NOTICE OF THE MAY 23, 2017 ANNUAL MEETING OF SHAREHOLDERS AND MANAGEMENT INFORMATION CIRCULAR

TO BE HELD AT:

#600 - 4820 Richard Road SW
Calgary Alberta
at 2:00 pm

Dated: April 4, 2017

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the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for, against or withhold) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy and law requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers in Canada now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his, her or its broker, a Beneficial Shareholder may attend the Meeting as proxy holder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxy holder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to Shareholders in this Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

Voting of Proxies

Each Shareholder may instruct his, her or its proxy how to vote his, her or its Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted for or against or withheld from voting (including the voting on any ballot) in respect of each proposed resolution, as the case may be, and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification on any ballot that may be called for. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Board of Directors of the Corporation is not aware of any amendments to, variations of, or other matters which may come before the Meeting. In the event that any amendment to, variation of, or other matter comes before the Meeting, the Management Designees will vote in accordance with their judgment.

To the knowledge of the Directors and the executive officers of the Corporation, as at the Effective Date, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the votes attached to the Common Shares except as set out in the following table:

Name	Type of Ownership	Number of Common Shares Owned, Controlled or Directed at the Effective Date	Percent of Outstanding Common Shares
HMQ, Alberta Investment Management Co. Edmonton, Alberta	Beneficial	4,285,700[(1)]	15.86%
Letko, Brosseau & Associates Inc. Montreal, Québec	Beneficial	4,662,317[(2)]	17.25%

Notes:

(1) Based on the Alternative Monthly Report under Part 4 of National Instrument 62-103 *The Early Warning System and Related Take-over Bid and Insider Reporting Issues* ("**NI 62-103**") filed with the securities regulatory authorities by HMQ c/o Alberta Investment Management Corporation on December 8, 2011.

(2) Based on the Alternative Monthly Report under Part 4 of NI 62-103 filed with the securities regulatory authorities by Letko, Brosseau & Associates Inc. on July 7, 2016. No subsequent filings have been noted to the Effective Date.

MATTERS TO BE ACTED UPON AT THE MEETING

If you appoint as your proxy the Management Designees set out in the enclosed Instrument of Proxy, and do not specify how you want your Common Shares to be voted, your Common Shares will be voted FOR each matter set out in the Instrument of Proxy. As of the date hereof, the Board of Directors of the Corporation (the "**Board**" or the "**Board of Directors**") is not aware of any amendments to, variations of, or other matters which may come before the Meeting. In the event of any amendment to, variation of, or other matter coming before the Meeting, the Management Designees will vote in accordance with their judgment.

A. Financial Statements

The Board of Directors has approved the audited financial statements of the Corporation for the year ended December 31, 2016 and the report of the Auditor thereon, a copy of which has previously been delivered to all registered Shareholders, except those who have asked not to receive it, and to Beneficial Shareholders who have requested it. A copy of the audited financial statements is also available on the Corporation's website at www.stuartolson.com under the "Investor Relations" tab and under the Corporation's profile on SEDAR at www.sedar.com.

B. Fix the Number of Directors and the Election of Directors

The Articles of the Corporation provide that the Corporation shall have not less than three (3) and no more than fifteen (15) Directors. Shareholders will be asked to consider and, if deemed advisable, pass, with or without variation, an ordinary resolution fixing the number of Directors to be elected at the Meeting at eight (8). In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by the Shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that eight (8) Directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. For further information in respect of each of the nominees see the disclosure under the section of this Circular titled "About the Nominated Directors". The following are the names of the proposed nominees for election as Directors:

Richard T. Ballantyne	**Albrecht W.A. Bellstedt**	**Chad Danard**	**Rod W. Graham**
Wendy L. Hanrahan	**David LeMay**	**Carmen R. Loberg**	**Ian M. Reid**

All of the nominees have indicated their willingness to serve on the Board. Management knows of no reason why a nominee would be unavailable for election. However, if a nominee is not available to serve at the time of the Meeting, **the proxies held by Management Designees will be voted for another nominee in their discretion unless the Shareholder has specified in his, her or its form of proxy that his, her or its Common Shares are to be withheld from voting in the election of Directors.**

Management and the Board recommend that you vote "FOR" these Director nominees. **The Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR each of these nominees, unless directed otherwise by a proxy holder, or such authority is withheld.**

C. Appointment of Auditors

The Board of Directors and Audit Committee recommend appointing Deloitte LLP as Auditor (the "**Auditor**") for 2017. Deloitte LLP has served as Auditor of the Corporation for the past twenty-seven years. Representatives of the Auditor will be present at the Meeting and will be given the opportunity to answer any questions. **Unless directed otherwise by a proxy holder, or such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution appointing Deloitte LLP as Auditor of the Corporation for the ensuing year,** to hold office until the close of the next annual general meeting of Shareholders. The Management Designees also intend to vote the Common Shares represented by any such proxy in favour of a resolution authorizing the Board of Directors to fix the compensation of the Auditor.

D. Other Business

Management does not intend to present any other business at the Meeting and is not aware of changes to the proposed matters or other matters which may be presented for action. If changes or other matters are properly brought before the Meeting, your proxy holder will vote on them using his or her best judgment.

Chad Danard
Age: 37
Calgary, Alberta
Director Since: May 22, 2014
Independent: Yes

Mr. Danard is a Managing Director at TriWest Capital Partners, a Calgary-based private equity firm that has raised over $1.25 billion of committed capital across five funds. Mr. Danard is involved in all aspects of TriWest's investing activities and has participated as a director of a number of current and former TriWest portfolio companies. Prior to joining TriWest in 2005, Mr. Danard worked at Morgan Stanley in the Global Energy and Utility Group in New York and in the Canada Group in Toronto. While at Morgan Stanley, Mr. Danard was involved in a variety of mergers and acquisitions-related strategic advisory assignments, equity offerings and both private and public debt financings. He received a Bachelor of Commerce degree (finance concentration) from the Queen's University School of Business, where he graduated as the top ranked student in the program.

Board/Committee Member During 2016	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:	
Board Audit Human Resources and Compensation	7 of 7 5 of 5 3 of 3	13 of 13	100%	Edgefront Real Estate Investment Trust	2014 - 2015

Securities Held (at a price of $5.83 and $5.69 per Common Share as at December 31, 2016 and December 31, 2015, respectively):

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements
2016	40,561	57,694	98,255	$150,000	$722,827	Yes
2015	37,340	33,386	70,726	$150,000	$552,431	Yes
Change	**3,221**	**24,308**	**27,529**	**-**	**$170,396**	**-**

Rod W. Graham, CFA, MBA
Age: 49
Calgary, Alberta
Director Since: May 23, 2013
Independent: Yes

Mr. Graham has been the President and Chief Executive Officer of Horizon North Logistics Inc. (a resource development service company) since November 2014, after having served as its Senior Vice President, Corporate Development and Planning since January 2014. Prior thereto, Mr. Graham was the President and CEO of ZCL Composites Inc. (ZCL-T) (a fiberglass tank manufacturer) from September 2010 until August 2012. Prior to that Mr. Graham was a co-founder and from 2005 until 2010 was the managing director of Northern Plains Capital Ltd., a private equity firm. Prior to that, he held various positions with ARC Financial Corporation and its predecessor, PowerWest Financial, from 1991 to 2004, including Senior Vice President and Director of ARC Financial.

Mr. Graham currently serves on the Board of Directors of Horizon North Logistics Inc., Raise Production Inc., First Industries and Corrosion Abrasion Solutions Ltd. During his career, Mr. Graham has sat on numerous public and private oilfield service boards including Innicor Subsurface Technologies Inc., C-Tech Oil Well Technologies Inc., Technicoil Inc, Iron Derrickman, BOS Solutions, Corlac Inc and Tarpon Energy Services Ltd. He also sits on a Calgary-based not for profit board.

Mr. Graham is a Chartered Financial Analyst (CFA), holds a Business Administration degree from Wilfrid Laurier University (Honours) and an MBA from the University of Western Ontario (Ivey Scholar). He is also a member of the Young Presidents Organization and Business Council of Canada.

Board/Committee Member During 2016	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:	
Board Audit (Chair) Health, Safety and Environment	7 of 7 5 of 5 2 of 2	14 of 14	100%	Horizon North Logistics Inc. ZCL Composites Inc. Essential Energy Services Ltd. Raise Production Inc.	2007 – present 2005 – 2013 2011 – 2013 2012 – present

Securities Held (at a price of $5.83 and $5.69 per Common Share as at December 31, 2016 and December 31, 2015, respectively):

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements
2016	30,000	44,887	74,887	Nil	$436,591	Yes
2015	30,000	29,244	59,244	Nil	$337,098	Yes
Change	**-**	**15,643**	**15,643**	**-**	**$99,493**	**-**

Wendy L. Hanrahan
Age: 59
Calgary, Alberta
Director Since: December 9, 2009
Independent: Yes

Ms. Hanrahan is the Executive Vice-President, Corporate Services at TransCanada Corporation (an energy infrastructure company) where she is responsible for human resources, information systems, supply chain management, aviation and facilities services. Since joining TransCanada in 1995, Ms. Hanrahan has held a variety of key leadership roles in human resources, finance and accounting, corporate strategy, and in the gas transmission business. She also served as Vice-President, TC PipeLines, LP. Prior to joining TransCanada, Ms. Hanrahan worked in various accounting roles at Gulf Canada Resources and was an Audit Manager at Ernst & Young LLP. Ms. Hanrahan holds a Bachelor of Science in Business Administration from the University of South Carolina and became a Chartered Accountant in 1998.

