



CERVUS EQUIPMENT CORPORATION

Notice of 2017 Annual General Meeting & Management Information Circular

Dated March 14, 2017

For the Annual General Meeting of Shareholders to be held on April 27, 2017

TABLE OF CONTENTS

NOTICE OF MEETING	i
MANAGEMENT INFORMATION CIRCULAR	1
PROXIES AND VOTING	1
Solicitation of Proxies	1
Delivery of Meeting Materials to Beneficial Shareholders	1
Exercise of Discretion by Proxy	1
Methods of Voting	2
Record Date.....	3
Quorum.....	3
Outstanding Shares.....	3
Principal Shareholders	3
BUSINESS TO BE TRANSACTED AT THE MEETING	4
Financial Statements	4
Election of Directors.....	4
Re-Appointment of Auditors	5
Advisory Vote on Executive Compensation	5
Increasing Common Shares Issuable Under Deferred Share Plan	6
INFORMATION ABOUT DIRECTOR NOMINEES	8
STATEMENT OF CORPORATE GOVERNANCE PRACTICES	13
Governance Structure	13
Committees of the Board	13
Mandates and Position Descriptions	14
Independence.....	14
Stakeholder Outreach	15
Orientation and Continuing Education	15
Ethical Business Conduct	17
Risk Management Oversight.....	17
Nomination Processes and Succession Planning.....	17
Succession Planning	18
Compensation.....	19
Assessment.....	19
Director Term Limits and Other Mechanisms of Board Renewal.....	19
Gender Diversity.....	19
EXECUTIVE COMPENSATION	21
Compensation Discussion and Analysis	21
Three Year Summary Compensation Table.....	29
Outstanding Share-Based Awards.....	31
Incentive Plan Awards – Value Vested or Earned During the Year	31
Termination and Change of Control Benefits.....	32
Executive Share Ownership Requirements	34
DIRECTOR COMPENSATION	35
EQUITY COMPENSATION PLAN INFORMATION	37
INDEBTEDNESS OF DIRECTORS AND OFFICERS	43
INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	43
INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON	43
ADDITIONAL INFORMATION	43
BOARD APPROVAL	43
SCHEDULE A – BOARD OF DIRECTORS TERMS OF REFERENCE	A-1



NOTICE OF MEETING

Notice is hereby given of the 2017 Annual General Meeting of shareholders of Cervus Equipment Corporation.

Date: April 27, 2017

Time: 4:00 p.m. (Mountain Daylight Time)

Place: The head office of Cervus located at 5201, 333 – 96th Avenue NE, Calgary, Alberta

At the 2017 Annual General Meeting, shareholders will be asked to do the following:

1. **Financial Statements:**

Receive the audited consolidated financial statements of Cervus for the financial year ended December 31, 2016 and the auditors' report thereon.

2. **Directors:**

- a. Fix the number of directors to be elected at the meeting at not more than six; and
- b. Elect directors of Cervus for the ensuing year.

3. **Auditors:**

Appoint KPMG LLP as Cervus' independent auditors for the ensuing year.

4. **Executive Compensation:**

Provide an advisory vote on Cervus' approach to executive compensation.

5. **Deferred Share Plan:**

Approve an amendment to Cervus' Deferred Share Plan to reserve and set aside an aggregate of 379,557 additional Common Shares for issuance under the plan by replenishing 249,557 previously granted and redeemed deferred share awards and increasing the number of Common Shares reserved and set aside for issuance under the plan from 1,250,000 to 1,380,000.

6. **Other Business:**

Transact such other business as may properly be brought before the meeting or any adjournment thereof.

The accompanying Management Information Circular provides further details on the matters proposed to be put before the 2017 Annual General Meeting.

The Board of Directors has set the close of business on March 16, 2017 as the record date for determining those shareholders entitled to receive notice of, and to vote at, the 2017 Annual General Meeting. **The accompanying Management Information Circular provides instructions on the various methods that a Cervus shareholder can use to have their Common Shares voted at the meeting including instructions regarding voting in person, by mail, by internet or by phone.**

BY ORDER OF THE BOARD OF DIRECTORS

Peter Lacey
Chairman

Calgary, Alberta
March 14, 2017



MANAGEMENT INFORMATION CIRCULAR

PROXIES AND VOTING

Solicitation of Proxies

The 2017 Annual General Meeting of shareholders of Cervus Equipment Corporation will be held as follows:

Date: April 27, 2017

Time: 4:00 p.m. (Mountain Daylight Time)

Place: The head office of Cervus located at 5201, 333 – 96th Avenue NE, Calgary, Alberta

This Management Information Circular has been prepared in connection with the solicitation of proxies by Cervus for use at that meeting, and at any adjournment thereof. Solicitation of proxies will be primarily by mail, but some proxies may be solicited at a nominal cost personally or by telephone, facsimile transmission or other electronic means by directors, officers, or employees of Cervus who will not be specifically remunerated for such activities. The cost of solicitation will be borne by Cervus.

Delivery of Meeting Materials to Beneficial Shareholders

The materials for the 2017 Annual General Meeting are being sent to both registered shareholders and beneficial shareholders. If a beneficial shareholder receives the meeting materials from Cervus or its agent, that beneficial shareholder'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 the beneficial shareholders shares in Cervus on the beneficial shareholder's behalf. By choosing to send the meeting materials to the beneficial shareholder directly, Cervus (and not the intermediary holding on the beneficial shareholder's behalf) has assumed responsibility for (a) delivering the meeting materials to the beneficial shareholder, and (b) executing the beneficial shareholder's proper voting instructions. Beneficial shareholders are kindly asked to return their voting instructions as specified in the request for voting instructions.

Exercise of Discretion by Proxy

The Common Shares represented by the form of proxy delivered to shareholders by Cervus with the notice of the 2017 Annual General Meeting will be voted or withheld from voting in accordance with the instructions of the shareholder. **The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and notice of meeting and with respect to any other matters which may properly be brought before the shareholder meeting or any adjournment thereof, in accordance with their best judgement.** As of the date of this Management Information Circular, management of Cervus 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 shareholder meeting at not more than 6;**
- 2. Electing the nominees proposed by Cervus, as hereinafter set forth, as directors of Cervus (provided that in the event that a vacancy among such nominees occurs because of death or for any other reason prior to the shareholder meeting, proxies shall not be voted with respect to such vacancy);**
- 3. Re-appointing KPMG LLP as the auditors of Cervus;**
- 4. Accepting Cervus' approach to executive compensation; and**
- 5. Amending Cervus' Deferred Share Plan to reserve and set aside an aggregate of 379,557 additional Common Shares for issuance under the plan by replenishing 249,557 previously granted and redeemed deferred share awards and increasing the number of Common Shares reserved and set aside for issuance under the plan from 1,250,000 to 1,380,000.**

Methods of Voting

Registered Shareholder Voting	Beneficial Shareholder Voting
<p>You are a registered holder if your Common Shares are in your name and you have a physical share certificate in your possession or you have a book entry only statement indicating that the shares are registered in your name.</p> <p><u>Voting Options</u></p> <ol style="list-style-type: none"> 1. In person at the Annual General Meeting (see below) 2. By proxy (see below) 3. By telephone (see enclosed proxy form) 4. By internet (see enclosed proxy form) <p><u>Voting in Person</u></p> <p>If you plan to attend the shareholder meeting <i>and want to vote your Common Shares in person</i>, do not complete or return the enclosed proxy. Your vote will be taken and counted at the meeting. Please register with our transfer agent, Computershare Trust Company of Canada, when you arrive at the meeting to ensure that your vote will be counted.</p> <p><u>Voting by Proxy</u></p> <p>Whether or not you attend the shareholder meeting, you can appoint someone else to attend and vote as your proxy holder. Use the enclosed proxy form to do this. The people named in the enclosed proxy are members of management or the board of directors. You have the right to choose another person to be your proxy holder by printing that person's name in the space provided. Then complete the rest of the proxy, sign it and return it. Your votes can only be counted if the person you appointed attends the meeting and votes on your behalf. If you have voted by proxy, you may not vote in person at the meeting, unless you properly revoke your proxy.</p> <p>Return your completed proxy in the envelope provided so that it arrives not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the shareholder meeting or any adjournment thereof.</p> <p><u>Revoking your Proxy</u></p> <p>You may revoke your proxy at any time before it is acted on. To do so, you can deliver a written statement that you want to revoke your proxy (which includes another proper form of proxy with a later date) to our transfer agent, Computershare Trust Company of Canada, in accordance with the instructions set out in the form of proxy provided not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the shareholder meeting or any adjournment thereof.</p> <p>Or, you can revoke your proxy by delivering a properly executed instrument in writing at the registered office of the corporation at any time up to and including the last business day preceding the day of the shareholder meeting, or any adjournment thereof, or with the Chairperson of the shareholder meeting on the day of the meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.</p>	<p>You are a beneficial holder if your Common Shares are held in the name of a nominee. That is, your share certificate was deposited with, or you purchased and continue to hold your Common Shares through, a bank, trust company, securities broker, trustee or other institution.</p> <p><u>Voting Options</u></p> <ol style="list-style-type: none"> 1. In person at the Annual General Meeting (see below) 2. By voting instruction form (see below) 3. By telephone (see enclosed voting instruction form) 4. By internet (see enclosed voting instruction form) <p><u>Voting in Person</u></p> <p>If you plan to attend the shareholder meeting <i>and wish to vote your Common Shares in person</i>, insert your own name in the space on the enclosed voting instruction form. Then follow the signing and return instructions provided by in that form. Your vote will be taken and counted at the meeting, so do not indicate your votes on the form. Please register with our transfer agent, Computershare Trust Company of Canada, when you arrive at the meeting to ensure that your vote will be counted.</p> <p><u>Voting by Voting Instruction Form</u></p> <p>Whether or not you attend the shareholder meeting, you can appoint someone else to attend and vote as your proxy holder. Use the enclosed voting instruction form to do this. The people named in the enclosed voting instruction form are members of management or the board of directors. You have the right to choose another person to be your proxy holder by printing that person's name in the space provided. Then complete the rest of the form, sign it and return it. Your votes can only be counted if the person you appointed attends the meeting and votes on your behalf. If you have voted on the voting instruction form, neither you nor your proxy holder may vote in person at the meeting, unless you properly revoke your proxy.</p> <p>Return your completed voting instruction form in the envelope provided so that it arrives not less than 72 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the shareholder meeting or any adjournment thereof so that your nominee has time to deliver your instructions.</p> <p><u>Revoking your Proxy</u></p> <p>You may revoke your proxy before is it acted on. Follow the procedures provided by your nominee. Your nominee will likely need to receive your request to revoke your instructions not less than 72 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the shareholder meeting or any adjournment thereof in order for your nominee to have time to deliver your instructions to our transfer agent.</p>

Record Date

The Board of Directors has fixed the record date for the 2017 Annual General Meeting at the close of business on March 16, 2017. Only shareholders 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 them and demands, not later than 10 days before the shareholder 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 2017 Annual General Meeting.

Quorum

A quorum for the transaction of business at the 2017 Annual General Meeting is not less than 2 shareholders present in person or represented by proxy holding or presenting not less than 25% of the votes attaching to all Common Shares entitled to be voted at the meeting.

Outstanding Shares

As at March 14, 2017, 15,767,099 Common Shares of Cervus were issued and outstanding. Each Common Share carries the right to one vote on a ballot at the 2017 Annual General Meeting.

Principal Shareholders

To the knowledge of Cervus, as at March 14, 2017, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of those Common Shares except as set out below:

Shareholder	Number	Percentage
Peter Lacey	3,228,242	20.47%
Invesco Canada Ltd.	1,805,322	11.45%
Van Berkom and Associates Inc.	1,716,620	10.89%

BUSINESS TO BE TRANSACTED AT THE MEETING

Financial Statements

The audited financial statements of Cervus for the years ended December 31, 2016 and 2015, and the auditor's report thereon, will be placed before the shareholders at the meeting. The audited financial statements have been approved by the Board of Directors.

Election of Directors

Fix Number of Directors

Shareholders will be asked to vote on an ordinary resolution to fix the number of directors of Cervus to be elected at the meeting at not more than six.

Election of Directors

Shareholders will be asked to vote on ordinary resolutions to elect persons to serve as the directors of Cervus to hold office until the close of the next annual meeting of shareholders or until their successors are elected or appointed.

It is proposed that the six current directors of Cervus, each of whom ceases to hold office at the close of the 2017 Annual General Meeting unless re-elected at that meeting, be re-elected at the 2017 Annual General Meeting. **For information on each nominee proposed by Cervus for election as a director, see "Information About Director Nominees".**

Majority Voting Policy

The Board of Directors of Cervus has adopted a policy for the election of directors at meetings of shareholders other than contested meetings, which provides that:

- (a) Any director must immediately tender his or her resignation to the Board if he or she is not elected by at least a majority (50% +1 vote) of the votes cast with respect to his or her election;
- (b) The Board shall determine whether or not to accept the resignation within 90 days after the date of the relevant shareholder meeting. The Board shall accept the resignation absent exceptional circumstances;
- (c) The resignation will be effective when accepted by the Board and the Board may fill any vacancy created thereby with any person other than the director that so resigned;
- (d) A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board or any sub-committee of the Board at which the resignation is considered; and
- (e) Cervus shall promptly issue a news release with the Board's decision, a copy of which must be provided to Toronto Stock Exchange. If the Board determines not to accept a resignation, the news release must fully state the reasons for that decision.

A contested meeting is defined as a shareholder meeting at which the number of directors nominated for election is greater than the number of seats available on the Board.

Previous Voting Results

The table below summarizes the shareholder voting results for the election of directors at the preceding three annual meetings.

Nominees	2016		2015		2014	
	For (%)	Withheld (%)	For (%)	Withheld (%)	For (%)	Withheld (%)
Peter Lacey	96.74	3.26	96.52	3.48	96.92	3.08
Graham Drake	99.97	0.03	99.97	0.03	100.00	0.00
Steven Collicutt	99.98	0.02	97.43	2.57	97.59	2.41
Larry Benke	97.60	2.40	97.42	2.58	89.97	10.03
Donald W. Bell	97.61	2.39	97.45	2.55	97.59	2.41
Angela Lekatsas	99.99	0.01	99.91	0.09	99.98	0.02

Re-Appointment of Auditors

Shareholders will be asked to vote on an ordinary resolution to re-appoint KPMG LLP, Chartered Accountants, of Calgary, Alberta, to serve as the auditors of Cervus until the next annual meeting of shareholders and to authorize the Board of Directors of Cervus to fix the auditors' remuneration. KPMG LLP has been the auditors of Cervus and its predecessor, Cervus LP, since the inception of Cervus LP.

