

CERVUS EQUIPMENT CORPORATION

**Notice of Annual Meeting of Shareholders
to be held on**

April 21, 2011

Information Circular

Dated March 9, 2011

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CERVUS EQUIPMENT CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO: THE SHAREHOLDERS OF CERVUS EQUIPMENT CORPORATION

TAKE NOTICE that an Annual Meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Shares**”) of Cervus Equipment Corporation (the “**Corporation**”) will be held at the offices of the Corporation, Suite 5201, 333 – 96 Avenue NE, Calgary, Alberta, on April 21, 2011 at 3:30 p.m. (Calgary time) for the following purposes:

1. to receive and consider the consolidated financial statements of the Corporation for the financial year ended December 31, 2010 and the auditors' report thereon;
2. to fix the number of directors to be elected at the Meeting at not more than 6;
3. to elect the persons named as proposed directors in the Information Circular accompanying this notice as directors of the Corporation for the ensuing year;
4. to re-appoint KPMG LLP, as auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of such auditors; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular accompanying and forming part of this Notice of Annual Meeting.

Shareholders of the Corporation who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and to mail it to or deposit it with the Corporation, c/o Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1. In order to be valid and acted upon at the Meeting, proxies must be returned to the aforesaid address not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.

Shareholders are cautioned that the use of the mails to transmit proxies is at each Shareholder's risk.

The Board of Directors of the Corporation has fixed the record date for the Meeting at the close of business on March 17, 2011 (the “**Record Date**”). Only Shareholders of the Corporation of record as at that date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Shares owned as at the Record Date, unless any such Shareholder transfers such Shareholder’s Shares after the Record Date and the transferee of those Shares establishes that the transferee owns the Shares and demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Shares at the Meeting.

DATED at Calgary, Alberta, this 9th day of March, 2011.

BY ORDER OF THE BOARD OF DIRECTORS OF THE CORPORATION

(signed) “Peter Lacey”

Peter Lacey, President and Chief Executive Officer

CERVUS EQUIPMENT CORPORATION**INFORMATION CIRCULAR****FOR THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 21, 2011**

PROXIES**Solicitation of Proxies**

This Information Circular is furnished in connection with the solicitation of proxies by the management of Cervus Equipment Corporation (the “**Corporation**”), for use at the Annual Meeting of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of the Corporation (the “**Meeting**”) to be held on April 21, 2011, at 3:30 p.m. (Calgary time), at the offices of the Corporation, Suite 5201, 333 – 96 Avenue NE, Calgary, Alberta, and at any adjournment thereof, for the purposes set forth in the enclosed Notice of Annual Meeting. Instruments of proxy must be received by the Corporation c/o Computershare Trust Company of Canada (“**Computershare**”), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the holding of the Meeting or any adjournment thereof. The Board of Directors (the “**Board**”) of the Corporation has fixed the record date for the Meeting at the close of business on March 17, 2011 (the “**Record Date**”). Only Shareholders of the Corporation of record as at that date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Common Shares owned as at the Record Date, unless any such Shareholder transfers such Shareholder’s Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not later than 10 days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

The instrument appointing a proxy must be in writing and must be executed by the Shareholder or such Shareholder’s attorney duly authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. Each Shareholder has the right to appoint a proxyholder other than the persons so designated, who need not be a Shareholder, to attend and to act for such Shareholder and on such Shareholder’s behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder’s appointee should be legibly printed in the blank space provided.

Revocability of Proxy

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or such Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

Non-Registered Holders

Only registered Shareholders of the Corporation or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Corporation are “non-registered” Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. A person is not a registered

Shareholder (a “**Non-Registered Holder**”) in respect of Common Shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency such as the Canadian Depository of Securities Limited (“**CDS**”), of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners (“**NOBOs**”). Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners (“**OBOs**”).

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has elected to send copies of the Notice of Annual Meeting, this Information Circular and a form of proxy or voting instruction form (“**VIF**”) (collectively, the “**Meeting Materials**”) directly to the NOBOs, and indirectly through Intermediaries to the OBOs.

Intermediaries will frequently use service companies to forward the Meeting Materials to OBOs. Generally, an OBO who has not waived the right to receive Meeting Materials will either:

- be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of Common Shares beneficially owned by the OBO and must be completed, but not signed by the OBO and deposited with Computershare; or
- more typically, be given a VIF which is not signed by the Intermediary, and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

These Meeting Materials are being sent to both registered Shareholders and Non-Registered Holders. If a Non-Registered Holder receives the Meeting Materials from the Corporation or its agent, that Non-Registered Holder’s name and address and information about his or her holdings of securities has been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on the Non-Registered Holder’s behalf. By choosing to send the Meeting Materials to the Non-Registered Holder directly, the Corporation (and not the Intermediary holding on the Non-Registered Holder’s behalf) has assumed responsibility for (a) delivering these Meeting Materials to the Non-Registered Holder, and (b) executing the Non-Registered Holder’s proper voting instructions. Non-Registered Holders are kindly asked to return their voting instructions as specified in the request for voting instructions.

The Meeting Materials sent to NOBOs who have not waived the right to receive the Meeting Materials are accompanied by a VIF instead of a form of proxy. By returning the VIF in accordance with the instructions noted thereon, a NOBO is able to instruct the voting of the Common Shares owned by it. VIFs, whether provided by the Corporation or by an Intermediary, should be completed and returned in accordance with the specific instructions noted thereon. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own.

Should a Non-Registered Holder who received a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder, or his or her nominee, the right to attend and vote at the Meeting.

Non-Registered Holders should return their voting instructions as specified in the VIF. Non-Registered Holders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

Persons Making the Solicitation

This solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the Meeting Materials will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefor.

Exercise of Discretion by Proxy

The Common Shares represented by the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder. The persons appointed under the enclosed form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and Notice of Annual Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof, in accordance with their best judgement. At the time of printing this Information Circular, the management of the Corporation knew of no such amendment, variation, or other matter.

Unless otherwise specified, proxies in the accompanying form will be voted in favour of:

1. fixing the number of directors to be elected at the Meeting to be not more than 6;
2. the election of the nominees, hereinafter set forth, as directors of the Corporation (provided that in the event that a vacancy among such nominees occurs because of death or for any other reason prior to the Meeting, proxies shall not be voted with respect to such vacancy); and
3. re-appointing KPMG LLP as auditors of the Corporation.

INFORMATION CONCERNING THE CORPORATION

Unless otherwise noted, the information provided in this Management Information Circular is given as of March 9, 2011.

Common Shares and Principal Holders Thereof

As at March 9, 2011, 14,203,210 Common Shares of the Corporation were issued and outstanding, each such Common Share carrying the right to one vote on a ballot at the Meeting. The close of business on March 17, 2011 is the record date for the determination of holders of Common Shares who are entitled to notice of, and to attend and vote at, the Meeting. Any transferee or person acquiring Common Shares after such date may, on proof of ownership of Common Shares, demand not later than 10 days before the Meeting that such transferee's name be included in the list of persons entitled to attend and vote at the Meeting. A quorum for the transaction of business at the Meeting is not less than two (2) Shareholders present in person or represented by proxy holding or presenting not less than five (5%) percent of the votes attaching to all Common Shares entitled to be voted at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as at March 9, 2011 no person or company beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation except as set out below:

<u>Shareholder and Municipality of Residence</u>	<u>Type of Ownership</u>	<u>Number of Common Shares</u>	<u>Percentage of Common Shares</u>
Peter Lacey ⁽¹⁾ Red Deer, Alberta	Registered and Beneficial	3,869,052	27.2%

Note:

- (1) Includes Common Shares beneficially owned by Kathy Lacey, the spouse of Peter Lacey, Common Shares owned by a family trust and Common Shares owned by Proventure Income Fund, a public company of which Peter Lacey is President, Chief Executive Officer and a Trustee of and that is a related party to the Corporation.

Executive Compensation

Compensation Discussion and Analysis

Design and Objectives

The Corporation's program of executive compensation is designed to provide incentives for the enhancement of shareholder value, the successful implementation of the Corporation's business plan and improvement in corporate and personal performance. The program is based on a pay-for-performance philosophy and consists of four components: base salary, annual incentive (bonus) paid in cash, long-term equity-based incentives and guarantee fees.

The overall objectives of the program are to:

- attract and retain qualified executives critical to the success of the Corporation;
- provide fair and competitive compensation;
- integrate compensation with the Corporation's business plans;
- align the interests of the management with those of Shareholders; and
- reward both business and individual performance.

The Compensation Committee annually reviews and approves the compensation packages, including salary level, bonus potential and entitlement and participation in equity based long-term incentives, and the performance of all senior executives of the Corporation and its subsidiaries, including the Chief Executive Officer.

Base Salary

The base salary of each executive is determined by an assessment of his or her sustained performance by the Board and consideration of competitive compensation levels for the markets in which the Corporation operates. The Board also considers the particular skills and experience of the individual.

Further, in 2008 Cervus retained a compensation consultant to review its executive compensation and provide recommendations for 2009 and beyond. The report produced by the compensation consultant (the "**Compensation Review**") found that salaries for both the Chief Executive Officer and the Chief Financial Officer were well below the lower quartile of peer groups. The salary for the Vice-President, Operations was between the lower and median quartiles of a peer group. The Compensation Review recommended that, on a going-forward basis, Cervus benchmark its executive salaries against a peer group such that salary is targeted to the median, but remains flexible in allowing for above-median salary where experience and expertise warrant it and to attract key in-demand talent to the team. As such, the Board increased salaries for executive officers in 2009 by creating a benchmark group of companies and by relying on general market data. The following were the companies included in the benchmark group: AutoCanada Income fund, Canadian Equipment Rental Fund Limited Partnership, Rocky Mountain Dealerships Inc., Strongco Income Fund, Uni-Select Inc, Wajax Income Fund. The companies in this benchmark group were selected based on industry similarity and size. As a guiding principal in determining executive compensation, Cervus seeks to position base salaries and target annual and long-term incentive awards near the effective median of its competitive market, with the opportunity for an executive officer to earn above median total compensation for superior performance. Other considerations in establishing the target compensation levels include the relative scope and size of Cervus and its business, as measured by assets, revenues, market capitalization and geographic reach of the business. Following 2009, Cervus periodically benchmarks its executive compensation with a peer group in order to ensure that executive compensation is competitive with companies of a similar size and business focus.

In April 2007, Randall Muth was issued a loan to facilitate the exercise of options. It is the intent of the Corporation that this loan be off-set against a portion of his compensation such that the loan is entirely repaid over 5 years. In 2010, the final amount outstanding under this loan was off-set against a portion of his base salary such that the loan has now been entirely repaid. While this narrative disclosure occurs under the "Base Salary" heading, it is also

disclosed under “All Other Compensation” in the Summary Compensation Table in order to differentiate actual salary paid and that used to off-set the loan.

Annual Incentives - Bonuses

The Compensation Review found that bonus levels for executive officers of the Corporation, when compared to a peer group, ranged from well below the lower quartile (for the Chief Executive Officer) to between the lower quartile and the median quartile (for the Chief Financial Officer) to slightly above the median (for the Vice-President, Operations). The Compensation Review recommended that, on a going-forward basis, the Corporation formalize a two-tiered bonus structure for executive officers.