Board/Committee Member During 2016	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:
Board Human Resources and Compensation (Chair) Corporate Governance and Nominating	6 of 7 3 of 3 2 of 3	11 of 13	85%	None

Securities Held (at a price of $5.83 and $5.69 per Common Share as at December 31, 2016 and December 31, 2015, respectively):

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements
2016	3,335	91,211	94,546	Nil	$551,203	Yes
2015	8,915	69,415	78,330	Nil	$445,698	Yes
Change	**(5,580)**	**21,796**	**$16,216**	**-**	**$105,505**	**-**

David J. LeMay
Age: 49
Calgary, Alberta
Director Since: June 1, 2013
Independent: No

Mr. LeMay was appointed President & Chief Executive Officer and a Director of the Corporation effective June 1, 2013. Prior thereto Mr. LeMay served as President & Chief Operating Officer from July 2012 to May 31, 2013. Previously, Mr. LeMay was President of Churchill Services Group (now Stuart Olson Industrial Inc.), which provides integrated products and services on behalf of the Corporation's Industrial Services segment. Mr. LeMay has also served as President and COO of Laird Electric Inc., one of the Corporation's subsidiaries. During his 25 years in the construction industry he has been involved in all aspects of the field from estimating through to project and operational management. Mr. LeMay is a licensed construction electrician and has an MBA from Queens University in Kingston, Ontario, which he obtained while leading Churchill Services Group as President. He is also a board member of Nilex Inc. (a private geotextile company), a member of the Young Presidents Organization and also sits on an industry and Calgary-based not-for-profit board.

Board/Committee Member During 2016	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:
Board	7 of 7	7 of 7	100%	None

Securities Held (at a price of $5.83 and $5.69 per Common Share as at December 31, 2016 and December 31, 2015, respectively):

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements
2016	117,278	2,998	120,276	$125,000	$826,209	No(1)
2015	106,727	2,774	109,501	$106,000	$729,061	No(1)
Change	**10,551**	**224**	**10,775**	**$19,000**	**$97,148**	**-**

Note:

(1) Mr. LeMay has met the executive equity holding requirements that were in place on January 1, 2014. Those requirements were amended in 2014 and he now has five years from the date on which he was appointed to his current position to meet the applicable equity holding requirements. See the section of this Circular titled "Executive Compensation Discussion and Analysis – Executive Equity Ownership Guidelines" for further details on Mr. LeMay's equity holdings.

Carmen R. Loberg
Age: 67
Calgary, Alberta
Director Since: July 1, 2009
Independent: Yes

Mr. Loberg is a corporate director. Prior thereto Mr. Loberg was President and CEO of Norterra Inc. ("**Norterra**") for a 10 year period until June 2010. Norterra is a privately-held investment management company, and as President and CEO of Norterra, Mr. Loberg was responsible for managing its diverse investments in transportation, logistics, manufacturing and industrial supplies. Mr. Loberg is currently a director of HNZ Group Inc., where he is the Chair of the Compensation, Corporate Governance and Nominating Committee, McCoy Corporation, where he is a member of the Compensation & Human Resources Committee and the Governance Committee, and the Vancouver Fraser Port Authority (Port Metro Vancouver), where he is a member of the Audit Committee and the Human Resources and Compensation Committee. He is a former director of the Edmonton Oilers Community Foundation and a former director of Arctic Net, a University Center of Excellence in Arctic Research based out of Laval University.

Board/Committee Member During 2016	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:	
Board Audit Corporate Governance and Nominating (Chair)	7 of 7 5 of 5 3 of 3	13 of 13	100%	HNZ Group Inc. McCoy Corporation	2011 – present 2008 – present

Securities Held (at a price of $5.83 and $5.69 per Common Share as at December 31, 2016 and December 31, 2015, respectively):

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements
2016	3,850	98,325	102,175	$25,000	$620,680	Yes
2015	3,850	75,997	79,847	$25,000	$479,329	Yes
Change	**-**	**22,328**	**22,328**	**-**	**$141,351**	**-**

Ian M. Reid, B.Comm.
Age: 61
Edmonton, Alberta
Director Since: May 17, 2007
Independent: Yes

Mr. Reid is a corporate director and independent businessperson. He retired from Finning International Inc. in 2008 after a 30-year career, which included 11 years as President of Finning (Canada) Ltd. Mr. Reid currently serves on the Board of Directors of Canadian Western Bank, where he is a member of the Governance Committee and the Risk Committee. Mr. Reid also serves as Chair of the Board of Directors of Fountain Tire Ltd., a privately held corporation owned in partnership with Goodyear Canada, Associated Engineering and Voice Construction OPCO ULC. He served as the Chair of the Board of Governors of the Northern Alberta Institute of Technology from 2003 until 2007 and has been a member of numerous other community and industry associations. Mr. Reid holds a Bachelor of Commerce degree from the University of Saskatchewan and is a graduate of the Advanced Management Program at Harvard Business School.

Board/Committee Member During 2016	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:	
Board Corporate Governance and Nominating Health, Safety, and Environment Human Resources and Compensation	7 of 7 3 of 3 2 of 2 3 of 3	15 of 15	100%	Delta Gold Corporation Canadian Western Bank Flint Energy Services Ltd.	2013-2015 2011 – present 2009 – 2012

Securities Held (at a price of $5.83 and $5.69 per Common Share as at December 31, 2016 and December 31, 2015, respectively):

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements
2016	14,201	107,767	121,968	Nil	$711,073	Yes
2015	12,275	85,117	97,392	Nil	$554,160	Yes
Change	**1,926**	**97,392**	**24,576**	**-**	**$156,913**	**-**

Skills and Experience of the Nominated Directors

The Corporation believes that a board of directors with a diverse set of skills is better able to oversee the wide range of issues that arise in a company of Stuart Olson's size and complexity. The following matrix illustrates the overall experience of the nominated Directors in a variety of categories that are important to Stuart Olson's business. It also identifies which skills the Board would ideally possess and which will be considered when Stuart Olson recruits new Directors and proposes changes to the composition of the Board.

Name of Director	Financial Literacy	Operational Expertise	Public Company Board	Executive Compensation	Corporate Governance	Capital Markets	Health, Safety and Environment Management	Risk Management	Government and Public Affairs	Oil and Gas Industry	Construction / Engineering	Legal
Richard T. Ballantyne	√	√	√		√		√	√		√	√	
Albrecht W.A. Bellstedt	√		√	√	√	√		√	√	√		√
Chad Danard	√		√	√	√	√		√		√		
Rod W. Graham	√	√	√	√	√	√	√	√		√	√	
David J. LeMay	√	√		√		√	√	√		√	√	
Wendy L. Hanrahan	√			√	√			√		√		
Carmen R. Loberg	√	√	√	√	√	√	√	√	√			
Ian M. Reid	√	√	√	√	√	√	√	√		√	√	

Additional Disclosure Relating to Directors

No proposed Director has, within the 10 years prior to the date of this Circular, been a director or executive officer of any company that (i) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for more than 30 consecutive days, (ii) was subject, after the proposed Director ceased to be a director or executive officer, to a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for more than 30 consecutive days that resulted from an event that occurred while that person was active in the capacity of director or executive officer, or (iii) during the tenure of the Director or executive officer or within one year of the Director or executive officer 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, except as set forth below:

Director	Entity	Description
Albrecht W.A. Bellstedt	Sun Times Media Group, Inc.	Mr. Bellstedt ceased being a director of Sun Times Media Group, Inc. (formerly Hollinger International Inc.) in June of 2008. Sun Times Media Group, Inc. went into Chapter 11 bankruptcy protection under the U.S. Bankruptcy Code in 2009.

No proposed Director has, within 10 years prior to the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director.

