal.

Goodwill and indefinite life intangible assets are not amortized but are tested for impairment at least annually, or more frequently if certain indicators arise that indicate the assets might be impaired. Goodwill and indefinite life intangible assets are allocated to cash-generating units ("CGUs") that are expected to benefit from the synergies of the acquisition.

Customer lists and non-competition agreements are amortized on a straight-line basis over their useful lives which range from 2 to 7 years. Computer application software is classified as an intangible asset and is amortized on a straight-line basis over the useful life ranging from 1 to 7 years.

Impairment

Property, plant and equipment, rental equipment and definite life intangible assets are reviewed at the end of each year to determine if any indicators of impairment exist. If an indicator of impairment is identified, an impairment loss would be recognized equal to the amount by which the asset's carrying amount exceeds its recoverable amount. Where the asset does not generate cash flows that are independent of other assets, impairment is considered for the CGU to which the asset belongs.

Goodwill and indefinite life intangible assets are tested at least annually for impairment. To test for impairment, the Corporation compares each CGU's carrying value to its recoverable amount. Recoverable amount is the higher of value in use or fair value less costs to sell, if the fair value can be readily determined. The value in use is the present value of future cash flows using a pre-tax discount rate that reflects the time value of money and the risk specific to the assets. Any impairment of goodwill or indefinite life intangible assets would be recorded as a charge against earnings.

Cash and bank indebtedness

Cash and bank indebtedness includes cash on hand, demand deposits, bank overdrafts and outstanding cheques. The Corporation considers bank indebtedness to be an integral part of the Corporation's cash management. Cash and bank indebtedness are offset and the net amount presented in the consolidated statements of financial position to the extent that there is a right to set off and a practice of net settlement. Cash was designated as loans and receivables upon initial recognition.

Financing costs

Transaction costs directly attributable to the acquisition or amendment of bank debt and issuance of senior unsecured notes ("senior notes") are deferred and amortized to finance costs over the term of the long-term debt using the effective interest rate method. Deferred financing costs are included in the carrying amount of the related long-term debt.

Provisions

The Corporation provides for customer warranty claims that may not be covered by the manufacturer's standard warranty. Warranties relate to products sold and generally cover a period of 6 months to 5 years. The reserve is determined by applying a claim rate to the value of each machine sold. The rate is developed using management's best estimate of actual warranty expense, generally based on recent claims experience, and is adjusted as required. The provision is not discounted to reflect the time value of money because the impact is not material.

Financial instruments

The Corporation measures loans and receivables and other financial liabilities at amortized cost. Long-term debt instruments are initially measured at fair value, which is the consideration received, net of transaction costs incurred. Derivative instruments are measured at fair value. All changes in the fair value of derivative instruments are recorded in earnings unless cash flow hedge accounting is used, in which case changes in fair value are recorded in other comprehensive income with any ineffectiveness charged to earnings.

Share-based compensation plans

The fair value of share-based compensation plan rights is based on the trading price of a Wajax Corporation common share on the Toronto Stock Exchange ("TSX"). Compensation expense for share-settled plans is based upon the fair value of the rights at the date of grant and is charged to selling and administrative expenses on a straight-line basis over the vesting period, with an offsetting adjustment to contributed surplus. Compensation expense for cash-settled plans varies with the price of the Corporation's shares and is recognized over the vesting period with an offset to accounts payable and accrued liabilities.

Employee benefits

The Corporation has defined contribution pension plans for most of its employees. The cost of the defined contribution plans is recognized in earnings based on the contributions required to be made each year.

The Corporation also has defined benefit plans covering some of its employees. The benefits are based on years of service and the employees' earnings. Defined benefit plan obligations are accrued as the employees render the services necessary to earn the pension benefits. The Corporation has adopted the following policies:

- The cost of pension benefits earned by employees is actuarially determined using the projected unit credit method for defined benefit plans and management's best estimate of salary escalation, and retirement ages of employees.
- For purposes of calculating expected return on plan assets, those assets are valued at fair value.
- The charge to earnings for the defined benefit plans is split between an operating cost and a finance charge. The finance charge represents the net interest cost on the defined benefit obligation net of the expected return on plan assets and is included in selling and administrative expenses.
- Actuarial gains and losses are recognized in full in other comprehensive income in the year in which they occur.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in earnings except to the extent that they relate to a business combination or to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to income taxes payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. CHANGES IN ACCOUNTING POLICIES

The following new standards have been adopted in the current year:

On January 1, 2014, the Corporation adopted the amendments to IAS 32 *Offsetting Financial Assets and Liabilities* ("IAS 32"), which clarifies when an entity has a right to set-off and when a settlement mechanism provides for net settlement or gross settlement. The impact on the current year's consolidated financial statements from adopting IAS 32 was not material.

On January 1, 2014, the Corporation adopted IFRS Interpretations Committee ("IFRIC") 21 *Levies* ("IFRIC 21"), which provides guidance on accounting for levies in accordance with the requirements of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.* The impact on the current year's consolidated financial statements from adopting IFRIC 21 was not material.

New standards and interpretations not yet adopted

The new standards or amendments to existing standards that may be significant to the Corporation set out below are not yet effective for the year ended December 31, 2014 and have not been applied in preparing these consolidated financial statements.

On January 1, 2016, the Corporation will be required to adopt the amendments to IAS 1 *Presentation of Financial Statements,* which will facilitate improved financial statement disclosures. The extent of the impact of adoption of the amendment has not yet been determined.

On January 1, 2017, the Corporation will be required to adopt IFRS 15 *Revenue from Contracts with Customers*. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgemental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The Corporation is currently assessing the impact of this standard on its consolidated financial statements.

On January 1, 2018, the Corporation will be required to adopt IFRS 9 *Financial Instruments*, which is the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. Additional changes to the new standard will align hedge accounting more closely with risk management. The Corporation is currently assessing the impact of this standard on its consolidated financial statements.

5. TRADE AND OTHER RECEIVABLES

	2014	2013
Trade accounts receivable	**$ 160,518**	$ 167,014
Less: allowance for credit losses	**(1,603)**	(1,684)
Net trade accounts receivable	**158,915**	165,330
Other receivables	**24,844**	22,644
Total trade and other receivables	**$ 183,759**	$ 187,974

The Corporation's exposure to credit and currency risks related to trade and other receivables is disclosed in Note 16.

6. CONTRACTS IN PROGRESS

		2014		2013
Contract revenue for contracts in progress	**$**	**59,200**	$	27,051
Less: progress billings		**(50,986)**		(23,783)
	$	**8,214**	$	3,268
Contracts in progress	**$**	**9,003**	$	5,165
Deferred income – contract revenue (note 14)		**789**		1,897
	$	**8,214**	$	3,268

During the year ended December 31, 2014, $37,695 (2013 – $27,181) was recorded as contract revenue.

7. INVENTORIES

		2014		2013
Equipment	**$**	**183,165**	$	154,362
Parts		**122,318**		116,058
Work-in-process		**18,281**		18,879
Total inventories	**$**	**323,764**	$	289,299

All amounts shown are net of obsolescence reserves of $14,070 (2013 – $11,852). During the year ended December 31, 2014, $3,461 (2013 – $2,068) was recorded in cost of sales for the write-down of inventories to estimated net realizable value.

The Corporation recognized $917,409 (2013 – $906,839) of inventories as an expense which is included in cost of sales.