Subject to the caveat that no bonus will be paid to any executive officers unless the Corporation is profitable, the Corporation’s executive officers are eligible for cash incentives based on a combination of profit sharing and accomplishment of agreed upon objectives. Each executive officer has an opportunity to receive a performance bonus of 50% of base salary for accomplishing agreed upon financial and strategic objectives (“**Target**”). There is an additional 50% of base salary available for exceeding Target. For 2010, the executive officer bonuses were approximately 95% of Target. The weighting of the components contained in the target objectives is unique for each executive officer, taking into account the responsibilities of each executive officer; however, the components are the same for the executive officers:

Performance Metric	% of total weighting
Corporate Performance <i>Net profits per Share</i> <i>Return on assets (net of cash)</i>	30 - 40
Growth <i>Mergers and acquisitions (including integration, measured by successful completion of targeted acquisitions and successful integration of purchased business units)</i> <i>Organic Growth (measured by revenue growth)</i>	20 - 40
Strategic Objectives <i>Customers</i> <i>People</i> <i>OEM relations</i> <i>Organizational excellence</i>	20 – 50

See “Information Concerning the Corporation – Executive Compensation – Compensation Discussion and Analysis - Termination and Change of Control Benefits” for information on the maximum cash bonus payable to each of the executive officers indicated in that section.

Long Term Incentives (Share Option Plan)

The Corporation has a share option plan (the “**Option Plan**”) which has been previously approved by the Shareholders. The Option Plan is administered by the Board, or by a special committee of the Board appointed from time to time by the Board pursuant to rules of procedure fixed by the Board. Pursuant to the terms of the Option Plan, directors, officers, consultants, and employees of the Corporation or its subsidiaries or affiliates are eligible for selection to participate in the Option Plan (such persons hereinafter collectively referred to in this section as “**Participants**”). The Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Common Shares to be subject to each option. The purpose of the Option Plan is to advance the interests of the Corporation by encouraging Participants to acquire Common Shares in the capital of the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its

affairs. See “Information Concerning the Corporation – Equity Compensation Plan Information – Share Option Plan” for further information regarding the Option Plan.

Long Term Incentives (Deferred Share Plan)

The Corporation has a deferred share plan (the “**Deferred Share Plan**”) which was previously approved by the Shareholders. The Deferred Share Plan is administered by the Board. The purpose of the Deferred Share Plan is to promote a greater alignment of interests between:

- (a) the directors, officers and employees of:
 - (i) the Corporation; and
 - (ii) the direct and indirect subsidiary corporations (each a “**Subsidiary Corporation**”) of the Corporation; and
- (b) the Shareholders of the Corporation.

Each Eligible Person is given the option to be a Participant of the Deferred Share Plan. Eligible Persons who elect to be Participants shall be paid up to one hundred percent (100%) of their annual director retainer or annual bonus (the “**Elected Amount**”), as applicable, in the form of deferred shares (“**Deferred Shares**”) in lieu of cash provided that the applicable Subsidiary Corporation shall match a percentage of the Elected Amount for each Participant up to 100%, such percentage to be determined by the Board prior to the particular election by each Participant with respect to each particular Elected Amount, such that the number of Deferred Shares issued to each Participant may be equal in value to anywhere from one (1) to two (2) times the Elected Amount, depending on the percentage of the Elected Amount matched by the applicable Subsidiary Corporation as determined by the Board.

The Named Executive Officers (as defined below) are eligible for a maximum Deferred Share match of \$50,000 per year.

See “Information Concerning the Corporation – Equity Compensation Plan Information – Deferred Share Plan” for further information regarding the Deferred Share Plan.

Guarantee Fees

One of the Corporation’s major business lines is the operation of several John Deere dealerships. Consequently, John Deere requires that certain directors and executive officers of the Corporation sign personal guarantees to guarantee the debts of the Corporation to John Deere. As an incentive, the Corporation pays an annual fee of 3% of the value of the guarantee to the guarantors.

Perquisites and Personal Benefits

Perquisites and personal benefits provided to senior management reflect competitive practices and particular business needs. Generally speaking, they are not a significant component of the Corporation’s executive compensation program.

Retirement Policy

The Corporation does not have a retirement policy for its executive officers.

Review / Modifications

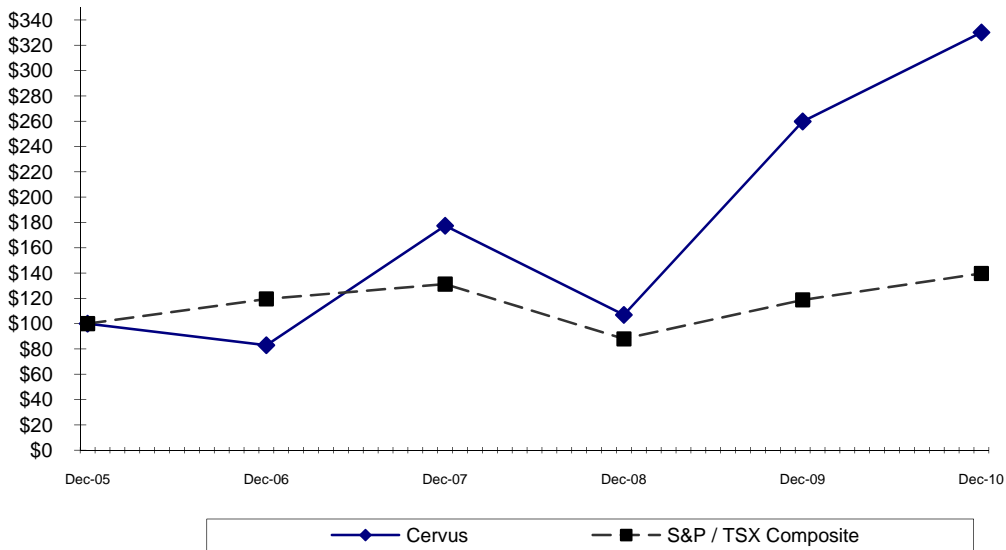
The Corporation’s executive compensation program is reviewed and considered at least annually by the Compensation Committee to determine if the objectives of the executive compensation program are being achieved and whether any modifications to that program are required. This includes a review of base salaries payable, and entitlement and participation in equity based long-term incentives for all senior executives. It also includes a review of the metrics used to assess performance, the targets established with respect to those performance metrics, whether previously established targets have been achieved and to what degree, and whether the performance metrics and targets are still appropriate in light of the then current agricultural and industrial equipment market, stock market

and general economic conditions. The Board considers the establishment of new performance metrics and related targets to be used to assess executive officer performance and determine executive officer compensation on a go-forward basis. In completing this review, the Board considers the recommendations of management and the Chief Executive Officer in particular. Upon completion of that review, the Board then approves the executive compensation program, including the individual components thereof, subject to any modifications it deems necessary.

From time to time adjustments to the Corporation's executive compensation program may be necessary to respond to changing market conditions. As market conditions, and therefore the short-term focus of the Corporation, are dynamic, the directors and management of the Corporation recognize that the Corporation's executive compensation program must remain flexible so as to respond to changing market conditions and the possible need to modify, add or delete performance metrics used so as to keep the Corporation's executive officers appropriately incentivized and focused on the long-term interests of the Corporation.

Performance Graph

The following graph, and the table below it, compares the cumulative total Shareholder return on the Common Shares of the Corporation with the cumulative total return of the S&P/TSX Composite Index for the five-year period ending December 31, 2010⁽¹⁾⁽²⁾.



	<u>31-Dec-05</u>	<u>31-Dec-06</u>	<u>31-Dec-07</u>	<u>31-Dec-08</u>	<u>31-Dec-09</u>	<u>31-Dec-10</u>
Cervus	\$100.00	\$82.97	\$177.36	\$106.91	\$259.76	\$330.10
S&P / TSX Composite	\$100.00	\$119.51	\$131.26	\$87.94	\$118.76	\$139.67

Notes:

- (1) Adjusted to reflect the conversion of Cervus LP into a corporation, i.e. Cervus Equipment Corporation, pursuant to a court-approved plan of arrangement under section 192 of the CBCA that became effective on October 22, 2009 and also adjusted to reflect the three Common Shares for two Cervus LP units stock split which occurred pursuant to that plan of arrangement. The conversion was accounted for as a continuity of interests of Cervus LP since there was no change of control and since Cervus Equipment Corporation continued to operate the business of Cervus LP.
- (2) Assumes that the initial value of the investment in Common Shares (i.e. original units of Cervus LP) on the applicable exchange was \$100 at the close of trading on December 31, 2005. Values include distributions payable but exclude brokerage fees and all income taxes.

Trends

The trend shown by the above performance graph is an overall increase in the total Shareholder return for the Corporation over the last 5 years. This is similar to the trend in total executive compensation paid by the Corporation over the last five financial years.

The total compensation value paid to all of the executive officers of the Corporation for the 2010 financial year was \$1,525,117 (2009 - \$1,493,931) which amounts to 14.6% (2009 – 17.5%) of the Corporation’s annual cash distributions to Shareholders.

Summary Compensation Table

The following table sets forth the annual compensation paid for the three most recently completed financial years of the Corporation to each of its executive officers for whom disclosure is required by applicable Canadian securities laws (collectively, the “**Named Executive Officers**”).

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary</u> (\$)	<u>Share- Based Awards</u> (\$)	<u>Option- Based Awards</u> (\$)	<u>Non-Equity Annual Incentive Plan Compensation</u> (\$)		<u>Pension Value</u> (\$)	<u>All Other Compensation</u> (\$)	<u>Total Compensation</u> (\$)
					<u>Annual Incentive Plans</u>	<u>Long- term Incentive Plans</u>			
Peter Lacey, President & Chief Executive Officer ⁽¹⁾	2010	325,000	Nil	Nil	Nil	Nil	Nil	54,881 ⁽²⁾	379,881
	2009	291,986	100,000	Nil	Nil	Nil	Nil	36,000 ⁽²⁾	427,986
	2008	168,188	Nil	Nil	Nil	Nil	Nil	124,125 ⁽²⁾	292,313
Randall Muth, Chief Financial Officer ⁽¹⁾	2010	215,850	100,000	Nil	37,750	Nil	Nil	58,224 ⁽²⁾⁽³⁾	411,824
	2009	195,000	125,000	Nil	Nil	Nil	Nil	48,500 ⁽²⁾⁽³⁾	368,500
	2008	162,750	87,500	Nil	Nil	Nil	Nil	46,000 ⁽²⁾⁽³⁾	296,250
Graham Drake, Vice President of Operations, Agriculture Division ⁽¹⁾	2010	205,550	100,000	Nil	52,906	Nil	Nil	34,183 ⁽²⁾	392,639
	2009	185,000	100,000	Nil	125,190	Nil	Nil	21,000 ⁽²⁾	431,190
	2008	163,000	130,000	Nil	7,000	Nil	Nil	24,000 ⁽²⁾	324,000
John Higgins, Vice President of Operations, Construction /Industrial Division ⁽¹⁾	2010	195,100	138,126	Nil	Nil	Nil	Nil	7,547	340,773
	2009	170,000	38,126	Nil	58,129	Nil	Nil	Nil	266,255
	2008	155,000	Nil	Nil	53,040	Nil	Nil	Nil	208,240

Notes:

- (1) Cervus LP (the “**LP**”) was established in March 2003 and Cervus GP Ltd. (the “**General Partner**”) has been the general partner of the LP since July 31, 2005. The General Partner was entitled to be reimbursed for 100% of its expenses incurred in acting as general partner of the LP. The compensation of the General Partner payable to the executive officers of the General Partner from May 2003 until October 21, 2009 was paid to those individuals (or in the case of Peter Lacey, to his holding company) by the General Partner who was then reimbursed by the LP for such expenses. On October 22, 2009 the LP completed a court supervised plan of arrangement involving, among others, the LP, the General Partner and Vasogen Inc. which provided for the conversion of the LP from a limited partnership structure to a corporate structure thereby creating the Corporation.
- (2) This represents fees paid by the Corporation on personal guarantees provided to John Deere for debts of the Corporation to John Deere (“**Guarantee Fees**”).