ABOUT THE BOARD OF DIRECTORS

The Board

The Board of Directors is elected by the Shareholders. The Board has assumed responsibility for the stewardship of the Corporation. The primary responsibility of the Board is to supervise the management of the business and affairs of the Corporation. The members of the Board fulfil their responsibilities by delegating authority to Management to conduct the day-to-day business of the Corporation, preparing for and attending regularly scheduled Board meetings, through participation in meetings of the Board's Committees (the "**Committees**" and each a "**Committee**") and actively pursuing education about the business, its markets, its competitive landscape and its stakeholder interests. At meetings of the Board, Directors receive and review reports prepared by Management on the business, affairs and financial performance of the Corporation. The Board also receives periodic updates as to general developments and trends in the industry and on matters of specific concern to the Board. Questions and issues of strategic importance or impact on the Corporation or its operations are brought forward by Management for the review, consideration and input of the Board prior to any decision being made. All Committee recommendations are reviewed and, if considered appropriate, approved by the Board.

The Board met seven times during the year ended December 31, 2016. Of these meetings, six were held in person and one was held by teleconference.

The Board has a written mandate (the "**Board Mandate**"), which it reviews on a periodic basis. A copy of the Board's mandate is attached as Schedule "A" to this Circular. The Board Mandate has been approved by the Board. The Board and the President and Chief Executive Officer have developed a written position description and objectives for the President and Chief Executive Officer. This position description is reviewed by the Corporate Governance and Nominating Committee on a periodic basis and updated accordingly.

Chairman

The primary responsibility of the Chairman of the Board is to provide leadership to the Board to enhance overall board effectiveness. The Board has developed a written position description for the Chairman. This written position description is reviewed periodically by the Board and, if necessary, updated accordingly. The responsibilities of the Chairman include:

- Acting as an advisor to the President and Chief Executive Officer of the Corporation and as a communication link between the Board and Management through the President and Chief Executive Officer.
- Establishing procedures to govern the Board's work including the location and time of meetings of the Board and the procedures to be followed with respect to meetings of the Board, including determining who may be present at such meetings in addition to the Directors and Corporate Secretary.
- Ensuring the Board has adequate resources, especially by way of full, timely and relevant information, to support its decision-making requirements.
- Working with the chairs of the Board Committees to coordinate the schedule of meetings for such Committees.
- Ensuring that delegated Committee functions are carried out and reported to the Board.
- Attending, as required, all meetings of Board Committees.
- Meeting periodically with the President and Chief Executive Officer of the Corporation, the Chair of the Corporate Governance and Nominating Committee and the Corporate Secretary to review governance issues including the level of communication between Management and the Board.
- Carrying out such other duties as may be reasonably requested by the Board as a whole, depending on its evolving needs and circumstances.

Board Committee Composition

The Board has an Audit Committee, a Corporate Governance and Nominating Committee, a Human Resources and Compensation Committee (the "**HRCC**") and a Health, Safety and Environment Committee. The Board of Directors does not have an Executive Committee because the Board feels its members and the members of its Committees are responsive enough to address important issues as they arise. The memberships of each of the Committees are described below:

Name of Director	Audit Committee	Corporate Governance & Nominating Committee	Health, Safety & Environment Committee	Human Resources & Compensation Committee
Richard T. Ballantyne	√		√ (Chair)	
Albrecht W.A. Bellstedt(1)				
Chad Danard	√			√
Rod W. Graham	√ (Chair)		√	
Wendy L. Hanrahan		√		√ (Chair)
Carmen R. Loberg	√	√ (Chair)		
Ian M. Reid		√	√	√

Notes:
(1) Mr. Bellstedt is an ex-officio non-voting member of every Committee.

Committee Chair and Positions Descriptions

The Board has approved a specific position description for the Chair of the Audit Committee, but has not approved a position description for the chairs of the other Committees. Instead, the Board delineates the roles and responsibilities of the Chair of each other Committee pursuant to the general Committee chair responsibilities set out in the Board's Standing Committees of the Board General Terms of Reference, which provides, among other things, that the Chair of each Committee will: (a) provide leadership to enhance the effectiveness of the Committee; (b) ensure that the responsibilities and duties of the Committee, as outlined in its terms of reference, are well understood by the Committee members and executed as effectively as possible; (c) foster ethical decision-making by the Committee and its individual members in accordance with the Corporation's *Director Code of Ethics*; (d) ensure that the Committee meets in accordance with the frequency outlined in the applicable terms of reference, any specific guidelines in the Committee's terms of reference, and as many additional times as may be necessary to carry out its duties effectively; (e) establish the agenda for each Committee meeting together with the Chairman of the Board, the Corporate Secretary and members of Management, as appropriate; (f) Chair all meetings at which he or she is present; (g) ensure there is sufficient time during Committee meetings to discuss fully the agenda items and facilitate discussion with a view to bringing matters to resolution as required; (h) encourage Committee members to ask questions and express viewpoints; (i) ensure that the Committee meets on a regular basis without any member of Management; (j) report to the Board as to Committee activities on a regular basis; (k) encourage presentations from Management, as appropriate, to support the work of the Committee; and (l) carry out other appropriate duties and responsibilities as delegated by the Committee.

Audit Committee

The Audit Committee is responsible for approving, maintaining, evaluating, advising and making recommendations on matters affecting internal and external audits, financial reporting and accounting control policies and practices of the Corporation. The Audit Committee has a policy which mandates regular *in camera* meetings with the external Auditor without members of Management being present. The Audit Committee also conducts regular *in camera* meetings with the Corporation's internal auditor and separately with Management. Audit Committee information as required by National Instrument 52-110 *Audit Committees* ("**NI 52-110**") is contained in the Corporation's Annual Information Form for the financial year ended December 31, 2016 under the heading "Audit Committee". The Audit Committee Terms of Reference are attached as a schedule to the Corporation's Annual Information Form, which is available under the Corporation's SEDAR profile at www.sedar.com.

All of the members of the Audit Committee are independent. See the section of this Circular titled "Director Independence" for further details. All of the members of the Audit Committee are also considered to be "financially literate" as required by the Canadian Securities Administrators.

Corporate Governance and Nominating Committee

The function of the Corporate Governance and Nominating Committee is to oversee the corporate governance practices of the Corporation, including Board practices and performance, and to make recommendations with respect to nominating new Directors to the Board. These responsibilities include:

- Assessing the requirements for membership on the Board, including in relation to Board diversity; maintaining a roster of candidate Directors; and managing the process for nominating candidates for Board and Committee membership.

- Assessing and making recommendations regarding Board effectiveness and overseeing the processes for orientation, evaluation and continuing education of Directors, Committee Chairpersons and the Chair of the Board.

- Ensuring processes and procedures are in place to achieve timely and appropriate compliance with all public company regulatory requirements; assessing the recommendations of the Toronto Stock Exchange (the "**TSX**") and other regulatory bodies to consider and adopt those recommendations which are appropriate for, and will be of benefit to, the stakeholders of the Corporation.

- Reviewing and monitoring governance practices of the Board and Management with a view to enhancing the Corporation's performance.

All of the members of the Corporate Governance and Nominating Committee are considered by the Board to be independent. See the section of this Circular titled "Director Independence" for further details.

Human Resources and Compensation Committee

The HRCC is responsible for assisting the Board in fulfilling its responsibilities by: (a) reviewing and making recommendations on its findings and conclusions on matters relating to the compensation of the members of the Corporation's executive team and the Directors in the context of the business and strategic plans and competitive environment of the Corporation; (b) assessing the risk of the design of the Corporation's compensation policies and practices; (c) conducting/assisting in the regular performance reviews/appraisals of the President and Chief Executive Officer and other members of the executive team; and (d) reviewing appropriate succession plans for senior officers.

All of the members of the HRCC are independent. See the section of this Circular titled "Director Independence" for further details.

Health, Safety and Environment Committee

The function of the Health, Safety and Environment Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Corporation's health, safety and environmental systems. These responsibilities include:

- Ensuring that there is an appropriate process in place to facilitate the identification of the various health, safety and environmental risks that may arise from the Corporation's operations and the possible resulting consequential risks to the Corporation, its subsidiaries and its affiliates and their respective directors, officers and employees.

- Assessing whether the Corporation's health, safety and environmental policies are effective, properly implemented and comply with applicable legislation and industry standards.

- Reviewing corporate health, safety, environmental activities and performance, including instances of contravention or non-compliance.

- Reviewing the Corporation's method of communicating (internally or externally) health, safety and environmental policies, practices and procedures.

- Reviewing the Corporation's control and response plans to identified health, safety and environmental risks.

- Ensuring that appropriate reporting procedures are established relating to health, safety and environmental matters by Management to ensure adequate reports are made to the Committee and/or the Board on a regular basis.

- Reviewing insurable risks related to health, safety and environmental issues and evaluating cost/insurance benefits associated with those risks.

All of the members of the Health, Safety and Environment Committee are independent. See the section of this Circular titled "Director Independence" for further details.

Orientation and Continuing Education

The Board has a formal policy regarding the orientation and continuing education of its Directors. This policy describes an orientation program for new Directors in regards to the role of the Board and its Committees, provides an overview of the business and the corporate strategy of the Corporation and provides information on the particular role of the individual Directors. The policy also outlines a framework for continuing education of Directors in regards to corporate governance, business issues and personal development.