Substantially all of the Corporation's inventories are pledged as security for the bank credit facility (Note 15).

8. RENTAL EQUIPMENT

		Cost		Accumulated Depreciation		Net Book Value
January 1, 2014	**$**	**79,034**	**$**	**26,749**	**$**	**52,285**
Additions		**23,103**		**11,905**		**11,198**
Net transfers to inventories		**(9,201)**		**(5,112)**		**(4,089)**
December 31, 2014	**$**	**92,936**	**$**	**33,542**	**$**	**59,394**
January 1, 2013	$	63,973	$	20,242	$	43,731
Additions		20,008		10,117		9,891
Net transfers to inventories		(4,947)		(3,610)		(1,337)
December 31, 2013	$	79,034	$	26,749	$	52,285

9. PROPERTY, PLANT AND EQUIPMENT

		Land and buildings	Equipment and vehicles	Computer hardware	Furniture and fixtures	Leasehold improvements		Total
Cost								
January 1, 2014	**$**	**36,577**	**68,589**	**5,601**	**11,060**	**7,715**	**$**	**129,542**
Additions		**692**	**6,078**	**390**	**789**	**805**		**8,754**
Disposals		**–**	**(3,124)**	**(36)**	**(316)**	**–**		**(3,476)**
December 31, 2014	**$**	**37,269**	**71,543**	**5,955**	**11,533**	**8,520**	**$**	**134,820**
Accumulated depreciation								
January 1, 2014	**$**	**15,668**	**45,996**	**4,444**	**7,804**	**5,914**	**$**	**79,826**
Charge for the year		**779**	**6,526**	**450**	**665**	**550**		**8,970**
Disposals		**–**	**(2,314)**	**(36)**	**(291)**	**–**		**(2,641)**
December 31, 2014	**$**	**16,447**	**50,208**	**4,858**	**8,178**	**6,464**	**$**	**86,155**
Carrying amount								
December 31, 2014	**$**	**20,822**	**21,335**	**1,097**	**3,355**	**2,056**	**$**	**48,665**
Cost								
January 1, 2013	$	36,445	66,119	4,942	10,722	10,791	$	129,019
Additions		132	7,083	744	1,199	290		9,448
Disposals		–	(4,613)	(85)	(861)	(3,366)		(8,925)
December 31, 2013	$	36,577	68,589	5,601	11,060	7,715	$	129,542
Accumulated depreciation								
January 1, 2013	$	14,663	42,911	4,068	8,008	8,669	$	78,319
Charge for the year		1,005	6,931	461	654	610		9,661
Disposals		–	(3,846)	(85)	(858)	(3,365)		(8,154)
December 31, 2013	$	15,668	45,996	4,444	7,804	5,914	$	79,826
Carrying amount								
December 31, 2013	$	20,909	22,593	1,157	3,256	1,801	$	49,716

Included in property, plant and equipment are vehicles held under finance leases as follows:

	2014	2013
Cost, beginning of year	**$ 20,655**	$ 21,307
Additions	**2,952**	5,095
Disposals	**(1,001)**	(335)
Purchased at end of lease	**(1,160)**	(5,412)
Cost, end of year	**$ 21,446**	$ 20,655
Accumulated depreciation, beginning of year	**$ 9,322**	$ 10,002
Charge for the year	**3,609**	3,901
Disposals	**(542)**	(161)
Purchased at end of lease	**(859)**	(4,420)
Accumulated depreciation, end of year	**11,530**	9,322
Carrying amount	**$ 9,916**	$ 11,333

All property, plant and equipment except land and buildings and vehicles held under finance leases have been pledged as security for bank debt.

10. OPERATING AND FINANCE LEASES

Operating leases – as lessor

The Corporation rents equipment to customers under rental agreements with terms of up to 5 years. The rentals have been classified as operating leases. The rentals may be cancelled subject to a cancellation fee. The future minimum lease payments receivable under the agreements are as follows:

	2014	2013
Less than one year	**$ 7,817**	$ 5,288
Between one and five years	**13,706**	8,693
More than five years	**44**	–
	$ 21,567	$ 13,981

Operating leases – as lessee

The Corporation leases certain land and buildings, rental equipment and office equipment. Some of the lease terms can be extended at the option of the Corporation.

The future minimum non-cancelable payments due under the agreements are as follows:

	2014	2013
Less than one year	**$ 16,084**	$ 16,801
Between one and five years	**51,251**	59,492
More than five years	**24,334**	24,968
	$ 91,669	$ 101,261

Finance leases – as lessee

The Corporation finances certain vehicles under finance lease arrangements. The leases have a minimum one year term and are extended on a monthly basis thereafter until terminated. On termination, the Corporation has an option to purchase the vehicles at its residual value or the difference between the lessor's proceeds of disposal and the residual value is charged or refunded to the Corporation as a rental adjustment. Obligations under finance leases are as follows:

			2014			2013
	Payment	Finance costs	Present value of minimum lease payments	Payment	Finance costs	Present value of minimum lease payments
Current	**$ 4,732**	**557**	**4,175**	$ 4,282	229	4,053
Non-current (between one and five years)	**9,269**	**1,109**	**8,160**	11,474	2,266	9,208
Total minimum lease payments	**$ 14,001**	**1,666**	**12,335**	$ 15,756	2,495	13,261

11. INTANGIBLE ASSETS

		Goodwill	Product distribution rights	Customer lists/Non-competition agreements	Software		Total
Cost							
January 1, 2014	**$**	**72,148**	**8,600**	**8,402**	**4,781**	**$**	**93,931**
Additions		**–**	**–**	**–**	**40**		**40**
Disposals		**–**	**–**	**–**	**–**		**–**
December 31, 2014	**$**	**72,148**	**8,600**	**8,402**	**4,821**	**$**	**93,971**
Accumulated amortization							
January 1, 2014	**$**	**–**	**–**	**4,659**	**3,328**	**$**	**7,987**
Charge for the year		**–**	**–**	**1,007**	**663**		**1,670**
Disposals		**–**	**–**	**–**	**–**		**–**
December 31, 2014	**$**	**–**	**–**	**5,666**	**3,991**	**$**	**9,657**
Carrying amount							
December 31, 2014	**$**	**72,148**	**8,600**	**2,736**	**830**	**$**	**84,314**
Cost							
January 1, 2013	$	72,148	8,600	8,402	11,564	$	100,714
Additions		–	–	–	115		115
Disposals		–	–	–	(6,898)		(6,898)
December 31, 2013	$	72,148	8,600	8,402	4,781	$	93,931
Accumulated amortization							
January 1, 2013	$	–	–	3,652	9,394	$	13,046
Charge for the year		–	–	1,007	832		1,839
Disposals		–	–	–	(6,898)		(6,898)
December 31, 2013	$	–	–	4,659	3,328	$	7,987
Carrying amount							
December 31, 2013	$	72,148	8,600	3,743	1,453	$	85,944

Amortization of intangible assets is charged to selling and administrative expenses.

The Corporation has allocated goodwill to the respective CGUs or groups of CGUs that represent the smallest identifiable group of assets that generate cash inflows and at which the goodwill is monitored internally. Each CGU has identifiable accounts receivable, inventory, property, plant and equipment, and intangible assets.

