

Overview

As a publicly traded company, Cervus Equipment Corporation (“**Cervus**”) is committed to a high standard of ethical and professional conduct. Cervus expects that all of its directors, officers and employees (each hereinafter referred to in this Code of Conduct (the “**Code**”) as “**Cervus Personnel**”) will treat each other, Cervus’ customers, and Cervus’ suppliers with goodwill, fairness, and respect. Cervus values honesty, high ethical standards and compliance with all laws, rules and regulations.

Purpose

To ensure that this commitment is met, Cervus has established this Code, to provide all Cervus Personnel with a guideline for adherence to these values. Cervus expects all Cervus Personnel to comply with the provisions of this Code and to commit themselves to the achievement of the highest level of ethical conduct and standards. The following provides guidance on the application of these principles.

Scope

This Code extends to all Cervus Personnel, being all directors, officers and employees of Cervus.

Summary of the Code

All Cervus Personnel are expected to:

- Comply with all laws and regulations of the jurisdictions in which Cervus operates including insider trading/securities laws, environmental laws and antitrust/competition laws
- Promote a safe work environment
- Engage in fair dealing with suppliers, customers, competitors and other Cervus Personnel
- Protect the integrity of the books and records of Cervus and ensure that accurate information is available on a timely basis
- Guard against any conflicts of interest, real or perceived
- Maintain the confidentiality of “non-public information”
- Protect the assets and resources of Cervus
- Report any unethical or illegal behaviour immediately

Compliance with laws, rules and regulations

General

All Cervus Personnel must act at all times in full compliance with both the letter and the spirit of the laws of the jurisdictions in which Cervus operates. Cervus Personnel are responsible for using the resources of

Cervus and outside resources to develop a working knowledge of applicable laws and regulations affecting their work responsibilities.

Cervus will not condone the activities of any Cervus Personnel who knowingly violates the law or engages in unethical business practices, even if those activities yield positive business results. No activity may be carried on that will not withstand the closest possible public scrutiny. Accordingly, Cervus Personnel must ensure that their conduct cannot be interpreted as being in any way in contravention of the laws and regulations governing Cervus' operations. If Cervus Personnel are in doubt about the application or interpretation of any legal requirement, they should refer the matter to their supervisor.

Insider trading

Insider trading of securities of Cervus, or of any of other public company including Cervus' customers or suppliers, is both unethical and illegal because it puts "outsiders" at a disadvantage in the marketplace, and can allow "insiders" to profit at "outsiders" expense. Securities legislation imposes restrictions with respect to the purchase and sale of shares and other securities of public companies when a person has knowledge of information not yet known to the public and which generally could affect the market price of the securities of a given company. Securities legislation also imposes restrictions with respect to the disclosing, or "tipping", of such information to others.

Cervus Personnel may not buy or sell securities of Cervus, or of any other public company, with knowledge of undisclosed material information whether obtained in the course of the their relationship with Cervus or otherwise, or "tip" others concerning such information. In particular, Cervus Personnel must be careful to avoid inadvertently disclosing undisclosed material information to spouses, family members and others who live in their households, or to business partners, friends and others as this could be considered "tipping".

Undisclosed material information refers to information that has not yet been generally disclosed to the public at large (i.e. via a news release or otherwise) and that, if disclosed, could significantly affect the market price of a company's securities or is likely to be considered important by investors in determining whether to buy, sell or otherwise trade in such securities. For instance, the information could be used by investors to buy, sell or otherwise trade in Cervus' shares, as well as the securities of third parties with which Cervus has dealings.

For more detailed information, Cervus Personnel should refer to Cervus' "Insider Trading Policy", available from the Chief Financial Officer of Cervus.

Antitrust/Competition Laws

Fair competition is critical to our free enterprise system. In order to uphold fair trade, laws have been introduced that restrict collusive or exclusionary behaviour. Such behaviour would include, for example, fixing the prices of products or services in cooperation with competitors or agreeing to boycott particular suppliers. Cervus and Cervus Personnel shall operate in compliance with all known antitrust/competition laws. Cervus Personnel should contact the Chief Financial Officer of Cervus for additional information regarding antitrust/competition laws if they have any concerns in this area.

Environmental Laws

Cervus and Cervus Personnel shall operate in compliance with all known environmental laws including, but not limited to, obtaining all required consents, approvals, orders, permits, licenses and authorizations which are required under applicable environmental laws and operating in compliance with all terms and conditions of all such consents, approvals, orders, permits, licenses, authorizations and all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and time tables contained in applicable environmental laws or any consents, approvals, orders, permits, licenses and authorizations thereunder.

Fair dealing and relationships with customers and suppliers

It is important that all Cervus Personnel endeavor to deal fairly with all of Cervus' customers, suppliers, competitors and other Cervus Personnel. No unfair advantage should be taken over anyone through manipulation, concealment, misrepresentation of facts or any other unfair dealing practices.

Business Ethics and Practices

Health and Safety

Cervus shall seek to provide a clean, safe and healthy place to work. All Cervus Personnel are required to observe all safety rules and practices and to follow all instructions concerning safe work practices.

Record Keeping and Reporting of Information

Accurate reporting is critical to ensuring the integrity of Cervus' books and accounting records. All records should be properly maintained and stored. Cervus must remain in compliance with all relevant securities, stock exchange and tax rules and laws. All Cervus Personnel are responsible for maintaining complete, accurate and timely books and records as related to their specific area of responsibility. Cervus maintains internal controls over financial reporting to provide reasonable assurance that the financial information is in compliance with Canadian generally accepted accounting principles. These internal controls also serve to ensure that transactions have the proper approval of management, Cervus' assets are safeguarded, regulatory requirements are met and Cervus' resources are used appropriately. All Cervus Personnel are expected to be familiar with and follow the internal controls adopted by Cervus.