Advisory Vote on Executive Compensation

Pay-for-Performance

The underlying principle for executive compensation throughout Cervus is "pay-for-performance". The Board believes that this philosophy achieves the goal of attracting and retaining excellent employees and executive officers, while rewarding demonstrated behaviours that reinforce Cervus' values and help to deliver on its corporate objectives. The Board diligently reviews Cervus' executive compensation plans and expects shareholders will also want to undergo their own due diligence before casting their votes. **To fully understand the objectives, philosophy and principles the Board has used in its approach to executive compensation decisions, shareholders should carefully read the section of this Management Information Circular entitled "Executive Compensation".**

Advisory Vote

The Board believes that it is essential for shareholders to be well informed of Cervus' approach to executive compensation and considers a non-binding advisory vote on executive compensation to be an important part of the ongoing process of engagement between the shareholders and the Board. Accordingly, as it has done since 2015, Cervus will provide shareholders with the opportunity to vote at the meeting for or against Cervus' approach to executive compensation through the following resolution:

"RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders of Cervus accept the approach to executive compensation disclosed in the management proxy circular delivered in advance of the 2017 annual general meeting of the shareholders of Cervus."

This resolution conforms to the form of resolution recommended by the Canadian Coalition for Good Governance. Since this vote is advisory, it will not be binding on the Board. The Board remains fully responsible for its compensation decisions and is not relieved of this responsibility by a positive or negative advisory vote. However, the Board and the Compensation Committee will consider the outcome of the vote as part of their ongoing review of executive compensation.

Cervus intends to request the input of the shareholders by holding an advisory vote on the approach to executive compensation annually. Cervus will disclose the results of the advisory vote at the 2017 Annual General Meeting in a post-meeting press release and in its report on the voting results for that meeting which will be filed on SEDAR at www.sedar.com.

Previous Voting Results

The table below summarizes the shareholder voting results for the advisory vote on executive compensation at the preceding two annual meetings.

	2016			2015		
	For (%)	Against (%)	Withheld (%)	For (%)	Against (%)	Withheld (%)
Executive Compensation	99.24	0.76	0	98.99	1.01	0

Increasing Common Shares Issuable Under Deferred Share Plan

Subject to the receipt of shareholder approval at the shareholder meeting and TSX approval, the Board of Directors has approved an amendment to Cervus' Deferred Share Plan to (a) replenish 249,557 previously granted Deferred Shares that have been redeemed for Common Shares and (b) increase the number of Common Shares reserved and set aside for issuance pursuant to the terms of the plan from 1,250,000 Common Shares (representing approximately 7.93% of the currently issued and outstanding Common Shares) to 1,380,000 Common Shares (representing approximately 8.75% of the currently issued and outstanding Common Shares), for a total increase in the number of Common Shares issuable under the plan, as at March 14, 2017, of 379,557.

Cervus' executive compensation program consists of salary, a Short-Term Incentive Plan (STIP), a Mid-Term Incentive Plan (MTIP), a Deferred Share Plan, perquisites, benefits and employment agreements. Collectively the components of the executive compensation program are designed to satisfy Cervus' compensation philosophy and mitigate the risks associated with executive incentive programs. Salary, perquisites and benefits and employment agreements are secure elements of compensation necessary to attract and retain executive talent. The short-term and mid-term incentive plans, and the Deferred Share Plan, reward for performance and in combination motivate delivery of the annual business plan and the creation of shareholder value in the longer term. The Mid-Term Incentive Plan and the Deferred Share Plan also help to retain executive talent. For further information on the Cervus' executive compensation program, see the section of this Management Information Circular entitled "Executive Compensation".

The Deferred Share Plan encourages alignment between executive officers and shareholders by allowing participants to elect to receive a portion of their STIP award in the form of Deferred Shares (also referred to as DSUs) with Cervus providing matching DSUs up to \$50,000 of such contribution by an executive officer in any one year. The matched component typically vests 50% at the end of third year following grant, and 25% in each of the fourth and fifth year following grant. For further information on the Deferred Share Plan, see the section of this Management Information Circular entitled "Equity Compensation Plan Information – Deferred Share Plan".

Cervus (via its predecessor Cervus LP) initially adopted the Deferred Share Plan in 2006. At that time, Cervus fixed the collective number of Common Shares (then LP Units) reserved and set aside for issuance pursuant to both the Deferred Share Plan and its Option Plan at a number equal to 10% of its issued and outstanding Common Shares, as adjusted from time to time. Since 2006, Cervus has not asked the shareholders to increase the total amount set aside for the Deferred Share Plan and the Option plan, although Cervus has asked shareholders to reallocate the number of Common Shares between the Deferred Share Plan and the Option Plan.

Specifically, in 2009 Cervus fixed the number of Common Shares reserved and set aside for issuance pursuant to the Deferred Share Plan at 750,000, and at 652,500 for the Option Plan (1,402,500 in aggregate or approximately 9.9% of the outstanding Common Shares at the time). In 2013, it increased that number by 500,000 for the Deferred Share Plan to bring it to 1,250,000 and decreased that number for the Option Plan by 500,000 to bring it to 152,500 (1,402,500 in aggregate or approximately 9.4% of the outstanding Common Shares at the time).

As at March 14, 2017:

- As currently constructed, the number of Common Shares reserved for issuance pursuant to the Deferred Share Plan shall be, but shall not exceed, 1,250,000 which is approximately 7.93% of the number of Common Shares currently issued and outstanding.
- 249,557 Common Shares have been issued on the redemption of Deferred Shares.
- 743,559 Deferred Shares remain outstanding and can be redeemed for Common Shares on a one for one basis.
- As such, Cervus only has room remaining to issue 256,884 additional Deferred Shares (assuming all currently outstanding Deferred Shares are redeemed for Common Shares). This provides Cervus with sufficient room to issue Deferred Shares for the 2016 performance year but will very likely not provide Cervus with sufficient room to issue Deferred Shares for the 2017 performance year and beyond.

Further, as at March 14, 2017:

- As currently constructed, the number of Common Shares reserved for issuance pursuant to the Option Plan shall be, but shall not exceed, 152,500, which is approximately 0.97% of the number of currently issued and outstanding Common Shares.
- 71,999 Common Shares have been issued pursuant to the exercise of options under the Option Plan.
- No Options to acquire Common Shares remain outstanding.
- As such, Cervus only has room remaining to issue Options to acquire up to 80,501 Common Shares under the Option Plan. However, the Option Plan is no longer a material component of Cervus' executive compensation program and only remains available for use in unique circumstances.

The following table illustrates the number of Deferred Shares and Options issued to acquire Common Shares by Cervus in the last 5 years:

	Deferred Shares		Options	
	#	%*	#	%*
2012	95,149	0.6%	nil	nil
2013	107,254	0.7%	nil	nil
2014	120,995	0.8%	nil	nil
2015	68,193	0.4%	nil	nil
2016	153,731	1.0%	nil	nil

* As a percentage of Cervus' currently outstanding Common Shares

As the Deferred Share Plan is a key component of Cervus' executive compensation program, the Board of Directors has determined that it is advisable and in the best interest of the Corporation to amend the Deferred Share Plan to replenish previously granted and redeemed Deferred Shares as well as increase the number of Common Shares reserved and set aside for issuance under the plan by an additional 130,000 Common Shares such that the total number of Common Shares reserved and set aside for issuance under the plan will be 1,380,000 Common Shares (which is equal to approximately 8.76% of the currently outstanding Common Shares).

At historical issuance rates, Cervus expects the reservation of the additional 130,000 Common Shares for issuance under the plan together with the replenishment of the 249,557 Common Shares issued upon the redemption of previously granted and redeemed Deferred Shares, if approved, will facilitate approximately 5 additional years of issuances under the Deferred Share Plan.


As such, the shareholders will be asked at the shareholder meeting to consider and, if thought fit, adopt the resolution set out below, with or without variation.


"Be it resolved that the amendment to Cervus' Deferred Share Plan to replenish 249,557 Common Shares issued upon the redemption of previously granted and redeemed Deferred Shares and to increase the number of Common Shares reserved and set aside for issuance under the plan from 1,250,000 to 1,380,000, for a total increase in the number of Common Shares issuable under the plan of 379,557, as further described in the Management Information Circular of Cervus dated March 14, 2017, be and is hereby ratified and approved."

Cervus' Board of Directors recommends that the shareholders vote FOR the foregoing resolution. Pursuant to the requirements of the Toronto Stock Exchange, the foregoing resolution must be approved by the affirmative vote thereof by a simple majority of the votes cast by the shareholders of Cervus that vote on this resolution, either in person or by proxy, at the shareholder meeting. Regardless of whether or not this resolution is passed, all currently outstanding Deferred Shares will be unaffected.

INFORMATION ABOUT DIRECTOR NOMINEES

It is proposed that the six current directors of Cervus, each of whom ceases to hold office at the close of the 2017 Annual General Meeting unless re-elected at that meeting, be re-elected at the 2017 Annual General Meeting. Below are the profiles for each of those nominees with information current as of March 14, 2017.

 <p>Peter Lacey 60</p> <p>Red Deer, Alberta, Canada Director from 1998 to Present Independent</p>	Cervus Board and Board Committees		Meeting Attendance⁽¹⁾				
	Board (Chair)		7 of 7		100%		
	Nominating & Governance Committee		5 of 5		100%		
		Annual General Meeting Voting Results			Other Public Company Boards		
Year		Votes in Favour			ENTREC Corporation		
2016		96.74%			Memex Inc.		
2015		96.52%			Board Interlocks		
2014		96.92%			Nil		
Common Shares and DSUs Held as at December 31							
						Share Ownership Target⁽²⁾	
Fiscal Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Value of Common Shares and DSUs (\$)	Meets Target	Current Status	
2016	3,228,242	31,699	3,259,941	\$51,670,065	Yes	371.0x	
2015	3,228,242	27,454	3,255,696	\$41,217,111			
Key Qualifications:							
<p>Mr. Lacey is the founder of Cervus Equipment Corporation and has been the Chairman of the Board since April 2012. Prior thereto, Mr. Lacey was the President and Chief Executive Officer of Cervus Equipment Corporation, and its predecessor entities, from 1982 to April 2012. Mr. Lacey has been a director of Cervus Equipment Corporation, and its predecessor entities, since 1998. Mr. Lacey is also the Chairman of the Red Deer College Board of Governors and was previously the President of the Western Equipment Dealers Association. Mr. Lacey is a graduate of the ICD Directors Education Program.</p> <p>The Board of Directors has determined that Mr. Lacey's leadership and management abilities, his significant experience with the company as founder and former President and Chief Executive Officer and his ICD.D designation, qualify him to serve as Chair of the Board and member of the Nominating and Governance Committee. Mr. Lacey has been chairman and director of several public and private companies.</p>							

 <p>Graham Drake 57</p> <p>Calgary, Alberta, Canada Director from 1998 to Present Non-Independent (President and CEO)</p>	Cervus Board and Board Committees		Meeting Attendance⁽¹⁾				
	Board		7 of 7		100%		
		Annual General Meeting Voting Results			Other Public Company Boards		
Year		Votes in Favour			Nil		
2016		99.97%			Board Interlocks		
2015		99.97%			Nil		
2014		100%					
Common Shares and Share Units Held as at December 31							
						Share Ownership Target⁽²⁾	
Fiscal Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Value of Common Shares and DSUs (\$)	Meets Target	Current Status	
2016	613,605	28,131	641,736	\$10,171,516	Yes	27.4x	
2015	592,772	39,370	632,142	\$8,002,918			
Key Qualifications:							
<p>Mr. Drake has been the President and Chief Executive Officer of Cervus Equipment Corporation since April 2012. Prior thereto, Mr. Drake was the Vice President of Operations – Agricultural Equipment Division of Cervus Equipment Corporation, and its predecessor entities, from 2005 until April 2012. Mr. Drake has been a director and officer of Cervus since 1998. Mr. Drake is a graduate of the ICD Directors Education Program.</p> <p>Mr. Drake is the CEO of Cervus and has over 29 years of direct industry experience in senior management roles, including 19 years with Cervus. This experience provides the Board with valuable insight during strategic planning.</p>							



Steven M. Collicutt
57

Red Deer, Alberta, Canada
Director from 2003 to Present
Independent

Mr. Collicutt is the President and Chief Executive Officer of Collicutt Energy Services which designs, manufactures, services, repairs and distributes power generation packages in standby power, prime power, peak shaving and combined heat & power (CHP) applications in Western Canada and the Western U.S. region. 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.

Cervus Board and Board Committees	Meeting Attendance ⁽¹⁾	
Board	7 of 7	100%
Audit Committee	5 of 5	100%
HR & Compensation Committee	5 of 5	100%

Annual General Meeting Voting Results		Other Public Company Boards
Year	Votes in Favour	Nil
2016	99.98%	Board Interlocks
2015	97.43%	Nil
2014	97.59%	

Common Shares and Share Units Held as at December 31					Share Ownership Target ⁽²⁾	
Fiscal Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Value of Common Shares and DSUs (\$)	Meets Target	Current Status
2016	37,873	14,020	51,893	\$822,504	Yes	18.2x
2015	37,873	11,137	49,010	\$620,467		

Key Qualifications:

Mr. Collicutt's 30 plus years of experience as the founder and CEO of significant businesses in Western Canada and the United States have provided him with strong business leadership skills and experience to assist the Board in developing Cervus' strategic direction.



Donald W. Bell
61

Airdrie, Alberta, Canada
Director from 2008 to Present
Independent

Mr. Bell is co-founder of WestJet Airlines and occupied several positions within that organization, including Co-Chief Operating Officer and Executive Vice-President, Customer Service until his retirement in 2007. Mr. Bell also held the role of Chairman of the Air Transport Association of Canada and currently chairs the boards of a high growth software company and a local charity. Mr. Bell has the ICD.D designation. Prior to WestJet Mr. Bell was the owner of a full service computer company.

Cervus Board and Board Committees	Meeting Attendance ⁽¹⁾	
Board	7 of 7	100%
Audit Committee ⁽⁴⁾	5 of 5	100%
Nominating & Governance Committee	5 of 5	100%
HR & Compensation Committee (Chair) ⁽⁴⁾	-	-

Annual General Meeting Voting Results		Other Public Company Boards
Year	Votes in Favour	Nil
2016	97.61%	Board Interlocks
2015	97.45%	Nil
2014	97.59%	

Common Shares and Share Units Held as at December 31					Share Ownership Target ⁽²⁾	
Fiscal Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Value of Common Shares and DSUs (\$)	Meets Target	Current Status
2016	86,812	13,085	99,897	\$1,583,367	Yes	35.1x
2015	86,812	10,236	97,048	\$1,228,628		

Key Qualifications:

Mr. Bell has over 30 years of entrepreneurial experience with several successful business initiatives to his credit that demonstrate Mr. Bell's business leadership skills and insights into strategic planning.



Larry Benke
65

Calgary, Alberta, Canada
Director from 2012 to Present
Independent

Mr. Benke has extensive experience in the engineering and construction industries including Chair/CEO of the Colt Companies and Managing Director of WorleyParsons Canada. He is currently Chair of the Board of Next Hydrogen Corporation, a Canadian renewable energy and technology company manufacturing advanced electrolysers for hydrogen generation. Mr. Benke is also a director of The Calgary Airport Authority, a not-for-profit responsible for the operation and development of the Calgary International and Springbank airports. Past director roles have included the boards of WorleyParsons Limited, a global engineering and project delivery company listed on the Australian stock exchange, and CEDA International Corporation, a Canadian maintenance and construction company. Mr. Benke graduated from the University of Alberta in 1973 with a Bachelor of Science in Electrical Engineering (Honors Standing) and is a graduate of the ICD Directors Education Program.