- (3) This includes the forgiveness of the principle and accrued interest on a loan to purchase limited partnership units of the LP of \$41,000 in 2008, \$41,000 in 2009 and \$30,741 in 2010. For more information see “Information Concerning the Corporation – Executive Compensation - Compensation Discussion and Analysis – Base Salary”.

Termination and Change of Control Benefits

Peter Lacey is the President and Chief Executive Officer of the Corporation. Mr. Lacey receives an annual base salary of \$325,000 per year from the Corporation, payable to a holding company. There is currently no written employment agreement in place with Mr. Lacey. There are no provisions for compensation in the event of termination or a change in responsibilities or in the event of a change of control.

Randall Muth is the Chief Financial Officer of the Corporation. Mr. Muth receives an annual base salary of \$215,850 per year from the Corporation. Mr. Muth also receives an annual bonus based on the meeting of certain pre-determined performance targets. There is currently no written employment agreement in place with Mr. Muth. Other than a requirement for twelve months notice, or payment equal to twelve months’ salary in lieu of notice, in the event of termination without cause, there are no provisions for compensation in the event of termination or a change in responsibilities or in the event of a change of control.

Graham Drake is the Vice President of Operations, Agriculture Division of the Corporation. Mr. Drake receives an annual base salary of \$205,550 per year from the Corporation. Mr. Drake also receives an annual bonus based on the meeting of certain predetermined performance targets. There is currently no written employment agreement in place with Mr. Drake. Other than a requirement for twelve months notice, or payment equal to twelve months’ salary in lieu of notice, in the event of termination without cause, there are no provisions for compensation in the event of termination or a change in responsibilities or in the event of a change of control.

John Higgins is the Vice President of Operations, Construction/Industrial Division of the Corporation. Mr. Higgins receives an annual base salary of \$195,000 per year from the Corporation. Mr. Higgins also receives an annual bonus based on the meeting of certain predetermined performance targets. There is currently no written employment agreement in place with Mr. Higgins. Other than a requirement for twelve months notice, or payment equal to twelve months’ salary in lieu of notice, in the event of termination without cause, there are no provisions for compensation in the event of termination or a change in responsibilities or in the event of a change of control.

Outstanding Option-Based and Share-Based Awards

The following table indicates for each Named Executive Officer all option-based awards and Share-based awards outstanding at the end of the most recently completed financial year.

<u>Name</u>	<u>Option-Based Awards</u>			<u>Share-Based Awards</u>		
	<u>Number of Shares Underlying Unexercised Options</u> (#)	<u>Option Exercise Price</u> (\$)	<u>Option Expiration Date</u>	<u>Value of Unexercised In-The-Money Options</u> (\$)	<u>Number of Shares That Have Not Vested⁽¹⁾</u> (#)	<u>Market or Payout Value of Share Awards That Have Not Vested⁽²⁾</u> (\$)
Peter Lacey	Nil	Nil	Nil	Nil	4,738	74,544
Randall Muth	Nil	Nil	Nil	Nil	15,116	229,006
Graham Drake	Nil	Nil	Nil	Nil	13,185	199,094
John Higgins	Nil	Nil	Nil	Nil	5,053	76,300

Notes:

- (1) These awards were issued pursuant to the Corporation’s Deferred Share Plan. For further information, see “Information Concerning the Corporation – Equity Compensation Plan Information – Deferred Share Plan”.

(2) Market value as at December 31, 2010 (\$15.10 per Common Share).

Incentive Plan Awards – Value Vested or Earned During the Year

The following table indicates for each Named Executive Officer the value of all indicated compensation awards that vested during the most recently completed financial year.

<u>Name</u>	<u>Option-Based Awards – Value Vested During The Year</u> (\$)	<u>Share-Based Awards – Value Vested During The Year⁽¹⁾</u> (\$)	<u>Non-Equity Annual Incentive Plan Compensation – Value Earned During The Year</u> (\$)
Peter Lacey	Nil	6,980 ⁽²⁾	Nil
Randall Muth	Nil	84,173 ⁽²⁾	37,750
Graham Drake	Nil	64,845 ⁽²⁾	52,906
John Higgins	Nil	72,365 ⁽²⁾	Nil

Notes:

(1) Market value as at the date of vesting.

(2) Includes contributions into Deferred Share Plan which vest immediately as well as any adjustments made pursuant to a Common Share dividend on unvested matching Deferred Shares.

Compensation of Directors

General

There are currently 6 directors of the Corporation. The directors, other than any director who is an employee of the Corporation or its subsidiaries, are entitled to compensation for their services rendered to the Corporation in their capacities as directors of the Corporation.

The following table summarizes the fees paid to the directors of the Corporation, other than any director who is an employee of the Corporation or its subsidiaries, by the Corporation for their services as directors of the Corporation during the 2010 financial year and the fees to be paid to the directors for such services for the 2011 financial year:

<u>Item</u>	<u>2011</u>	<u>2010</u>
<u>Annual Retainer</u>		
Attendance of Board meetings	\$5,000	\$5,000
Audit Committee Member	\$1,000	\$1,000
Committee Membership (other than Audit Committee)	\$500	\$500

The directors are also entitled to be reimbursed for reasonable travel and other expenses properly incurred by them in attending meetings of the directors or any committee thereof or otherwise incurred by them in connection with their services as directors.

Directors of the Corporation are also eligible to participate in the Corporation's equity compensation plans and may elect to be paid up to one hundred percent (100%) of their annual director fees in the form of Deferred Shares.

The Corporation does not have a retirement policy for its directors.

Director Equity Ownership

The Corporation encourages the Directors to hold an equity position in the Corporation. The following table outlines the equity holdings, as at March 9, 2011, of each of the current Directors of the Corporation and each of the individuals to be nominated for election as a Director of the Corporation at the Meeting (see “Information Concerning the Corporation – Directors of the Corporation”).

<u>Shares Beneficially Owned or Controlled as at March 9, 2011</u>		
<u>Name</u>	<u>Number</u>	<u>Market Value⁽¹⁾</u>
Peter Lacey	3,869,052	\$62,136,975.12
Graham Drake	602,633	\$9,678,285.98
Steven M. Collicutt	40,867	\$656,324.02
Gary Wayne Harris	101,033	\$1,622,589.98
David Heide	56,231	\$903,069.86
Don Bell	59,515	\$955,810.90

Note:

- (1) These amounts were determined by multiplying the applicable number of Common Shares by the closing price of the Common Shares on the Toronto Stock Exchange on March 9, 2011, the date of this Information Circular.

Director Compensation Table

The following table sets forth all compensation earned for the most recently completed financial year of the Corporation to each of the directors of the Corporation, other than the President and Chief Executive Officer of the Corporation and the Vice-President of Operations of the Corporation, in their capacities as directors of the Corporation.

<u>Name⁽¹⁾</u>	<u>Fees Earned</u>	<u>Share – Based Awards⁽²⁾</u>	<u>Option-Based Awards</u>	<u>Non-Equity Incentive Plan Compensation</u>	<u>Pension Value</u>	<u>All Other Compensation</u>	<u>Total</u>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Steven M. Collicutt	7,250	7,250	Nil	Nil	Nil	Nil	14,500
Gary Wayne Harris	7,250	7,250	Nil	Nil	Nil	Nil	14,500
David Heide	6,250	6,250	Nil	Nil	Nil	Nil	12,500
Don Bell	7,250	7,250	Nil	Nil	Nil	Nil	14,500

Notes:

- (1) Peter Lacey, President and CEO of the Corporation, and Graham Drake, Vice-President, Operations of the Corporation, are also directors of the Corporation. However, Mr. Lacey and Mr. Drake do not receive any compensation for their services as directors and are therefore not listed in this table. For a summary of the compensation paid by the Corporation to Mr. Lacey and Mr. Drake in their capacity as executive officers of the Corporation, see “Information Concerning the Corporation - Executive Compensation”.
- (2) Directors may elect to be paid up to one hundred percent (100%) of their annual director fees in the form of Deferred Shares.

Outstanding Share-Based Awards and Option-Based Awards

The following table indicates for each director, other than the President and Chief Executive Officer of the Corporation and the Vice-President, Operations of the Corporation, all option-based awards and Share-based awards outstanding at the end of the most recently completed financial year.

<u>Name⁽¹⁾</u>	<u>Option-Based Awards</u>			<u>Share-Based Awards</u>		
	<u>Number of Shares Underlying Unexercised Options</u> (#)	<u>Option Exercise Price</u> (\$)	<u>Option Expiration Date</u>	<u>Value of Unexercised In-The-Money Options</u> (\$) ⁽¹⁾	<u>Number of Shares That Have Not Vested</u> (#)	<u>Market or Payout Value of Share Awards That Have Not Vested⁽²⁾</u> (\$)
Steven M. Collicutt	Nil	Nil	Nil	Nil	Nil	Nil
Gary Wayne Harris	Nil	Nil	Nil	Nil	Nil	Nil
David Heide	Nil	Nil	Nil	Nil	Nil	Nil
Don Bell	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Peter Lacey, President and CEO of the Corporation, and Graham Drake, Vice-President, Operations of the Corporation, are also directors of the Corporation. However, Mr. Lacey and Mr. Drake do not receive any compensation for their services as directors and are therefore not listed in this table. For a summary of the compensation paid by the Corporation to Mr. Lacey and Mr. Drake in their capacity as executive officers of the Corporation, see “Information Concerning the Corporation - Executive Compensation”.
- (2) Market value as at December 31, 2010 (\$15.10 per Common Share).

Incentive Plan Awards – Value Vested or Earned During the Year

The following table indicates for each director, other than the President and Chief Executive Officer of the Corporation and the Vice-President, Operations of the Corporation, the value of all indicated compensation awards that vested during the most recently completed financial year.

<u>Name⁽¹⁾</u>	<u>Option-Based Awards – Value Vested During The Year</u> (\$)	<u>Share-Based Awards – Value Vested During The Year⁽²⁾</u> (\$)	<u>Non-Equity Annual Incentive Plan Compensation – Value Earned During The Year</u> (\$)
Steven M. Collicutt	Nil	14,500	Nil
Gary Wayne Harris	Nil	14,500	Nil
David Heide	Nil	12,500	Nil
Don Bell	Nil	14,500	Nil

Notes:

- (1) Peter Lacey, President and CEO of the Corporation, and Graham Drake, Vice-President, Operations of the Corporation, are also directors of the Corporation. However, Mr. Lacey and Mr. Drake do not receive any compensation for their services as directors and are therefore not listed in this table. For a summary of the compensation paid by the Corporation to Mr. Lacey and Mr. Drake in their capacity as executive officers of the Corporation, see “Information Concerning the Corporation - Executive Compensation”.
- (2) Market value as at the date of vesting.