The following are examples of circumstances or transactions that are clearly prohibited:

- Maintenance of any account, fund or other asset that is not reflected in the books or records of Cervus
- Documentation that intentionally misrepresents a transaction (e.g. dummy or false invoices, misleading reports, false declarations)
- Delaying or advancing the recording of a transaction to match budget timing
- Grouping, splitting or misrepresenting transactions to obscure their true nature

All Cervus Personnel are required to report to their supervisor any information, whether financial or otherwise, that they receive and which may be material to Cervus.

Conflicts of Interest

All Cervus Personnel are required to make decisions in the best interest of Cervus. A conflict of interest can arise when the personal actions of Cervus Personnel could appear to conflict with Cervus' interests. Such conflicts may make it difficult for Cervus Personnel to perform their work for Cervus objectively and effectively. Some examples of situations in which a potential conflict of interest may arise are:

- Cervus Personnel using their position, Cervus property or confidential Cervus information for personal gain;
- Cervus Personnel taking advantage personally of any opportunities that are discovered through the use of Cervus property or information;
- Competing against Cervus;
- Making a material investment in, taking employment with, or consulting for an organization doing business with or competing against Cervus.

This is not a complete listing of all potential situations. Employees must avoid conflicts of interest. To avoid conflicts of interest employees should report potential conflicts to their supervisors or managers as they arise. These restrictions not only apply to the employees, but also their immediate family and other close relatives. A director of Cervus is required to resolve existing or potential conflicts of interest of that director in accordance with the provisions set out in the *Alberta Business Corporations Act*.

It is not unusual that Cervus Personnel will be offered meals, entertainment, gratuities, merchandise and promotional material from customers and suppliers. While it is critical to the success of Cervus that business relationships are developed and maintained, it is also important that all Cervus Personnel maintain independence and impartiality. As such, Cervus Personnel must not accept such gifts or cash from customers and suppliers if such acceptance could reasonably be perceived to impact that person's independence and impartiality. Cervus Personnel must disclose to their immediate supervisor the exchange of cash or gifts that, given the circumstances, may influence or appear to influence the person's business decisions.

If a Cervus Personnel has any doubt as to whether a conflict of interest exists, that Cervus Personnel should contact the Chief Financial Officer of Cervus.

Confidentiality/Privacy

Information is a key asset of Cervus. The handling of information is an area where Cervus particularly relies on the integrity, discretion, and common sense of all Cervus Personnel. Cervus Personnel who have access to confidential information must take every precaution to keep it confidential except when disclosure is authorized or legally mandated. Confidential information includes proprietary, technical, business, financial, joint venture, customer, supplier and employee information that is not publicly available. The duty of confidentiality not only prohibits the disclosure of confidential information to

others, but also prohibits the use of confidential information for unauthorized purposes. Any attempts by any unauthorized person to obtain information or enter restricted company premises should be promptly reported to a supervisor.

Protecting Cervus Assets

In the course of their work, Cervus Personnel are given access to Cervus' assets. Assets may include physical assets such as trucks and equipment, financial assets such as cash, or time. Proper use and protection of those assets keep costs down and improves financial results. It is the responsibility of all Cervus Personnel to ensure the proper use and protection of any Cervus assets provided to them. All Cervus assets must be used only for legitimate business purposes.

All Cervus Personnel are responsible for the proper use and security of Cervus' property entrusted to them. They should ensure that all Cervus property is maintained in good condition. Cervus Personnel should be able to account for such property at all times.

In certain circumstances, Cervus' property may be used for personal reasons. A supervisor should approve such use in advance. Common sense dictates that some items, such as the occasional local phone call on personal affairs is acceptable while telephoning a relative overseas clearly is not. Cervus Personnel should use good judgment and if in doubt err on the side of disclosure and getting approval.

Cervus vehicles are made available to certain Cervus Personnel to aid in their job performance. It is not acceptable for any Cervus Personnel to use Cervus vehicles for personal financial gain.

Company time is a valuable asset. All Cervus Personnel have an obligation to be honest with time, to perform to the best of their ability and to report to work in a manner fit to perform all assigned duties.

Theft of Cervus' assets is the most fundamental breach of the employment relationship. Cervus will not tolerate theft under any circumstances and will terminate and prosecute in such situations.

Any Cervus Personnel that has any doubt as to the appropriate use of any Cervus property, assets or services should consult their supervisor.

Encouraging the Reporting of any Illegal or Unethical Behavior

Many areas of the law, such as securities law and antitrust/competition law are very complicated. Cervus Personnel are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation.

Additionally, Cervus Personnel are required to report violations, or suspected violations, of laws, rules, regulations or of this Code. There will be no retaliation against anyone who presents this type of information in good faith. Further, Cervus has adopted a Whistleblowers Policy pursuant to which individuals can report suspected violations on a confidential basis. For more detailed information, Cervus Personnel should refer to the Whistleblowers Policy, available from the Chief Financial Officer of Cervus.

Not All Situations Covered

This Code does not encompass all situations that may arise. Cervus Personnel are encouraged to use their judgment and common sense or consult senior management in situations in which they are unsure of the best course of action.

Further Information

Further information on this Code can be obtained from the following sources:

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