The orientation program for new Directors is facilitated by existing members of Management and the Board. All new Directors are provided with a Directors' manual which includes the Corporation's most recent significant public disclosure documents, current strategic plan, budget documents, minutes from recent Committee and Board meetings, the articles of incorporation and bylaws of the Corporation, copies of key corporate policies, each Committee's terms of reference and directors and officers insurance. This manual is updated on an ongoing basis. Prior to or shortly after joining the Board, each new Director attends at the Corporation for an orientation session to meet the functional heads of the organization. Each new Director is also given the opportunity to meet with the Corporation's independent external Auditor.

Directors are regularly updated by Management on the Corporation's activities and operations. There are a number of regularly scheduled Committee and Board Meetings where topics for presentation and discussion include among others, financial and operational reviews; public disclosure; safety matters; legal claims and litigation; acquisition and divestiture opportunities; strategic planning; investor relations; internal audit matters; and succession planning. Typically, Board materials include information relating to current regulatory, accounting and financial issues and the Directors normally discuss such issues at the Board and Committee level. As appropriate, the independent external Auditor, independent compensation consultants, legal counsel, economists or investment banking professionals may be invited to attend a portion of a Board or Committee meeting to make a presentation on a specific topic for the education of the Board or one or more of its Committees. Board members are also invited to visit work sites and attend office tours of other locations managed or operated by the Corporation. These tours and site visits typically arise in connection with meetings of the Health, Safety and Environment Committee. These meetings are regularly held at offsite locations in order to help the Directors learn more about their oversight responsibility for the Corporation's overall operations, with a particular focus on the health, safety and environmental policies impacting the Corporation and its stakeholders.

The Corporation has an approved policy of full Board member enrolment with the Institute of Corporate Directors and pays the membership dues for each Director. The Institute of Corporate Directors provides relevant educational publications and learning opportunities for Board members. The Corporation also has an approved policy of contributing financial resources to any education courses for any members of the Board relating to corporate governance, financial literacy, risk management or other relevant matters.

Policies Regarding Boardroom and Executive Diversity

The Board strongly supports the principle of boardroom and executive diversity, of which gender is one important aspect. The aim of the Board and the Corporate Governance and Nominating Committee is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments on merit and against objective criteria, including diversity. Board and Committee members engaged in nominations are to conduct searches for potential nominees so as to put forward a diverse range of candidates. Neither the Board nor the Corporation has adopted a written policy regarding the identification and nomination of female Directors or executive officers or set specific targets as to the number of female board members it will maintain or the number of women in executive positions it will maintain given the relatively small number of Directors it currently has and the infrequent turnover of Directors and executive officers.

The Board is currently comprised of one female Director (12.5%) and seven male Directors (87.5%). With respect to executive officer positions, the Corporation has two women (29%) and five men (71%).

Board Retirement Policy

The Board has implemented a formal policy which requires that Directors tender their resignations to the Chair of the Corporate Governance and Nominating Committee and the Chair of the Board upon reaching the age of 70. The tendered resignation is then discussed among the members of the Corporate Governance and Nominating Committee, which then makes a recommendation to the full Board in respect thereof. The full Board will then meet *in camera* without the Director in question being present and will make a decision as to whether to accept the resignation or reject the resignation and ask the Director to remain on the Board.

Term Limits

The Board has not adopted term limits for its Directors, but does have a retirement policy to encourage Board renewal.

Director Performance Assessment

The Corporation has formal, informal and self-performance evaluation processes for its Directors. The Corporate Governance and Nominating Committee has oversight responsibility for this process, which includes: (a) an annual verbal or written assessment of the Chair of the Board by each Director; (b) at least a bi-annual completion of a Board and Board Committee performance assessment by each Director; (c) an annual verbal discussion between each Director and the Chair of the Corporate Governance and Nominating Committee and the Chair of the Board; and (d) an annual review of the results of the performance assessments by both the Corporate Governance and Nominating Committee and the full Board. The Corporate Governance and Nominating Committee considers the results from the performance evaluation process when considering Board renewal.

Nomination of Directors

The Corporate Governance and Nominating Committee, which is comprised entirely of independent Directors, is responsible for developing and updating a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills and experience of the Board members, retirement dates and the strategic direction of the Corporation. In fulfilling its mandate, the Committee undertakes on an annual basis an examination of the size of the Board, with a view to determining the impact of the number of Directors, the effectiveness of the Board, and recommends to the Board, if necessary, a reduction or increase in the size of the Board. In this regard, the Corporate Governance and Nominating Committee is responsible for: (a) determining the criteria, profile and qualifications for new nominees to fill vacancies on the Board; (b) identifying, interviewing and recruiting such new nominees as may be required; and (c) recommending to the Board any new nominees to be nominated for election at the annual general meeting of Shareholders.

Majority Voting Policy

On December 11, 2012, the Board reviewed and adopted a majority voting policy on the recommendation of the Corporate Governance and Nominating Committee. Under this policy, a Director who is elected in an uncontested election with more votes withheld than cast in favour of his or her election will be required to tender his or her resignation to the Chairman of the Board. The resignation will be effective when accepted by the Board. The Corporate Governance and Nominating Committee will consider the resignation and make its recommendation to the Board on whether the resignation should be accepted. The Board expects that resignations will be accepted unless there are extenuating circumstances that warrant a contrary decision. The Board will announce its decision via press release within 90 days of the meeting at which the election was held. Subject to any corporate law restrictions, the Board may leave any resultant vacancy unfilled until the next annual Shareholders' meeting or it may fill the vacancy through the appointment of a new Director whom the Board considers to merit the confidence of Shareholders or it may call a special meeting of Shareholders to fill the vacant position or positions.

Director Independence

The Corporation has incorporated into its Director selection and analysis process the independence requirements set out in National Instrument 58-101 *Disclosure of Corporate Governance Practices* and NI 52-110. The Corporation typically conducts an annual independence evaluation of each of its Directors immediately prior to the release of the Corporation's audited financial results. Each of the Director nominees meets those regulatory standards governing independence and is considered by the Board to be independent, with the exception of Mr. LeMay due to his being the President and Chief Executive Officer of the Corporation. All of the members of the Committees are independent including the Chairman of the Board, Albrecht W.A. Bellstedt.

Board Access to Senior Management

Board members have complete access to Management, subject to reasonable advance notice to the Corporation and reasonable efforts to avoid disruption to the Corporation's business and operations. These meetings are also facilitated as part of at least two formal gatherings each year to which both the Directors and Management are invited.

Independent Judgement

All Board members are expected to exercise independent and reasoned judgement on all matters. In accordance with applicable law, when a conflict of interest arises that involves a Director, that Director is required to disclose the conflict of interest and refrain from voting on the matter in question. In addition, the Board has directed that the Corporate Governance and Nominating Committee monitor conflicts of interest. Any transaction that may give rise to a conflict of interest must be reviewed by the Corporate Governance and Nominating Committee.

Interlocking Directorships and Number of Boards

Messrs. Reid and Bellstedt are both directors of Canadian Western Bank. Mr. Ballantyne is a director of Horizon North Logistics Inc., of which Mr. Graham is a director and the President and Chief Executive Officer. There are no other interlocking directorships among the Corporation's Directors. The Corporation does not have a policy regarding interlocking directorships nor does it limit the number of Boards on which a Director may sit.

Ethical Business Conduct

The Board has developed a written Director Code of Ethics that is overseen by the Corporate Governance and Nominating Committee. The code addresses conflict of interest, use of corporate assets, confidentiality and compliance with laws and regulations. The code also describes a process to disclose any potential conflicts of interest and to ensure independent judgment regarding Board discussions and decision making. If the Board is making decisions that could give rise to a conflict of interest with respect to a particular Director, then that Director must disclose his or her conflict, withdraw from deliberations altogether and must not vote on any motion pertaining to the issue. A copy of this code has been filed under the Corporation's profile on SEDAR at www.sedar.com. A paper copy of the Code of Ethics may be obtained by contacting the Corporation's Vice President, General Counsel and Corporate Secretary at 600-4820 Richard Road SW, Calgary, Alberta, T3E 6L1.

The Board has also approved a written Code of Business Conduct and Ethics for Stuart Olson's employees and a corporate-wide Whistleblower Policy. This code and policy are comprehensive and address issues such as unethical behaviour and unprofessional conduct in addition to financial and accounting matters.

Meeting Attendance

Regular Board and Committee meetings are scheduled at least one year in advance in order to optimize attendance. Attendance is expected for all Board and Committee meetings. Members of Management and certain other outside advisors are invited to join Board and Committee meetings when appropriate. All Directors attend the Audit Committee meetings and have a standing invitation to attend all other Committee meetings, regardless of membership.

