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References to the Board of Directors

Note that references contained herein to the Board of Directors shall mean the Board of Directors (the “**Board**”, each member of the Board a “**Director**”), of Cervus Equipment Corporation (“**Cervus**”).

Part I: Chairman of the Board

The following principles shape the position description and duties for the chair (“**Board Chair**”) of the Board of Directors (the “**Board**”) of Cervus:

1. The Board’s fundamental objectives are to enhance and preserve long-term value for the shareholders of Cervus, to ensure Cervus meets its obligations on an ongoing basis and that Cervus operates in a reliable and safe manner. In broad terms, the stewardship of Cervus involves the Board in strategic planning, financial reporting, risk management and mitigation, senior Management determination, communication planning and internal control integrity.
2. The Board’s overarching duty is to supervise the management of Cervus’ business and affairs.
3. Cervus is committed to establishing and maintaining a well developed governance process involving the Board, committees of the Board (the “**Committees**”) and management of Cervus (“**Management**”).
4. Active involvement and substantive debate are encouraged.
5. The Board is involved in strategic policy issues.
6. The Board will strive to be the best.

With the foregoing in mind, the framework for Board Chair will be:

- The Board Chair is the chief officer of the Board, appointed annually by the Board with remuneration as determined by the Board. The Board Chair may be an executive officer or non-executive officer of Cervus, as applicable. The Board Chair will foster and promote the integrity of the Board and a culture where the Board works harmoniously for the long-term benefit of Cervus and its shareholders.
- The Board Chair will preside at meetings of the Board and at meetings of the shareholders of Cervus.

- The Board Chair will assist the Nominating and Governance Committee (the “**Governance Committee**”), as needed. The Governance Committee, by its mandate, assists the Board in matters pertaining to governance, including the organization and composition of the Board, the organization and conduct of Board meetings, and the effectiveness of the Board, the Committees, and individual Directors, in fulfilling their responsibilities.
- The Board Chair is also an ex-officio of those Committees of which he/she is not a listed member, provided such person is a non-executive Board Chair. However, the Board Chair will be an ex-officio of the Governance Committee alone where such person is an executive Board Chair, if he/she is not a listed member of such Committee.
- The Board Chair will be kept well informed on the major affairs and operations of Cervus, on the economic and political environment in which it operates and will maintain regular contact with the CEO and other senior executive officers of Cervus.

The accountabilities of the Board Chair include:

Shareholder Meetings

- Chair all shareholder meetings.
- Review and approve minutes of all shareholder meetings.

Manage the Board

- Chair all Board meetings.
- Provide leadership to the Board.
- In conjunction with the Governance Committee, ensure that processes to govern the Board’s work are effective to enable the Board to exercise oversight and due diligence in the fulfillment of its mandate.
- Identify guidelines for the conduct and performance of Directors.
- Manage Director and Board performance.
- With the assistance of the CEO, Chief Financial Officer and Corporate Secretary, oversee the management of Board administrative activities (meeting schedules, agendas, information flow, and documentation).
- Facilitate communication among Directors.
- Attend Committee meetings as deemed appropriate.
- Review and approve minutes of all Board meetings prior to presentation to the Board for approval.

Develop a More Effective Board

- Working with the Governance Committee, plan Board and Committee composition, recruit Directors, and plan for their succession.
- Working with the Governance Committee, participate in the Board effectiveness evaluation process and meet with individual Directors, if deemed prudent, to provide constructive feedback and advice.
- Working with the Governance Committee, review any change in circumstance of individual Directors and determine whether their other commitments conflict with their duties as Directors of Cervus;
- Working with the Governance Committee, review requests from the CEO to sit on the board of directors of outside business organizations.
- Review and approve requests from Directors for courses to improve their skills and competencies.

Work with Management

- Support and influence strategy.
- With the assistance of the Compensation Committee, lead the Board in evaluating the performance of the CEO.
- Build relationships at the senior Management level.
- Provide advice and counsel to the CEO.
- Serve as an advisor to the CEO concerning the interests of the Board and the relationship between Management and the Board.

Liaise with Stakeholders

- Share Cervus' views regarding Cervus and other matters relevant to Cervus with other boards and organizations when required.
- Although primary responsibility for Cervus' relationships with the financial community, the press and other external stakeholders rests with the CEO, the Board Chair may be requested, from time to time, to attend meetings with outside stakeholders.