Goodwill and indefinite life intangible assets have been allocated to the Corporation's CGUs that are expected to benefit from the acquisition that gave rise to the goodwill or indefinite life intangible assets as follows:

			2014			2013
Cash-generating units		Goodwill	Product distribution rights		Goodwill	Product distribution rights
Equipment	**$**	**21,341**	**–**	$	21,341	–
Power Systems		**8,253**	**5,400**		8,253	5,400
Industrial Components		**42,554**	**3,200**		42,554	3,200
	$	**72,148**	**8,600**	$	72,148	8,600

In 2014, the Corporation performed annual impairment tests of its goodwill and intangible assets with indefinite lives. The recoverable amount of the CGUs was estimated based on the present value of the future cash flows expected to be derived from the CGUs (value in use). To prepare the value in use calculations, the forecasts are extrapolated beyond the five year period at the estimated long-term inflation rate of 2% (2013 – 2%) and a discount rate of approximately 12% (2013 – 11%) which is based on the Corporation's pre-tax weighted average cost of capital.

The Corporation concluded that no impairment existed in either the goodwill or the intangible assets with an indefinite life.

12. PROVISIONS, COMMITMENTS AND CONTINGENCIES

	Warranties	Other	Total
Provisions, January 1, 2014	**$ 7,079**	**$ 3,136**	**$ 10,215**
Charge for the year	**5,449**	**907**	**6,356**
Utilized in the year	**(4,777)**	**(1,786)**	**(6,563)**
Provisions, December 31, 2014	**$ 7,751**	**$ 2,257**	**$ 10,008**
Current	**3,586**	**2,172**	**5,758**
Non-current	**4,165**	**85**	**4,250**
Total	**$ 7,751**	**$ 2,257**	**$ 10,008**

Contingencies

In the ordinary course of business, the Corporation is contingently liable for various amounts. These liabilities could arise from litigation, environmental matters or other sources. The Corporation does not expect the resolution of these matters to have materially adverse effect on its financial position or results of operations. Provisions have been made in these consolidated financial statements when the liability is expected to result in an outflow of economic resources, and where the obligation can be reliably measured.

13. EMPLOYEE BENEFITS

The Corporation sponsors three pension plans: the Wajax Limited Pension Plan (the "Employees' Plan") which, except for a small group of employees, is a defined contribution plan ("DC") and two defined benefit plans ("DB"): the Pension Plan for Executive Employees of Wajax Limited (the "Executive Plan") and the Wajax Limited Supplemental Executive Retirement Plan (the "SERP").

The Corporation also contributes to several union sponsored multi-employer plans for a small number of employees. Two of these are target benefit plans but they are all accounted for as DC plans as the Corporation has no involvement in the management of these plans and does not have sufficient information to account for the plans as DB plans.

The Corporation uses actuarial reports prepared by independent actuaries for funding and accounting purposes and measures its defined benefit obligations and the fair value of plan assets for accounting purposes as at December 31 of each year. These actuarial assumptions include discount rates, interest income on plan assets, compensation increases and service life. While management believes that the actuarial assumptions are appropriate, any significant changes to those used would affect the statement of financial position and statement of earnings.

The schedule for actuarial valuations of the pension plans for funding purposes is as follows:

Plan	Previous valuation	Next valuation
Employees Plan	January 1, 2014	January 1, 2017
Executive Plan	January 1, 2012	January 1, 2015
SERP	January 1, 2012	January 1, 2015

The following significant actuarial assumptions were employed to determine the periodic pension income and the defined benefit obligations:

	December 31	
	2014	2013
Discount rate – at beginning of year (to determine plan expenses)	**4.5%**	3.8%
Discount rate – at end of year (to determine defined benefit obligation)	**3.8%**	4.5%
Rate of compensation increase	**3.0%**	3.0%

Plan assets for the DC plans are invested according to the directions of the plan members. Plan assets for defined benefit plans are invested in the following major categories of plan assets as a percentage of total plan assets:

	December 31	
	2014	2013
Cash	**7.7%**	3.8%
Fixed Income	**28.7%**	33.4%
Canadian Equities	**29.4%**	34.6%
Foreign Equities	**34.2%**	28.2%
	100.0%	100.0%

The history of adjustments on the defined benefit plans for the current and prior year:

	2014	2013
Actuarial loss (gain) on defined benefit obligation arising from:		
Experience adjustment	**$ 76**	$ –
Demographic assumption changes	**269**	903
Economic assumption changes	**1,878**	(1,644)
	$ 2,223	$ (741)
Actuarial gain on plan assets, excluding interest income	**$ 846**	$ 1,347

Total cash payments

Total cash payments for employee future benefits for 2014, consisting of cash contributed by the Corporation to its funded pension plans, cash payments directly to beneficiaries for its unfunded pension plans, and cash contributed to its DC plans was $8,488 (2013 – $7,988).

The Corporation expects to contribute $612 to the defined benefit pension plans in the year ended December 31, 2015.

The plan expenses recognized in earnings are as follows:

	2014	2013
Defined contribution plans		
Current service cost	**$ 8,125**	$ 7,787
Defined benefit plans		
Current service cost	**547**	606
Administration expenses	**95**	100
Finance cost on defined benefit obligation	**836**	708
Expected return on plan assets	**(576)**	(432)
	902	982
Total plan expense recognized in the statement of earnings	**$ 9,027**	$ 8,769

Of the amounts recognized in earnings, $3,713 (2013 – $3,481) is included in cost of sales and $5,314 (2013 – $5,288) is included in selling and administrative expenses.

The amounts recognized in other comprehensive income are as follows:

		2014		2013
Net actuarial losses (gains)	**$**	**1,377**	$	(2,088)
Deferred tax		**(351)**		543
Amount recognized in other comprehensive (loss) income	**$**	**1,026**	$	(1,545)
Cumulative actuarial losses, net of tax	**$**	**3,336**	$	2,310

Information about the Corporation's defined benefit pension plans, in aggregate, is as follows:

Present value of benefit obligation		**2014**		2013
Present value of benefit obligation, beginning of year	**$**	**19,025**	$	19,328
Current service cost		**547**		606
Participant contributions		**62**		67
Finance cost on defined benefit obligation		**836**		708
Actuarial loss (gain)		**2,223**		(741)
Benefits paid		**(971)**		(943)
Present value of benefit obligation, end of year	**$**	**21,722**	$	19,025

Plan assets		**2014**		2013
Fair value of plan assets, beginning of year	**$**	**12,975**	$	11,752
Actual return		**1,391**		1,779
Participant contributions		**62**		67
Employer contributions		**491**		420
Benefits paid		**(971)**		(943)
Administration expenses		**(95)**		(100)
Fair value of plan assets, end of year	**$**	**13,853**	$	12,975

Funded Status		**2014**		2013
Fair value of plan assets, end of year	**$**	**13,853**	$	12,975
Present value of benefit obligation, end of year		**(21,722)**		(19,025)
Plan deficit	**$**	**(7,869)**	$	(6,050)

The accrued benefit liability is included in the Corporation's statement of financial position as follows:

		2014		2013
Accounts payable and accrued liabilities	**$**	**(612)**	$	(501)
Employee benefits		**(7,257)**		(5,549)
Plan deficit	**$**	**(7,869)**	$	(6,050)

Present value of benefit obligation includes a benefit obligation of $5,469 (2013 – $4,542) related to the SERP that is not funded. This obligation is secured by a letter of credit of $4,944 (2013 – $5,336).