Equity Compensation Plan Information

The following table summarizes certain information as of December 31, 2010 regarding compensation plans of the Corporation under which equity securities of the Corporation are authorized for issuance.

<u>Plan Category</u>	<u>(a)</u> Number of Shares to be issued upon exercise of outstanding options, warrants and rights	<u>(b)</u> Weighted-average exercise price of outstanding options, warrants and rights	<u>(c)</u> Number of Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders – Share Option Plan ⁽¹⁾	70,510	\$9.30	493,490

<u>Plan Category</u>	Number of Shares to be issued upon exercise of outstanding options, warrants and rights <u>(a)</u>	Weighted-average exercise price of outstanding options, warrants and rights <u>(b)</u>	Number of Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <u>(c)</u>
Equity compensation plans approved by securityholders – Deferred Share Plan ⁽²⁾	412,451	\$15.10 ⁽³⁾	336,066
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	482,961		829,556

Notes:

- (1) See the description under “Share Option Plan” below.
- (2) See the description under “Deferred Share Plan” below.
- (3) Market price as at December 31, 2010.

Share Option Plan

The Corporation currently has a share option plan (the “**Option Plan**”) which has been previously approved by the Shareholders.

The Option Plan is administered by the Board, or by a special committee of the Board appointed from time to time by the Board pursuant to rules of procedure fixed by the Board. Pursuant to the terms of the Option Plan, directors, officers, consultants, employees and management company employees of the Corporation and its subsidiaries or affiliates are eligible for selection to participate in the Option Plan. The Board determines to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Common Shares to be subject to each option. The purpose of the Option Plan is to advance the interests of the Corporation by encouraging participants to acquire Common Shares, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and providing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

The number of Common Shares reserved for issuance pursuant to the Option Plan, shall be, but shall not exceed 652,500, which is approximately 4.6% of the issued and outstanding Common Shares. To date, 88,500 Common Shares have been issued pursuant to the Option Plan leaving 564,000 Common Shares remaining available for issuance. As at March 9, 2011, there were 70,510 options outstanding to acquire Common Shares under the Option Plan.

The Option Plan provides that the number of Common Shares reserved for issuance pursuant to the Option Plan in respect of all options granted to any one participant together with any other previously established or proposed share compensation arrangement of the Corporation, at any one time shall not exceed five percent (5%) of the outstanding Common Shares in the capital of the Corporation from time to time. The Option Plan also provides that the number of Common Shares that may be issued to consultants of the Corporation within a 12 month period shall not exceed two percent (2%) of the outstanding Common Shares in the capital of the Corporation from time to time. The number of Common Shares that may be issued to insiders (as that term is defined in the *Securities Act* (Ontario)) of the Corporation within any one year period pursuant to the Option Plan or any other previously established or proposed share compensation arrangement of the Corporation shall not exceed ten percent (10%) of the issued and outstanding Common Shares in the capital of the Corporation from time to time. The number of Common Shares that may be issued to any one insider, and associates (as that term is defined in the *Securities Act* (Ontario)) of such insider, pursuant to the Option Plan or any other previously established or proposed share compensation arrangement of the Corporation within a one year period shall not exceed five percent (5%) of the issued and outstanding Common Shares in the capital of the Corporation from time to time. The Option Plan also provides that the number of Common Shares that may be issued to persons providing investor relations services for the

Corporation within a 12 month period shall not exceed two percent (2%) of the outstanding Common Shares in the capital of the Corporation from time to time.

The exercise price of the Common Shares subject to each option shall be determined by the Board at the time any option is granted. In no event shall such exercise price be lower than the 5-day volume weighted average trading price of the Common Shares on the Toronto Stock Exchange on the first date preceding the date of grant on which the Common Shares traded on such exchange. Once the exercise price has been determined by the Board and accepted by the Toronto Stock Exchange, the exercise price of an option may be reduced upon receipt of approval of the Board, provided that in the case of options held by insiders of the Corporation, the exercise price of an option may be reduced only if disinterested Shareholder approval is obtained.

Subject to earlier termination upon certain events as hereinafter described, each option and all rights thereunder granted pursuant to the Option Plan shall expire on the date determined by the Board, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Toronto Stock Exchange.

If a participant shall cease to be a director, officer, consultant, employee of the Corporation or its Subsidiaries, for any reason (other than death), such participant may then only exercise his or her option to the extent that the participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the participant ceases to be a director, officer, consultant, employee of the Corporation or its Subsidiaries. In the case of termination for just cause, the options granted to the participant may be exercised by the participant only within 30 days of such termination.

In the event of the death of a participant, the option previously granted to him or her shall be exercisable only within the twelve (12) months after such death and then only: (a) by the person or persons to whom the participant's rights under the option shall pass by the participant's will or the laws of descent and distribution; and (b) if and to the extent that such participant was entitled to exercise the option at the date of his or her death.

Subject to any vesting restrictions imposed by the relevant exchange upon which the Common Shares are listed, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

All benefits, rights and options accruing to any participant in accordance with the terms and conditions of the Option Plan shall not be transferable or assignable. During the lifetime of a participant any benefits, rights and options may only be exercised by the participant.

Shareholder approval is not required for amendment to the Option Plan except for any amendment or modification that:

- (a) increases the number of Common Shares reserved for issuance under the Option Plan;
- (b) reduces the exercise price of an option held by an insider other than as provided for in Section 15 of the Option Plan (which section provides that, for the purpose of maintaining option value, if the outstanding Common Shares are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation or any adjustment relating to the Common Shares optioned or issued on exercise of options, the exercise price per security under the option, the type of security issuable upon exercise of the option and number of securities issuable upon exercise of the option as set forth in the respective stock option agreements may be adjusted by the Corporation if the Board determines that such an adjustment is required to prevent substantial enlargement or dilution of the options granted to participants. Adjustments under that section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive);
- (c) extends the term of an option beyond the expiry date (except where an expiry date would have fallen within a blackout period of the Corporation);

- (d) extends eligibility to participate in the Option Plan to persons not currently eligible to participate;
- (e) permits options to be transferred other than for normal estate settlement purposes;
- (f) extends the expiry date of an option beyond 10 years from its grant date (except where an expiry date would have fallen within a blackout period of the Corporation imposed pursuant to Cervus' Insider Trading Policy); or
- (g) permits awards, other than options, to be made under the Option Plan.

When an option otherwise would have expired during a blackout period imposed under the Corporation's Insider Trading Policy, the expiry date will be the fifth business day following the expiry of the blackout period, provided that such extended expiration date shall not in any event be beyond the later of (i) December 31 of the calendar year in which the option was otherwise due to expire and (ii) the 15th day of the third month following the month in which the option was otherwise due to expire.

Deferred Share Plan

The Board adopted a deferred share plan (the "**Deferred Share Plan**") effective October 21, 2009, as amended, which was previously approved by the Shareholders.

The purpose of the Deferred Share Plan is to promote a greater alignment of interests between the directors, officers and employees of the Corporation and its subsidiaries and affiliates and Shareholders.

Each director, officer and employee is given the right to elect to be a participant of the Deferred Share Plan. A director, officer or employee who elects to be a participant shall be paid up to one hundred percent (100%) of the following (the "**Elected Amount**"):

- (a) in respect of a director, the annual retainer paid by the Corporation to that director in a calendar year for service, together with committee fees, attendance fees and additional fees and retainers to committee chairs; and
- (b) in respect of an officer or employee, the annual bonus paid by Cervus to that officer or employee in a calendar year;

in the form of Deferred Shares in lieu of cash provided that the Corporation shall match a percentage of the Elected Amount for each participant up to 100%, such percentage to be determined by the compensation committee of the Board prior to the particular election by each participant with respect to each particular Elected Amount, such that the number of Deferred Shares issued to each participant may be equal in value to anywhere from one (1) to two (2) times the Elected Amount, depending on the percentage of the Elected Amount matched by the Corporation as determined by the compensation committee.

The number of Deferred Shares (including fractional Deferred Shares) granted at any particular time pursuant to the Deferred Share Plan will be calculated by dividing (i) the aggregate of the dollar amount of the Elected Amount allocated to the participant plus the dollar amount of the Elected Amount to be matched by the Corporation by (ii) the Market Value (as defined below) of a Common Share on the award date. "**Market Value**" at any date in respect of the Common Shares means the volume weighted average price of all Common Shares traded on the Toronto Stock Exchange for the ten trading days immediately preceding such date (or, if such Common Shares are not listed and posted for trading on the Toronto Stock Exchange, on such stock exchange on which such Common Shares are listed and posted for trading as may be selected for such purpose by the Board). In the event that such Common Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Common Shares as determined by the Board in its sole discretion.

Under no circumstances shall Deferred Shares be considered Common Shares nor entitle a participant to any Shareholder rights, including, without limitation, voting rights, distribution entitlements (other than as set out below)

or rights on liquidation. One Deferred Share is equivalent to the right to acquire one Common Share. Fractional Common Shares are permitted under the Deferred Share Plan.

Generally speaking, Deferred Shares granted to participants pursuant to the Deferred Share Plan shall vest at 50% on the third anniversary of the grant; 25% on the fourth anniversary of the grant; and 25% on the fifth anniversary of the grant.

Notwithstanding the foregoing, the Board shall have the discretion to vary the manner in which Deferred Shares vest for any participant.

The Deferred Shares credited to a participant's Deferred Share account shall be redeemable by the participant (or, where the participant has died, his or her estate) following an event, including termination other than for cause, retirement or death, causing the participant to be no longer a director, officer or employee of the Corporation or one of its subsidiaries (the "**Termination Date**") or at any other time with the consent of the compensation committee. Where the participant has been terminated for cause, the Deferred Shares credited to the participant's Deferred Share account shall be redeemable by the participant in accordance with the vesting schedule of such Deferred Shares excepting that only the Deferred Shares issued in lieu of cash with respect to the Elected Amounts of such participant (and not the Deferred Shares issued pursuant to the matching of the Corporation of such Elected Amounts) shall be deemed vested in accordance with such schedule. For greater certainty and clarity, the Deferred Shares credited to a participant's Deferred Share Account may not be redeemed while the participant is a director, officer or employee unless the prior consent of the compensation committee is first obtained which consent may be granted or withheld by the compensation committee in its sole discretion. On the death of a participant or on the date that a participant commences employment with a competitor of the Corporation, whether full time, part time or on a contracted services basis, membership in the Deferred Share Plan is deemed to have ceased, and the Deferred Shares credited to the participant's Deferred Share Account shall be deemed to have been redeemed as of that date. Subject to the foregoing, the Deferred Shares credited to a participant's Deferred Share account that have vested may be redeemable in whole or in part on the date on which the participant files a written notice of redemption with the Corporation (the "**Redemption Date**"). The participant shall receive, within five (5) Business Days after the Termination Date or Redemption Date, as applicable, a whole number of Common Shares from the Corporation equal to the whole number of Deferred Shares then recorded in the participant's Deferred Share account, net of any applicable withholding taxes. The Corporation shall also make a cash payment, net of any applicable withholding taxes, to the participant with respect to the value of fractional Deferred Shares standing to the participant's credit after the maximum number of whole Common Shares have been issued by the Corporation, calculated by multiplying (i) the number of such fractional Deferred Shares by (ii) the Market Value of such fractional Deferred Shares on the Termination Date or Redemption Date, as applicable. Upon payment in full of the value of the Deferred Shares, the Deferred Shares shall be cancelled.