Non-attendance at Board and Committee meetings is rare, and usually occurs when either an unexpected commitment arises, or, for newly appointed Directors, there is a prior scheduling conflict with a meeting that was previously scheduled and could not be rearranged. Directors are generally provided with meeting materials several days in advance of meetings. Board and Committee members are also expected to adequately prepare prior to all meetings and contribute effectively to Board and Committee discussions.

The following table provides the record of attendance by each Director at required meetings of the Board and its Committees during the financial year ended December 31, 2016:

Director Name	Board Meetings (Total #)	Audit Committee Meetings (Total #)	Corporate Governance and Nominating Committee Meetings (Total #)	Human Resources and Compensation Committee Meetings (Total #)	Health, Safety and Environment Committee Meetings (Total #)	% Attendance
Richard T. Ballantyne	7 of 7	5 of 5	-	-	3 of 3	100
Albrecht W.A. Bellstedt (Chair)(1)	7 of 7	-	-	-	-	100
Chad Danard	7 of 7	5 of 5	-	3 of 3	-	100
Rod W. Graham	7 of 7	5 of 5	-	-	3 of 3	100
Wendy L. Hanrahan	6 of 7	-	2 of 3	3 of 3	-	85
David J. LeMay	7 of 7	-	-	-	-	100
Carmen R. Loberg	7 of 7	5 of 5	3 of 3	-	-	100
Ian M. Reid	7 of 7	-	3 of 3	3 of 3	3 of 3	100

Notes:

(1) Mr. Bellstedt is an ex-officio non-voting member of every Committee.

In Camera Sessions

In camera sessions without Management and non-independent Directors are held at each regularly scheduled Board and Committee meeting. At each other meeting of the Board, the Directors determine whether or not there is a reason to hold a session without Management present. The Chair of the Board of Directors or the Chair of the particular Committee, as the case may be, presides over these sessions and informs Management about what was discussed and if any action is required.

COMPENSATION OF DIRECTORS

Philosophy and Objectives

The Board, with input from the HRCC is responsible for developing and implementing the Directors' compensation plan. The HRCC has, since December 2012, sought advice in this regard from its independent compensation advisors, Willis Towers Watson Canada Inc. ("**Willis Towers Watson**"). The main objectives of the Directors' compensation plan are to:

- recruit and retain qualified individuals to serve as members of the Board and contribute to the overall success of the Corporation;
- align the interests of the Directors with those of the Shareholders by requiring that Directors hold a multiple of their annual retainer in Common Shares or Common Share equivalents; and
- compensate the Directors in a manner that is competitive with other comparable public issuers and commensurate with the risks and responsibilities assumed in Board and Committee membership.

Unlike compensation for the Named Executive Officers (as defined herein), the Directors' compensation plan is not designed to pay for performance; rather, Directors receive retainers for their services and an annual grant of Deferred Share Units ("**DSUs**") in order to help ensure unbiased decision-making. Equity ownership, required through ownership guidelines, serves to align the Directors' interests with the interests of the Shareholders. Consistent with the philosophy described above, the non-Management Directors of the Corporation do not receive grants of PSUs or RSUs (as those terms are defined herein) under the Unit Plan (as defined herein). Similarly, non-Management Directors are not eligible to receive grants of options under the Stock Option Plan (as defined herein).

2016 Director Compensation

The HRCC conducts a periodic review of Director compensation.

Comparator Group and Positioning

Director compensation practices and levels have remained unchanged since 2010. Each year the HRCC reviews data based on a comparator peer group (the "**Director Comparator Group**") to assess the market competitiveness of Stuart Olson's Director compensation practices and levels. The Director Comparator Group, as set out below, was adopted in 2011 because the entities: (a) had similar annual revenues to those of the Corporation; (b) had a business presence in Western Canada; and/or (c) had a comparable focus in the construction, resources, engineering and equipment services industries. The HRCC elected to target Director compensation levels at the median of the Director Comparator Group.

Aecon Group Inc.	Flint Energy Services Ltd.[1]
Sherritt International Corp.	Trican Well Service Ltd.
Precision Drilling Corp.	Stantec Inc.
IAMGOLD Corp.	Pengrowth Energy Corp.
CanWel Building Materials Group Ltd.	Touchstone Exploration Inc.
Bird Construction Inc.	Bonavista Energy Corp.
North American Energy Partners Inc.	Newalta Corp.
GLV Inc.	Toromont Industries Ltd.
Capital Power Corp.	WSP Global Inc.

[1] Flint Energy Services Ltd. was acquired by URS Corp. in 2012.

Components of the Director Compensation Program

In 2016, Director compensation program was comprised of the following components:

- an annual retainer;
- an additional retainer if the Director serves as a Committee Chair or the Chair of the Board;
- an attendance fee for each Board and Committee meeting attended by the Director (other than the Chair of the Board in the case of Committee meeting fees);
- if applicable, a travel fee for each Board and Committee meeting attended by the Director; and
- a quarterly grant of DSUs.

The Corporation also reimburses Directors for all reasonable travel and other out-of-pocket expenses related to their duties.

2017 Director Compensation

In the first quarter of 2017, with the assistance of Willis Towers Watson, the HRCC conducted a review of the Corporation's Director compensation practices including a review of the Director Comparator Group. The HRCC determined that the Director Comparator Group no longer provided an appropriate comparison given decreases in the Corporation's revenue and market capitalization in recent years. As a result, the HRCC adopted the use of two new comparator groups. The first of these, is the "Proxy Peer Group" used to evaluate executive compensation, and the second is a general industry peer group of reporting issuers with annual revenues that are similar to those of the Corporation. These comparator groups are set out in the table below:

Proxy Peer Group	General Industry Peer Group
Aecon Group Inc.	AGT Food and Ingredients Inc.
Badger Daylighting Ltd.	Canam Group Inc.
Bird Construction Inc.	CanWel Building Materials Group Ltd.
Calfrac Well Services Ltd.	Colabor Group Inc.
Cervus Equipment Corporation	Conifex Timber Inc.
Enerflex Ltd.	Goodfellow Inc.
North American Energy Partners Inc.	High Liner Foods Incorporated
Secure Energy Services Inc.	Indigo Books & Music Inc.
Stantec Inc.	Liquor Stores N.A. Ltd.
Trican Well Service Ltd.	Noranda Income Fund
Wajax Corporation	Reitmans (Canada) Limited
WSP Global Inc.	Rocky Mountain Dealerships Inc.
	Tembec Inc.
	Torstar Corporation

In addition to changing the comparator groups, the HRCC recommended to the Board that Board and Committee meeting fees be eliminated, together with a corresponding adjustment to the annual retainer for Directors (other than the Board Chair), and that the amount of the annual grant of DSUs be reduced. The new structure and amounts of Director compensation were approved by the Board in March 2017, and are set out below in more detail under the sections titled "Retainers and Fees" and "Summary Compensation Table - Directors". It is expected that as a result of the approved changes, the total director compensation for the Corporation will be reduced by approximately 15% on an annual basis.

Deferred Share Units

The Deferred Share Unit Plan (the "**DSU Plan**") provides for the issuance of DSUs to employees of the Corporation and Directors. The purposes of the DSU Plan are: (i) to enhance the Corporation's ability to attract, retain and reward employees and non-Management Directors; (ii) to provide to employees and non-Management Directors a tax deferred capital accumulation opportunity through deferral of compensation; and (iii) to more closely align the interests of employees and non-Management Directors of the Corporation with the Shareholders.

A DSU is a notional share that holds the same value as a Common Share. DSUs provide the holder with the right to receive a cash payment equal to the value of a Common Share multiplied by the number of DSUs in the holder's account when the holder ceases to be employed by the Corporation. When a Director resigns from the Board, or an employee ceases to be employed by the Corporation, he or she must elect to receive payment of his or her DSU account by no later than the first business day in December of the first calendar year following the calendar year in which he or she ceased to be engaged by the Corporation (the "**Settlement Date**"). The cash value of a DSU will be the weighted average trading price of the Common Shares on the TSX for the five consecutive trading days immediately preceding the Settlement Date. The cash value of a DSU redeemed on December 31, 2016 would have been $5.85.

DSUs carry no voting rights and cannot be transferred, other than in the case of death of the holder. The number of DSUs issued to each Director is calculated by dividing the dollar value that the Director is entitled to receive by the weighted average trading price of the Common Shares for the five consecutive trading days immediately preceding the date of grant. The number of DSUs held by a holder will be adjusted for any dividend payments or any change in the Corporation's outstanding Common Shares that occurs by reason of any stock split, consolidation or other corporate change.

DSUs are granted to Directors on the last day of each quarter in accordance with the terms of the DSU Plan. Directors are also entitled to elect to receive up to 100% of their annual cash retainer and Board and Committee meeting fees in the form of DSUs. The following table sets out: (a) the names of the Directors who have currently elected to receive DSUs in lieu of the payment of cash fees; (b) their respective percentages of their annual cash retainer and meeting fees that they have elected to receive in the form of DSUs; and (c) the dollar value of such fees credited in the form of DSUs for 2016.

