

MCGRATH RENTCORP

Reporting Questionable Accounting and Auditing Practices and Policy Prohibiting Retaliation Against Reporting Employees

(Amended and Restated on December 9, 2010)

McGrath RentCorp (the “Company”) is committed to promoting compliance with the laws, rules, and regulations that govern its business operations and committed to encouraging its employees to report unlawful conduct. Below are the procedures by which employees may report complaints or concerns about the Company’s accounting practices, internal accounting controls, or auditing matters (“Accounting Matters”) to the Audit Committee of the Board of Directors, as well as the Company’s policy prohibiting unlawful retaliation or discrimination against employees who submit such reports. The procedures and policies set forth below are intended to encourage and enable employees and others to raise serious concerns within the Company rather than seeking resolution outside the Company.

I. PROCEDURE FOR SUBMITTING CONFIDENTIAL COMPLAINTS

Employees may submit complaints, concerns, and information regarding Accounting Matters, corporate fraud, or violations of federal or state law committed by the Company or its agents to the Audit Committee of the Board of Directors via the Company’s Compliance Officer. All such submissions regarding Accounting Matters, corporate fraud, or violations of federal or state law may be made on an anonymous basis and shall be treated as confidential by the Audit Committee. Employees may forward such complaints to the Audit Committee via our Compliance Officer as follows:

By mail:	c/o Randle F. Rose, Compliance Officer 5700 Las Positas Rd. Livermore, CA 94551
By email:	https://www.openboard.info/mgrc
By voicemail at:	(866) 220-1997
By Internet at:	https://www.openboard.info/mgrc
Or by Intranet at:	http://mcgrath/Contact/whistleblower.aspx

When submitting a complaint, employees are asked to provide the Audit Committee with as much detailed information as possible. Providing detailed, rather than general, information will greatly assist the Audit Committee in effectively investigating complaints. This is particularly important where an employee submits a complaint on an anonymous basis, as the Audit Committee will be unable to contact the reporting employee with requests for additional information or clarification. Employees who submit anonymous complaints should do so in a manner that does not inadvertently suggest their identity (e.g., do not state, “I know this because it is my job to approve accounts payable checks”).

The Company is providing these anonymous reporting procedures so that the Company’s employees may disclose genuine concerns without feeling threatened. As detailed below, the Company prohibits retaliation or retribution against any person who in good faith submits a report under this policy. Employees who choose to identify themselves when submitting a report may be contacted by a member or representative of the Audit Committee in order to gain additional information. The Audit Committee will keep confidential to the extent permissible under applicable law the identities of employees who choose to identify themselves when submitting a report.

All conversations, calls, and reports made under this policy in good faith will be taken seriously. However, employees who file reports or provide evidence that they know to be false or without a reasonable belief in the truth and accuracy of such information will not be protected by this policy and may be subject to corrective action up to and including immediate termination.

II. POLICY PROHIBITING UNLAWFUL RETALIATION OR DISCRIMINATION

In addition to providing procedures for employees to submit anonymous complaints regarding the Company's Accounting Matters, corporate fraud, or violations of federal or state law, it is the Company's policy to adhere to all applicable laws protecting its employees from being discharged, demoted, suspended, threatened, harassed or otherwise discriminated or retaliated against as a result of their lawfully reporting complaints or participating in investigations regarding the Company's Accounting Matters, corporate fraud, or other violations of federal or state law committed by the Company or its agents. In particular, the Company prohibits any form of unlawful discrimination or retaliation or taking any adverse action against employees for engaging in the following conduct:

- Providing information or otherwise assisting a federal regulatory or law enforcement agency, any Member or committee of Congress, or any supervisor in an investigation regarding any conduct that the employee reasonably believes violates federal laws relating to securities fraud, any rule or regulation of the Securities and Exchange Commission, or any federal law relating to fraud against shareholders.
- Filing, testifying, participating in, or otherwise assisting in any proceeding relating to an alleged violation of federal laws relating to securities fraud, any rule or regulation of the Securities and Exchange Commission, or any federal law relating to fraud against shareholders.

Employees who believe that they have been subjected to any conduct that violates this policy may file a complaint using the procedures outlined above. Any employee who unlawfully discriminates or retaliates against any employee as a result of his or her protected actions as described in this policy may be subject to corrective action, up to and including immediate termination.

III. TREATMENT OF COMPLAINTS

Upon receipt of a complaint, the Compliance Officer will (1) determine whether the complaint actually pertains to Accounting Matters and (2) when possible, acknowledge receipt of the complaint to the sender. The Compliance Officer will (a) promptly inform the Chairman of the Audit Committee of serious issues, (b) forward any concerns to the appropriate officer or department in the Company, (c) report regularly to the Audit Committee on the status of all reported concerns, and (d) track resolution of all complaints, as described in more detail below. The Compliance Officer may exclude from transmittal or redirect transmittal of any complaints or inquiries pursuant to the guidelines established by the Audit Committee (although all communications are available to the Audit Committee upon request). Complaints relating to Accounting Matters will be reviewed under the Audit Committee's direction and overseen by such persons as the Audit Committee determines to be appropriate.

The Compliance Officer is also responsible for determining if there has been a waiver of a provision of the Code of Ethics for any senior officer of the Company and for reporting such waiver to the Chairman of the Audit Committee so that the waiver can be addressed by the Board and disclosed. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review, which may include a discussion of the complaint or concern with the reporting person, management and/or the Company's independent advisors, and any other investigation deemed

appropriate. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee.

Complaints regarding matters other than Accounting Matters will be directed to the appropriate officer of the Company as determined by the Compliance Officer.

IV. REPORTING AND RETENTION OF COMPLAINTS AND INVESTIGATIONS

The Compliance Officer will maintain a log of all complaints, tracking their receipt, investigation and resolution and shall prepare a summary report of the complaints regarding Accounting Matters for the Audit Committee on a regular basis. Copies of complaints and such log will be maintained in accordance with the Company's document retention policy.