Whenever cash dividends are paid on the Common Shares, additional Deferred Shares will be credited to the participant's Deferred Share account. The number of such additional Deferred Shares shall be calculated by dividing (i) the amount determined by multiplying (a) the number of Deferred Shares in such participant's Deferred Share account on the record date for the payment of such dividend by (b) the dividend paid per Common Share, by (ii) 95% of the Market Value of a Common Share on the distribution payment date for such dividend, in each case, with fractions computed to two decimal places. Such additional Deferred Shares shall vest immediately.

As at March 9, 2011, 1,483 Common Shares have been issued upon the redemption of Deferred Shares issued under the Deferred Share Plan. Further, as at March 9, 2011, 412,451 Deferred Shares have been issued under the Deferred Share Plan.

The number of Common Shares reserved for issuance pursuant to the Deferred Share Plan, shall be, but shall not exceed 750,000, which is approximately 5.3% of the number of Common Shares issued and outstanding. However, (i) at no time shall the number of Common Shares reserved for issuance to insiders of the Corporation as a group pursuant to the Deferred Share Plan, together with the number of Common Shares reserved for issuance to such persons pursuant to any other compensation arrangements, exceed 10% of the then outstanding Common Shares, as calculated immediately prior to the issuance in question; (ii) the number of Common Shares issued to insiders of the Corporation as a group pursuant to the Deferred Share Plan together with the number of Common Shares issued to such persons pursuant to any other compensation arrangements, within any one year period, shall not exceed 10% of

the then outstanding Common Shares; (iii) at no time shall the number of Common Shares reserved for issuance to any one participant pursuant to the Deferred Share Plan, together with the number of Common Shares reserved for issuance pursuant to any other compensation arrangements, exceed 5% of the then outstanding Common Shares, as calculated immediately prior to the issuance in question; and (iv) the number of Common Shares issued to any one insider of the Corporation pursuant to the Deferred Share Plan together with the issuance upon any other compensation arrangements, within any one year period, shall not exceed 5% of the then outstanding Common Shares. The Deferred Share Plan also provides that a number of Common Shares equal to the number of Deferred Shares issued in accordance with the terms of the Deferred Share Plan shall be available for issuance under subsequent issuances of Common Shares under the Deferred Share Plan.

In no event may the rights or interests of a participant under the Deferred Share Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant, by will or by the laws of succession and distribution.

The administration of the Deferred Share Plan shall be subject to and performed in conformity with all applicable laws, regulations, and orders of governmental or regulatory authorities and the requirements of any stock exchange on which the Common Shares are listed. Should the compensation committee, in its sole discretion, determine that it is not desirable or feasible to provide for the redemption of Deferred Shares in Common Shares, including by reason of any such laws, regulations, rules, orders or requirements, it shall notify the participants of such determination and on receipt of such notice each participant shall have the option of electing that such redemption obligations be satisfied by means of a cash payment by the Corporation equal to the Market Value of the Common Shares that would otherwise be delivered to a participant in settlement of Deferred Shares on the redemption date (less any applicable withholding taxes).

According to the Deferred Share Plan, the Board has the power to amend, modify, suspend or terminate the Deferred Share Plan, subject to any necessary regulatory and Shareholder approvals. Subject to the receipt of any necessary regulatory or Shareholder approvals, the Board may also at any time amend or revise the terms of any Deferred Shares granted under the Deferred Share Plan from time to time. Shareholder approval will not be required for any amendment to the Deferred Share Plan or any rights granted thereunder except for any amendment or modification that:

- (a) increases the number of Common Shares reserved for issuance under the Deferred Share Plan;
- (b) increases the number of Common Shares that an Eligible Person is entitled to receive pursuant to the Deferred Share Plan other than as already provided for in the Deferred Share Plan;
- (c) extends eligibility to participate in the Deferred Share Plan to persons not currently eligible to participate;
- (d) permits Deferred Shares to be transferred other than for normal estate settlement purposes; or
- (e) permits awards, other than the issuance of Deferred Shares, to be made under the Deferred Share Plan.

Indebtedness of Directors and Officers

The table below sets out, as at the date indicated, the aggregate indebtedness of the current and former directors and executive officers of the Corporation or of any of its subsidiaries, any proposed nominee for election as a director of the Corporation, and any associate of any one of them, to:

- (a) the Corporation or any of its subsidiaries; or
- (b) another entity which such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

Aggregate Indebtedness as at February 28, 2011

<u>Purpose</u>	<u>To the Corporation or its Subsidiaries</u> (\$)	<u>To Another Entity</u> (\$)
Share purchase loan ⁽¹⁾	Nil	Nil

Note:

- (1) The Corporation provides loans to certain employees for Common Shares issued under the Corporation's private placement offerings and to pay for the exercise of options to acquire Common Shares pursuant to the Corporation's Option Plan. The loans bear interest at the rate of 4% per annum. The employees have provided the Common Shares as security for the loans. The loan agreements provide that the principal and interest components of the loans will be forgiven if the employee meets specified terms of service.

Other than as set out in the table below, no individual who is, or at any time during the most recently completed financial year of the Corporation was, a director or executive officer of the Corporation or of any of its subsidiaries, nor any proposed nominee for election as a director of the Corporation, nor any associate of any one of them:

- (a) is, or was at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries; or
- (b) is, or was at any time since the beginning of the most recently completed financial year of the Corporation, indebted to another entity, which such indebtedness is, or was during such time, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

<u>Name and Principal Position</u>	<u>Involvement of the Corporation or Subsidiary</u>	<u>Largest Amount Outstanding During the Year Ended December 31, 2010</u> (\$)	<u>Amount Outstanding as at February 28, 2011</u> (\$)	<u>Amount Forgiven During 2010</u> (\$)
<i>Security Purchase Programs⁽¹⁾</i>				
Randall Muth, CFO	Lender	30,741	Nil	30,741
Peter Lacey, CEO	Lender	Nil	Nil	Nil
<i>Other Programs</i>				
Proventure Income Fund ⁽²⁾	Lender	2,728,229 ⁽³⁾	2,676,132	Nil
John Higgins ⁽⁴⁾	Lender	365,280	Nil	Nil

Notes:

- (1) The Corporation provides loans to certain employees for Common Shares issued under the Corporation's private placement offerings and to pay for the exercise of options to acquire Common Shares pursuant to the Corporation's Option Plan. The loans bear interest at the rate of 4% per annum. The employees have provided the Common Shares as security for the loans. The loan agreements provide that the principal and interest components of the loans will be forgiven if the employee meets specified terms of service.
- (2) Peter Lacey, President, Chief Executive Officer and a director of the Corporation is also the President, Chief Executive Officer and a trustee of Proventure Income Fund. Peter Lacey is also the single largest equity holder of each of these entities.
- (3) These advances from the Corporation to Proventure Income Fund are unsecured, bear interest at a rate of prime plus 0.25% and are repayable on demand. See notes 4 and 21 to the audited financial statements of the Corporation for the year ended December 31, 2010, which note is specifically incorporated by reference herein.
- (4) The Corporation provided a loan to Mr. Higgins, the Vice President of Operations, Construction/Industrial Division of the Corporation, to acquire real property located in Calgary, Alberta. This loan was repaid in full in 2011.

Interests of Management and Others in Material Transactions

Other than as set out in notes 4 and 21 to the audited financial statements of the Corporation for the year ended December 31, 2010, which notes are specifically incorporated by reference herein, no director or executive officer of the Corporation or its subsidiaries, or insider of the Corporation or any associate or affiliate of any of the foregoing persons, has or had any material interest in any material transaction with the Corporation since the commencement of the Corporation's last financial period other than the monthly rent paid by the Corporation to Proventure Income Fund for equipment and real estate rentals in the amount of approximately \$665,883 for the three months ended March 31, 2011, fees paid during these three months to Proventure Income Fund in the amount of approximately \$20,625 for guarantees provided to John Deere Limited and \$7,500 for management fees.

Interest of Certain Persons in Matters to Be Acted Upon

Other than as described elsewhere herein, none of the directors or senior officers of the Corporation, nor any of their known associates or affiliates, has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Statement of Corporate Governance Practices

Introduction

The Canadian Securities Administrators (the "CSA") have issued National Policy 58-201 – Corporate Governance Guidelines which provides their guidance on effective corporate governance practices. The CSA have also adopted National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101") which requires Canadian reporting issuers to annually disclose their corporate governance practices. Below is a discussion on the current composition of the Board and the current governance practices of the Corporation, as required by NI 58-101.

Board

Composition

As at March 9, 2011, the Board was composed of 6 individuals (each referred to herein as a "Director"). Such Directors are Peter Lacey, Graham Drake, Steven M. Collicutt, Gary Wayne Harris, David Heide and Don Bell. See "Information Concerning the Corporation – Directors of the Corporation".

Independence

After reviewing the roles and relationships of each of the Directors, the Board has determined that 4 out of the 6 Directors are "independent" (as defined in NI 58-101), meaning a majority of the Directors are independent. Generally speaking, a Director is "independent" if such Director has no direct or indirect material relationship with the Corporation and a "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the Director's independent judgment. Notwithstanding the foregoing, NI 58-101 prescribes that certain relationships are material relationships.

The independent Directors, as determined by the Board, are Steven M. Collicutt, Gary Wayne Harris, David Heide and Don Bell.

Peter Lacey is not independent due to the fact that he is also the President and Chief Executive Officer of the Corporation. Graham Drake is not independent due to the fact that he is also the Vice President of Operations, Agriculture Division of the Corporation.

Other Boards

The following table sets forth the names of each other reporting issuer, or the equivalent thereof, for which each of the current Directors of the Corporation and of each of the individuals to be nominated for election as a Director of the Corporation at the Meeting serve as a director as at March 9, 2011.

Name	Name of Reporting Issuer
Peter Lacey	EIS Capital Corp. Proventure Income Fund BioExx Specialty Proteins Ltd. DayStar Technologies, Inc.
Graham Drake	Proventure Income Fund
Steven M. Collicutt	Proventure Income Fund Collicutt Compression Solutions Ltd.
Gary Wayne Harris	Proventure Income Fund
David Heide	Nil
Don Bell	Nil

Independent Chairs

The Board has appointed a Chairman of the Board. Peter Lacey, who is not independent, serves as the Chairman of the Board. The Board has no formal committees other than the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. The chair of the Audit Committee is Steven Collicutt, who is independent. The chair of the Compensation Committee is Gary Wayne Harris, who is independent. The chair of the Nominating and Governance Committee is Don Bell, who is independent.

The Chairman of the Board and the chair of each Board committee manages the affairs of the Board and each committee of the Board, respectively, with a view to ensuring that the Board and each Board committee functions effectively and meets its obligations and responsibilities, and leads the Board and each Board committee, respectively, in the execution of their responsibilities to security holders. At the conclusion of each Board meeting, the Board meets on an “in camera” basis without Management. Such “in camera” meetings are presided over by the independent Audit Committee Chair. In addition, at least once annually, the independent directors meets in the absence of both Management and non-independent directors. At least once annually at the conclusion of a Committee meeting, and provided that the committee chair is an independent Director, an “in camera” session without Management or any Director/member who is not independent, as determined under the Board independence criteria, is held.