Director	% of Annual Retainer Elected to Receive in the Form of DSUs	% of Meeting Fees Elected to Receive in the Form of DSUs	Total 2016 Fees Credited in the Form of DSUs ($)
Chad Danard	100	100	50,250
Wendy L. Hanrahan	50	Nil	17,500
Carmen Loberg	50	Nil	17,500
Ian M. Reid	50	Nil	15,000

Retainers and Fees

The table below sets out the fees that the Directors were entitled to receive in each of 2015 and 2016. For comparative purposes the Director compensation that was approved in March 2017, and will be in effect following the Meeting is also provided. Mr. LeMay does not receive compensation for acting as a Director. Accordingly, the disclosure set forth below does not refer to any compensation paid to Mr. LeMay in his capacity as a Director and only refers to the non-Management Directors. For further information on the compensation paid to Mr. LeMay in his capacity as a member of Management, please refer to the section titled "2016 Executive Compensation and Related Matters".

Annual Retainer	**2017(5)**	**2016**	**2015**
Board Chair Retainer	$120,000	$120,000	$120,000
Board Vice Chair Retainer	$0	$0	$30,000
Board Member Retainer, excluding Board Chair	$60,000	$30,000	$30,000
Audit Committee Chair Retainer	$10,000	$10,000	$10,000
Other Committee Chair Retainer	$5,000	$5,000	$5,000
Committee Member Retainer	$0	$0	$0
Attendance Fees (per meeting)			
Board Meetings (in-person)(2)	$0	$1,500	$1,500
Committee Meetings (in-person)(2) (3)	$0	$1,500	$1,500
Travel Time	Up to $1,000	Up to $1,000	Up to $1,000

Annual Retainer	2017(5)	2016	2015
Annual Value DSUs(4)			
Board Members	$50,000	$80,000	$80,000
Chair of the Board	$70,000	$100,000	$100,000

Notes:
(1) The Vice Chair position and associated retainer was eliminated in 2016.
(2) Directors who attend Board or Committee meetings held by conference call are entitled to receive 50% of the normal meeting fee.
(3) The Chair of the Board is not entitled to receive a fee for attendance at Committee meetings.
(4) DSUs are granted to the Directors in pro-rated amounts on the last day of each quarter. Please refer to the section of this Circular titled "Compensation of Directors – Deferred Share Units" for further details on the manner in which DSUs are awarded and redeemed.
(5) New Director compensation will come into effect following the Meeting.

Summary Compensation Table - Directors

The table below sets forth all compensation paid to each non-Management Director of the Corporation for the financial year ended December 31, 2016. The total remuneration paid to the non-Management Directors in 2016 was $1,074,750.

Name	Fees Earned(1) ($)	Share-Based Awards(2) ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Richard T. Ballantyne	70,000	80,000	Nil	Nil	Nil	Nil	150,000
Albrecht W.A. Bellstedt	144,500	100,000	Nil	Nil	Nil	Nil	244,500
Chard Danard	50,250	80,000	Nil	Nil	Nil	Nil	130,250
Rod W. Graham	61,000	80,000	Nil	Nil	Nil	Nil	141,000
Wendy L. Hanrahan	50,000	80,000	Nil	Nil	Nil	Nil	130,000
Carmen R. Loberg	57,500	80,000	Nil	Nil	Nil	Nil	137,500
Ian M. Reid	61,500	80,000	Nil	Nil	Nil	Nil	141,500

Notes:
(1) This column reflects the total fees earned by each of the Directors pursuant to each Director's entitlement to: (a) annual retainers; (b) meeting fees; (c) Chair retainers; and (d) travel time. Ms. Hanrahan and Messrs. Danard, Loberg and Reid have all elected to receive a portion of their annual retainer and/or meeting fees in the form of DSUs in lieu of cash. Please refer to the section of this Circular titled "Compensation of Directors – Deferred Share Units" for more information about the election of these Directors to receive DSUs in lieu of certain cash fees.
(2) This column references the grant date fair value of the total number of DSUs issued to each Director, being equal to the quarterly issuance of DSUs to every Director. This column does not include DSUs issued to Directors who have elected to receive DSUs in lieu of certain cash fees. The value disclosed in this column is based on the weighted average share price of Common Shares for the five days prior to the date of grant, multiplied by the number of units granted. These amounts do not include DSUs awarded in respect of dividend equivalents.

Incentive Plan Awards - Value Vested or Earned During the Year

The table below provides details of the value of option-based and share-based awards that vested during the financial year ended December 31, 2016 and the value of annual incentive awards earned during 2016 for each of the Directors, other than Mr. LeMay.

Name	Option-based awards- Value vested during the year ($)	Share-based awards – Value vested during the year(1) ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Richard T. Ballantyne	Nil	80,000	Nil
Albrecht W.A. Bellstedt	Nil	100,000	Nil
Chad Danard (2)	Nil	130,250	Nil
Rod W. Graham	Nil	80,000	Nil
Wendy L. Hanrahan (2)	Nil	97,500	Nil
Carmen R. Loberg (2)	Nil	97,500	Nil
Ian M. Reid (2)	Nil	95,000	Nil

Notes:

(1) Includes the value of DSUs awarded to each of the Directors for the year. The DSUs are fully-vested when issued, but are not paid out until the Director ceases to be engaged by the Corporation. See the section of this Circular titled "Compensation of Directors – Deferred Share Units" for further details. These amounts do not include DSUs awarded in respect of dividend equivalents paid on outstanding DSUs.

(2) The value of DSUs vested for these Directors are higher because each elected to receive a certain portion of his or her annual retainer and/or meeting fees in the form of DSUs in lieu of cash. Please refer to "Compensation of Directors – Deferred Share Units" for further details.

Outstanding Option-Based Awards and Share-Based Awards

The table below sets forth details of all awards outstanding for each non-Management Director as at December 31, 2016.

	Option-Based Awards				Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised in-the-Money Options ($)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested ($)	Market or Payout Value of Share-Based Awards that have not Paid Out or Distributed(1)(2) ($)
Richard T. Ballantyne	Nil	N/A	N/A	N/A	Nil	Nil	262,590
Albrecht W.A. Bellstedt	Nil	N/A	N/A	N/A	Nil	Nil	580,690
Chad Danard	Nil	N/A	N/A	N/A	Nil	Nil	337,512
Rod W. Graham	Nil	N/A	N/A	N/A	Nil	Nil	262,590
Wendy L. Hanrahan	Nil	N/A	N/A	N/A	Nil	Nil	533,587
Carmen R. Loberg	Nil	N/A	N/A	N/A	Nil	Nil	575,206
Ian M. Reid	Nil	N/A	N/A	N/A	Nil	Nil	630,442

Notes:

(1) The Directors are awarded DSUs as part of their compensation package. DSUs have no vesting conditions attached to them when issued, although they only pay out after the date upon which the Director ceases to be engaged by the Corporation. Please see the section of this Circular titled "Compensation of Directors – Deferred Share Units" for further details.

(2) Represents the cash value of DSUs held by each Director as at December 31, 2016. The amounts have been calculated based upon each DSU having a value of $5.85, being the weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding December 31, 2016.

Director Equity Ownership Guidelines

The Board believes that appropriate equity ownership by non-Management Directors further aligns their interests with those of the Shareholders. Each Director, other than the President and Chief Executive Officer of the Corporation, who is subject to the share ownership guidelines for senior Management of the Corporation, is required to accumulate at least three (3) times the value of his or her annual Director retainer in securities of the Corporation (which include Common Shares, DSUs and other equity and debt-based instruments that may be issued by the Corporation) by the third anniversary of becoming a Director. If the annual Director retainer is increased, Directors who would otherwise have met the guidelines as at their guideline achievement date but would not meet the guideline on the effective date of such increase in the retainer, will be required to increase their investment. The amount of the required increase is the amount that is the difference between three times the new annual Director retainer and the greater of original cost or current value of the Director's holdings. This increased investment must be achieved by the date that is one year after the effective date of the increase. The greater of the original cost and current market value of the securities shall be used for the purposes of determining whether the investment guidelines have been achieved. As at December 31, 2016, all of the Directors met the equity ownership guidelines.

EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

This Executive Compensation Discussion and Analysis explains the Corporation's compensation program, 2016 performance and compensation decisions made by the HRCC and the Board for the named executive officers during the 2016 financial year, being:

- David LeMay as President and Chief Executive Officer;
- Daryl Sands as Executive Vice President and Chief Financial Officer;
- Robert Myles as Chief Operating Officer of the Industrial Group;
- Arthur Atkinson as Chief Operating Officer of the Buildings Group; and
- Doug Hale as Executive Vice President of the Commercial Systems Group,

(collectively, the "**Named Executive Officers**").