Cervus Board and Board Committees

Meeting Attendance⁽¹⁾

Board	7 of 7	100%
Nominating & Governance Committee (Chair)	5 of 5	100%
HR & Compensation Committee ⁽⁴⁾	5 of 5	100%
Audit Committee ⁽⁴⁾	-	-

Annual General Meeting Voting Results

Other Public Company Boards

Year	Votes in Favour	Nil
2016	97.60%	Board Interlocks
2015	97.42%	Nil
2014	89.97%	

Common Shares and Share Units Held as at December 31

Fiscal Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Value of Common Shares and DSUs (\$)	Share Ownership Target ⁽²⁾	
					Meets Target	Current Status
2016	4,000	9,247	13,247	\$209,965	Yes	4.6x
2015	2,000	6,534	8,534	\$108,040		

Key Qualifications:

Mr. Benke has extensive business leadership experience, both domestically and internationally in the engineering and construction industries. He also has significant experience with acquisitions and public company governance.



Angela Lekatsas
55

Calgary, Alberta, Canada
Director from 2013 to Present
Independent

Ms. Lekatsas is an executive officer with Agrium Inc. currently holding the position of Vice President and Treasurer. Ms. Lekatsas has been with Agrium Inc. since 2003 holding various finance positions including Vice President and Corporate Controller and Chief Risk Officer. Ms. Lekatsas has obtained significant experience on mergers and acquisitions and international operations, particularly in Australia and South America. Prior to joining Agrium, Ms. Lekatsas spent 16 years in public practice, the majority with Deloitte's in the Audit and Advisory practice specializing in financial institutions and quality assurance. Ms. Lekatsas is a Chartered Accountant and received her U.S. Certified Public Accountancy equivalency in 2002. She obtained her ICD.D designation in 2015. Ms. Lekatsas' Board experience includes sitting on the Board for the Institute of Chartered Accountants of Manitoba and various Committee work for both the Saskatchewan and Manitoba CA Institutes as well as sitting on the Audit Committee of the YWCA in Saskatchewan.

Cervus Board and Board Committees	Meeting Attendance ⁽¹⁾	
Board	7 of 7	100%
Audit Committee (Chair)	5 of 5	100%
HR & Compensation Committee	5 of 5	100%

Annual General Meeting Voting Results		Other Public Company Boards
Year	Votes in Favour	Nil
2016	99.99%	Board Interlocks
2015	99.91%	Nil
2014	99.98%	

Common Shares and Share Units Held as at December 31					Share Ownership Target ⁽²⁾	
Fiscal Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Value of Common Shares and DSUs (\$)	Meets Target	Current Status
2016	6,300	6,078	12,378	\$196,191	Yes	4.3x
2015	6,300	3,477	9,777	\$123,777		

Key Qualifications:

Ms. Lekatsas brings strong financial literacy skills and experience to the Cervus Board. Further, as an executive with a fast growth large public company in the agricultural commodity space, she also has significant experience with risk management, integration, retail and wholesale operations as well public company governance.

Notes:

- (1) With respect to **“Meeting Attendance”**:
 - (a) The foregoing profiles do not reflect the attendance by directors at meetings of committees of which they are not members. However, directors are encouraged to, and from time to time do, attend various committee meetings even though they are not members of such committees.
 - (b) Further, the foregoing profiles do not reflect the attendance by the CEO at meetings of committees. The CEO is not a member of any committee but was requested, by the respective Chair of each committee, to attend the meetings of each such committee. Notwithstanding the attendance of the CEO at each such meeting, the members of each committee, all of whom are independent, held an *in camera* session without the CEO present.
- (2) With respect to **“Share Ownership Target”**:
 - (a) Further demonstrating Cervus’ compensation philosophy to align the interests of its directors with those of its shareholders, the Board has adopted a share ownership policy that requires each director to hold qualifying securities (being Common Shares and Deferred Shares (also referred to as DSUs)) with a value equal to at least 4 times the annual cash retainer plus Deferred Shares paid to that director.
 - (b) For the purposes of determining whether these requirements have been met, the individual’s then current annual cash retainer is used and each qualifying security held is valued at the greater of (i) the fair market value of the Common Shares as traded on the Toronto Stock Exchange at the time valuation is measured or (ii) 90% of the highest price of the Common Shares as traded on the TSX over the three previous years; with the Deferred Shares being valued based on the number of Common Shares underlying such securities at the time of the valuation. For the purposes of the foregoing profiles:
 - (i) Common Shares values were determined by multiplying the applicable number of Common Shares by the closing price of the Common Shares on the Toronto Stock Exchange on December 31 in the applicable year; and
 - (ii) DSU values were determined by multiplying the applicable number of Deferred Shares by the closing price of the underlying Common Shares on the Toronto Stock Exchange on December 31 in the applicable year
 - (c) In 2016, all members of the Board met this requirement.
 - (d) Cervus has also adopted share ownership requirements for its executive officers. For further information on those requirements, see the section of this Management Information Circular entitled “Executive Compensation – Executive Share Ownership Requirements”.
- (3) With respect to **“Cease Trade Orders, Bankruptcies, Penalties and Sanctions”**:

Except as set out below, to the best of the knowledge of management of Cervus:

 - (a) no person who is a proposed director of Cervus is, as at the date of this management information circular, or has been, within 10 years before the date of this management information circular, a director, chief executive officer or chief financial officer of any company (including Cervus) that:
 - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days and that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days and that was issued after such person ceased to be a director, chief executive officer or chief financial officer but resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; and
 - (b) no person who is a proposed director of Cervus:
 - (i) is, as at the date of this management information circular, or has been within 10 years before the date of this management information circular, a director or executive officer of any company (including Cervus) 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
 - (ii) has, within the 10 years before the date of this management 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; and
 - (c) no person who is a proposed director of Cervus has been subject to:
 - (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.
 - (d) Peter Lacey resigned as a Director of BioExx Specialty Proteins Ltd. on September 29, 2013. That corporation filed for protection under the Companies’ Creditors Arrangement Act on October 1, 2013.
- (4) Effective March 14, 2017:
 - (a) Donald W. Bell was appointed to the HR and Compensation Committee (as Chair) and resigned from the Audit Committee; and
 - (b) Larry Benke was appointed to the Audit Committee and resigned from the HR and Compensation Committee.See “Statement of Corporate Governance – Committees of the Board”.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Governance Structure

Cervus' governance structure is based on the principle that the management team manages the day to day operations of the company while the Board supervises the management of Cervus' business and affairs.

The Board is responsible for the selection and evaluation of the management team and overseeing:

- development of the strategic direction;
- Cervus' policy framework which underpins the operations and behaviours of the company;
- standards of conduct;
- compliance with applicable laws;
- standards for financial practices and reporting;
- standards to assess the operations of the business; as well as,
- other standards for the conduct of the business as it deems necessary and in the best interests of Cervus.

As such, the Board ensures policies and processes are in place and are properly functioning with respect to:

- strategic planning;
- asset safeguards and asset allocation;
- risk identification and management;
- the quality and continuity of Executive Management;
- effective stakeholder relationships and communication;
- the integrity of internal controls; and
- management information systems.

Committees of the Board

The Board delegates specific responsibilities to committees of the Board. The responsibilities of the committees empower the committees to advise and formulate recommendations to the Board; but, generally, do not allow the committees the authority to approve matters on behalf of the Board.

There are currently three Board committees, each comprised fully of independent directors. The table below indicates the composition of each committee as of March 14, 2017.

	Audit	Nominating and Governance	Human Resources and Compensation
Peter Lacey (Chair of the Board)		✓	
Donald W. Bell (Lead Director)		✓	Chair
Larry Benke	✓	Chair	
Steven Collicutt	✓		✓
Angela Lekatsas	Chair		✓

For further details on the Audit Committee, please refer to the section entitled "Audit Committee" in Cervus' annual information form for the financial year ended December 31, 2016 available on SEDAR at www.sedar.com.

For further details on the Human Resources and Compensation Committee, please refer to the section of this Management Information Circular entitled "Executive Compensation - Compensation Discussion and Analysis – Human Resources and Compensation Committee".

For further details on the Nominating and Governance Committee, please refer to the section of this Management Information Circular entitled "Statement of Corporate Governance Practices – Nomination Processes and Succession Planning".

Mandates and Position Descriptions

The Board has adopted a written Board mandate that sets out the key roles and responsibilities of the Board. That mandate is included in the “Board of Directors Terms of Reference” which is attached hereto as Schedule A.

The Board has also adopted a written mandate for each committee of the Board that sets out the scope of operations and key roles and responsibilities of that committee.

Further, 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.

And the Board has developed a position description for the Chief Executive Officer 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.

Independence

The Board believes that it operates in an “independent” and objective manner.

5 of 6 Directors are “Independent”

The Board is currently composed of 6 members: Peter Lacey, Graham Drake, Steven M. Collicutt, Larry Benke, Donald W. Bell and Angela Lekatsas. Generally speaking, a director is “independent” if such director has no direct or indirect material relationship with Cervus 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, Canadian securities legislation prescribes that certain relationships are material relationships (i.e. any director that has been an executive officer of the company within the past 3 years will be deemed to have a material relationship with the company and therefore not be independent). After reviewing the roles and relationships of each of the directors, the Board has determined that 5 out of the 6 directors are independent. The only non-independent director is Graham Drake who also serves as CEO of Cervus.

Independent Chairs and Lead Independent Director

The Chairman of the Board, the Chairs of each committee of the Board, and the Lead Independent Director, are all independent directors. The following table sets out the directors that are currently in those roles.

Role	Director	Independent
Chairman of the Board	Peter Lacey	✓
Chair of the Audit Committee	Angela Lekatsas	✓
Chair of the Human Resources and Compensation Committee	Steven M. Collicutt	✓
Chair of the Nominating and Governance Committee	Larry Benke	✓
Lead Independent Director	Donald W. Bell	✓

The Chairman of the Board and the chair of each Board committee manage 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 lead the Board and each Board committee, respectively, in the execution of their responsibilities to security holders.

Further, the Board has appointed a Lead Independent Director who is independent of management to ensure that the Board operates independently of management.

Meetings of Independent Directors

An in camera session excluding management and non-independent directors is held at every Board and committee meeting.

Stakeholder Outreach

Reaching out to stakeholders and listening to their opinions is a core value of Cervus. During 2016 the Chairman of Cervus reached out, as appropriate, to various corporate governance stakeholders and to Cervus shareholders to listen to their opinions and concerns. The meetings often involved a dialogue on a variety of topics including: Board structure and compensation (including independence), Board or director performance, CEO performance, Board and CEO succession planning process, corporate governance practices and disclosure, committee mandates and oversight of risk, accounting, auditing and internal controls and executive compensation.

The Board encourages stakeholders to engage with appropriate company representatives on relevant matters and actively monitors stakeholder feedback. As part of its process for engagement beyond the annual meeting, the Board invites shareholders and stakeholders to communicate with its members, including the Board Chair or non-management directors specifically, by directing communications by email to directors@cervusequipment.com or by mail to:

Cervus Equipment Corporation Board of Directors
c/o Corporate Secretary
5201, 333 - 96 Avenue, NE
Calgary, Alberta T3K 0S3
Canada

Matters relating to Cervus' accounting, internal accounting controls or auditing matters are referred to the Audit Committee. Other matters are referred to the Board Chair.

Orientation and Continuing Education

The Nominating and Governance Committee is responsible for the orientation and continuing education of new directors. The expectations of a new director, including specific responsibilities, committee appointments, workload and time commitments, are reviewed in advance with potential Board candidates. Such candidates are also provided with the Board Terms of Reference, Board and Committee Mandates, Code of Business Conduct and Ethics, as well as extensive information relating to Cervus and the industries in which it operates. Prior to joining the Board, new directors are provided with copies of all corporate governance policies, recent analysts' reports and press releases, and various company and industry brochures.

Each new director attends an orientation at which members of senior management review the business, corporate strategy, financial profile, governance system, culture, and current key issues. New directors are encouraged to attend all committee meetings, irrespective of their membership, to assist them in enhancing their understanding of the functions of each committee. New directors have the opportunity to meet individually with members of senior management, and all directors have regular access to management personnel to discuss matters of interest.

Continuing education is provided through a number of methods, including visits to dealerships and OEMS, offsite strategy sessions, presentations from management, employees and outside experts to the Board and its committees on topics of interest and developing issues within their respective responsibilities, and ongoing distribution of relevant information.

Peter Lacey, Donald W. Bell, Larry Benke, Graham Drake and Angela Lekatsas have completed the Directors' Education Program developed by the Institute of Corporate Directors (ICD) and the Joseph L. Rotman School of Management, University of Toronto. Steven Collicutt is currently enrolled in the program.

The Board and its committees received a number of presentations in 2016 focused on deepening the Board's knowledge of the business, the industry and the key risks and opportunities facing Cervus. In addition, Board meetings are periodically held at a location where Cervus has operations or significant activities. These site visits give directors an extended opportunity to interact with employees, business associates, and community members, as well as tour facilities. In 2016, all directors attended all internal Board education sessions.

The following table lists the continuing education sessions that the directors attended since January 1, 2016:

Date	Topic	Presented/Hosted By	Attended By
February 18, 2016	How Significant Changes in Board Risk Over the Past Year Impact Governance and Insurance	Institute of Corporate Directors (ICD)	Graham Drake
February 20, 2016	Effective Board Dynamics	Institute of Corporate Directors (ICD)	Angela Lekatsas
March 9, 2016	New Leases Standard	KPMG LLP	Angela Lekatsas
March 14 & 15, 2016	Tour of John Deere World Headquarters and John Deere Harvester Works (combine manufacturing facility) in Moline, Illinois	Deere & Company	Directors, Officers
April, 2016	Board Assessment Surveys – Effectiveness and Design	Strive! Governance	Larry Benke
April 11, 2016	Guiding directors on how to engage with investors	Institute of Corporate Directors (ICD)	Graham Drake
April 12, 2016	ICD Director-Shareholder Engagement	Institute of Corporate Directors (ICD)	Peter Lacey
May 11, 2016	Highlights from the ICD/Osler Survey of Over 400 Canadian Directors	Institute of Corporate Directors (ICD)	Graham Drake
June 2, 2016	ICD National Conference, Leadership in the Boardroom	Institute of Corporate Directors (ICD)	Angela Lekatsas
June 3, 6 and 13, 2016	Cyber Risk Webinars	Agrium Inc.	Angela Lekatsas
June 27 & 28, 2016	Leadership for Safety Excellence	Alberta Construction Safety Association	Graham Drake
August 8, 2016	Occupational Health & Safety – Canada, New Zealand & Australia	Legal Counsel	Audit Committee
August 9, 2016	Tour of Corporation's Material Handling store located Calgary, Alberta	Dealership Staff	Directors, Officers
August 9, 2016	Review of Transportation Operations in Ontario	Gara Hay, General Manager	Directors, Officers
August 10, 2016	Emerging Global Risks	Marsh and McLennan Companies	Angela Lekatsas
November 7, 2016	Overview of Western Canadian Agriculture Competitive Landscape	Corey Leonard, VP Operations, Agriculture Canada	Directors & Officers
November 23, 2016	Audit Committee Effectiveness	Institute of Corporate Directors (ICD)	Donald W. Bell

Ethical Business Conduct

Code of Conduct

The Board has adopted a written code of conduct for the directors, officers and employees of Cervus. 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 Cervus that values honesty, high ethical standards and compliance with laws, rules and regulations.