Attendance

Since the commencement of the 2010 fiscal year, the Board has held 5 regularly scheduled Board meetings and nil non-regularly scheduled Board meetings. The following table summarizes the attendance of each of the directors at such Board meetings.

<u>Name</u>	<u>Regularly Scheduled Board Meetings Attended</u>	<u>Non-Regularly Scheduled Board Meetings Attended</u>	<u>Total Board Meetings Attended</u>
Peter Lacey	5 out of 5	Nil out of Nil	5 out of 5
Graham Drake	5 out of 5	Nil out of Nil	5 out of 5
Steven Collicutt	5 out of 5	Nil out of Nil	5 out of 5
Gary Wayne Harris	5 out of 5	Nil out of Nil	5 out of 5
David Heide	4 out of 5	Nil out of Nil	4 out of 5
Don Bell	5 out of 5	Nil out of Nil	5 out of 5

Board Mandate

The Board has adopted a written mandate for the Board, a copy of which is included in the “Board of Directors Terms of Reference” which is attached hereto as Schedule A.

Position Descriptions

Chair and Chair of each Board Committee

The Board has developed written position descriptions for the Board Chair and the chair of each Board committee. The Board Chair and the chair of each Board committee are responsible for taking such steps as may be necessary to ensure that the Board and the committees of the Board fulfill their respective mandates.

Chief Executive Officer

The Board has developed a position description for the Chief Executive Officer of the Corporation involving the definition of the limits to the Chief Executive Officer's responsibilities. In addition, the Board has developed objectives which the Chief Executive Officer is responsible for meeting and the Board assesses the Chief Executive Officer against those objectives.

Orientation and Continuing Education

The Board and management of the Corporation have an informal orientation and education program for new Directors and new committee members regarding the role of the Board, its committees and the Directors and the nature and operation of the Corporation's business. Existing Directors have historically provided orientation and education to new members on an ad hoc and informal basis in light of the particular needs of each new Director. Further, every Director has access to management and relevant business information. Further education is provided if deemed necessary. At least annually, the Board reviews the skills, knowledge and effectiveness of the Board, its committees and individual trustees/directors.

Ethical Business Conduct

The Board has adopted a written code of conduct for the directors, officers and employees of Corporation. A copy of the code of conduct may be obtained on the internet at www.sedar.com. The Board expects that such persons will treat each other, customers, suppliers, security holders and all other persons with goodwill, fairness and respect. The Board strives to create a culture in the Corporation that values honesty, high ethical standards and compliance with laws, rules and regulations.

The *Canada Business Corporations Act* contains "conflict of interest" provisions that require each Director to disclose to the Corporation any interest in a material contract or transaction or proposed material contract or transaction with the Corporation or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In the event that a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Directors, a Director is required to disclose in writing to the Corporation or request to have entered into the minutes of the meeting of the Directors the nature and extent of his or her interest forthwith after the Director becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Director who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his or her remuneration as a director, officer, employee or agent of the Corporation or one for indemnity under the provisions of an indemnity agreement or the Corporation's liability insurance.

The Audit Committee has also adopted "whistleblower" procedures which allow Directors, officers and employees of the Corporation and its subsidiaries to file a report on a confidential and anonymous basis with the appropriate persons regarding any concerns about accounting, internal accounting controls or auditing matters.

Nomination of Directors

The Board has established the Nominating and Governance Committee of the Board and has developed its mandate which sets out the objectives, functions and responsibilities of the Nominating and Governance Committee.

The Nominating and Governance Committee is responsible for, among other items, from time to time: (i) reviewing the size and composition of the Board; (ii) recommending candidates for election to the Board; (iii) reviewing credentials of nominees for re-election; and (iv) recommending candidates for filling vacancies on the Board. Final determinations on these matters are however made by the Board as a whole.

The Nominating and Governance Committee is currently composed of Messrs. Lacey, Drake and Bell meaning that a majority of the members of this committee are not independent Board members under NI 58-101, as determined by the Board (see “Information Respecting the Corporation – Statement of Corporate Governance Practices – Independence”). Nonetheless, the Board feels that the Nominating and Governance Committee conducts its activities in an objective manner.

The Board reviews its size and composition from time to time to determine their impact on its effectiveness. The Board believes that a board of five (5) to seven (7) Directors is an appropriate size for a public entity with a capitalization and business of the Corporation’s size. The Board believes that its current Directors comprise an appropriate mix of individuals with accounting, financial, legal and general business experience.

Compensation

The Board has established the Compensation Committee of the Board and has developed its mandate which sets out the objectives, functions and responsibilities of the Compensation Committee.

The Compensation Committee is responsible for, among other items, periodically reviewing the adequacy and form of compensation of Directors and for determining such compensation. Each year the Compensation Committee reviews and assesses the performance and compensation of the senior management of the Corporation, with a particular emphasis on the President and Chief Executive Officer of the Corporation, and makes recommendations to the Board with respect to the current and future compensation payable to such senior management. In addition, the Compensation Committee annually reviews succession planning for the senior management of the Corporation, including development and monitoring of senior management, and makes recommendations to the Board on such succession planning. The Compensation Committee considers the time commitment, risks and responsibilities of Directors and takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

The Compensation Committee is currently composed of Mr. Harris, Mr. Collicutt and Mr. Heide, all of whom are independent Board members under NI 58-101, as determined by the Board (see “Information Respecting the Corporation – Statement of Corporate Governance Practices – Independence”), and the Board feels that the Compensation Committee conducts its activities in an objective manner.

Board Committees

The Board has no formal committees other than the Audit Committee, the Compensation Committee and the Nominating and Governance Committee.

The Audit Committee has adopted a formal written mandate that sets out the scope of the Committee's responsibilities and authorities and is included as Schedule "A" to the Corporation’s annual information form dated March 9, 2011 (the “AIF”). The disclosure required by Form 52-110F1 contained in National Instrument 52-110 - Audit Committees ("NI 52-110") is set out in the AIF under the heading "Audit Committee Matters". See "Additional Information" for details on how to obtain a copy of the AIF.

Assessment

Periodically, the Board as a whole conducts an informal peer evaluation process to provide feedback to individual Directors on their effectiveness and the effectiveness of the Board itself.

Directors of the Corporation

The following table sets forth, in respect of each director of the Corporation, the name, province or state and country of residence, all positions currently held with the Corporation, principal occupation or employment within the preceding five years, and the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which voting control is exercised by them as of March 9, 2011. The information contained herein is based upon information furnished by the respective directors and by the Corporation. Directors will hold office until the next annual general meeting of shareholders of the Corporation unless re-elected at that meeting.

<u>Name and Residence</u>	<u>Current Office in the Corporation</u>	<u>Principal Occupation for Last 5 Years</u>	<u>Number of Common Shares Owned Beneficially or Subject to Control or Direction</u>
Peter Lacey ⁽⁶⁾ Alberta, Canada	President, Chief Executive Officer and Director	<p>Mr. Lacey has been the President, Chief Executive Officer and a Director of Cervus Equipment Corporation since October 2009. Prior thereto, Mr. Lacey was President, Chief Executive Officer and a director of the general partner of Cervus LP, the predecessor of Cervus Equipment Corporation, from May 2003 until its conversion into Cervus Equipment Corporation in October 2009.</p> <p>Mr. Lacey has also been the President, Chief Executive Officer and a trustee of Proventure Income Fund, a public real estate investment trust listed on the TSX Venture Exchange, since November 2005. Mr. Lacey was the President, Chief Executive Officer and a director of Cervus Corporation, the predecessor to Proventure Income Fund, from November 1998 until the conversion of that company into Proventure Income Fund on December 31, 2005. Cervus Corporation also served as the general partner of Cervus LP prior to being replaced in that role by Cervus GP Ltd. in May 2005.</p> <p>Since September 24, 2010, Mr. Lacey has also been the President and Chief Executive Officer of Prodev Trust, a private income trust created to own assets that were transferred out of Proventure Income Fund pursuant to certain restructuring transactions of Proventure Income Fund completed on December 31, 2010.</p>	3,869,052 ⁽²⁾
Graham Drake ⁽⁶⁾ Alberta, Canada	Vice President and Director	<p>Mr. Drake has been the Vice President, Operations of the Agricultural Division and a Director of Cervus Equipment Corporation since October 2009. Mr. Drake was also the Vice President, Operations of the Agricultural Division of the general partner of Cervus LP, the predecessor of Cervus Equipment Corporation, from 2005 until its conversion into Cervus Equipment Corporation in October 2009 and a director of the general partner of Cervus LP from May 2003 to October 2009. Prior thereto, Mr. Drake was the manager of the John Deere farm implement dealership in Stettler, Alberta since 1996. Mr. Drake also owned that dealership from 1996 until its acquisition by the predecessor to Cervus LP in 2000.</p> <p>Since September 24, 2010, Mr. Drake has also been the Secretary of Prodev Trust, a private income trust created to</p>	602,633 ⁽³⁾

<u>Name and Residence</u>	<u>Current Office in the Corporation</u>	<u>Principal Occupation for Last 5 Years</u>	<u>Number of Common Shares Owned Beneficially or Subject to Control or Direction</u>
Steven M. Collicutt ⁽¹⁾⁽⁴⁾ Alberta, Canada	Director	own assets that were transferred out of Proventure Income Fund pursuant to certain restructuring transactions of Proventure Income Fund completed on December 31, 2010. Mr. Collicutt has been the President of Collicutt Compression Solutions Ltd., a private company involved in the sales, parts and service business for gas compression and power generation units in Western Canada and the Western U.S. region, since June 2003. Mr. Collicutt was the President and Chief Executive Officer of Collicutt Energy Services Ltd., a public company listed on the Toronto Stock Exchange involved in the fabrication and service of natural gas compression packages and power generation units, from April 1986 until its acquisition by Finning International Inc. in January 2008. Collicutt Energy Services Ltd. had been providing maintenance services, equipment design, engineering and fabrication to western Canada's energy industry since 1986. Mr. Collicutt has been a director of Cervus Equipment Corporation since October 2009. Prior thereto, Mr. Collicutt was a director of the general partner of Cervus LP, the predecessor of Cervus Equipment Corporation, from May 2003 until its conversion into Cervus Equipment Corporation in October 2009.	40,867
Gary Wayne Harris ⁽¹⁾⁽⁴⁾ Alberta, Canada	Director	Mr. Harris has been the President and CEO of Westward Parts Services Ltd., a private wholesale distributor of all makes of agricultural parts and small sprayer, grounds maintenance and recreational equipment, and Westward Products Ltd, a private manufacturer of farm equipment and other equipment, since 1988. Mr. Harris is also a member of the Law Society of Alberta. Mr. Harris has been a director of Cervus Equipment Corporation since October 2009. Prior thereto, Mr. Harris was a director of the general partner of Cervus LP, the predecessor of Cervus Equipment Corporation, from May 2003 until its conversion into Cervus Equipment Corporation in October 2009.	101,033
David Heide ⁽⁴⁾ Saskatchewan, Canada	Director	Mr. Heide operated a 7,500 acre grain farm with his family located near Moosomin, Saskatchewan until its sale in 2008. Mr. Heide has been a director of Cervus Equipment Corporation since October 2009. Prior thereto, Mr. Heide was a director of the general partner of Cervus LP, the predecessor of Cervus Equipment Corporation, from April 2004 until its conversion into Cervus Equipment Corporation in October 2009.	56,231 ⁽⁵⁾
Don Bell ⁽¹⁾⁽⁶⁾ Alberta, Canada	Director	Mr. Bell was one of the founders of WestJet Airlines Ltd. and occupied several positions within that organization,	59,515