Oversight Responsibility

The Board has the ultimate responsibility for overseeing the Corporation's executive compensation program. Although the Board has delegated certain oversight responsibilities of this program to the HRCC, it retains final authority over some aspects of the compensation program and process. This authority includes the design, implementation, recommendation and, subject to the plans and agreements in place, the amendment of the executive compensation arrangements.

The HRCC consists of three independent Directors who have the appropriate mix of skills and experience in management, business, industry, human resources and public accountability for carrying out their responsibilities, and to allow them to make decisions regarding the suitability of the Corporation's compensation policies and practices. See "About the Nominated Directors – Skills and Experience of the Nominated Directors" for further details on the skills and experience of each of the members of the HRCC. As at December 31, 2016, the members of the HRCC were Wendy Hanrahan (Chair), Chad Danard, and Ian Reid. The HRCC also draws upon the experience of the President and Chief Executive Officer and Chairman on matters that fall within their respective areas of experience.

Independent Advice

The HRCC engages Willis Towers Watson as an independent advisor in respect of various compensation-related matters including advising on compensation levels for the Named Executive Officers, providing observations and recommendations with respect to the Corporation's compensation practices, including in respect of the Corporation's short, medium and long term incentive plans, and apprising the HRCC of market trends in executive compensation.

The Chair of the HRCC reviews and approves the scope of activities of Willis Towers Watson and related fees related to executive compensation. Any significant services provided to Management and fees not related to executive compensation must be approved by the HRCC.

Executive Compensation – Related Fees

In the year ended December 31, 2016, the fees paid to Willis Towers Watson totalled $65,158, as compared to $81,162 in the year ended December 31, 2015. The table below sets forth the fees paid to Willis Towers Watson in 2015 and 2016 for the services provided in those years. Other than as described in the table, no other services were provided to the Corporation by Willis Towers Watson in either year.

Type of Fee – Willis Towers Watson	2016	2015
Executive Compensation and Related Matters	$65,158	$81,162

Compensation Philosophy

The Corporation's executive compensation program has the following objectives:

- provide a compensation package that rewards individual performance contributions in the context of overall business results;
- be competitive in level and form with the external market;
- align the interests of executives with those of Shareholders; and
- support the attraction, engagement and retention of executives.

The compensation program is also designed to align with the Corporation's business plans and risk management framework to provide an appropriate balance between risk and executive rewards.

Risk Management

Compensation oversight includes ensuring that executives are compensated fairly in a way that achieves an appropriate balance in relation to the overall business strategy and does not encourage an executive to expose the Corporation to excessive or inappropriate risks. The following highlights the compensation practices and policies of the Corporation that have been implemented to effectively identify and mitigate compensation risks and to encourage participants in the Corporation's executive incentive program (the "**EIP**"), including the Named Executive Officers, to balance risk and rewards when making business decisions:

- Benchmarking to ensure fairness: Executive compensation is reviewed and benchmarked against comparator groups and general industry survey data to assess competitiveness and fairness.
- Independent advice: The HRCC uses Willis Towers Watson, an independent compensation consultant, to conduct a competitive compensation review of the Corporation's senior executive positions. This provides the HRCC and the Board with a market reference point when assessing individual performance in the context of overall corporate performance.
- A balanced scorecard: The Board uses a balanced scorecard which sets out pre-established corporate, operating group and individual performance objectives every year for senior executives. The objectives set out in the scorecard for each senior executive are linked to the business and strategic plans of the Corporation. The scorecard provides the basis for assessing the executive's performance and related compensation, and each executive agrees to those objectives in that scorecard at the beginning of each year, and such scorecards are sometimes updated during the year to reflect changes in circumstances.
- Emphasis on medium and long-term incentives: The HRCC and the Board place significant emphasis on medium and long-term incentives when determining the total compensation for senior executives. These incentives encourage value creation over the medium and long term and align executives' interests with those of Shareholders.
- Performance-based compensation: PSU awards under the MTIP are paid out based on the Corporation's performance against pre-determined "corporate objectives" over a three-year performance period and the value of the Common Shares when the PSUs vest at the end of that period.
- Incentive Compensation Reimbursement Policy: In March 2017, the Board approved an Incentive Compensation Reimbursement Policy which provides that the Corporation may require any recipient of incentive based compensation to repay to the Corporation any overpayments of incentive based compensation that are attributable to material misstatements in the reported financial performance of the Corporation that are subsequently required to be restated, where such misstatements have been caused by the misconduct of the recipient. The policy also allows the Board to recover compensation in the event that a participant in an incentive based program has committed a material breach of the Code of Business Conduct and Ethics Policy.
- Limits on variable compensation payments: Payouts for short-term incentive compensation are capped at a maximum percentage of the executives' base salaries and are subject to an overall affordability pool determined based on financial performance.
- Discretion: The Board completes a formal assessment, and can then use its discretion to increase or decrease any compensation awards if it deems it appropriate based on market factors or other extenuating circumstances. However, to maintain the integrity of the metric-based framework, the Board exercises its discretion sparingly.

- Anti-derivative policy: The Corporation's Insider Trading Policy includes a provision which prohibits Directors and employees of the Corporation from purchasing or selling derivatives in respect of any security of the Corporation. This includes “puts” and “calls” on the Corporation's securities. Similarly, the Corporation prohibits Directors and its employees from short selling its securities. The Corporation does not have a policy pertaining to the purchase by a Director or an employee of other financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities.
- Equity ownership requirements and participation: The Corporation has implemented equity ownership requirements for both Directors and certain executives reflecting the belief that Directors and executives of the Corporation can best represent the interests of Shareholders if they have a significant investment in the Corporation.
- Stress testing compensation scenarios: The HRCC periodically uses stress testing of various compensation scenarios and potential effect on future executive compensation. This includes an analysis of the potential effect of different corporate performance scenarios on previously awarded and outstanding compensation to assess whether the results are reasonable.
- Corporate culture and core values: The Corporation fosters a strong culture which defines the character of the organization. That culture is founded upon key core values, which include acting with integrity, respecting and trusting people, demonstrating innovation and entrepreneurial spirit, striving for excellence and prioritizing safety, health and the environment. These values guide ethical behaviour by facilitating and rewarding leadership, transparency and honesty.
- Codes of ethics: The Corporation has adopted codes of ethics that apply to both Directors and employees of the Corporation. These codes incorporate principles of good conduct and ethical and responsible behaviour to guide decisions and actions.
- Risk Assessment: Management completes a risk assessment on an annual basis of the Corporation’s compensation policies and practices to identify and mitigate potential risks. This assessment is reviewed by the HRCC.

After considering the implications associated with the Corporation's compensation policies and practices and completing a review of those policies and practices as described above, the Board believes that:

(a) the Corporation has the proper practices in place to effectively identify and mitigate potential risk; and

(b) the Corporation's policies and practices do not encourage any Director, any member of the Corporation's executive leadership team, or any employee to take inappropriate or excessive risks, and are not likely to have a material adverse effect on the Corporation.

Compensation Approval Process

The compensation approval process begins with Management's analysis of the compensation levels of each of the Corporation's executives. In preparing this analysis, Management considers a number of factors, including:

(a) external compensation surveys and other market data, including the General Industry Survey Data and the Proxy Peer Group (as those terms are defined below) approved annually by the HRCC;

(b) individual, operating group and overall corporate level performance data;

(c) succession planning for key positions within the Corporation; and

(d) the President and Chief Executive Officer's recommendations with respect to compensation levels for his direct reports.

Management then prepares a report to the HRCC based upon its analysis. The report prepared by Management includes compensation recommendations for all members of the EIP, including the Named Executive Officers. The EIP participants include senior executives responsible for leading the Corporation's operating and strategic plans and certain junior executives who have been identified as key for succession planning purposes. The EIP participants are eligible to receive annual cash bonuses and performance-based, equity-related incentive compensation. As at December 31, 2016, there were 19 EIP participants.

In making its recommendations to the Board, the HRCC considers: (a) the overall financial and operating performance of the Corporation; (b) the Management report; (c) the President and Chief Executive Officer's assessment of the performance of, and recommended compensation for, each executive; (d) the advice from its independent consultant in regard to the external forces driving compensation trends applicable to the Corporation; and (e) the individual experience, judgment and assessment of each of its members. In the case of the compensation of the President and Chief Executive Officer, the HRCC considers relevant market data, performance against pre-determined corporate and individual objectives and other factors in assessing CEO compensation levels.

After completing its review, the HRCC presents its recommendations to the full Board in respect of the compensation levels of the Named Executive Officers as well as the aggregate compensation for the other EIP participants.