Conflicts of Interest

The *Canada Business Corporations Act* contains “conflict of interest” provisions that require each director and officer of Cervus to disclose to Cervus any interest in a material contract or transaction or proposed material contract or transaction with Cervus 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 Cervus. 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 Cervus 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 Cervus or one for indemnity under the provisions of an indemnity agreement or Cervus’ liability insurance.

Whistleblower Policy

The Audit Committee has also adopted “whistleblower” procedures which allow directors, officers and employees of Cervus 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.

Risk Management Oversight

The Board conducts a thorough analysis of Cervus’ enterprise risk management practices, identifies the principal risks of Cervus’ business and seeks to ensure that those risks are effectively managed. Among other things, it reviews and approves a comprehensive set of risk management policies and systems designed to work together with supporting corporate standards and operating guidelines developed by management. Over the last few years, the Board, together with senior management, has been devoting more time to the identification, management, mitigation and reporting of principal risks.

Cervus uses a top-down and bottom-up risk identification and assessment model that includes established formal and regular risk management discussions at various levels of the organization through risk steering committees. The Audit Committee is specifically tasked with ensuring that areas of risk for Cervus are properly defined and managed and measured against Cervus’ risk tolerance and risk appetite. The Audit Committee also ensures that any area of risk oversight delegated to a committee of the Board of Directors is appropriately delegated. The Audit Committee reviews, at least annually, Cervus’ enterprise risk management framework and Cervus’ policies and practices to control significant risks.

At least quarterly, management reports to the Audit Committee on developments and progress made on its strategies for managing the key business risks. A comprehensive listing of risk factors applicable to Cervus’ business and to Cervus itself is provided in Cervus’ Annual Information Form and Management’s Discussion and Analysis available on SEDAR at www.sedar.com.

Nomination Processes and Succession Planning

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 Larry Benke, Donald W. Bell and Peter Lacey, all of whom are independent Board members, and 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 Cervus' size.

The Board, with the assistance of the Nominating and Governance Committee is responsible for recommending to shareholders from time to time candidates for election to the Board that together contribute the right mix of skills and qualities to the Board. To assist in making those recommendations, the Board regularly assesses the skill set of each director, their ages and anticipated retirement date and the composition of each Board committee. The Board looks for a mix of skills and experience required for overseeing Cervus' business and affairs. The Board considers personal characteristics such as gender, ethnic background and geographic residence when looking at diversity; however, candidates are nominated as directors based on their background and ability to contribute to the Board and committee meetings. The Board recommends potential candidates based on their qualifications and independence and how these qualities balance with the skill set of the current Board, the structure and composition of the committees and the director retirement schedule. This assessment helps the Board determine the best mix of skills and experience to guide the business operations and long-term strategy.

The Board seeks expertise in the following key areas:

- Public Company Governance,
- Financial Literacy,
- Business Leadership,
- International Business,
- Acquisitions,
- Human Resources/Compensation, and
- Direct Industry experience.

The Chair of the Nominating and Governance Committee, in consultation with the Nominating and Governance Committee, the Board Chair and the CEO, maintains an evergreen list of potential candidates. When it becomes apparent that a new Board nominee may be required and/or considered for the Board, the Nominating and Governance Committee utilizes the above noted skills in reviewing potential candidates against the skill set of the incumbent Board and the experience and expertise necessary for the Board.

As noted previously, the Board has adopted a majority voting policy in respect of the election of directors.

Succession Planning

With respect to leadership and succession planning, the Board is responsible for:

- appointing the Chief Executive Officer and other members of senior management;
- monitoring senior management's performance, goals, assessments and rewards;
- developing, reviewing and monitoring the Chief Executive Officer succession plan; and

- reviewing at least yearly the succession strategy for all other senior management positions.

While the Board remains active in this area, it delegates responsibility for reviewing Cervus' policies and procedures relating to employment, succession planning and compensation (including executive compensation) to the Human Resources and Compensation Committee. Succession planning was a focus area for Human Resources and Compensation Committee in 2016. The Human Resources and Compensation Committee met several times with the Chief Executive Officer in 2016, without other members of management, to discuss his views on the executive leadership team in general, and his potential successors. The Board also met in camera, without the Chief Executive Officer, to discuss the candidates he had identified as possible successors.

The Human Resources and Compensation Committee has become increasingly more detailed and formalized in its succession planning process for the Chief Executive Officer, senior management and other strategic positions considered critical to the success of Cervus. The Human Resources and Compensation Committee's succession planning process involves working with the Chief Executive Officer to review the internal talent pool on a regular basis, and selecting potential candidates, selecting executive development opportunities, and evaluating performance and progress, as well as planning for illness, disability and other unscheduled absences. This includes long range planning for executive development and succession to ensure leadership sustainability and continuity.

Compensation

For information on the process by which the Board determines compensation for executive officers and directors, see the sections of this Management Information Circular entitled "Executive Compensation" and "Director Compensation".

Assessment

The Board conducts an annual self-assessment, via a questionnaire administered by a third party, to provide feedback to individual directors on their effectiveness and the effectiveness of the Board as a whole and to define actionable items in areas that require improvement.

Director Term Limits and Other Mechanisms of Board Renewal

The Board believes that issues relating to Board effectiveness, Board renewal and Board succession planning are best addressed by a strong chair, an effective lead independent director, a thoughtful governance committee and independent-thinking Board members. The Board is concerned that imposing arbitrary and inflexible director term limits may result in Cervus losing valued directors at a time when Cervus most needs their skills, qualities and contributions, as well as their knowledge of the history and culture of the organization. Consequently the Board has not adopted term limits for its directors but rather relies on the experience of its members to determine when Board renewals, Board removals and Board additions are appropriate.

However, the Board has determined that a mandatory retirement age is appropriate to encourage and facilitate board renewal and no person shall stand for election or re-election to the Board if he or she attains the age of 75 years on or before the date of the annual meeting called in relation to the election of directors. The Board sets high standards for the performance of all directors, and should always be ready to replace those who are no longer able to contribute meaningfully, regardless of their actual age and mandatory retirement will not be relied upon as a "diplomatic" way of removing directors who are no longer making a meaningful contribution.

Gender Diversity

While the Board has not adopted a specific policy relating to the identification and nomination of women directors, Cervus has adopted an Employment Equity and Diversity Policy that recognizes employment equity and diversity as values that are important to Cervus as a community leader and as an industry leading employer and that policy is also applicable to the identification and nomination of women directors.

Pursuant to that policy, Cervus will retain, promote and hire the best people it can focusing on actual and potential contribution in terms of their performance, competence, collaboration and professional accountability. Management will ensure that all employment related decisions are based on principles of individual merit and

achievement such as job performance, skills, knowledge, and abilities relevant to specific positions and not on factors unrelated to a person's performance or ability to do the job. Consequently, the Board does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board or when making executive officer appointments. Further, Cervus has not adopted targets regarding women on the Board or in Cervus' executive officer positions.

However, the Employment Equity and Diversity Policy provides that Cervus will foster an inclusive culture accepting and encouraging of diversity within its workforce. Cervus will not discriminate in its employment practices on the basis of gender, race, ethnicity, sexual orientation, religion, age, disability, or any other characteristic protected by law. This includes all aspects of employment including hiring, job assignment, compensation, discipline, termination and access to benefits and training. Further, to garner the full benefits of diversity, including the availability of the widest pool of available talent, management will periodically review the recruitment and selection practices at all levels within the organization, and the Board will periodically review the recruitment and selection practices for the Board to ensure they are appropriately structured so that a diverse range of candidates are considered and that there are no conscious or unconscious biases that might discriminate against certain candidates.

Management will lead the Employment Equity and Diversity Policy by regarding it as a key business issue and an imperative mainstreamed into Cervus' day to day activities. The Board will annually review the Employment Equity and Diversity Policy to determine if the objectives of the policy are being met and to consider the adequacy and appropriateness of that policy in furthering Cervus' objectives.

As at March 14, 2017, 17% of Cervus' 6 Board members is a woman (1) and 17% of Cervus' 6 executive officers is a woman (1).

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following describes Cervus' compensation philosophy and programs; as well as the Human Resources and Compensation Committee's governance process and the compensation decisions recommended by that committee and approved by the Board. The Board trusts this information will enable shareholders to make informed decisions related to Cervus' approach to executive compensation when voting on this year's advisory vote on executive compensation.

Human Resources and Compensation Committee

The Board has established a Human Resources and Compensation Committee and has developed a mandate which sets out the objectives, functions and responsibilities of that committee. The committee is responsible for assisting the Board in ensuring that Cervus' human resource strategies support Cervus' objectives and sustain security holder value. Each year the committee:

- Reviews and assesses the performance and compensation of the CEO and makes recommendations to the Board with respect to the current and future compensation payable;
- Reviews and approves, or may modify, the CEO's recommendations for other executives;
- Periodically evaluates the compensation system for Cervus' executive officers and makes recommendations to the Board with respect to strengthening pay for performance; and
- Periodically reviews succession planning for Cervus' executive officers, including development and monitoring of executive officers, and makes recommendations to the Board on such succession planning.

The Human Resources and Compensation Committee is also responsible for, among other items, periodically reviewing the adequacy and form of compensation of directors and for making recommendations to the Board on such compensation. The committee, and the Board, 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.

Effective March 14, 2017, Donald W. Bell joined the Human Resources and Compensation Committee replacing Larry Benke who moved to the Audit Committee. The Human Resources and Compensation Committee is now composed of Donald W. Bell (Chair), Steven M. Collicutt and Angela Lekatsas, all of whom are independent Board members. The Board feels that the committee conducts its activities in an objective manner. Each committee member has experience acting in senior management roles for various companies throughout their business careers, including oversight for performance, compensation and succession planning with respect to senior management.

Review / Modifications of Programs

Cervus' executive compensation program is periodically reviewed and considered by the Human Resources and Compensation Committee to determine if the objectives of the executive compensation program are being achieved and whether any modifications to that program are required. Annually the Human Resources and Compensation Committee reviews the measures and targets used to assess performance, whether the performance measures and targets are still appropriate in light of long-term strategy and the annual business plan of Cervus and whether previously established targets have been achieved and to what degree.

In modifying the executive compensation plan, setting and assessing performance and determining compensation, the Human Resources and Compensation Committee considers the recommendations of the CEO, as well as any compensation consultant that may have been retained by the committee or the Board, and provides a recommendation to the Board. 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.

Process for Compensation Decisions

The process to make executive compensation decisions involves the CEO, the Human Resources and Compensation Committee and the Board. The CEO presents compensation recommendations for executives, other than himself, to the committee for approval. The committee recommends compensation decisions for the

CEO to the Board. In reaching these recommendations and decisions, the committee may consider compensation benchmarking data, market data related to salary increases, the performance of individuals, the incentive targets of the compensation design, performance relative to predetermined metrics and any extenuating circumstances as may be appropriate. The Human Resources and Compensation Committee does not consider previous grants of equity based compensation in making these determinations.

Executive Compensation Philosophy

The overall objectives of the program are to:

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

Competitive Market Analysis – Compensation and Performance Benchmarking

The Human Resources and Compensation Committee considers the compensation practices of peer organizations when establishing the compensation plan for executive officers. The peer group, established in 2015, was selected in the following manner: the committee established selection criteria, this criterion was used by an external consultant to identify peer companies, management and the committee reviewed and revised the peer group, and the Board approved the composition of the final peer group. The peer group is composed of publicly traded companies with primary business activities in equipment sales and/or leasing and is augmented by a slate of TSX industrial companies with revenues of approximately half to two times Cervus' adjusted revenues. The peer group consists of:

- Wajax Corporation
- Strongco Corporation
- Rocky Mountain Dealerships Inc.
- AutoCanada Inc.
- Toromont Industries Ltd.
- Ag Growth International Inc.
- Algoma Central Corporation
- Black Diamond Group Limited
- Bird Construction Inc.
- Buhler Industries Inc.
- Magellan Aerospace Corporation
- Newalta Corporation
- Stuart Olsen Inc.
- Trimac Transportation Ltd.
- WesternOne Inc.

Executive Compensation Components

The executive compensation program consists of salary, a Short-Term Incentive Plan, a Mid-Term Incentive Plan, a Deferred Share Plan, perquisites, benefits and employment agreements. Collectively the components of the executive compensation program are designed to satisfy Cervus' compensation philosophy and mitigate the risks associated with executive incentive programs. Salary, perquisites and benefits and employment agreements are secure elements of compensation necessary to attract and retain executive talent. The short-term and mid-term incentive plans, and the Deferred Share Plan, reward for performance and in combination motivate delivery of the annual business plan and the creation of shareholder value in the longer term. The Mid-Term Incentive Plan and the Deferred Share Plan also help to retain executive talent. The following further describes these compensation components:

- **Base Salary:** Base salary recognizes the knowledge and responsibility of the position, as well as the experience and performance of the incumbent.
- **STIP:** The Short-Term Incentive Plan, or STIP, provides that an annual bonus payable in cash is earned upon the achievement of pre-determined annual corporate performance, divisional performance in the case of division leaders and stakeholder satisfaction objectives.
- **MTIP:** The Mid-Term Incentive Plan, or MTIP, aligns rewards with the attainment of long-term strategy; accordingly, this plan pays out in cash at the end of a three year performance period based on (i) the share price at end of that period and (ii) for 2015 and 2016 a performance multiplier that varies based on the achievement of multi-year earnings per share and return on invested capital relative to predetermined targets (for periods commencing prior to 2015 the multiplier was determined based on revenue growth).

- **DSUs:** The Deferred Share Plan encourages alignment between executive officers and shareholders by allowing participants to elect to receive a portion of their STIP award in the form of Deferred Shares (also referred to as DSUs) with Cervus providing matching DSUs up to \$50,000 of such contribution by an executive officer in any one year. The matched component typically vests 50% at the end of third year following grant, and 25% in each of the fourth and fifth year following grant. For further information on the Deferred Share Plan, see the section of this Management Information Circular entitled “Equity Compensation Plan Information – Deferred Share Plan”.
- **Employment Agreements:** These agreements set out the terms related to employment, including termination and a change in control.

Compensation Mix and Performance Metrics for Executive Officers

In determining the specific forms, mix and quantum of the compensation design for Cervus’ executive officers, the Human Resources and Compensation Committee considers:

- the motivational impact of incentives in relationship to the long-term strategy and the annual business plan;
- the balance between fixed and variable compensation; as well as
- the potential to motivate inappropriate or excessive risk taking.