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Part II: Board Committee Chair

The following principles shape the position description and duties for the chair (“**Committee Chair**”) of each of the committees (“**Committees**”, each a “**Committee**”) of the Board of Directors (the “**Board**”) of Cervus:

1. The Board’s fundamental objectives are to enhance and preserve long-term value for the shareholders of Cervus, to ensure Cervus meets its obligations on an ongoing basis and that Cervus operates in a reliable and safe manner. In broad terms, the stewardship of Cervus involves the Board in strategic planning, financial reporting, risk management and mitigation, senior Management determination, communication planning and internal control integrity.
2. The Board’s overarching duty is to supervise the management of Cervus’ business and affairs. The Board discharges its responsibilities with the assistance of the Committees.
3. The Committees advise and formulate recommendations to the Board, but except in limited and specifically identified circumstances, do not have the authority to approve matters on behalf of the Board.
4. Each Committee has a written mandate, setting out the scope of its operations, and its key roles and responsibilities.
5. The Board has three standing Committees: The Audit Committee, the Nominating and Governance Committee (“**Governance Committee**”), and the Compensation Committee. Committee Guidelines are set out in the Terms of Reference of the Board.
6. Cervus is committed to establishing and maintaining a well developed governance process involving the Board, the Committees and management of Cervus (“**Management**”).

With the foregoing in mind, the framework for the Committee Chair will be:

- The Committee Chair is appointed annually by the Board with remuneration as determined by the Board.
- The Committee Chair will preside at meetings of the Committee.
- The Committee Chair will be kept well informed on the major affairs and operations of Cervus and the economic and political environment in which it operates, with a particular emphasis on those elements that fall within the mandate of the Committee.
- The Committee Chair will be familiar with the Board Terms of Reference, including Committee Guidelines, and with the mandate of the Committee.
- The Committee Chair will maintain regular contact with the Board Chair, the Chief Executive Officer (“**CEO**”), and the senior executive officers of Cervus necessary for the Board Chair to fulfill his or her duties.

The accountabilities of the Committee Chair include:

Managing the Committee

- At any time during a Committee meeting, any member of the Committee may request an “in camera” meeting without Management. Where such a request is made, the Committee Chair shall chair such “in camera” meeting. At least once annually at the conclusion of a Committee meeting, any independent member of the Committee may request an “in camera” session without Management or any Director/member who is not independent, as determined under the Board independence criteria, and the Committee Chair shall Chair such “in camera” meeting.
- Chair all meetings of the Committee.
- Provide leadership to the Committee in all of its processes.
- Review and approve minutes of all Committee meetings prior to presentation to the Committee for approval.
- With the assistance of the secretary of the Committee, if any, oversee the management of administrative activities that support the Committee’s work (forward agendas, meeting agendas, information flow, documentation).
- Facilitate communication between Committee members, among Committees and their respective Committee Chairs, and with the Board Chair.
- Report out to the full Board on the affairs of the Committee ensuring those matters requiring Board approval are brought forward.

Develop a More Effective Committee

- Ensure that the Committee maintains a written mandate and reviews that mandate annually.
- Liaise with the Governance Committee and other affected Committees with respect to recommended mandate changes.
- In conjunction with the Board Chair, and the Governance Committee, ensure that processes to govern the Committee’s work are effective to enable the Committee to exercise oversight and due diligence in the fulfillment of its mandate.

Work with Management

- Support and influence strategies of Cervus within the mandate of the Committee.
- Serve as an advisor to senior Management and, in particular, to the CEO and secretary of the Committee, if any, concerning the matters within the Committee mandate.

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Part III: Director Accountability Statement

The following principles shape the accountabilities and duties of members of the Board of Directors (the “**Board**”) of Cervus:

1. The Board’s fundamental objectives are to enhance and preserve long-term value for the shareholders of Cervus, to ensure Cervus meets its obligations on an ongoing basis and that Cervus operates in a reliable and safe manner. In broad terms, the stewardship of Cervus involves the Board in strategic planning, financial reporting, risk management and mitigation, senior Management determination, communication planning and internal control integrity.
2. The Board’s overarching duty is to supervise the management of Cervus’ business and affairs.
3. The Board is committed to establishing and maintaining well developed governance processes involving the Board, the committees of the Board (the “**Committees**”, each a “**Committee**”) and management of Cervus (“**Management**”).
4. The Terms of Reference for the Board, together with the mandates of the Committees, the Board’s policies, the job descriptions for the Board Chair and Committee Chairs, and this accountability statement for Directors, form the cornerstone of the Board’s governance system.
5. Directors are expected to work with their fellow Directors to fulfill the mandates of the Board and its Committees.

The accountabilities of Directors include the following:

Knowledge, Skills and Expertise

- Each Director will be familiar with the Board Terms of Reference, the mandate of the Committees on which he/she serves, the Board’s policies, and other key documents that form part of the Board’s corporate governance system.
- Each Director will be well informed on the major affairs and operations of Cervus and the economic and political environment in which it operates, with a particular emphasis on those elements that fall within the mandate of any Committee of which he/she is a member.