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		2014		2013
Trade payables	**$**	**134,774**	$	116,300
Deferred income – contract revenue (note 6)		**789**		1,897
Deferred income – other		**10,588**		12,326
Other payables and accrued liabilities		**100,563**		75,499
Accounts payable and accrued liabilities	**$**	**246,714**	$	206,022

15. LONG-TERM DEBT

On August 6, 2014, the Corporation amended its fully secured bank credit facility on more favourable terms including a three year extension of the maturity date from August 12, 2016 to August 12, 2019. The fully secured bank credit facility of $250,000 is now comprised of a $30,000 non-revolving term portion and a $220,000 revolving term portion. The Corporation's restriction from declaring dividends in the event the Corporation's leverage ratio, as defined in the bank credit facility agreement, exceeds 3.0 times has been amended to restrict the declaration of dividends in the event the leverage ratio exceeds 3.25 times, which is the same level as under the senior note agreement. The $691 cost of amending the bank credit facility has been capitalized and will be amortized over the remaining term of the facility.

Borrowing capacity under the bank credit facility is dependent upon the level of the Corporation's inventories on hand and the outstanding trade accounts receivable. In addition, the bank credit facility contains customary restrictive covenants including limitations on the declaration of cash dividends noted above and the maintenance of certain financial ratios, all of which were met as at December 31, 2014.

Borrowings under the bank credit facility bear floating rates of interest at margins over Canadian dollar bankers' acceptance yields, U.S. dollar LIBOR rates or prime. Margins on the facility depend on the Corporation's leverage ratio at the time of borrowing and range between 1.5% and 3.0% for Canadian dollar bankers' acceptances and U.S. dollar LIBOR borrowings, and 0.5% and 2.0% for prime rate borrowings.

The senior notes bear an annual interest rate of 6.125%, are payable semi-annually, and mature on October 23, 2020. The senior notes are unsecured and contain customary incurrence based covenants, all of which were met as at December 31, 2014.

		2014		2013
Bank credit facility				
Non-revolving term portion	**$**	**30,000**	$	60,000
Revolving term portion		**30,000**		15,000
		60,000		75,000
Senior notes		**125,000**		125,000
Deferred financing costs, net of accumulated amortization of $1,467 (2013 – $779)		**(4,097)**		(4,094)
Total long-term debt	**$**	**180,903**	$	195,906

The Corporation had $5,536 (2013 – $6,694) letters of credit outstanding at the end of the year. Finance costs on long-term debt amounted to $12,379 (2013 – $8,315)

16. FINANCIAL INSTRUMENTS

The Corporation categorizes its financial assets and financial liabilities as follows:

	2014	2013
Loans and receivables:		
(Bank indebtedness) cash	**$ (7,713)**	$ 4,153
Trade and other receivables	**183,759**	187,974
Other financial liabilities:		
Accounts payable and accrued liabilities	**(246,714)**	(201,358)
Dividends payable	**(3,356)**	(3,349)
Other liabilities	**(947)**	(624)
Obligations under finance leases	**(12,335)**	(13,261)
Long-term debt	**(180,903)**	(195,906)
Derivative instruments – cash flow hedges:		
Foreign exchange forward contracts	**$ 1,343**	$ 323

The Corporation measures loans and receivables and other financial liabilities at amortized cost. Derivatives designated as effective hedges are measured at fair value with subsequent changes in fair value recorded in other comprehensive income. Bank indebtedness and cash were designated as loans and receivables upon initial recognition. The fair values of loans and receivables and other financial liabilities, excluding the senior notes, approximate their recorded values due to the short-term maturities of these instruments. The fair value of the senior notes is estimated based on the trading price of the notes, which takes into account the Corporation's own credit risk. At December 31, 2014, the Corporation has estimated the fair value of its senior notes to be approximately $124,375 (2013 – $128,750).

The following method and assumptions were used in 2014 and 2013 to determine the fair value of each class of assets and liabilities recorded at fair value on the consolidated statement of financial position:

Derivative instruments

The fair value of foreign exchange forward contracts is determined by discounting contracted future cash flows using a discount rate derived from forward rate curves for comparable assets and liabilities adjusted for changes in credit risk of the counterparties.

Credit risk

The Corporation is exposed to credit risk with respect to its trade and other receivables. This risk is somewhat minimized by the Corporation's large customer base which covers many business sectors across Canada. The Corporation follows a program of credit evaluations of customers and limits the amount of credit extended when deemed necessary. The Corporation's trade and other receivables consist of trade accounts receivable from customers and other accounts receivable, generally from suppliers for warranty and rebates. The aging of the trade accounts receivable is as follows:

	2014	2013
Current	**$ 95,510**	$ 97,411
Less than 60 days overdue	**60,480**	63,325
More than 60 days overdue	**4,528**	6,278
Total trade accounts receivable	**$ 160,518**	$ 167,014

The carrying amounts of accounts receivable represent the maximum credit exposure.

The Corporation maintains provisions for possible credit losses by performing an analysis of specific accounts. Any such losses to date have been within management's expectations. Movement of the allowance for credit losses is as follows:

	2014	2013
Opening balance	**$ 1,684**	$ 2,458
Additions	**1,243**	883
Utilization	**(1,324)**	(1,657)
Closing balance	**$ 1,603**	$ 1,684

The Corporation is also exposed to non-performance by counterparties to short-term currency forward contracts. These counterparties are large financial institutions and although they recently experienced an outlook downgrade to "Negative" by Standard & Poor's, they maintain high short-term and long-term credit ratings. To date, no such counterparty has failed to meet its financial obligations to the Corporation. Management does not believe there is a significant risk of non-performance by these counterparties and will continue to monitor the credit risk of these counterparties.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities as they become due. The contractual maturities of the bank credit facility and senior notes are August 12, 2019 and October 23, 2020, respectively. At December 31, 2014 the Corporation had borrowed $63,357 (2013 – $75,000) from the bank credit facility and $125,000 (2013 – $125,000) from the issuance of senior notes. The Corporation issued $5,536 (2013 – $6,694) of letters of credit for a total utilization of $68,893 (2013 – $81,694) of its $250,000 (2013 – $250,000) bank credit facility and had not utilized any (2013 – nil) of its $15,000 (2013 – $15,000) equipment financing facility.

The Corporation's $250,000 bank credit facility along with $15,000 of capacity permitted in addition to the credit facility should be sufficient to meet the Corporation's short-term normal course working capital, maintenance capital and growth capital requirements.

In the long-term the Corporation may be required to access the equity or debt markets or reduce dividends in order to fund significant acquisitions and growth related working capital and capital expenditures.

Financial risk management policy

The Corporation has in place a financial risk management policy that addresses the Corporation's financial exposure to currency risk and interest rate risk. The Corporation's tolerance to interest rate risk decreases as the Corporation's leverage ratio increases and interest coverage ratio decreases. To manage this risk prudently, guideline percentages of floating interest rate debt decrease as the Corporation's leverage ratio increases. The policy also defines acceptable levels of exposure to transactional currency risk. The exposure to currency and interest rate risk is managed through the use of various derivative instruments.