For each of Cervus’ executive officers, the Human Resources and Compensation Committee determines targets for each incentive, which in conjunction with the salary, results in the desired target direct compensation. The committee also determines the performance metrics to be used for the STIP and the MTIP and relative weightings of each such performance metric within the STIP and the MTIP. For each performance metric, the committee establishes thresholds, targets and stretch performance standards for payment under the STIP and the MTIP.

Notwithstanding the foregoing or the discussion below, (a) no bonus will be paid to any executive officer unless Cervus is profitable and (b) the payment of any incentive bonus is determined by performance criterion approved at beginning of each year; however, actual payouts remain at the discretion of the Board and based on the best interest of Cervus.

Base Salary

Base salary provides a competitive and secure element of compensation that helps offset the compensation risk inherent in executive incentive programs. The base salary of each executive officer is determined by an assessment of his or her sustained performance and consideration of competitive compensation levels for the markets in which Cervus operates. The committee also considers the particular skills and experience of the CEO and the CEO’s assessments of other executive officers. The Board makes a final determination on executive compensation for the CEO and the committee, on the recommendation of the CEO, makes decisions for other executive officers.

Short-Term Incentive Plan

The Short-Term Incentive Plan helps align executives with, and motivate the attainment of, the annual business plan. Each executive has a target incentive opportunity that is divided into multiple components. The target incentive is based on a competitive analysis that considers total direct compensation (total of salary, short-term and mid/long term incentives) and the preferred mix of compensation elements necessary to motivate the appropriate behaviours. Generally speaking, 70% of each executive officer’s STIP target incentive is based on the achievement of certain objective financial and operational metrics while the remaining 30% of each executive officer’s STIP payout is based on the achievement of certain stakeholder satisfaction metrics. Metrics are reviewed and approved by the Human Resources and Compensation Committee at the beginning of the year. Payouts under the STIP range from 0.25x the target incentive if the threshold performance is attained to up to 1.0x the target incentive if the target performance is attained to up to 2.0x the target incentive if the stretch performance is attained or exceeded (for the CEO, the maximum of the range is 1.5x target incentive for attaining or exceeding stretch performance). No payouts are associated with performance that does not meet the threshold.

Notwithstanding the foregoing, the payment of STIP awards is subject to the discretion of the Board as to whether or not the particular performance criteria have been satisfied. In determining whether or not to pay a bonus the Board considers the specific performance criteria established at the beginning of the year, as well as other relevant

factors affecting performance that arose since that time. The Board retains the discretion to adjust STIP awards to better align performance and rewards where formulaic computation does not adequately reflect the holistic performance of the business.

The 2016 STIP target incentive and weightings for each component are provided in the table below.

Name and Principal Position	Threshold	Target	Maximum	Performance Measure Weightings		
	(% of base salary)			Corporate Performance	Divisional Performance	Stakeholder Satisfaction
CEO	15%	60%	90%	70%	0%	30%
CFO	10%	40%	80%	70%	0%	30%
VP of People	10%	40%	80%	70%	0%	30%
VPs of Operations	10%	40%	80%	35%	35%	30%

Financial Performance (70%)

As stated earlier, generally speaking 70% of each executive officer's STIP target incentive is based on the achievement of certain objective financial and operational metrics. The 2016 financial metrics to calibrate corporate and divisional performance for the indicated executive officers are provided in the table below.

Performance Metric	% of Potential STIP Payout	2016 Threshold	2016 Target	2016 Max	2016 Result
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CEO, CFO, & VP People

Corporate Performance	70%				
Adjusted EPS ⁽¹⁾	35%	\$1.10	\$1.57	\$1.88	\$1.27
ROIC ⁽²⁾	35%	9.5%	12.5%	13.8%	12.5%

Vice Presidents of Operations

Corporate Performance	35%				
Adjusted EPS ⁽¹⁾	17.5%	\$1.10	\$1.57	\$1.88	\$1.27
ROIC ⁽²⁾	17.5%	9.5%	12.5%	13.8%	12.5%
Divisional / Dealership Performance	35%				
Division Profit ⁽³⁾	17.5%				
<u>VP, Operations – Agricultural, Canada</u>		\$16.5M	\$22.0M	\$26.4M	\$26.3M
<u>VP, Operations – Transportation and International</u>		\$4.2M	\$5.6M	\$8.4M	\$1.6M
<u>VP, Operations – Commercial and Industrial</u>		\$3.57M	\$5.1M	\$7.65M	\$(1.7)M

Performance Metric	% of Potential STIP Payout	2016 Threshold	2016 Target	2016 Max	2016 Result
Divisional Inventory Targets ⁽⁴⁾	17.5%				
<u>VP, Operations – Agricultural, Canada</u>		\$72.6M	\$66M	\$59.4M	\$83.4M
<u>VP, Operations – Transportation and International</u>		\$64.8M	\$58.9M	\$53.0M	\$50.5M
<u>VP, Operations – Commercial and Industrial</u>		\$36.8M	\$28.8M	\$22.38M	\$25.1M

Notes:

- (1) Adjusted EPS means “Adjusted Earnings Per Share” and is calculated as follows: Corporate net income attributed to shareholders, plus (minus) unrealized foreign exchange losses (gains), divided the by weighted average number of Common Shares outstanding.
- (2) ROIC means “Return on Invested Capital” and is calculated as follows: Net Income Before Tax plus Interest on long term debt, plus (minus) unrealized foreign exchange losses (gains), divided by book value of shareholders’ equity plus long term debt minus cash.
- (3) Division Profit is calculated as follows: Divisional non-consolidated pre-tax profit, plus (minus) unrealized foreign exchange losses (gains), less the applicable VP’s bonus accrued and expensed.
- (4) Divisional inventory targets are based on a targeted ending inventory levels as at December 31, 2016.

Stakeholder Satisfaction (30%)

As the owner and operator of authorized agricultural, construction, materials handling and transportation equipment dealerships, with interests in 64 dealerships in Canada, New Zealand and Australia, stakeholder satisfaction is critical to the success of Cervus. As such, generally speaking, 30% of each executive officer’s STIP target incentive is based on the achievement of certain annual stakeholder satisfaction metrics such as customer satisfaction (customer net promoter score; 7.5%), equipment manufacturer satisfaction (market share factor; 7.5%), safety performance (TRIF target; 7.5%) and employee satisfaction (employee survey; 7.5%). Some of these objectives, such as NPS and market share are difficult to accurately quantify. Consequently, the Human Resources and Compensation Committee assesses the results of customer surveys to gauge customer satisfaction and industry and manufacturer market share reports to gauge manufacturer satisfaction. The committee then assesses the efforts and results achieved in these area against the objectives set at the beginning of the year. Employee satisfaction and safety can be accurately measured. For the year ended 2016, stakeholder satisfaction thresholds were achieved and triggered payments in accordance with STIP parameters.

Mid Term Incentive Plan

The MTIP serves to align and reward executives with the long term strategy of Cervus and the shareholders’ interests. Each executive has a target incentive opportunity that considers total direct compensation and the preferred mix of compensation elements necessary to motivate the appropriate behaviours. Under the MTIP, participants receive annual grants of performance share units (referred to as “**MTIP Units**”) which are settled in cash at the end of a three year performance period. Each of the executive officers is eligible for an annual grant of MTIP Units equal to a percentage of base salary (i.e. currently being 50% for the President & CEO, 40% for the CFO and all VP, Operations, and 36% for the VP, People) divided by the closing price of the Common Shares on the first trading day of the applicable fiscal year (i.e. for MTIP Units granted in 2016, the applicable price per share was \$13.02 which was the closing price of the Common Shares as traded on the Toronto Stock Exchange on January 4, 2016). The number of MTIP Units is then subject to a performance multiplier at the end of the performance period which ranges from 0.5x the target incentive if the threshold performance level is attained, to 1.0x the target incentive if the target performance is attained, to 1.5x the target incentive if the stretch performance is attained or exceeded. No MTIP payouts are made if performance is below threshold performance. The value of the final MTIP payout will be equal to the adjusted number of MTIP Units multiplied by the closing price of the Common

Shares on the last trading day of the applicable fiscal year at the end of the three year performance period, plus dividend equivalents.

For periods commencing prior to 2015 the performance multiplier was determined based on revenue growth. In 2015, the performance multiplier was changed to a combination of multi-year earnings per share and return on invested capital relative to predetermined targets. The performance multiplier in 2016 was determined based on the achievement of targets set in January 2014.

	2014 – 2016 Threshold	2014 – 2016 Target	2014 – 2016 Max	2014 – 2016 Result
2016 MTIP Pay Out				
Revenue Target at the end of 3 years (in millions)	\$1,020M	\$1,134M	\$1,247M	\$1,109M
Performance Multiplier (multiple of target)	0.5x	1.0x	1.5x	0.89x

Risks Related to Compensation Policies and Practices

The Human Resources and Compensation Committee is committed to regularly assessing the risks associated with executive officer compensation practices. Below are some of the executive officer compensation practices and design elements, which contribute to managing compensation related risk.

- Board oversight
 - A properly constituted Human Resources and Compensation Committee, comprised solely of independent directors, to oversee executive and director compensation on behalf of the Board.
- Measuring performance
 - The committee assesses Cervus' performance based on quantifiable financial and operational metrics that are critical to the businesses performance and integral to the current year business plan and Cervus' long-term strategy.
 - Goals and performance ranges for metrics are established at the beginning of the performance period.
 - At the end of the year, management assembles data on actual performance, compares results relative to the metrics and quantifies the level of attainment that is then reviewed by the committee.
- Application of discretion
 - The Human Resources and Compensation Committee reviews the formulaic outcome related to critical performance but may exercise discretion to align pay and performance to reflect a more holistic assessment of performance or address exceptional or unanticipated events where such adjustments are in the interest of shareholders.
 - Where discretion is exercised, full details will be provided to shareholders in this report.
- Peer group selection
 - Cervus benchmarks the compensation levels for executives based on total direct compensation of a compensation peer group.
 - The compensation information for the peer group provides the basis to understand the competitive environment for executive talent.
- Risk review and compensation design
 - The committee is aware of the risks of inadvertently incenting excessive or inappropriate risk-taking. The compensation design helps mitigate these risks by providing:
 - reasonable quantum of fixed compensation;
 - a mix of short-term and long-term incentives, and over-lapping long-term incentives, that reward various time horizons of risk;
 - an opportunity to defer a portion of the short-term incentive payout in a form that promotes share ownership and vests participants in the long-term success of Cervus;
 - caps on incentive programs and performance multipliers;
 - multiple performance measures that reflect balanced performance of Cervus;
 - equity-based long-term incentives that align the executives' interests with the shareholder;

- an anti-hedging policy that prohibits executives and directors from off-setting downside risks of long-term incentive programs; and
- a shareholder advisory “Say on Pay” resolution.

The Human Resources and Compensation Committee has reviewed Cervus’ executive compensation programs and practices and is satisfied there are no significant risks arising from them that are likely to have a material adverse effect on Cervus.

Guarantee Fees

Cervus operates several John Deere dealerships and certain directors and executive officers have been required by John Deere to sign personal guarantees to guarantee the debts of Cervus to John Deere. As recompense, Cervus pays an annual fee of 3% of the value of the guarantee to the guarantors. This is not considered to be part of the executive compensation program but rather is compensation to those directors and executive officers for the risk that they are taking for the benefit of Cervus.

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 executive compensation program.

Retirement Policy

Cervus does not have a retirement policy for its executive officers.

Compensation Consultant

From time to time, the Human Resources and Compensation Committee retains qualified compensation consultants to advise the committee on executive officer and Board compensation matters. In 2015, the Human Resources and Compensation Committee retained C.J. Howe & Associates of Calgary, Alberta to review and assess Cervus’ compensation programs for its executive officers and directors and provide support and advice to the committee and the Board with respects such programs. The consultant conducts assignments for the committee on a project-by-project basis. In 2016, the consultant:

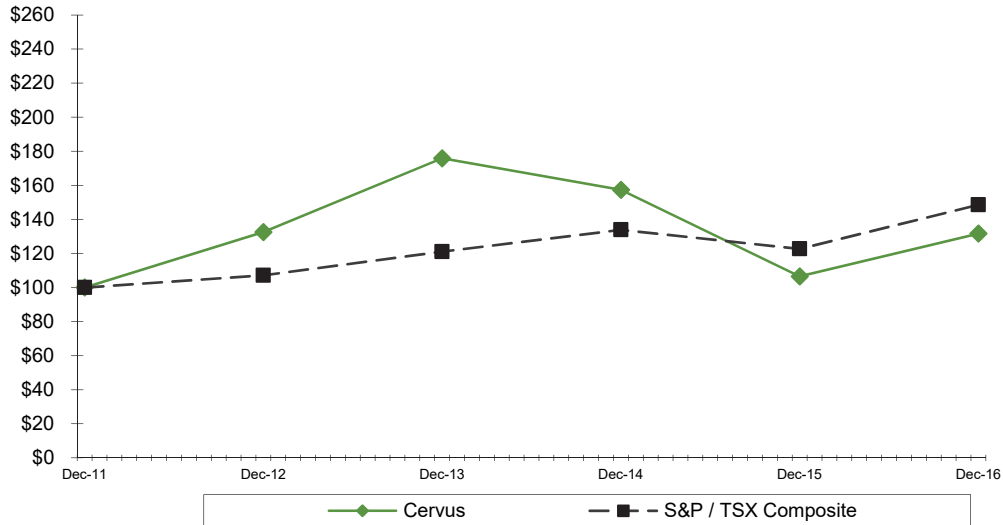
- Reviewed the mid and long-term incentive plan texts and employment agreements and coordinated with legal counsel to create common definitions pertaining to Change in Control, Cause, and Good Reason; and
- Assisted legal counsel in modifications to the terms of the plans to align them with shareholder advisor guidance.

In 2015 and 2016, the consultant worked for both management and the Human Resources and Compensation Committee. The committee does not pre-approve work performed by the consultant on behalf of management. The following table sets forth the aggregate fees billed by the aforementioned compensation consultant in each of Cervus’ last two completed financial years.

	2016	2015
Executive Compensation Related Fees	\$2,250	\$26,900
All Other Fees	\$94,462	\$110,450

Performance Graph

The following graph, and the table below it, compares the cumulative total shareholder return on Cervus' Common Shares with the cumulative total return of the S&P/TSX Composite Index for the five-year period ending December 31, 2016⁽¹⁾.



	30-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	30-Dec-16
Cervus	\$100.00	\$132.57	\$175.84	\$157.36	\$106.53	\$131.67
S&P / TSX Composite	\$100.00	\$107.19	\$121.11	\$133.90	\$122.76	\$148.64

Note:

- (1) Assumes that the initial value of the investment in Common Shares on the applicable exchange was \$100 at the close of trading on December 31, 2011. Values include dividends payable but exclude brokerage fees and all income taxes.

The trend shown by the above performance graph is a consistent increase in the total shareholder return for Cervus over years one and two followed by two consecutive declines in years three and four, before an increase in the fifth year. Total executive compensation paid by Cervus over the last five financial years reflects a similar trend, as evidenced by the information in the table in the section below.