Personal Qualities

- Each Director will foster and promote the integrity of the Board and a culture where the Board works for the long-term benefit of Cervus and its shareholders.
- Directors are selected for their integrity and character, sound and independent judgment, breadth of experience, insight and knowledge, and business acumen. Directors are expected to bring these

personal qualities to their role as a Director, and apply sound business judgment to help the Board make wise decisions and provide thoughtful and informed counsel to senior Management.

Integrity

- Directors are expected to possess and demonstrate the highest personal and professional integrity at all times, to adhere, in letter and spirit, to Cervus' Code of Conduct ("Code").

Compliance with Board Policies

- The Board maintains written policies that address a number of subjects. It is each Director's individual accountability to ensure his or her adherence to these policies in both letter and spirit.

Participation in Board & Committee Meetings

- Directors are expected to demonstrate their commitment to the Board through preparation for and participation in Board and Committee meetings.
- Board meeting dates will be established sufficiently in advance to minimize conflict with other commitments on Directors' schedules. Directors are accordingly expected to make every reasonable effort to attend all meetings of the Board and its Committees, if not in person then by telephone.
- Board and Committee materials are provided to Directors in advance of all Board and Committee meetings. Directors are expected to have reviewed these materials prior to attendance at Board and Committee meetings, and are expected to be prepared to engage in meaningful discussion and provide considered, constructive and thoughtful feedback and commentary at such meetings, expressing opinions and asking questions to enable the Board to exercise its best business judgment in decision making and advising Management.
- While the Board does not restrict the number of public company boards that a Director may serve on, each Director should ensure that he or she is able to devote sufficient time and energy to carrying out their duties effectively.

Assessment of Performance

- The Board is responsible for assessing the performance of individual Directors, as well as the effectiveness of the Committees and the Board as a whole. Directors are expected to actively, thoughtfully and frankly participate in this process to promote continuous improvement of the governance processes and the effectiveness of the Directors in fulfilling their roles. Directors are expected to raise and discuss any concerns they may have regarding Board, Committees or individual Director effectiveness with the Board Chair or a member of the Nominating and Governance Committee.

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Part IV: President & CEO

The following comprises the position description and duties for the President and Chief Executive Officer (“CEO”) of Cervus:

General Description of Role:

1. Highest authority in Cervus (subject to the authority of the Board of Directors of Cervus).
2. Accountable for Cervus’ financial performance.
3. Ensures Cervus’ assets are efficiently utilized in a responsible manner with a view to maximizing shareholder value.
4. Directs Cervus’ strategic planning activities and provides leadership and overall guidance in both the administration and operation of Cervus.
5. Leads Cervus with a clearly defined sense of business direction and purpose. Serves as a role model for Cervus’ vision and values and creates and fosters a culture of integrity among other executive officers of Cervus and throughout the organization.

Specific Accountabilities:

Strategic Planning

- Develops a well defined strategy for Cervus.
- Establishes management processes and specific performance measures that clearly support Cervus’ long-term strategy.
- Assesses performance and makes timely changes in strategy, structure and resource allocations.

Financial Results

- Defines appropriate long-term financial objectives and sets annual goals consistent with Cervus’ business strategy.
- Establishes, monitors and maintains appropriate management systems to provide effective control of operations.
- Demonstrates diligence in making the appropriate certifications required under any governing securities and corporate legislation.

Leadership

- Leads Cervus with a clearly defined sense of business direction and purpose.

- Effectively communicates Cervus' vision and values for Cervus to all employees. Serves as a role model for this vision and values and creates and fosters a culture of integrity throughout the organization.
- Ensures that there is in operation an effective framework of governance which provides the direction and parameters within which business is to be conducted, aligns accountabilities and authorities and defines any required policies, standards and guidelines.
- Recruit senior Management, and plan for their succession.
- Ensures programs are in place that will aid in retaining and motivating the senior Management team, and attracting new executives as needed.
- Promotes the development of effective recruiting, training, retention and management development programs for all employees.
- Effectively serves as Cervus' liaison with the industry and the investor communities.

Safety

- Defines the strategic direction for safety, establishing performance targets for the operating businesses and ensuring adherence to established policies and standards.

Board Relationship

- Establishes effective working relationships collectively and individually with the Board.
- Keeps the Board fully informed on all important issues facing Cervus (internal and external).
- Recommends appropriate policies for Board consideration.

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Part V: Director Independence Policy & Criteria

Background:

Corporate governance guidelines provide that boards of directors of Canadian public companies should have a majority of independent directors.

The purpose of this director independence policy and criteria is to state the criteria by which Cervus' board of directors (the "**Board**", and each member thereof a "**Director**") determines whether each of its Directors is or is not independent.