Currency risk

The Corporation enters into short-term currency forward contracts to hedge the exchange risk associated with the cost of certain inbound inventory and certain foreign currency-denominated sales to customers along with the associated receivables as part of its normal course of business. The impact of a change in foreign currency relative to the Canadian dollar on the Corporation's financial statements of unhedged foreign currency-denominated sales to customers along with the associated receivables and purchases from vendors along with the associated payables would not be material. The Corporation will periodically institute price increases to offset the negative impact of foreign exchange rate increases and volatility on imported goods to ensure margins are not eroded. However, a sudden strengthening U.S. dollar relative to the Canadian dollar can have a negative impact mainly on parts margins in the short term prior to price increases taking effect. The Corporation's contracts to buy and sell foreign currencies are summarized as follows:

December 31, 2014		**Notional Amount**	**Fair Value**	**Average Exchange Rate**	**Maturity**
Purchase contracts USD	$	41,844	1,343	1.1319	January to December 2015

December 31, 2013		**Notional Amount**	**Fair Value**	**Average Exchange Rate**	**Maturity**
Purchase contracts USD	$	31,113	323	1.0562	January 2014 to February 2015

The Corporation maintains a hedging policy whereby significant transactional currency risks are usually identified and hedged.

Interest rate risk

The Corporation's borrowing costs are impacted by changes in interest rates. The impact of changes in interest rates is reduced by the fixed interest rate of the senior notes. As at December 31, 2014 and 2013 the Corporation had not entered into any interest rate swaps with its lenders.

Sensitivity analysis

A 1.00 percentage point change in interest rates on the average amount outstanding under the bank credit facility for 2014 would result in a change to earnings before income taxes of approximately $911 for the year.

17. DIVIDENDS DECLARED

During 2014 the Corporation declared cash dividends of $2.40 per share, or $40,255 (2013 – dividends of $2.68 per share or $44,857).

The Corporation has declared dividends of $0.20 per share or $3,356 for each of January and February 2015 and $0.0833 per share or $1,398 for March 2015. The Corporation also declared a second quarter 2015 dividend of $0.25 per share or $4,195.

18. SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of no par value common shares and an unlimited number of no par value preferred shares. Each common share entitles the holder of record to one vote at all meetings of shareholders. All issued common shares are fully paid. There were no preferred shares outstanding as at December 31, 2014 (2013 – nil). Each common share represents an equal beneficial interest in any distributions of the Corporation and in the net assets of the Corporation in the event of its termination or winding-up.

	Number of Common Shares		Amount
Balance, December 31, 2012	16,736,447	$	106,651
Common shares issued to settle share-based compensation plans (note 20)	7,073		53
Balance, December 31, 2013	16,743,520	$	106,704
Common shares issued to settle share-based compensation plans (note 20)	35,363		750
Balance, December 31, 2014	**16,778,883**	**$**	**107,454**

19. FINANCE COSTS

	2014	2013
Interest on long-term debt	**$ 12,379**	$ 8,315
Interest on finance leases	**603**	636
Finance costs	**$ 12,982**	$ 8,951

20. SHARE-BASED COMPENSATION PLANS

The Corporation has five share-based compensation plans: the Wajax Share Ownership Plan ("SOP"), the Deferred Share Program ("DSP"), the Directors' Deferred Share Unit Plan ("DDSUP"), the Mid-Term Incentive Plan for Senior Executives ("MTIP") and the Deferred Share Unit Plan ("DSUP").

a) Share rights plans

Under the SOP, DSP and the DDSUP, rights are issued to the participants which, upon satisfaction of certain time and performance vesting conditions, are settled by issuing Wajax Corporation shares for no cash consideration. Vested rights are settled when the participant is no longer employed by the Corporation or one of its subsidiary entities or no longer sits on its board.

Whenever dividends are paid on the Corporation's shares, additional rights (dividend equivalents) with a value equal to the dividends are credited to the participants' accounts.

The Corporation recorded compensation cost of $868 (2013 – $765) in respect of these plans.

	December 31, 2014		December 31, 2013	
	Number of Rights	Fair value at time of grant	Number of Rights	Fair value at time of grant
Outstanding at beginning of year	**282,573**	**$ 5,403**	254,952	$ 4,932
Granted in the year – new grants	**21,929**	**767**	14,721	524
– dividend equivalents	**18,411**	**–**	19,973	–
Settled in the year	**(35,363)**	**(750)**	(7,073)	(53)
Outstanding at end of year	**287,550**	**$ 5,420**	282,573	$ 5,403

During the year the Corporation settled all 35,363 DSP rights outstanding.

At December 31, 2014, 265,125 share rights were vested (December 31, 2013 – 266,579).

The outstanding aggregate number of shares issuable to satisfy entitlements under these plans is as follows:

	2014	2013
	Number of Shares	Number of Shares
Approved by shareholders	**1,050,000**	1,050,000
Exercised to date	**(196,353)**	(160,990)
Rights outstanding	**(287,550)**	(282,573)
Available for future grants	**566,097**	606,437

b) Cash-settled rights plans

The MTIP and DSUP, which are settled in cash, consist of an annual grant that vests over three years where a portion is determined by the price of the Corporation's shares. A part of the grant is also subject to a performance vesting criteria. Compensation expense varies with the price of the Corporation's shares and is recognized over the vesting period. Vested DSUP rights are settled when the participant is no longer employed by the Corporation or one of its subsidiary entities. The Corporation recorded compensation cost of $587 (2013 – recovery of $124) in respect of these plans. The carrying amount of the share-based portion of these liabilities was $744 (2013 – $855).

21. EMPLOYEE COSTS

Employee costs for the Corporation during the year amounted to:

	2014	2013
Wages and salaries, including bonuses	**$ 238,395**	$ 219,805
Other benefits	**31,156**	33,712
Pension costs – defined contribution plans	**8,125**	7,787
Pension costs – defined benefit plans	**902**	982
Share-based compensation expense	**1,455**	641
	$ 280,033	$ 262,927

22. INCOME TAXES

Income tax expense comprises current and deferred tax as follows:

	2014	2013
Current	**$ 13,606**	$ 15,784
Deferred – Origination and reversal of temporary difference	**1,743**	1,243
Income tax expense	**$ 15,349**	$ 17,027

The calculation of current tax is based on a combined federal and provincial statutory income tax rate of 26.1% (2013 – 26.1%). Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax assets and liabilities have been measured using an expected average combined statutory income tax rate of 26.1% based on the tax rates in years when the temporary differences are expected to reverse.