Three Year Summary Compensation Table

The following table summarizes the annual compensation earned for the each of Cervus' three most recently completed financial years by each of Cervus' executive officers for whom disclosure is required in this Management Information Circular by applicable Canadian securities laws (collectively, the "Named Executive Officers").

Name and Principal Position	Year	Salary (\$)	Share-Based Awards ⁽¹⁾ (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation ⁽²⁾ (\$)	All Other Compensation ⁽³⁾ (\$)	Total Compensation ⁽⁴⁾⁽⁵⁾ (\$)
Graham Drake, President & CEO ⁽⁶⁾	2016	378,101	128,209	-	199,391	21,000	726,701
	2015	378,101	192,961	-	78,491	21,000	670,553
	2014	378,101	280,104	-	90,526	21,000	769,731
Randall Muth, CFO ⁽⁶⁾	2016	266,513	129,160	-	81,405	7,500	484,578
	2015	266,513	184,439	-	38,537	7,500	496,989
	2014	266,513	252,898	-	62,604	7,500	589,515
Cal Johnson, VP Operations, Transportation & International ⁽⁶⁾	2016	241,332	115,666	-	75,098	7,500	439,596
	2015	241,332	152,444	-	31,380	7,500	432,656
	2014	241,633	222,345	32,316	69,583	7,500	573,377
Corey Leonard, VP Operations, Agricultural, Canada ⁽⁶⁾	2016	235,000	101,603	-	83,519	15,000	435,122
	2015	213,423	137,046	-	87,011	18,000	455,480
	2014	166,647	164,553	6,971	54,998	12,000	405,169
Stella Cosby VP of People ⁽⁶⁾	2016	234,615	72,403	-	77,807	-	384,825
	2015	240,000	36,983	-	34,703	-	311,686
	2014	120,000	25,000	-	28,889	-	173,889

Notes:

(1) With respect to Share-Based Awards in this table:

- (a) This includes the Deferred Shares issued by Cervus in matching the contribution of the Named Executive Officer to the Deferred Share Plan (up to a maximum of \$50,000 of matched Deferred Shares per year) but does not include the Deferred Shares issued upon the election of the Named Executive Officer to defer a portion of the cash payment otherwise payable under non-equity incentive plans. The Deferred Shares are granted based on the 10-day average price of Cervus' Common Shares prior to the date of grant. The matched component of the Deferred Shares vest over a period of 5 years (50% after 3 years, 25% after 4 years and 25% after 5 years) and is recorded as selling, general and administrative expense as it vests.
- (b) This also includes additional Deferred Shares issued in lieu of dividends on previously issued vested and unvested Deferred Shares, including on Deferred Shares issued in prior years. Pursuant to the Deferred Share Plan, whenever cash dividends are paid on the Common Shares, additional Deferred Shares are credited to the participant's Deferred Share account. For this purpose, the Deferred Shares are valued based on market value of the underlying Common Shares on the date that the participant is entitled to receive the additional Deferred Shares.
- (c) This also includes the MTIP Units earned during 2016 pursuant to the MTIP. The value of the MTIP Units earned is based on the market value of the underlying Common Shares as at December 31, 2016 which was \$15.85 per share.
- (d) The table below details the Share Based Awards for each Named Executive Officer:

		Deferred Shares			
	Year	Deferred Shares – Cervus Match	– Dividends On Prior Grants	MTIP Units	Total
Graham Drake	2016	\$50,000	\$15,451	\$62,758	\$128,209
	2015	\$50,000	\$31,682	\$111,279	\$192,961
	2014	\$50,000	\$29,565	\$200,539	\$280,104
Randall Muth	2016	\$50,000	\$34,924	\$44,236	\$129,160
	2015	\$38,537	\$64,102	\$81,800	\$184,439
	2014	\$50,000	\$55,442	\$147,456	\$252,898
Cal Johnson	2016	\$50,000	\$25,664	\$40,002	\$115,666
	2015	\$31,380	\$50,062	\$71,002	\$152,444
	2014	\$50,000	\$51,432	\$120,913	\$222,345
Corey Leonard	2016	\$50,000	\$36,532	\$15,071	\$101,603
	2015	\$50,000	\$66,658	\$20,388	\$137,046
	2014	\$50,000	\$72,091	\$42,462	\$164,553
Stella Cosby	2016	\$50,000	\$2,485	\$19,918	\$72,403
	2015	\$34,703	\$2,280	-	\$36,983
	2014	\$25,000	-	-	\$25,000

- (2) Represents amounts earned by the Named Executive Officer pursuant to non-equity incentive plans including the Named Executive Officer's portion of contribution to the Deferred Share Plan.
- (3) With respect to "All Other Compensation", one of Cervus' major business lines is the operation of several John Deere dealerships. Consequently, John Deere requires that certain directors and executive officers sign personal guarantees to guarantee the debts of Cervus to John Deere. As an incentive, Cervus pays an annual fee of 3% of the value of the guarantee to the guarantors. The figures in this column include the following guarantee fees to the Named Executive Officers:
- For Graham Drake, \$21,000 in each year.
 - For Randall Muth, \$7,500 in each year.
 - For Cal Johnson, \$7,500 in each year.
 - For Corey Leonard \$15,000 in 2016, \$18,000 in 2015 and \$12,000 in 2014.
 - For Sella Cosby, \$nil years 2016 through 2014.
- (4) Perquisites, other than those reflected in the "Other Compensation" figures, have not been included as they do not reach the prescribed threshold of the lesser of \$50,000 and 10% of the total base salary of the Named Executive Officer for the indicated financial year.
- (5) Represents the aggregate of all annual compensation paid in cash as well as all non-cash compensation paid for the indicated financial year. For further clarity, total compensation does not represent only cash compensation but all compensation paid to the Named Executive Officer for the indicated financial year.
- (6) With respect to the positions of each of the Named Executive Officers:
- Mr. Drake has been the President and Chief Executive Officer of Cervus since April 2012. Prior thereto, Mr. Drake was the Vice President of Operations – Agricultural of Cervus, and its predecessor entities, from 2005 until April 2012.
 - Mr. Muth has been the Chief Financial Officer of Cervus and its predecessor entities since 2005.
 - Mr. Johnson has been Vice President of Operations, Transportation and International of Cervus since July 2015. Mr. Johnson was the Vice President of Operations – Agricultural of Cervus, and its predecessor entities, from April 2012 until July 2015. Prior thereto, he was the General Manager of the Agro Division of Cervus, and its predecessor entities, from 2000 until April 2012.
 - Mr. Leonard has been Vice President of Operations – Agricultural, Canada of Cervus since July 2015. Prior thereto, he was the General Manager of the Agriculture Division (Saskatchewan Region) of Cervus, and its predecessor entities, from November 2003 until July 2015.
 - Ms. Cosby has been Vice President, People of Cervus since July 2014.

Outstanding Share-Based Awards

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

Share-Based Awards ⁽¹⁾			
Name	Number of Shares That Have Not Vested	Market or Payout Value of Share Awards That Have Not Vested ⁽²⁾	Market or Payout Value of Vested Share Based Awards Not Paid Out or Distributed ⁽²⁾
Graham Drake	20,278	\$133,703	\$367,224
Randall Muth	21,151	\$123,497	\$1,312,511
Cal Johnson	19,167	\$112,325	\$952,757
Corey Leonard	18,327	\$122,843	\$1,348,722
Stella Cosby	15,209	\$69,446	\$93,397

Notes:

- (1) With respect to Share-Based Awards in this table:
- (a) This includes Deferred Shares issued by Cervus whether upon the election of the Named Executive Officer to defer a portion of the cash payment otherwise payable under non-equity compensation plans or upon Cervus matching that contribution.
 - (b) This also includes additional Deferred Shares issued in lieu of dividends. Pursuant to the Deferred Share Plan, whenever cash dividends are paid on the Common Shares, additional Deferred Shares are credited to the participant's Deferred Share account.
 - (c) This also includes MTIP Units issued by Cervus pursuant to the MTIP. However, since the performance period for certain of the MTIP Units has not yet been completed, and therefore the performance targets have not yet been achieved, the minimum payout value of those MTIP Units, which is zero, is included in the market or payout value totals but the number of MTIP Units initially awarded and still outstanding is included in the total number of share-based awards that have not vested.
- (2) Based on the market value of the underlying Common Shares as at December 31, 2016 which was \$15.85 per 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.

Name	Option-Based Awards – Value Vested During The Year ⁽¹⁾	Share-Based Awards – Value Vested During The Year ⁽²⁾	Non-Equity Annual Incentive Plan Compensation – Value Earned During The Year ⁽³⁾
Graham Drake	-	\$178,452	\$149,391
Randall Muth	-	\$192,351	\$31,405
Cal Johnson	-	\$173,921	\$25,098
Corey Leonard	-	\$165,496	\$33,519
Stella Cosby	-	\$72,198	\$27,807

Notes:

- (1) Represents the value of options issued by Cervus pursuant to the Option Plan that have vested during the year. For this purpose, the options are valued on the date of vesting based on the market value of the underlying Common Shares on that date. For further information on the Option Plan, see "Equity Compensation Plan Information – Option Plan".
- (2) With respect to Share-Based Awards in this table:
- (a) This includes the Deferred Shares issued by Cervus whether upon the election of the Named Executive Officer to defer a portion of the cash payment otherwise payable under non-equity compensation plans or upon Cervus matching that contribution. For this purpose, the Deferred Shares are valued on the date of vesting based on the market value of the underlying Common Shares.

- (b) This also includes additional Deferred Shares issued in lieu of dividends. Pursuant to the Deferred Share Plan, whenever cash dividends are paid on the Common Shares, additional Deferred Shares are credited to the participant's Deferred Share account. For this purpose, the Deferred Shares are valued based on market value of the underlying Common Shares on the date that the participant is entitled to receive the additional Deferred Shares.
 - (c) This also includes the MTIP Units earned during 2016 pursuant to the MTIP. The value of the MTIP Units earned is based on the ten-day volume weighted average market value of the underlying Common Shares as at December 31, 2016 which was \$15.98 per share.
- (3) Represents amounts earned by the Named Executive Officer pursuant to the non-equity incentive plans excluding any portion deferred into the Deferred Share Plan.

Employment Agreements

Graham Drake and Randy Muth have employment agreements that provides for the following:

1. If the Executive Officer is terminated other than for cause, the Executive Officer will be entitled to receive the higher of:
 - a. An amount up to the Executive Officer's base salary for the last preceding 18-month period prior to the date of termination; or
 - b. An amount up to the Executive Officer's current annual base salary; and
 - i. medical and dental benefits up to 18 months at the same level of coverage received prior to termination; and
 - ii. any earned bonus pro-rated to the date of termination;combined with payment for accrued vacation entitlement.

The above compensation is intended to assist the Executive Officer in bridging to other employment and therefore will be paid monthly until the earlier of: (A) the date the Executive Officer finds other suitable employment; or (B) for a period of 18 months; at which point the payments and benefits stop. In the event the Executive Officer finds other suitable employment prior to the expiry of 18 months Cervus will pay the Executive Officer fifty (50%) percent of any unpaid amounts relating to either of the items referred to above that he would have otherwise been eligible to receive for the unexpired period.

2. In the event of a change of the ownership or control of Cervus resulting in an event or series of events that within an 18 month period after the effective date of such change results in the change of the majority of the board of directors (a "Change in Control"), and the Executive Officer is terminated by Cervus other than for cause, the Executive Officer will be entitled to receive a lump sum payment of an amount equal to the higher of:
 - a. The Executive Officer's base salary for the last preceding 18 month period prior to the date of termination; or
 - b. The Executive Officer's current annual base salary and any earned bonus prorated to the date of termination;plus health and dental benefits for 18 months or until other employer benefits are supplied and combined with payment in lieu of accrued vacation entitlement.

Further, in the event of a Change in Control, the Executive Officer shall be entitled to elect to terminate the Executive Officer's employment agreement and receive the payment provided for in (b) above should such Executive Officer's position, duties and/or responsibilities be materially adversely changed or modified so that the resulting employment conditions, as a whole, are materially adverse to the employment conditions provided for in the Executive Officer's employment agreement.

Cal Johnson, Corey Leonard, and Stella Cosby have employment agreements that provide for the following:

1. If the Executive Officer is terminated not for cause or should terminate for good reason, the Executive Officer will be entitled to receive an amount equal to:

- a. The Executive Officer’s current annual salary divided by 12 and multiplied by the number of completed years that the Executive Officer maintained continuous employment prior to termination (“**Notice Period**”) provided the minimum amount payable is two months; plus
 - b. Any bonus earned by the Executive Officer prior to the date of termination pro-rated to the date of termination; plus
 - c. A bonus amount equal to the average of the annual bonus paid to the Executive Officers over the previous three years prorated by the Notice Period; plus
 - d. A payment in lieu of accrued vacation; and
 - e. Medical and dental benefits for the notice period.
2. If the Executive Officer is terminated or constructively dismissed within 18 months of a Change of Control, the Executive Officer will be entitled to receive an amount equal to the higher of:
 - a. The Executive Officer’s base salary for the preceding 18 months, or
 - b. The Executive Officer’s current base salary and any bonus earned by the Executive Officer pro-rated to the date of termination, plus
 - c. A bonus payment in an amount equal to the average bonus paid to the Executive Officer over the preceding three years; plus
 - d. A payment in lieu of accrued vacation entitlement.

For these executive officers, a “Change of Control” is defined as an event where: (a) any person or groups of persons acting jointly or in concert (other than a wholly owned subsidiary of the Corporation), acquires voting control or direction of 50% or more of the outstanding common shares of the Corporation; or (b) any person or groups of persons acting jointly or in concert (other than a wholly owned subsidiary of the Corporation), acquires all or substantially all the assets of the Corporation; or (c) there is a merger, consolidation, recapitalization or reorganization of the Corporation with or into another entity that results in the inability of shareholders of the Corporation immediately prior to the consummation of the transaction to designate or elect a majority of the board of directors (or its equivalent) of the resulting entity or its parent company.

The table below sets forth certain information with respect to each Named Executive Officer currently employed by Cervus in order to assist the reader in determining the approximate potential payment to each such Named Executive Officer (i) in the event of the termination of such Named Executive Officer’s employment by Cervus other than for cause or (ii) in the event of a Change of Control.

Name	Annual Base Salary For 2016	Approximate Maximum Payment Assuming Termination Without Cause on December 31, 2016	Approximate Maximum Payment Assuming a Change of Control on December 31, 2016 ^{(1) (2)}
	(\$)	(\$)	(\$)
Graham Drake	\$378,101	\$640,250	\$1,011,656
Randall Muth	\$266,513	\$399,770	\$785,007
Cal Johnson	\$241,333	\$501,678	\$748,242
Corey Leonard	\$235,000	\$299,550	\$663,130
Stella Cosby	\$240,000	\$109,265	\$651,056

Notes:

- (1) Pursuant to the Deferred Share Plan, where the executive officer has been terminated without cause, or has resigned for good reason, within 18 months following a “change of control”, all the DSUs credited to the executive officer shall be deemed to have vested and shall be deemed to have been redeemed by the executive officer on the termination date.
- (2) Pursuant to the Mid-Term Incentive Plan, where the executive officer has been terminated without cause, or has resigned for good reason, within 18 months following a “change of control”, all the MTIP units credited to the executive officer shall be deemed to have vested and the MTIP Unit performance factors will be deemed to be 100%. As soon as practicable following such termination or resignation of the executive officer and in any event prior to December 31 of the third year following the year for which the award was earned, the executive officer shall be entitled to a cash payment (if any) equal to the market value of the vested MTIP Units determined as at the date of the executive officer’s termination or resignation.