<u>Name and Residence</u>	<u>Current Office in the Corporation</u>	<u>Principal Occupation for Last 5 Years</u>	<u>Number of Common Shares Owned Beneficially or Subject to Control or Direction</u>
		including Executive Vice-President, Culture and Executive Vice-President, Customer Service until his retirement in July 2007.	
		Mr. Bell has also held the role of Chairman of the Air Transport Association of Canada until his retirement in July 2007.	
		Mr. Bell has been a director of Cervus Equipment Corporation since October 2009. Prior thereto, Mr. Bell was a director of the general partner of Cervus LP, the predecessor of Cervus Equipment Corporation, from August 2008 until its conversion into Cervus Equipment Corporation in October 2009.	
Notes:	(1) (2) (3) (4) (5) (6)	Member of the Audit Committee. Includes Common Shares beneficially owned by Kathy Lacey, the spouse of Peter Lacey, Common Shares owned by a family trust and Common Shares owned by Proventure Income Fund, a public company of which Peter Lacey is President, Chief Executive Officer and a Trustee of and that is a related party to the Corporation. Includes Common Shares beneficially owned by Holly Drake, the spouse of Graham Drake. Member of the Compensation Committee. Includes Common Shares beneficially owned by Heide Farms Ltd., a corporation controlled by David Heide. Member of Nominating and Governance Committee.	

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as set forth in the paragraph below, to the best of the knowledge of management of the Corporation, no person who is a director of the Corporation:

- (a) is, as at the date of this information circular, or has been, within 10 years before the date of this information circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that,
 - (i) was subject to an order (as defined below) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this information circular, or has been within 10 years before the date of this information circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any

proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or trustee.

For the purposes of (a) above, “**order**” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

On July 5, 2002 the Alberta Securities Commission issued a final cease trade order for all of the securities of River Valley Energy Services Corporation for failure to file annual audited financial statements for the year ended December 31, 2001 and unaudited interim financial statements for the three month period ended March 31, 2002. Peter Lacey, the President and Chief Executive Officer and a director of the Corporation, was a director and officer of River Valley Energy Services Corporation at the time the foregoing cease trade order was issued. On September 20, 2002 a revocation order was issued for the aforementioned cease trade order following the filing of the outstanding financial statements by River Valley Energy Services Corporation. At approximately the same times and for the same reasons, similar cease trade orders and revocation orders were issued by the British Columbia Securities Commission.

Additional Information

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com including additional financial information which is provided in the Corporation’s comparative financial statements and management’s discussion and analysis for its most recently completed financial year. Shareholders may contact the Corporation at any time to receive a copy of the Corporation’s comparative financial statements and management’s discussion and analysis for its most recently completed financial year. Any such request should be made to the President and Chief Executive Officer of the Corporation at Harvest Hills Business Park, 5201, 333 - 96 Avenue NE, Calgary, AB T3K and facsimile (403) 567-0392.

PARTICULARS OF MATTERS TO BE ACTED UPON AT MEETING

Financial Statements

The audited financial statements of the Corporation for the year ended December 31, 2010 and the auditor’s report thereon will be tabled before the Shareholders at the Meeting for the consideration of the Shareholders. The audited financial statements have been approved by the Board.

KPMG LLP, Chartered Accountants, of Calgary, Alberta, are the auditors for the Corporation and have served in that capacity since the inception of Cervus LP, the predecessor to the Corporation.

Fix Number of Directors of the Corporation

It is proposed that the number of Directors of the Corporation to be elected at the meeting will be 6.

At the Meeting, Shareholders will be asked to vote on the following resolution, with or without variation:

Be it resolved that:

1. The number of Directors of the Corporation to be elected at this Meeting is fixed at not more than six.

Notwithstanding the foregoing resolution, the directors may, between annual general meetings, appoint one or more additional Directors of the Corporation to serve until the close of the next annual general meeting, but the total number of additional Directors shall not at any time exceed $\frac{1}{3}$ of the number of directors elected at the Meeting.

Election of Directors of the Corporation

It is proposed that 6 Directors of the Corporation be elected to hold office until the next annual meeting of Shareholders or until their successors is elected or appointed. There are presently 6 Directors of the Corporation, each of whom ceases to hold office at the close of the Meeting, unless re-elected at the Meeting.

At the Meeting it is proposed that Peter Lacey, Graham Drake, Steven Collicutt, Gary Wayne Harris, David Heide and Don Bell be elected as Directors of the Corporation to hold office until the next annual meeting or until their successors are elected or appointed. See “Information Respecting the Corporation – Directors of the Corporation” for further information on each proposed nominee for election as a Director of the Corporation.

At the Meeting, Shareholders will be asked to vote on the following resolution, with or without variations:

Be it resolved that:

1. Peter Lacey, Graham Drake, Steven Collicutt, Gary Wayne Harris, David Heide and Don Bell be appointed as Directors of the Corporation to hold office until the close of the next annual meeting of Shareholders or until their successors are elected or appointed.

Re-Appointment of Auditors

It is proposed that KPMG LLP, Chartered Accountants, of Calgary, Alberta, be re-appointed to serve as auditors of the Corporation until the next annual meeting of Shareholders. KPMG LLP has been the Corporation’s auditors since the inception of Cervus LP, the predecessor of the Corporation.

At the Meeting, Shareholders will be asked to vote on the following resolution, with or without variation:

Be it resolved that:

1. The firm of KPMG LLP, Chartered Accountants, of Calgary, Alberta be re-appointed as the auditors of the Corporation to hold office until the close of the next annual meeting of Shareholders.
2. The Board of Directors of the Corporation is hereby authorized to fix the auditors’ remuneration as required to give effect to the aforementioned resolution.

Other Matters to Be Acted Upon

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy.

BOARD APPROVAL

The contents and the sending of this Information Circular have been approved by the Board.

Calgary, Alberta
March 9, 2011

SCHEDULE A

BOARD OF DIRECTORS TERMS OF REFERENCE

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Part I: Overview

The *Alberta Business Corporations Act* (the “**Act**”), Cervus Equipment Corporation’s (“**Cervus**”) governing statute, provides “that the directors shall manage or supervise the management of the business and affairs of a corporation . . .”. In practice, as a board of directors cannot “manage” a company such as Cervus in the sense of directing its day-to-day operations, the overarching role and legal duty of Cervus’ board of directors (the “**Board**”, each member of the Board a “**Director**”) is to “supervise” the management of Cervus’ business and affairs. Accordingly, the Board oversees development of the overall strategic direction and policy framework for Cervus. This responsibility is discharged through Board oversight of Cervus’ management (“**Management**”), which is responsible for the day-to-day conduct of the business of Cervus. The Board, through the Chief Executive Officer (“**CEO**”), sets standards of conduct (including Cervus’ general moral and ethical tone), compliance with applicable laws, standards for financial practices and reporting, qualitative standards for operations and products/services and other standards that reflect the views of the Board as to the conduct of the business in the best interests of Cervus.

In general, then, the Board is responsible for the selection, monitoring and evaluation of executive Management, and for overseeing the ways in which Cervus’ business and affairs are managed. In this way, the Board assumes responsibility for the stewardship of Cervus. Specific responsibilities which facilitate the discharge of the Board’s stewardship responsibilities include: the strategic planning process, risk identification and management, ensuring that effective stakeholder communication policies are in place, and ensuring the integrity of internal controls and management information systems. These responsibilities, and others, are addressed in more detail in the Board’s mandate, comprising Part IV of these Terms of Reference.

The Board discharges its responsibilities with the assistance of committees of the Board (the “**Committees**”). 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. General guidelines relating to the Committees comprise Part III of these Terms of Reference. In addition, each Committee has a written mandate, setting out the scope of its operations, and its key roles and responsibilities. Position descriptions of the chair of each of the Committees (“**Committee Chairs**”) and the chair of the Board (the “**Board Chair**”), who may be an executive officer or non-executive officer of Cervus, as applicable, set out the related principles, framework and accountabilities for those key roles in Cervus’ governance.

The CEO of Cervus is delegated the responsibility for the day-to-day management of Cervus and for providing Cervus with leadership. The CEO discharges these responsibilities by formulating Cervus’ policies and proposed actions, and, where appropriate, presenting them to the Board for approval. The Board explicitly identifies actions which have been specifically delegated to the CEO, and those which are reserved to the Board. In addition, the Board has plenary power, and has the power to specify and modify the authority and duties of Management as it sees fit with a view to Cervus’ best interests and in accordance with current standards.

Notwithstanding the foregoing, the Board, the Act, applicable securities legislation and applicable stock exchange rules have collectively identified certain matters which must be considered by the Board as a whole and may not be delegated to a Committee or to Management. These matters include:

- Any submission to Cervus' shareholders of a question or matter requiring the approval of the shareholders;
- The filling of a vacancy among the directors or in the office of the auditor;
- The appointment of additional directors;
- The manner of and terms for the issuance of securities by Cervus;
- The declaration of dividends by Cervus;
- The purchase, redemption or any other form of acquisition of shares issued by Cervus;
- The approval of the audited annual or unaudited quarterly financial statements of Cervus, the related management discussion and analysis of financial results for such statements and the related press release disclosing such financial results;
- The approval of certain of Cervus' other core public disclosure documents under the continuous disclosure requirements of applicable securities legislation including annual information forms, annual reports and management proxy circulars;
- The approval of any prospectus or other similar public offering document of Cervus;
- The approval of any take-over bid circular, issuer bid circular, directors' circular or rights offering circular of Cervus; and
- The adoption, amendment or repeal of bylaws of Cervus.

One of the key stewardship responsibilities of the Board is to approve Cervus' goals, strategies and plans, and the fundamental objectives and policies within which the business of Cervus is operated, and evaluate the performance of executive Management. Once the Board has approved the goals, strategies and plans, it acts in a unified and cohesive manner in supporting and guiding the CEO. The CEO keeps the Board fully informed of the progress of Cervus toward the achievement of its goals, strategies and plans, in a timely and candid manner, and the Board continually evaluates the performance of executive Management toward these achievements.

Part II: Board Guidelines

The following have been adopted by the Board as the guidelines applicable to the Board and its operations:

- These Terms of Reference for the Board (which include the Board Guidelines, Committee Guidelines and Board Mandate (all as hereinafter defined)), and the mandates of the Committees, constitute the charters of the Board and Committees respectively, and are reviewed by the Board annually and updated as deemed appropriate. These charters are supplemented by the position descriptions for the Board Chair and Committee Chairs, as well as the Director Accountability Statement.
- The CEO is responsible for leading the development of long range plans for Cervus, including its goals and strategies. The Board, both directly and through its Committees, participates in discussions of strategy by responding to and contributing ideas. At least annually and more frequently if required, the Board (i) reviews and approves Cervus' strategic plans taking into account, among other items, the opportunities and risks related to the business of Cervus and (ii) reviews operating and financial performance results relative to established strategy, budgets and objectives.