Independence Policy:

Pursuant to the terms of reference for the Board, a majority of the Board, and a majority of each committee of the Board, aside from the Audit Committee, must be independent. The Audit Committee shall be comprised solely of independent Directors. The Nominating and Governance Committee will conduct an annual review of the status of each Director and Director nominee in light of the following criteria for independence, and will make recommendations to the Board in order that the Board may affirmatively determine the independence status of each such individual. In making independence determinations, the Board shall consider all relevant facts and circumstances. The key concern when assessing a Director's independence is independence from management.

Independence Criteria:

In accordance with applicable securities legislation, a director of Cervus will be considered independent only if the Board has affirmatively determined that:

- The Director has no direct or indirect material relationship with Cervus. A “material relationship” is one which could, in the view of the Board, be reasonably expected to interfere with the exercise of the Director's independent judgment (CSA National Instrument 52-110). Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships.

Notwithstanding the foregoing, a Director will NOT be considered independent if:

- The Director is, or has been within the last three years, an employee or executive officer of Cervus, or an immediate family member¹ of the Director is, or has been within the last three years, an executive officer of Cervus.
- The Director, or an immediate family member of the Director who is employed as an executive officer of Cervus, has received, during any twelve month period within the last three years, more than \$75,000 in direct compensation from Cervus, other than for any Board membership or Board committee compensation and any fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service (provided such compensation is not contingent in any way on continued service).
- The Director, or an immediate family member² of the Director, is a current partner³ of a firm that is Cervus' internal or external auditor; the Director is a current employee of such a firm; an immediate family member of the Director is a current employee of such a firm and participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or the Director, or an immediate family member of the Director, was within the last three years a partner or employee of such a firm and personally worked on Cervus' audit within that time.

¹ Unless otherwise noted, “immediate family member” is defined to include a person's spouse, parents, children, siblings, mothers and fathers in law, sons and daughters in law, brothers and sisters in law, and anyone (other than domestic employees) who shares such person's home.

² For the purposes of this point, “immediate family member” means only a spouse, minor child or stepchild, or adult child or stepchild sharing a home with the Director.

³ For the purposes of this point, a partner does not include a fixed income partner whose interest in such a firm is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior services with that firm (provided such compensation is not contingent in any way on continued service).

- The Director, or any immediate family member of the Director, is or has been within the last three years, an executive officer of another company where any of Cervus' current executive officers serve or served at the same time on that other company's compensation committee.

For the purposes of being a member of the Audit Committee of the Board, a Director will also be subject to the following additional independence requirement:

- In order to be considered independent, a Director may not, other than as remuneration for acting in his or her capacity as a member of the Board or any Board committee, or as part-time chair or vice chair of the Board or any Board committee, accept, directly or indirectly, any consulting, advisory, or other compensatory fee from Cervus, provided that compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with Cervus (provided that such compensation is not contingent in any way on continued service). For the purposes of this point, the indirect acceptance by a Director of any consulting, advisory or other compensatory fee includes acceptance of a fee by a Director's immediate family member²; or by another company in which such Director is a partner, a member, an officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the company) and which provides accounting, consulting, legal, investment banking or financial advisory services to Cervus.

A Director of Cervus will not be considered to have a material relationship with Cervus solely because the Director, or his or her immediate family member: (i) has previously acted as an interim CEO of Cervus; or (ii) acts, or has previously acted, as chair or vice chair of the Board or of any Board committees on a part-time basis.

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Part VI: Policy on Directors' Selection Process for New Members

Search Process:

The selection of new members to the Board of Directors (the "**Board**") of Cervus is conducted by the Nominating and Governance Committee ("**Governance Committee**") of the Board. The selection processes consists of several steps:

1. The Governance Committee completes an annual assessment of the competencies and skills the Board as a whole should possess.
2. The Governance Committee completes an annual assessment of current Board member capabilities in the areas of CEO experience, financial expertise and literacy, industry knowledge, knowledge of technology, diversity, professional designations and industry representation, as well as personal qualities that contribute to the Board dynamics.

3. If deemed necessary or appropriate by the Governance Committee, the Governance Committee reviews potential executive search consulting companies and selects a firm or firms qualified to conduct Director's searches.
4. The Governance Committee, in conjunction with the search consultants if search consultants are retained, develops the list of skills, experiences, qualifications, industry, diversity and personal qualities desired in potential new Board members.
5. The Governance Committee, in conjunction with the search consultants if search consultants are retained, develops a list of potential candidates.
6. The Governance Committee or an elected subcommittee reviews the complete list of potential candidates. They then identify a short list of potential candidates that they wish to pursue for in-depth interviews and, in identifying these candidates, make reference checks. The Governance Committee will also consider whether the candidates can devote sufficient time and resources to his or her duties as a Board member. They will then update the full Board on their progress and solicit input on the candidates.
7. The Chairman of the Governance Committee and selected committee members will interview the final shortlist of candidates.
8. The Governance Committee recommends final potential candidates to the full Board.
9. Potential new board members will be approached and invited to join Cervus' Board.

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