Executive Share Ownership Requirements

Further demonstrating Cervus' compensation philosophy to align the interests of its executive officers and senior managers with those of its shareholders, Cervus has adopted a share ownership policy that requires each of them to hold qualifying securities (being Common Shares, vested and unvested Deferred Shares and 50% of unvested MTIP Units) with a value equal to a multiple of the annual salary paid to that individual as set out in the table below.

Position	Minimum Value of Qualifying Securities
CEO	4x annual base pay
All executives reporting to the CEO	2x annual base pay
General Managers, Operations Managers, Director Level	1x annual base pay

For the purposes of determining whether these requirements have been met, the individual's then current annual salary is used and each qualifying security held is valued at the greater of (i) the fair market value of the Common Shares as traded on the Toronto Stock Exchange at the time valuation is measured or (ii) 90% of the highest price of the Common Shares as traded on the TSX over the three previous years; with the Deferred Shares and MTIP Units being valued based on the number of Common Shares underlying such securities at the time of the valuation.

Each individual has five years from the time of his or her initial appointment to reach the target. Individuals who have not met the share ownership requirement must not sell Common Shares and must retain Common Shares that vest pursuant to the terms of the Deferred Share Plan until the requirements are met. Furthermore, the CEO, and all executives reporting to the CEO, are required to hold qualifying securities equal to one half the minimum share ownership requirement for a period of 12 months following the date of their retirement from Cervus.

In 2016, all Named Executive Officers either met this requirement, or were within the compliance window. The table below summarizes the qualifying securities held by each Named Executive Officer as at December 31, 2016.

Name	Ownership at December 31, 2016								
	Qualifying Securities				Multiple of Retainer				
	Common Shares (\$) ⁽¹⁾	Deferred Shares (\$) ⁽²⁾	MTIP Units (\$) ⁽³⁾	Total (\$)	Base Salary (\$)	Actual Multiple	Required Multiple	Meets Requirement	Compliance Deadline
Graham Drake	9,725,639	445,876	218,603	10,390,118	378,101	27.4x	4x	Yes	Immediate
Randall Muth	1,076,516	1,397,193	127,656	2,601,365	266,513	9.7x	2x	Yes	Immediate
Cal Johnson	2,663,846	1,029,885	115,483	3,809,214	241,333	15.7x	2x	Yes	Immediate
Corey Leonard	328,539	1,469,343	100,861	1,898,743	235,000	8.0x	2x	Yes	July 6, 2020
Stella Cosby	28,308	144,695	105,418	278,421	240,000	1.1x	2x	No	July 1, 2019

Notes:

- (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 December 31, 2016.
- (2) These amounts include both vested and unvested Deferred Shares and were determined by multiplying the applicable number of Deferred Shares by the closing price of the underlying Common Shares on the Toronto Stock Exchange on December 31, 2016.
- (3) These amounts include 50% of the unvested MTIP Units held by the Named Executive Officer and were determined by multiplying the applicable number of MTIP Units by the closing price of the underlying Common Shares on the Toronto Stock Exchange on December 31, 2016.

For further information on Cervus' share ownership requirements for its directors, see the section of this Management Information Circular entitled "Information About Director Nominees - Director Share Ownership Requirements".

DIRECTOR COMPENSATION

General

The directors, other than any director who is an employee of Cervus or its subsidiaries, are entitled to compensation for their services rendered in their capacities as directors of Cervus. The Human Resources and Compensation Committee is also responsible for, among other items, periodically reviewing the adequacy and form of compensation of directors and for making recommendations to the Board on such compensation. The committee, and the Board, considers the time commitment, risks and responsibilities of directors and takes into account the types of compensation and the amounts paid the peer companies used to benchmark executive compensation.

The following table summarizes the annual fees paid by Cervus to the directors, other than the President and CEO, for their services as directors of the company during the 2016 financial year.

Item	2016 Fee
Member of Board - Annual Retainer ⁽¹⁾	\$30,000
Member of Audit Committee (except Chair)	Plus \$3,000
Member of Human Resources and Compensation Committee (except Chair)	Plus \$3,000
Member of the Governance and Nominating Committee (except Chair)	Plus \$3,000
Lead Independent Director	Plus \$4,000
Chair of Audit Committee	Plus \$6,000
Chair of Human Resources and Compensation Committee	Plus \$4,000
Chair of the Governance and Nominating Committee	Plus \$4,000
Chairman of the Board	\$100,000

Notes:

(1) Pursuant to the Deferred Share Plan, the directors are also eligible for a match of 100% of their fees if they elect to receive those fees in Deferred Shares in lieu of cash. However, note that the Board currently has a policy limiting the amount of the fees that each director may elect to receive in Deferred Shares to 50% of the annual retainer.

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.

Director Compensation Table

The following table sets forth all compensation earned for the most recently completed financial year of Cervus by each of the directors, other than the President and CEO, in their capacities as directors of Cervus.

Name ⁽¹⁾	Fees Earned ⁽²⁾	Share-Based Awards ⁽³⁾	Option-Based Awards	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
Peter Lacey	\$100,000	\$37,406	-	-	-	\$137,406
Steven M. Collicutt	\$37,000	\$20,274	-	-	-	\$57,274
Larry Benke	\$37,000	\$18,306	-	-	-	\$55,306
Donald W. Bell	\$40,000	\$19,888	-	-	-	\$59,888
Angela Lekatsas	\$39,000	\$16,999	-	-	-	\$55,999

Notes:

- (1) Graham Drake, the President and CEO of Cervus, is also a director of Cervus but is not entitled to additional compensation for director duties. For a summary of the compensation paid to Mr. Drake in his capacity as President and CEO, see "Executive Compensation".
- (2) With respect to Fees Earned, this represents the cash amounts earned by the director for director fees including any portion deferred into the Deferred Share Plan.
- (3) With respect to Share-Based Awards in this table:
 - (a) This includes the Deferred Shares issued by Cervus in matching the contribution of the director to the Deferred Share Plan (i.e. directors may elect to be paid up to hundred percent (50%) of their annual retainer in the form of Deferred Shares) but does not include the Deferred Shares issued upon the election of the director to defer a portion of the cash payment otherwise earned by the director for director fees. For this purpose, the Deferred Shares issued are valued based on the grant date fair value of the award.
 - (b) This also includes additional Deferred Shares issued in lieu of dividends on previously issued Deferred Shares, including on Deferred Shares issued in prior years. Pursuant to the Deferred Share Plan, whenever cash dividends are paid on the Common Shares, additional Deferred Shares are credited to the participant's Deferred Share account. The figures in this column include the value of the additional Deferred Shares issued to directors in these circumstances. For this purpose, the Deferred Shares are valued based on market value of the underlying Common Shares on the date that the participant is entitled to receive the additional Deferred Shares.
 - (c) The table below details the Share Based Awards for each listed director.

	Deferred Shares – Cervus Match	Deferred Shares – Dividends on Prior Grants	Total
Peter Lacey	\$25,000	\$12,406	\$37,406
Steven M. Collicutt	\$15,000	\$5,274	\$20,274
Larry Benke	\$15,000	\$3,306	\$18,306
Donald W. Bell	\$15,000	\$4,888	\$19,888
Angela Lekatsas	\$15,000	\$1,999	\$16,999

Outstanding Share-Based Awards

The following table indicates for each director, other than the President and CEO, all Common Share-based awards outstanding at the end of the most recently completed financial year pursuant to Cervus' Deferred Share Plan.

Deferred Share Plan Share-Based Awards ⁽¹⁾			
Name	Number of Shares That Have Not Vested ⁽²⁾	Market or Payout Value of Share Awards That Have Not Vested ⁽²⁾	Market or Payout Value of Vested Share Based Awards Not Paid Out or Distributed ⁽³⁾
Peter Lacey	2,648	\$41,971	\$460,463
Steven M. Collicutt	-	-	\$222,217
Larry Benke	-	-	\$147,256
Donald W. Bell	-	-	\$207,409
Angela Lekatsas	-	-	\$96,784

Notes:

- (1) With respect to Share-Based Awards in this table:

- (a) This includes the Deferred Shares issued by Cervus whether upon the election of the director to defer a portion of the cash payment otherwise payable under non-equity compensation plans or upon Cervus matching that contribution.
- (b) This also includes additional Deferred Shares issued in lieu of dividends. Pursuant to the Deferred Share Plan, whenever cash dividends are paid on the Common Shares, additional Deferred Shares are credited to the participant's Deferred Share account.
- (2) All Deferred Shares issued to directors vest 100% immediately upon the date of grant.
- (3) Based on the market value of the underlying Common Shares as at December 31, 2016 which was \$15.85 per share.

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes certain information as of March 14, 2017 regarding compensation plans of Cervus under which equity securities of Cervus are authorized for issuance.

Plan Category	Number of Shares to be issued upon exercise of outstanding options, warrants and rights (a)	Number of Shares to be issued upon exercise of outstanding options, warrants and rights as percentage of issued and outstanding Shares (b)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders – Deferred Share Plan ⁽¹⁾	743,559	4.72%	N/A	1,000,443
Equity compensation plans approved by securityholders – Option Plan ⁽²⁾	-	0%	N/A	80,501
Total	743,559	4.75%		1,080,944

Notes:

- (1) See the description under “Deferred Share Plan” below. As currently constructed, the number of Common Shares reserved for issuance pursuant to the Deferred Share Plan shall be, but shall not exceed, 1,250,000 which is approximately 7.93% of the number of Common Shares currently issued and outstanding. As at March 14, 2017, 249,557 Common Shares have been issued on the redemption of Deferred Shares issued under the Deferred Share Plan leaving 1,000,443 Common Shares remaining available for issuance. Further, as at March 14, 2017, 743,559 Deferred Shares remain outstanding under the Deferred Share Plan and can be redeemed for Common Shares on a one for one basis.
- (2) See the description under “Option Plan” below. As currently constructed, the number of Common Shares reserved for issuance pursuant to the Option Plan shall be, but shall not exceed, 152,500, which is approximately 1.0% of the number of currently issued and outstanding Common Shares. As at March 14, 2017, 71,999 Common Shares have been issued pursuant to the Option Plan leaving 80,501 Common Shares remaining available for issuance. As at March 14, 2017, there were no options outstanding to acquire Common Shares under the Option Plan.

Deferred Share Plan

The Board adopted the Deferred Share Plan effective October 21, 2009, as amended from time to time, 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 Cervus 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. Under 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 Cervus to that director in a calendar year for service, together with committee fees, attendance fees and additional fees and retainers to committee chairs (note: the Board currently has a policy limiting the amount of the annual retainer and other fees that each director may elect to receive in Deferred Shares to 50% of the annual retainer); and
- (b) in respect of an officer or employee, the annual bonus paid by Cervus to that officer or employee in a calendar year (note: the Board currently has a policy limiting the amount of the annual bonus that each officer and employee may elect to receive in Deferred Shares \$50,000);

in the form of Deferred Shares in lieu of cash provided that Cervus shall match a percentage of the Elected Amount for each participant up to 100%, such percentage to be determined by the Human Resources and 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 Cervus as determined by the Human Resources and Compensation Committee (the “**Matched Amount**”).

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 Cervus 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 issued in consideration of the Matched Amount shall vest 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. To date, all Deferred Shares granted members of the Board have vested immediately.

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, retirement or death, causing the participant to be no longer a director, officer or employee of Cervus or one of its subsidiaries (the “**Termination Date**”) or at any other time with the consent of the Human Resources and Compensation Committee. 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 Human Resources and Compensation Committee is first obtained which consent may be granted or withheld by the Human Resources and Compensation Committee in its sole discretion. On the death of a participant all the Deferred Shares credited to a participant’s Deferred Share Account shall be deemed to have vested and shall be deemed to have been redeemed by the Participant’s estate on the Termination Date. In the case of retirement of the participant, it is the current policy of the Board to allow the Deferred Shares issued pursuant to the matching of Cervus of the Elected Amounts of the participant to continue to vest in accordance with the vesting schedule previously determined by the Board. However, on the date that a participant commences employment with a

competitor of Cervus, 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 Cervus (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 Cervus equal to the whole number of Deferred Shares then recorded in the participant's Deferred Share account, net of any applicable withholding taxes. Cervus 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 Cervus, 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.

The number of Common Shares reserved for issuance pursuant to the Deferred Share Plan shall be, but shall not exceed, 1,250,000. However, (i) at no time shall the number of Common Shares reserved for issuance to insiders of Cervus 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 Cervus 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 Cervus 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 Human Resources and 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 Cervus 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.

On August 9, 2016, the Board approved certain administrative amendments to the Deferred Share Plan, none of which require shareholder approval. A summary of the amendments are as follows:

- To align the definitions of termination for “cause”, resignation for “good reason”, “change in control”, and “reorganization” across Cervus’ various executive compensation plans;
- To clarify the discretionary alternatives available to the Board to allow Cervus or any successor to redeem or replace Deferred Shares in the event of a reorganization of Cervus.
- To replace the single trigger for vesting of Deferred Shares on a change in control with a double trigger (i.e. a change in control followed by termination without cause or resignation for good reason); and
- To require annual approval by the Human Resources & Compensation Committee of all Deferred Share Plan participants.

On March 14, 2017, the Board approved an amendment to the Deferred Share Plan to reserve and set aside an aggregate of 379,557 additional Common Shares for issuance under the plan by replenishing 249,557 previously granted and redeemed deferred share awards and increasing the number of Common Shares reserved and set aside for issuance under the plan from 1,250,000 to 1,380,000 (representing approximately 8.75% of the issued and outstanding Common Shares). Board approval of the Plan Amendment is conditional upon receiving approval of the shareholders.

Option Plan

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

The Option Plan is administered by the Human Resources and Compensation Committee of the Board pursuant to rules of procedure, if any, fixed by the Board. Pursuant to the terms of the Option Plan, directors, officers, consultants, employees and management company employees of Cervus 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 Cervus by encouraging participants to acquire Common Shares, thereby increasing their proprietary interest in Cervus, encouraging them to remain associated with Cervus and providing them with additional incentive in their efforts on behalf of Cervus 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, 152,500. 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 Cervus, at any one time shall not exceed five percent (5%) of the outstanding Common Shares in the capital of Cervus from time to time. The Option Plan also provides that the number of Common Shares that may be issued to consultants of Cervus within a 12 month period shall not exceed two percent (2%) of the outstanding Common Shares in the capital of Cervus from time to time. The number of Common Shares reserved for issuance pursuant to the Option Plan in respect of all options granted to all insiders (as that term is defined in the *Securities Act* (Ontario)) of Cervus ("**Insiders**"), together with any Common Shares reserved for issuance to Insiders pursuant to any other previously established or proposed share compensation arrangement of Cervus, at any one time shall not exceed ten percent (10%) of the issued and outstanding Common Shares in the capital of Cervus from time to time. The number of Common Shares that may be issued to Insiders of Cervus within any one year period pursuant to the Option Plan or any other previously established or proposed share compensation arrangement of Cervus shall not exceed ten percent (10%) of the issued and outstanding Common Shares in the capital of Cervus 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 Cervus within a one year period shall not exceed five percent (5%) of the issued and outstanding Common Shares in the capital of Cervus from time to time.