The reconciliation of effective income tax is as follows:

	2014	2013
Combined statutory income tax rate	**26.1%**	26.1%
Expected income tax expense at statutory rates	**$ 14,767**	$ 16,890
Non-deductible expenses	**604**	573
Other	**(22)**	(436)
Income tax expense	**$ 15,349**	$ 17,027

Recognized deferred tax assets and liabilities

Recognized deferred tax assets and liabilities and the movement in temporary differences during the year are as follows:

	December 31 2013	Recognized in profit or loss	Recognized in other comprehensive income	December 31 2014
Property, plant and equipment	**$ (2,651)**	**(821)**	**–**	**$ (3,472)**
Finance leases	**497**	**136**	**–**	**633**
Intangible assets	**(3,120)**	**32**	**–**	**(3,088)**
Accrued liabilities	**3,354**	**(409)**	**–**	**2,945**
Provisions	**2,597**	**15**	**–**	**2,612**
Derivative instruments	**(42)**	**–**	**(178)**	**(220)**
Employee benefits	**1,485**	**58**	**351**	**1,894**
Deferred financing costs	**(66)**	**(225)**	**–**	**(291)**
Partnership income not currently taxable	**(1,062)**	**(431)**	**–**	**(1,493)**
Tax loss carryforwards	**84**	**(98)**	**–**	**(14)**
Net deferred tax liabilities	**$ 1,076**	**(1,743)**	**173**	**$ (494)**

	December 31 2012	Recognized in profit or loss	Recognized in other comprehensive income	December 31 2013
Property, plant and equipment	$ (2,099)	(552)	–	$ (2,651)
Finance leases	117	380	–	497
Intangible assets	(2,973)	(147)	–	(3,120)
Accrued liabilities	5,241	(1,887)	–	3,354
Provisions	2,265	332	–	2,597
Derivative instruments	18	–	(60)	(42)
Employee benefits	1,861	167	(543)	1,485
Deferred financing costs	81	(147)	–	(66)
Partnership income not currently taxable	(1,893)	831	–	(1,062)
Tax loss carryforwards	304	(220)	–	84
Net deferred tax assets	$ 2,922	(1,243)	(603)	$ 1,076

23. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	2014	2013
Numerator for basic and diluted earnings per share: – net earnings	**$ 41,233**	$ 47,685
Denominator for basic earnings per share: – weighted average shares	**16,772,769**	16,737,086
Denominator for diluted earnings per share: – weighted average shares	**16,772,769**	16,737,086
– effect of dilutive share rights	**264,613**	260,390
Denominator for diluted earnings per share	**17,037,382**	16,997,476
Basic earnings per share	**$ 2.46**	$ 2.85
Diluted earnings per share	**$ 2.42**	$ 2.81

No share rights were excluded from the above calculations as none were anti-dilutive.

24. CHANGES IN NON-CASH OPERATING WORKING CAPITAL

	2014	2013
Trade and other receivables	**$ 4,215**	$ 6,593
Contracts in progress	**(3,838)**	(5,165)
Inventories	**(30,376)**	(2,777)
Prepaid expenses	**(1,990)**	1,109
Accounts payable and accrued liabilities	**40,657**	18,156
Provisions	**(1,253)**	(524)
Total	**$ 7,415**	$ 17,392

25. CAPITAL MANAGEMENT

Objective

The Corporation defines its capital as the total of its shareholders' equity and long-term debt and obligations under finance leases ("interest bearing debt"). The Corporation's objective when managing capital is to have a capital structure and capacity to support the Corporation's operations and strategic objectives set by the Board of Directors.

Management of capital

As part of the Corporation's renewed long-term strategy, its capital structure will continue to be managed such that it maintains a prudent leverage ratio, defined below, in order to provide funds available to invest in strategic growth initiatives, provide liquidity in times of economic uncertainty and to allow for the payment of dividends. In addition, the Corporation's tolerance to interest rate risk decreases/increases as the Corporation's leverage ratio increases/decreases. The Corporation's objective is to maintain a leverage ratio between 1.5 times and 2.0 times. However, there may be instances where the Corporation is willing to maintain a leverage ratio outside the range to either support key growth initiatives or fluctuations in working capital levels during changes in economic cycles.

The leverage ratio at the end of a particular quarter is defined as funded net debt divided by trailing 12-month EBITDA. Funded net debt includes long-term debt, bank indebtedness and obligations under finance leases, net of cash. EBITDA is calculated as earnings before finance costs, income tax expense, depreciation and amortization.

Although management currently believes the Corporation has adequate debt capacity, the Corporation may have to access the equity or debt markets, or temporarily reduce dividends to accommodate any shortfalls in the Corporation's credit facilities or significant growth capital requirements.

There were no other significant changes in the Corporation's approach to capital management during the year.

Restrictions on capital

The interest bearing debt includes a $250,000 bank credit facility which expires August 12, 2019. The bank credit facility contains the following key covenants:

- Borrowing capacity is dependent upon the level of the Corporation's inventories on-hand and the outstanding trade accounts receivable ("borrowing base"). The Corporation's borrowing base was in excess of $250,000 at December 31, 2014 and, as a result, did not restrict the borrowing capacity under the bank credit facility.
- The Corporation will be restricted from the declaration of cash dividends in the event the Corporation's leverage ratio, as defined under the bank credit facility, exceeds 3.25 times.

The $125,000 senior notes which expire October 23, 2020 are unsecured and contain customary incurrence based covenants that, although different from those under the bank credit facility described above, are not expected to be any more restrictive than under the bank credit facility.

At December 31, 2014, the Corporation was in compliance with all covenants and there were no restrictions on the declaration of monthly cash dividends.

Under the terms of the $250,000 bank credit facility, the Corporation is permitted to have additional interest bearing debt of $15,000. As a result, the Corporation has up to $15,000 of demand inventory equipment financing capacity with three lenders. The equipment notes payable under the facilities bear floating rates of interest at margins over Canadian dollar bankers' acceptance yields and U.S. LIBOR rates. Principal repayments are generally due the earlier of 12 months from the date of financing and the date the equipment is sold. At December 31, 2014, the Corporation had no utilization of its interest bearing equipment financing facilities.

26. RELATED PARTY TRANSACTIONS

The Corporation's related party transactions consist of the compensation of directors and key management personnel which is set out in the following table:

		2014		2013
Salaries, bonus and other short-term employee benefits	$	3,689	$	2,633
Termination benefits		718		–
Pension costs – defined benefit plans		861		797
Share-based compensation expense		1,439		680
Total compensation	$	6,707	$	4,110

27. OPERATING SEGMENTS

The Corporation operates through a network of 123 branches in Canada in three core businesses which reflect the internal organization and management structure according to the nature of the products and services provided. The Corporation's three core businesses are: i) the distribution, modification and servicing of equipment; ii) the distribution, servicing and assembly of power systems; and iii) the distribution, servicing and assembly of industrial components.

Performance is measured based on segment earnings before finance costs and income taxes, as included in the internal management reports that are reviewed by the Corporation's chief operating decision maker. Information regarding the results of each reportable segment is shown below.

2014		Equipment		Power Systems		Industrial Components		Segment Eliminations		Total
Equipment	$	415,090	$	104,957	$	–	$	–	$	520,047
Parts		177,131		141,533		374,771		–		693,435
Service		82,707		70,541		37,198		–		190,446
Rental and other		44,879		8,624		–		(6,098)		47,405
Revenue	$	719,807	$	325,655	$	411,969	$	(6,098)	$	1,451,333
Earnings before restructuring costs, finance costs and income taxes	$	48,924	$	16,537	$	18,364	$	(11,412)	$	72,413
Restructuring costs		–		–		2,849		–		2,849
Earnings before finance costs and income taxes	$	48,924	$	16,537	$	15,515	$	(11,412)	$	69,564
Finance costs										12,982
Income tax expense										15,349
Net earnings									$	41,233
Segment assets excluding intangible assets	$	326,385	$	166,695	$	140,642	$	–	$	633,722
Intangible assets		21,551		13,959		48,724		80		84,314
Corporate and other assets		–		–		–		207		207
Total assets	$	347,936	$	180,654	$	189,366	$	287	$	718,243
Segment liabilities	$	144,290	$	51,728	$	69,435	$	–	$	265,453
Corporate and other liabilities		–		–		–		204,274		204,274
Total liabilities	$	144,290	$	51,728	$	69,435	$	204,274	$	469,727
Asset additions										
Rental equipment	$	14,807	$	8,296	$	–	$	–	$	23,103
Property, plant and equipment		3,200		3,928		1,564		62		8,754
Intangible assets		–		–		17		23		40
	$	18,007	$	12,224	$	1,581	$	85	$	31,897
Asset depreciation										
Rental equipment	$	10,582	$	1,323	$	–	$	–	$	11,905
Property, plant and equipment		4,346		2,993		1,412		219		8,970
Intangible assets		93		262		1,283		32		1,670
	$	15,021	$	4,579	$	2,695	$	251	$	22,545