- The Board believes that the appropriate size for the Board is between five and seven members.
- Directors stand for re-election annually.
- The Board maintains a policy permitting Directors to retain outside advisors at the expense of Cervus, subject to the written approval of any of the Board Chair, the Chair of the Committee proposing to retain outside advisors, or the Governance Committee (as hereinafter defined). In exercising their approval authority, the Board, Board Chair, Committee Chair or Governance Committee, as the case may be, will establish, on a case by case basis, reasonable monetary limits and other controls as deemed appropriate.
- The Board should be comprised of a majority of independent directors. The Board has defined an independent director in written independence criteria based on the definition adopted by the Canadian Securities Administrators. On an annual basis, the Board shall consider and affirmatively determine whether each individual Director is independent, in accordance with the criteria.
- The membership of the CEO on the Board is valuable and conducive to effective decision making.
- The Board will evaluate the performance of the CEO at least annually. The evaluation will be based on criteria which includes the performance of the business of Cervus and the accomplishment of the CEO's qualitative and quantitative objectives as established at the beginning of each fiscal year of Cervus, and the creation and fostering of a culture of integrity within Cervus.
- The Board Chair will work with the CEO, CFO and Secretary to establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda.
- Whenever feasible, important issues should be dealt with over the course of two meetings. The first such meeting would allow for a thorough briefing of the Board, and the second would allow for final discussion and a decision.
- The Board will hold at least five Board meetings per year, one of which shall be principally devoted to strategy. If necessary, an additional Board meeting shall be scheduled for approval of the annual proxy circular, annual information form and other annual disclosure documents.
- Whenever feasible, the Board will receive materials at least one full weekend in advance of Board and Committee meetings. Presentations on specific subjects at Board meetings will only briefly summarize the material sent so discussion at such meeting can focus on questions and issues. 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.
- 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.
- 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.
- The Board encourages the CEO to bring other executive officers into Board meetings. The presence of such executives is expected to bring additional insights into the discussions, because of the executives' personal involvement in, and knowledge of, specific agenda items. The benefit of exposing the Board to other executives, for succession planning and career development purposes, is recognized.
- The Board is responsible for selecting its own members (subject to the approval of shareholders), and for assessing the performance of individual directors, as well as the effectiveness of Board Committees and the

Board as a whole. The Board delegates management of the selection processes to the Nominating and Governance Committee (the “**Governance Committee**”). The Board has established a policy for director selection. The selection process includes consideration of the competencies and skills the Board, as a whole, should possess, against those of existing Directors, and a consideration of the competencies and skills each new nominee will bring to the Board, as well as their ability to devote sufficient time and attention to fulfilling the role of director.

- The Board supports the principle that its membership should represent a diversity of backgrounds, experience and skills.
- Succession and management development plans will be reviewed by the Compensation Committee, and reported on annually to the Board.
- At any time during a Board meeting, a member of the Board may request a meeting on an “in camera” basis without Management. Such “in camera” meetings shall be presided over by the independent Audit Committee Chair.

Part III: Committee Guidelines

- The Board has three standing committees: The Audit Committee, the Governance Committee and the Compensation Committee. From time to time the Board may create ad hoc Committees to examine specific issues on behalf of the Board. Each Committee maintains a written mandate and reviews that mandate annually. Any recommendations to amend Committee mandates are reviewed by the Governance Committee for recommendation to the Board.
- The Governance Committee, with input from the Board Chair, plans Committee appointments (including the designation of a Committee Chair) for recommendation to and appointment by the Board. The Committees shall be reconstituted annually on or about the time of the annual general meeting of shareholders of Cervus, with Committee appointments intended, to the extent practical and appropriate, to be alternated for participating Board members, where appropriate, in order to allow such members to gain experience. Unless otherwise determined by resolution of the Board, a majority of the members of a Committee shall constitute a quorum for meetings of Committees.
- Each Committee shall be comprised of a minimum of three and a maximum of five directors. The chair of each Committee, in consultation with the secretary of the Committee, if any, shall determine the agenda for each Committee meeting.
- Except where otherwise specified in these Terms of Reference or in Cervus’ bylaws, each Committee shall have the power to determine its own rules of procedure.
- Unless otherwise exempted from these requirements under applicable Canadian securities legislation: (i) the Audit Committee will consist entirely of independent directors; and (ii) all members of the Audit Committee must be, in the judgment of the Board, financially literate.
- The Compensation Committee will consist entirely of independent directors.
- The Governance Committee shall consist of a majority of independent directors.
- The Board Chair is also an ex-officio of those Committees of which he 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.
- 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.

Part IV: Mandate of the Board

Objectives and Responsibilities

The Board’s fundamental objectives are to enhance and preserve long-term shareholder value, 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.

The major responsibilities of the Board are to:

- Establish policy direction and the fundamental objectives of Cervus;
- Supervise the management of the business and affairs of Cervus;
- Ensure Cervus has an effective strategic planning process;
- Identify the principal risks of Cervus’ business, and ensure that there are systems in place to effectively monitor and manage these risks;
- Protect and enhance the assets of Cervus;
- Ensure the continuity of Cervus by assuming responsibility for the appointment of and succession to the office of the CEO and by seeing that an effective Board is maintained;
- Make certain decisions that are not delegable, such as the declaration of dividends; and
- Provide leadership and direction for Cervus in establishing and maintaining a high standard of corporate ethics and integrity.

Major Duties

The major duties of the Board are to:

1. Foster the long-term success of Cervus. Represent and safeguard the interests of all shareholders while recognizing that the interests of employees, customers, suppliers, and the general public should also be taken into account for the enterprise to continue being able to serve its shareholders. Monitor and work to improve return on, security of, and prospects for enhancement of the value of shareholder investment.
2. Determine and control in broad terms the purposes, goals, activities and general characteristics of Cervus. These duties range from establishing objectives, scope of operations, and fundamental policies for Cervus, reviewing and approving Cervus’ strategic plans, reviewing Cervus’ operating and financial performance results relative to established strategy, budgets and objectives, declaring dividends, considering annual budgets, approving major capital investments, approving mergers and significant acquisitions, approving the issuance or retirement of debt and equity securities, and considering and approving other specific actions that are likely to have a substantial effect on Cervus or that the Board is legally required to take.
3. Review and assess emerging risk areas for Cervus that do not fall under the mandate of any Committee.

4. Review with Management the mission of Cervus, its objectives and goals, and the strategies whereby it proposes to achieve them. Monitor Cervus' progress toward its goals and plans, and assume responsibility to revise and alter Cervus' direction where warranted.
5. Appoint a CEO, monitor and evaluate his or her performance, provide for adequate succession to that position, and replace the CEO when appropriate. Also appoint the other officers of Cervus and, in respect of the senior officers, monitor their performance and ensure that there is adequate succession to their positions and that they are replaced when appropriate.
6. Ensure that the CEO is providing for achievement of acceptable current financial results relative to Cervus' objectives, budgets, and the economic environment, and the development of resources necessary to future success. These resources include:
 - Management competence, organization and depth;
 - Technology in product/service design and product/service application;
 - Fixed assets;
 - Marketing capability, customer loyalty, distribution organization and market knowledge;
 - Work force and employee relations;
 - Financial resources, including relations with the financial community; and
 - Reputation.
7. Oversee corporate financial operations, including:
 - Capital structure management, maintaining reasonable financial flexibility and safety while achieving an appropriate return on equity;
 - Financial results reporting;
 - Allocation of assets;
 - Maintaining access to suitable sources of new capital;
 - Pension funds, if any, and other major employee benefit programs;
 - Dividend payout policy and action; and
 - Insurance.
8. Identify the principal risks of Cervus' business and ensure implementation and monitoring of systems to effectively manage these risks.
9. Ensure that processes are in place to monitor and maintain the integrity of Cervus internal control and management information systems.
10. Ensure that Cervus has in place appropriate environmental, health and safety policies, having regard to legal, industry and community standards, and ensure implementation of management systems to monitor the effectiveness of those policies.

11. Ensure that systems are in place for communication and relations with stakeholder groups, including, but not limited to: shareholders; the investing public; government; employees; the financial community; and the communities in which Cervus operates.
12. Ensure that Cervus has systems in place which accommodate stakeholder feedback.
13. Collectively and individually respond constructively to requests for advice and assistance from the CEO.
14. Provide leadership and policy direction to Management with a view to establishing and maintaining a high standard of legal and ethical conduct for Cervus, by:
 - Taking reasonable steps to ensure that Cervus complies with applicable laws and regulations, and with its constituting documents, including articles and bylaws, and operates to high ethical and moral standards;
 - Being on the alert for and sensitive to situations that could be considered illegal, unethical or improper, and taking corrective steps;
 - Establishing the means of monitoring performance in this area;
 - Approving and monitoring compliance with key policies and procedures by which Cervus is operated; and
 - Acting honestly and in good faith with a view to the best interests of Cervus, and exercising the care, diligence and skill that reasonably prudent people exercise in comparable circumstances.
15. Manage Board operations, including, without limitation:
 - Subject to any required shareholder approval, fix the size of the Board, review its composition and, when appropriate, identify new nominees to the Board;
 - Elect a Board Chair, appropriate Committees and Committee Chairs;
 - Define the duties of the Board Chair, the Committees and the Committee Chairs;
 - Determine when and where the Board meets;
 - Influence the structuring of agendas and how meeting time is spent; and
 - Meet legal requirements with respect to corporate administration.

Standards of Liability

Nothing contained in this mandate, or in the Terms of Reference for the Board generally, is intended to expand applicable standards of liability under statutory, regulatory, common law or any other legal requirements for the Board or its members. The purposes and responsibilities outlined in this mandate, and the information, guidelines and other statements contained in the Terms of Reference for the Board generally, are meant to serve as guidelines rather than inflexible rules and the Board may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

Part V: Document Control Information

Approved by Board of Directors: Yes

Originally dated: October 22, 2009

Last amended: N/A

Last reviewed: October 22, 2009

Appendix A to the Terms of Reference:**Financial Literacy**

For the purpose of making appointments to the Audit Committee, and in addition to the independence requirements, all Directors nominated to the Audit Committee must meet the test of Financial Literacy as determined in the judgment of the Board.

Financial Literacy can be generally defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Cervus' financial statements. In assessing a potential appointee's level of Financial Literacy the Board must evaluate the totality of the individual's education and experience including, but not limited to:

- The level of the person's accounting or financial education and experience, including whether the person has earned an advanced degree in finance or accounting;
- The person's past or current membership on one or more audit committees of companies that, at the time the person held such membership, were required to file reports pursuant to provisions of securities laws;
- The person's level of familiarity and experience with the use and analysis of financial statements of public companies; and
- Whether the person has any other relevant qualifications or experience that would assist him or her in understanding and evaluating Cervus' financial statements and other financial information and to make knowledgeable and thorough inquiries whether:
 - (i) The financial statements fairly present the financial condition, results of operations and cash flows of Cervus in accordance with Canadian generally accepted accounting principles; and
 - (ii) The financial statements and other financial information, taken together, fairly present the financial condition, results of operations and cash flows of Cervus.