The exercise price of the Common Shares subject to each option shall be determined by the Human Resources and Compensation Committee 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 Human Resources and Compensation Committee 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 Cervus, 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 Cervus 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 Cervus 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 Human Resources and Compensation Committee 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. Where the participant has died all options held by the participant at the time of death shall be deemed to have vested immediately prior to his or her death. If within eighteen (18) months of a "change in control", the participant is terminated without cause or the participant resigns for good reason, all options held by the participant at the time of such termination or resignation shall be deemed to have vested immediately prior to such termination or resignation.

In the event of a reorganization of Cervus, any proportionate adjustments to reflect the changes effected by the reorganization shall be made by the Board with respect to the rights of participants under the Option Plan, such proportionate adjustments to be as determined by the Board in its discretion acting reasonably.

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 Cervus 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 Cervus 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 Cervus);
- (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 Cervus 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 Cervus' 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.

On August 9, 2016, the Board approved certain administrative amendments to the Option Plan, none of which require shareholder approval. A summary of the amendments are as follows:

- To align the definitions of termination for "cause", resignation for "good reason", "change in control", and "reorganization" across Cervus' various executive compensation plans;
- To clarify the discretionary alternatives available to the Board to allow Cervus or any successor to redeem or replace Options in the event of a reorganization of Cervus; and

- To implement an automatic vesting of options upon the death of a participant and a double trigger for vesting of Options on a change in control (i.e. a change in control followed by termination without cause or resignation for good reason).

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No individual who is, or at any time during the most recently completed financial year of Cervus was, a director or executive officer of Cervus or of any of its subsidiaries, nor any proposed nominee for election as a director of Cervus, 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 Cervus, indebted to Cervus or any of its subsidiaries; or
- (b) is, or was at any time since the beginning of the most recently completed financial year of Cervus, 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 Cervus or any of its subsidiaries.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No “informed person” nor any proposed director nor any associate or affiliate of any “informed person” or proposed director of Cervus has had any material interest, direct or indirect, in any transaction since the commencement of Cervus’ most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Cervus or any of its subsidiaries. For the purposes of the foregoing, “**informed person**” means: (a) a director or executive officer of Cervus; (b) a director or executive officer of Cervus of a person or company that is in itself an informed person or subsidiary of Cervus; and (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares of Cervus.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than the election of directors, none of the directors or executive officers of Cervus, 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 2017 Annual General Meeting.

ADDITIONAL INFORMATION

Additional information relating to Cervus may be found on SEDAR at www.sedar.com including additional financial information which is provided in Cervus’ comparative financial statements and management’s discussion and analysis for its most recently completed financial year. Shareholders may contact Cervus at any time to receive a copy of Cervus’ comparative financial statements and management’s discussion and analysis for its most recently completed financial year or any document or portion thereof that has been incorporated by reference herein. Any such request should be made to the Chief Financial Officer of Cervus at Harvest Hills Business Park, 5201, 333 - 96 Avenue NE, Calgary, AB T3K 0S3 and facsimile (403) 567-0339.

BOARD APPROVAL

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

Calgary, Alberta
March 14, 2017



SCHEDULE A BOARD OF DIRECTORS TERMS OF REFERENCE

Part I: Overview

Cervus' governance structure is based on the principle that the management team manages the day to day operations of the company while the Board of Directors supervise the management of Cervus' business and affairs.

The Board is responsible for the selection and evaluation of the management team and overseeing:

- development of the strategic direction;
- Cervus' policy framework which underpin the operations and behaviours of the company;
- standards of conduct;
- compliance with applicable laws;
- standards for financial practices and reporting;
- standards to assess the operations of the business; as well as,
- other standards for the conduct of the business as it deems necessary and in the best interests of Cervus.

As such, the Board ensures policies and processes are in place and are properly functioning with respect to:

- strategic planning;
- asset safeguards and asset allocation;
- risk identification and management;
- the quality and continuity of Executive Management;
- effective stakeholder relationships and communication;
- the integrity of internal controls; and,
- management information systems.

These responsibilities, and others, are further addressed in this document.

The Board delegates specific responsibilities to Committees of the Board. These responsibilities of the Committees, which are defined in written mandates, empower the Committees to advise and formulate recommendations to the Board; but, generally, do not allow the Committees the authority to approve matters on behalf of the Board. The mandates also set out the scope of operations and key roles and responsibilities of the Committees.

Certain regulations and legislation require the Board to consider specific matters that can't be delegated to Committees. These include:

- shareholder proposals that require approval of the shareholders;
- appointment of Directors to fill a vacancy;
- appointment of additional Directors;
- appointment of external auditors;
- issuance of securities;
- purchase, acquisition or redemption of Cervus' shares;
- declaration of dividends;
- approval of the audited annual or unaudited quarterly financial statements, as well as, related Management Discussion and Analysis and press releases;
- approval of Cervus' core public disclosure documents as required by securities regulations, including: Annual Information Forms, Annual Reports and Management Proxy Circulars;
- approval of any prospectus or other similar public offering document;
- approval of any take-over bid circular, issuer bid circular, directors' circular or rights offering circular; and,
- the adoption, amendment or repeal of bylaws.

Position descriptions for the chair of each of the Committees and the Chair of the Board define the framework of accountability for key governance roles. The Chair of the Board may be an Executive Officer or Non-executive Officer of Cervus.

The Board explicitly defines the responsibilities delegated to the Chief Executive Officer, as well as, those reserved for the Board. While the Board has plenary power and may modify delegated responsibilities at its discretion, the CEO's delegated responsibilities enable leadership and day-to-day management of Cervus. The Board, in conjunction with the CEO, determines the policies and processes required to manage key operations and behaviours of the company. The CEO develops and presents these policies and processes to the Board for approval, along with proposed actions as may be required.

The Board stewards Cervus' performance by approving and monitoring strategies, plans and goals, as well as, monitoring other key policies and processes fundamental to the operations and behaviours of the business. The CEO is guided by the strategies, plans and goals and keeps the Board informed as to the progress against these objectives. The Board continually evaluates Executive Management's performance relative to these objectives.

Part II: Board Guidelines

The Board exercises governance based on the following guidelines:

- The Terms of Reference for the Board and the Committee mandates define Cervus' governance process and are reviewed annually and updated as appropriate. These documents are supplemented by position descriptions for the Board Chair and Committee Chairs.
- While the CEO is responsible for leading the development of long-term strategies, the Board and Committees contribute to strategy discussions and ultimately approve the strategy. On an annual basis or more frequently if required, the Board:
 - reviews and approves Cervus' strategic plans taking into account opportunities and risks related to the business as well as other factors; and
 - reviews operating and financial performance relative to the strategy, plans and goals.
- The Board believes that the appropriate size for the Board is between five and seven members.
- Directors stand for re-election annually.
- Individual or groups of Directors may 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 Nominating and Governance Committee. The authorizing entity will establish reasonable monetary limits and other controls as appropriate.
- The Board should be comprised of a majority of independent Directors. The Board has adopted the definition of independent director as specified by the Canadian Securities Administrators. Annually, the Board will confirm the independence of individual Directors based on this criteria.
- A Director may not stand for election or re-election if he or she is 75 years of age or older on or before the date of the annual meeting. Regardless of age, the Board expects high standards of performance of all Directors, and may replace Directors who do not meet these standards.
- 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 assessment will consider:
 - the performance of the business;
 - the qualitative and quantitative accomplishments of the CEO relative to objectives established at the beginning of each fiscal year; as well as,
 - the creation and fostering of a culture of integrity within Cervus.

- The Board will evaluate the performance of the Board at least annually with the objective of holding the Board accountable for the fulfillment of its roles and responsibilities.
 - 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 meeting should 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 Management Proxy Circular, Annual Information Form and other annual disclosure documents.
 - Whenever feasible, the Board will receive materials at least one full week in advance of Board and Committee meetings. During the meetings, discussions should focus on questions and answers; therefore presentations should briefly summarize the more substantive materials sent to Directors in advance of the meeting. Directors are expected to have reviewed these materials in advance of the meetings and be prepared to provide considered, constructive and thoughtful feedback and commentary at the meetings.
 - Board meeting dates will be established sufficiently in advance to minimize conflict with Directors' other commitments. Directors are 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 his or her duties effectively.
 - The Board encourages the CEO to bring other Executives into Board meetings in order to provide additional insights based on the Executives' familiarity with the agenda items. Exposure to these Executives assists the Board in its succession planning and career development discussions.
18. The Board is responsible for nominating Directors for shareholder approval, assessing the performance of individual Directors, as well as, assessing the effectiveness of Board Committees and the Board as a whole. The Nominating and Governance Committee is delegated responsibility for screening and identifying Director candidates. The Nominating and Governance Committee and Board consider the following selection criteria:
- the competencies and skills the Board, as a whole, should possess and related skill gaps;
 - the competencies and skills each new nominee will bring to the Board; as well as,
 - the nominee's ability to devote sufficient time and attention to fulfilling the role of Director.
19. The Board supports the principle that its membership should represent a diversity of backgrounds, experience and skills.
20. Succession and management development plans will be reviewed by the Human Resources and Compensation Committee, and reported on annually to the Board.
21. At any time during a Board meeting, a member of the Board may request an "in camera" meeting which excludes Management.

Part III: Committee Guidelines

Committees exercise governance based on the following guidelines:

- The Board has three standing committees: The Audit Committee, the Nominating and Governance Committee and the Human Resources and Compensation Committee. 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 Nominating and Governance Committee for recommendation to the Board.

- The Nominating and 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. Committee memberships are considered annually on or about the time of the annual general meeting with the intent to alternate committee participation to allow Directors to gain cross-Committee experience.
- A majority of the members of a Committee shall constitute a quorum for meetings of Committees unless otherwise determined by the Board.
- 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.
- Each Committee shall have the power to determine its own rules of procedure unless otherwise specified in this document.
- Unless otherwise exempted from these requirements under applicable Canadian securities legislation:
 - the Audit Committee will consist entirely of independent Directors; and,
 - all members of the Audit Committee must be, in the judgment of the Board, financially literate.
- The Human Resources and Compensation Committee will consist entirely of independent Directors.
- The Nominating and Governance Committee shall consist of a majority of independent Directors.
- Where the Board Chair serves as a non-executive Board Chair, he or she is an ex-officio of all Committees of which he or she is not a listed member. Where the Board Chair is an Executive Board Chair, he or she is an ex-officio of the Nominating and Governance Committee alone if he or she is not a listed member of the Committee.
- At any time during a Committee meeting, a member of the Committee may request an “in camera” meeting which excludes Management. The Committee Chair shall chair such “in camera” meetings.

Part IV: Mandate of the Board Objectives and Responsibilities

The Board’s fundamental objectives are to: enhance and preserve long-term shareholder value, ensure Cervus meets its obligations on an ongoing basis; and ensure Cervus operates in a reliable and safe manner.

To achieve these objectives, the Board ensures policies and processes are in place and are properly functioning to oversee the operations and behaviours of the company with respect to:

- strategic planning;
- asset safeguards and asset allocation;
- risk identification and management;
- the quality and continuity of Executive Management;
- effective stakeholder relationships and communication;
- the integrity of internal controls; and,
- management information systems.

Additional responsibilities include the following:

- 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 by:
 - representing and safeguarding the interests of all shareholders taking into account the interests of employees, customers, suppliers, and the general public; and,
 - monitoring and improving shareholder return and security of investments, as well as, the prospects of enhanced shareholder value.
2. Supervise the management of Cervus' business and affairs by:
 - overseeing Cervus' fundamental policies and processes as identified above;
 - determining Cervus' mission, strategies, objectives and scope of operations; and, monitoring attainment of these objectives and taking corrective action as required;
 - reviewing and approving budgets and operating plans;
 - approving major capital investments;
 - monitoring operating and financial performance;
 - declaring dividends;
 - 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. Ensure the continuity and quality of Executive Management by:
 - assessing the performance of the CEO and ensuring the CEO is properly assessing other Executives;
 - ensuring succession and development plans are adequate for the CEO and other Executives; and,
 - ensuring a quality Executive Management team is in place by approving appointments and taking corrective action as required.
4. Ensure that the CEO is managing organizational capability to deliver financial results for current and future success, including the following capabilities:
 - management competence, depth of talent and effective organization structure;
 - processes, technology and assets to support the business;
 - marketing, promoting customer loyalty, market knowledge and strong Original Equipment Manufacture relationships;
 - work force and employee relations;
 - financial resources, including relations with the financial community; and,
 - reputation.
5. 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.
6. Identify both current and emerging risks of Cervus' business and ensure policies and processes are in place to effectively manage these risks.
7. Ensure that policies and processes are in place to monitor and maintain the integrity of Cervus internal control and management information systems.
8. Ensure appropriate environmental, health and safety policies and processes are in place to monitor and respond to concerns, having regard to legal, industry and community standards.

9. Ensure policies and processes are in place to promote relationships and communication with stakeholder groups; and, respond to their feedback. Stakeholders include, but are not limited to: Shareholders and the investing public; governments; employees; the financial community; and, the communities in which Cervus operates.
10. Collectively and individually respond constructively to requests for advice and assistance from the CEO.
11. Ensure Management is establishing and maintaining a high standard of legal and ethical conduct by:
 - taking reasonable steps to ensure that Cervus complies with applicable laws and regulations 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;
 - ensuring proper policies and processes are in place and are functioning properly to monitor performance in this area; and,
 - ensuring all employees act honestly and in the best interests of Cervus by exercising care and diligence.
12. Manage Board operations, including the following:
 - fix the size of the Board, review its composition, identify new nominees to the Board as required and obtain shareholder approval;
 - elect a Board Chair, Committees members 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 structure of agendas and how meeting time is spent;
 - meet legal requirements with respect to corporate administration;
 - evaluate the performance of the Board at least annually with the objective of holding the Board accountable for fulfilling its roles and responsibilities;
 - periodically, and not less than annually, review the Terms of Reference for the Board and make changes when necessary; and,
 - develop and approve an annual work plan for the Board.

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: August 11, 2015

Last reviewed: August 9, 2016

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 can reasonably be expected to be encountered in 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 such that he or she gained experience related to filings required by securities laws;
- the person's level of competency in understanding and interpreting financial statements of public companies; and,
- other relevant qualifications or experience that would assist him or her in understanding and evaluating Cervus' financial statements and other financial information, and make informed inquiries as to whether:
 - the financial statements fairly present the financial condition, results of operations and cash flows of Cervus in accordance with International Financial Reporting Standards; and,
 - the financial statements and other financial information, taken together, fairly present the financial condition, results of operations and cash flows of Cervus.