2013	Equipment	Power Systems	Industrial Components	Segment Eliminations	Total
Equipment	$ 419,078	$ 97,676	$ –	$ –	$ 516,754
Parts	174,007	133,419	362,490	–	669,916
Service	87,462	65,434	40,194	–	193,090
Rental and other	45,191	7,485	–	(3,955)	48,721
Revenue	$ 725,738	$ 304,014	$ 402,684	$ (3,955)	$ 1,428,481
Earnings before finance costs and income taxes	$ 45,614	$ 17,119	$ 18,407	$ (7,477)	$ 73,663
Finance costs					8,951
Income tax expense					17,027
Net earnings					$ 47,685
Segment assets excluding intangible assets	$ 300,557	$ 155,184	$ 133,844	$ –	$ 589,585
Intangible assets	21,644	14,221	49,990	89	85,944
Corporate and other assets	–	–	–	6,589	6,589
Total assets	$ 322,201	$ 169,405	$ 183,834	$ 6,678	$ 682,118
Segment liabilities	$ 111,974	$ 49,746	$ 63,079	$ –	$ 224,799
Corporate and other liabilities	–	–	–	210,127	210,127
Total liabilities	$ 111,974	$ 49,746	$ 63,079	$ 210,127	$ 434,926
Asset additions					
Rental equipment	$ 16,876	$ 3,132	$ –	$ –	$ 20,008
Property, plant and equipment	5,675	2,079	1,030	664	9,448
Intangible assets	30	–	–	85	115
	$ 22,581	$ 5,211	$ 1,030	$ 749	$ 29,571
Asset depreciation					
Rental equipment	$ 8,670	$ 1,447	$ –	$ –	$ 10,117
Property, plant and equipment	4,958	3,013	1,580	110	9,661
Intangible assets	200	261	1,374	4	1,839
	$ 13,828	$ 4,721	$ 2,954	$ 114	$ 21,617

Segment eliminations include costs, assets and liabilities related to the corporate office. Corporate office assets and liabilities include deferred financing costs, income taxes, bank indebtedness, bank debt, employee benefits, and dividends payable.

During the year, the oil sands services business (previously referred to as the rotating products group) was transferred from the Equipment segment to the Industrial Components segment. Segment information for comparative periods has been reclassified to reflect the change.

28. RESTRUCTURING COSTS

During the year, restructuring costs of $2,849 were recorded in the Industrial Components segment to improve the effectiveness and to simplify the sales force and branch management organization. The current restructuring plan has been completed.

29. COMPARATIVE INFORMATION

Certain comparative information have been reclassified to conform to the current year's presentation.

SUMMARY OF QUARTERLY DATA – UNAUDITED

	2014				2013			
(in millions of dollars, except per share data)	**Q1**	**Q2**	**Q3**	**Q4**	Q1	Q2	Q3	Q4
Revenue	**$ 331.4**	**$ 374.4**	**$ 359.5**	**$ 386.1**	$ 336.3	$ 362.0	$ 338.5	$ 391.7
Net earnings	**6.7**	**12.3**	**11.1**	**11.2**	10.4	13.5	11.6	12.2
Earnings per share – Basic	**$ 0.40**	**$ 0.73**	**$ 0.66**	**$ 0.67**	$ 0.62	$ 0.81	$ 0.69	$ 0.73
Earnings per share – Diluted	**0.39**	**0.72**	**0.65**	**0.66**	0.61	0.80	0.68	0.72

ELEVEN YEAR SUMMARY – UNAUDITED

For the years ended December 31 (in millions of dollars, except per share data) (2004 – 2009 reported under previous Canadian GAAP)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Operating Results											
Revenue*	**$ 1,451.3**	$1,428.5	$1,466.0	$ 1,377.1	$ 1,110.9	$1,007.2	$ 1,213.5	$ 1,192.3	$1,206.5	$1,049.4	$ 871.4
Net earnings*	**41.2**	47.7	65.9	63.8	56.4	34.2	75.8	72.0	71.5	35.6	17.6
Interest expense	**13.0**	9.0	4.4	4.6	5.2	4.5	4.7	4.9	4.5	4.6	7.5
Property, plant and equipment – net	**5.4**	3.9	5.6	5.3	1.7	7.0	7.4	4.0	8.3	4.7	3.5
Rental equipment expenditures – net	**23.1**	20.0	25.1	20.2	5.8	0.4	7.0	8.6	7.9	6.2	5.4
Depreciation and amortization	**22.5**	21.6	17.8	13.5	11.2	9.7	9.7	9.9	10.0	10.0	10.3
Per Share											
Net earnings – Basic*	**$ 2.46**	$ 2.85	$ 3.95	$ 3.84	$ 3.39	$ 2.06	$ 4.57	$ 4.34	$ 4.31	$ 2.19	$ 1.12
Dividends declared	**2.40**	2.68	3.10	2.14	–	–	–	–	–	0.14	0.16
Distributions declared	**–**	–	–	–	3.40	2.47	4.13	4.36	4.43	1.89	–
Equity	**14.82**	14.77	14.45	13.69	12.00	12.07	12.40	11.94	11.89	11.88	12.39
Financial Position											
Working capital*	**$ 258.2**	$ 272.7	$ 230.1	$ 167.0	$ 77.9	$ 160.1	$ 198.8	$ 147.4	$ 147.8	$ 129.8	$ 153.0
Rental equipment	**59.4**	52.3	43.7	28.1	15.8	16.4	21.8	21.7	18.9	17.2	16.4
Property, plant and equipment – net	**48.7**	49.7	50.7	47.9	43.3	36.2	33.6	29.5	33.3	29.0	28.8
Long-term debt excluding current portion	**180.9**	195.9	151.7	59.0	–	79.5	116.2	53.9	59.0	33.4	70.9
Shareholders' equity	**248.5**	247.2	241.9	227.6	199.3	200.4	205.7	198.1	197.2	197.1	195.0
Total assets*	**718.2**	682.1	671.9	589.9	522.5	448.2	529.6	468.2	500.6	437.9	418.1
Other Information											
Number of employees	**2,725**	2,766	2,833	2,738	2,382	2,291	2,662	2,551	2,566	2,387	2,357
Shares outstanding (000s)	**16,779**	16,744	16,736	16,629	16,629	16,603	16,585	16,585	16,585	16,582	15,739
Price range of shares											
High	**$ 39.56**	$ 46.24	$ 53.43	$ 44.94	$ 38.50	$ 23.40	$ 35.75	$ 37.95	$ 47.00	$ 32.45	$ 14.90
Low	**28.75**	29.38	38.59	27.80	21.65	10.95	14.00	24.80	24.60	13.00	7.70

* 2006, 2005 and 2004 exclude discontinued operations.

CORPORATE INFORMATION

DIRECTORS

Paul E. Gagné
Chairman, Wajax Corporation
Corporate Director

Thomas M. Alford [2, 3]
Corporate Director

Edward M. Barrett [1, 2]
Chairman and Co-Chief Executive Officer,
Barrett Corporation

Ian A. Bourne [1]
Corporate Director

Douglas A. Carty [1, 3]
Corporate Director

Robert P. Dexter, Q.C. [2, 3]
Chairman and Chief Executive Officer,
Maritime Travel Inc.

John C. Eby [1, 3]
Corporate Director

A. Mark Foote
President and Chief Executive Officer,
Wajax Corporation

J.D. Hole [2, 3]
Corporate Director

Alexander S. Taylor [2, 3]
President, Power Group, SNC-Lavalin

1 Member of the Audit Committee
2 Member of the Human Resources and Compensation Committee
3 Member of the Governance Committee

HONOURARY DIRECTOR

H. Gordon MacNeill

OFFICERS

A. Mark Foote
President and Chief Executive Officer

John J. Hamilton
Senior Vice President, Finance and
Chief Financial Officer

Brian M. Dyck
Senior Vice President, Wajax Equipment

Michael Gross
Senior Vice President,
Wajax Power Systems

Steve C. Deck
Senior Vice President,
Wajax Industrial Components

Kathleen Hunter
Senior Vice President, Human Resources

Stuart H. Auld
Senior Vice President, Information Systems

Linda J. Corbett
Treasurer

Andrew W. H. Tam
General Counsel and Secretary

HOME OFFICE

3280 Wharton Way
Mississauga, ON L4X 2C5
Telephone: (905) 212-3300
Fax: (905) 212-3350

SHAREHOLDER INFORMATION

Transfer Agent and Registrar
For information relating to shareholdings, dividends, lost certificates, changes of address or estate transfers, please contact our transfer agent:

Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, ON M5J 2Y1
Telephone: (514) 982-7555 or
1-800-564-6253
Fax: (514) 982-7635 or
1-888-453-0330
Web: www.investorcentre.com/service

Auditors
KPMG LLP

Exchange Listing
Toronto Stock Exchange

Symbol: WJX

Wajax Corporation Share Trading Information
(January 1 – December 31, 2014)

Open	High	Low	Close	Volume of Shares Traded
$36.26	$39.56	$28.75	$30.77	12,328,317

Quarterly Earnings Reports
Quarterly earnings for the balance of 2015 are anticipated to be announced on May 5, August 7 and November 3.

2015 Dividend Dates
The previous policy of paying a monthly dividend was changed in March 2015 to implement a quarterly dividend. As part of the transition, the Corporation has declared a dividend for March 2015, payable on April 20, 2015 to shareholders of record on March 31, 2015. Starting with the second quarter of 2015, a quarterly dividend will be payable to shareholders of record on the 15th day of the last month in each quarter and will generally be paid in the first week of the following month.

Investor Information
John Hamilton
Senior Vice President, Finance
and Chief Financial Officer
Telephone: (905) 212-3300
Fax: (905) 212-3350
E-mail: jhamilton@wajax.com

To obtain a delayed share quote, read news releases, listen to the latest analysts' conference call, and stay abreast of other Corporation news, visit our website at www.wajax.com.

Annual Meeting
Shareholders are invited to attend the Annual Meeting of Wajax Corporation, to be held at the Sheraton Gateway Hotel, Toronto International Airport, Toronto, Ontario, on Tuesday, May 5, 2015, at 11:00 a.m.

Vous pouvez obtenir la version française de ce rapport en écrivant à la Secrétaire,
Corporation Wajax,
3280 Wharton Way,
Mississauga, (ON) L4X 2C5

tenmay.com

OPERATING DIVISIONS AND BRANCH LISTINGS

OPERATING DIVISIONS

Wajax Equipment
30 – 26313 Township Road 531A
Edmonton, AB T7X 5A3

Brian Dyck
Senior Vice President,
Wajax Equipment

Wajax Power Systems
10025 – 51st Avenue
Edmonton, AB T6E 0A8

Michael Gross
Senior Vice President,
Wajax Power Systems

Wajax Industrial Components
2200 52nd Avenue
Lachine, QC H8T 2Y3

Steve Deck
Senior Vice President,
Wajax Industrial Components

BRANCH LISTINGS

Wajax Equipment

West
Kamloops, BC
Langley, BC
Nanaimo, BC
Prince George, BC
Terrace, BC
Blackfalds, AB
Calgary, AB
Clairmont, AB
Edmonton, AB (2)
Fort McKay, AB
Fort McMurray, AB
Saskatoon, SK
Winnipeg, MB

Central
Hamilton, ON
Kitchener, ON
London, ON
Mississauga, ON
Ottawa, ON
Sudbury, ON
Thunder Bay, ON
Timmins, ON
Windsor, ON

East
Chambly, QC
Laval, QC
Québec City, QC
St-Félicien, QC
Moncton, NB
Dartmouth, NS
Mount Pearl, NL
Pasadena, NL
Wabush, NL

Wajax Power Systems

West
Fort St. John, BC
Maple Ridge, BC
Calgary, AB
Edmonton, AB
Fort McMurray, AB
Grande Prairie, AB
Red Deer, AB
Redcliff, AB
Regina, SK
Saskatoon, SK

Central
Winnipeg, MB
Cornwall, ON
Hamilton, ON
London, ON
Niagara Falls, ON
Ottawa, ON
Pembroke, ON
Sudbury, ON
Thunder Bay, ON
Timmins, ON
Toronto, ON

East
Dorval, QC
Drummondville, QC
Québec City, QC
Val d'Or, QC
Moncton, NB
Dartmouth, NS
Mount Pearl, NL

Wajax Industrial Components

West
Cranbrook, BC
Delta, BC
Fort St. John, BC
Prince George, BC (2)
Sparwood, BC
Surrey, BC
Terrace, BC
Yellowknife, NW
Calgary, AB
Edmonton, AB
Fort McMurray, AB
Nisku, AB
Redcliff, AB
Regina, SK
Saskatoon, SK
Flin Flon, MB
Thompson, MB
Winnipeg, MB

Central
Belleville, ON
Concord, ON
Espanola, ON
Guelph, ON
Kapuskasing, ON
London, ON
Mississauga, ON (2)
Sault Ste. Marie, ON
Stoney Creek, ON
Sudbury, ON
Thunder Bay, ON (2)
Timmins, ON
Windsor, ON
Temiscaming, QC

East
Ottawa, ON
Chicoutimi, QC
Dorval, QC
Drummondville, QC
Granby, QC
Lachine, QC
Laval, QC
Longueuil, QC
Noranda, QC
Québec City, QC
Rimouski, QC
Sept-Iles, QC
Sherbrooke, QC
Thetford Mines, QC
Tracy, QC
Trois-Rivières, QC
Val d'Or, QC
Valleyfield, QC
Ville d'Anjou, QC
Bathurst, NB
Edmundston, NB
Charlottetown, PEI
Dartmouth, NS
Port Hawkesbury, NS
Stellarton, NS
Corner Brook, NL
Mount Pearl, NL
Wabush, NL

WAJAX
Corporation
ESTABLISHED | ÉTABLI 1858

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Mississauga, ON L4X 2C5
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