Determination of Individual, Operating Group and Overall Corporate Performance

The HRCC annually reviews the individual and corporate objectives set out in the form of a balanced scorecard for the President and Chief Executive Officer of the Corporation. The HRCC then makes recommendations to the Board in respect of those objectives. The Board considers the recommendations of the HRCC and, if appropriate, provides its final approval of same. The scorecards typically include objectives for each of the following:

- the performance of the Corporation as a whole, which typically includes reference to EBITDA, backlog, safety improvements and specific corporate milestones that contribute to achievement of the Corporation's business and strategic plans; and
- the individual executive's operating group, which typically includes reference to EBITDA, backlog, safety improvements and specific operating group milestones that contribute to achievement of operating group and/or corporate strategic objectives.[2]

Specific targets, as well as threshold and maximum measures, are set for each objective. Performance objectives are given weightings within the scorecard based upon their relative importance to the Corporation with higher weightings typically being given to financial metrics of backlog and earnings objectives.

The scorecard results are reviewed at the completion of each year. Each objective is rated on a scale of between 0% and 200% as set out in the table below.

Performance Objective	Balanced Scorecard Rating
Threshold	Results in a score of 50%; however, below this value results in a score of 0%
Target	Results in a score of 100% (Above Threshold and below Target results interpolated)
Maximum	Results in a score of 200% (Above Target and below Maximum Target results interpolated)

This rating is generally used as the basis for the determination of STIP-related compensation. See the section of this Circular titled "2016 Executive Compensation and Related Matters – Determination of Components of Compensation for the Financial Year Ended December 31, 2016 – 2016 STIP Analysis" for details regarding the other factors considered in making decisions pertaining to 2016 STIP payments.

[2] Please refer to the section of this Circular titled "Non-IFRS Measures" for a detailed description of "backlog" and "EBITDA".

Market Benchmarking and Proxy Peer Group

The HRCC considered two sources of data for the purposes of determining the compensation levels and practices for the Named Executive Officers. First, the HRCC considered comparator peer group data for specific companies in a similar industry and having a similar geographical presence and regularly competing for talent in Stuart Olson's marketplace (the "**Proxy Peer Group**"). In 2014, the HRCC adopted the following peer group for competitive compensation comparative purposes:

Aecon Group Inc.	North American Energy Partners Inc.
Badger Daylighting Ltd.	Secure Energy Services Inc.
Bird Construction Inc.	Stantec Inc.
Calfrac Well Services Ltd.	Trican Well Service Ltd.
Cervus Equipment Corporation	Wajax Corporation
Enerflex Ltd.	WSP Global Inc.

In addition to the Proxy Peer Group, the HRCC also considered general industry survey data provided by Willis Towers Watson (the "**General Industry Survey Data**"). The General Industry Survey Data was sourced from Willis Towers Watson's 2014 General Industry Executive Compensation Survey and was size adjusted to reflect incumbent revenue responsibility. The mix of companies within the General Industry Survey Data varied by individual job pricing and represented a combination of public and private companies based in Canada.

The compensation data from the Proxy Peer Group and the General Industry Survey Data is the initial reference point for the HRCC to assess the market competitiveness of a Named Executive Officer's total compensation. The total compensation a Named Executive Officer is awarded will vary based on an assessment of individual, operating group performance and overall corporate performance, and will generally be set in accordance with the following guiding principles:

Performance Assessment	Total Compensation
Exceeds Performance Objectives	Comparable to above-median percentile market compensation
Meets Performance Objectives	Comparable to median market compensation
Below Performance Objectives	Comparable to below-median percentile market compensation

Description of Components of Compensation

The Corporation generally targets an overall compensation package for its Named Executive Officers, comparable to the median of the Proxy Peer Group and General Industry Survey Data. The compensation package is heavily performance-based, such that it can exceed the median percentile market compensation in years of strong individual and corporate performance, or conversely be below the median in years where performance does not meet targets. The total compensation package includes a balanced set of elements designed to deliver the objectives of the compensation philosophy of the Corporation described under the section titled "Executive Compensation Discussion and Analysis – Compensation Philosophy". Those individual components include the following:

- base salary;
- short-term incentives (annual cash bonus); and
- equity-based incentives (options, PSUs and RSUs).

The Corporation also rewards all of its employees, including the Named Executive Officers, with group benefits plans and the ability to participate in the ESPP (as defined herein) and the RRSP Program (as defined herein).

The table set forth below summarizes the major components of the Corporation's executive compensation program that were applicable in 2016. Each component is then further detailed in this section.

Component	Design Summary	Form	Objectives and Rationale
Base Salary	• Fixed rate of pay targeted at the median of the Proxy Peer Group and General Industry Survey Data • Individual salary recommendations based on competitive assessment and economic outlook, leadership, retention and succession • Annual performance period	Cash	• Provide competitive level of fixed compensation • Recognize sustained individual performance
Short Term Incentive Program (the "STIP")	• Annual awards based on achievement of pre-determined corporate, operating group and individual objectives • Annual performance period • Overall affordability based on financial performance of the Corporation.	Cash	• Reward the achievement of a balanced set of annual corporate, operating group and individual objectives • Align interests of executives with Shareholders
Medium-Term Incentive Program (the "MTIP")	• Three year cliff vesting • Employees must remain in active service until the completion of the three year vesting period or be eligible to qualify for the Corporation's retirement policies	Restricted Share Units ("**RSUs**") payable in cash	• Reward the achievement of sustained financial performance • Contribute to retention of talent • Recognize individual contribution and potential • Align interests of executives with Shareholders
	• Three year performance vesting based on the Corporation's performance compared to a pre-determined "corporate objectives" • Employees must remain in active service until the completion of the three year vesting period or be eligible to qualify for the Corporation's retirement policies	Performance Share Units ("**PSUs**") payable in cash	
Long-Term Incentive Program (the "LTIP")	• Conventional options that vest over three years at a rate of 1/3 per year • Employees must remain in active service for vesting to occur • Five year life for awards granted prior to March 1, 2013 • Ten year life for awards granted after March 1, 2013, subject to a shortening to five years after the date of retirement	Options	

Base Salary

Stuart Olson uses a salary structure determined using competitive data in conjunction with detailed position descriptions. Base salary is established with reference to an executive's job responsibilities and the level of skills and experience required to successfully perform his or her role. Base salaries for the EIP participants are reviewed annually in the context of total compensation and by reference to similar positions in the General Industry Survey Data and, in respect of the Named Executive Officers, in both the Proxy Peer Group and the General Industry Survey Data. Stuart Olson's philosophy is to set salaries comparable to the median of the applicable reference group depending on the experience and contribution of the individual. Base salary levels are meant to be competitive in the marketplace and are typically not set or adjusted based on accomplishing performance objectives.

Annual Short-Term Incentive (STIP)

Each year the Corporation determines the STIP pool for all employees as a fixed percentage of the Corporation's EBITDA[3]. At the end of each year, each executive's STIP award is determined based upon a combination of: (a) the funded level of the STIP pool; (b) the allocation of the STIP pool among each operating group; and (c) his or her performance rating. An individual executive's STIP award target is reviewed by the HRCC in the context of its annual review of total compensation. If the Corporation's financial results are lower than target, the funded STIP Pool will decrease and if the Corporation's financial results are exceptional, the STIP pool and, correspondingly, each executive's STIP award will increase. This methodology directly links the value of each executive's STIP award to the financial performance of the Corporation. The funded STIP pool is approved annually by the HRCC.

The foregoing factors are also applicable in determining the President and Chief Executive Officer's STIP award.

The 2016 target STIP awards for each of the Named Executive Officers were as follows:

Named Executive Officer	Target STIP as a % of Base Salary
David LeMay	100
Daryl Sands	75
Robert Myles	65
Arthur Atkinson	65
Doug Hale	N/A(1)

Note:

(1) Mr. Hale does not have a targeted STIP relative to his base salary. He is eligible to participate in a profit sharing plan applicable to employees of the Commercial Systems Group (the "**Canem STIP Plan**"). The Canem STIP Plan is based on an allocation of the profits of the Commercial Systems Group after certain adjustments, and is reviewed annually by the President and Chief Executive Officer to ensure that compensation is in alignment with Corporation's overall compensation philosophy.

Equity Based Incentives

The Corporation issues or has issued MTIPs in the form of PSUs, RSUs, and Bridging RSUs (as defined below) pursuant to the Amended 2008 Executive Share Unit Plan (the "**Unit Plan**") and LTIPs which are options to purchase Common Shares issued pursuant to the Amended 2007 Stock Option Plan (the "**Stock Option Plan**").

The Board grants MTIP and LTIP awards to EIP members in its sole discretion and upon the recommendation of the HRCC. Generally, the MTIP and LTIP awards are determined as part of the annual deliberation process with respect to each EIP member's total compensation package with reference to total compensation for similar positions in the General Industry Survey Data and, in respect of the Named Executive Officers, in both the Proxy Peer Group and the General Industry Survey Data. There are certain limited occasions in which awards have been made outside that annual process such as for promotions or to recruit new senior executives to the Corporation. In recommending these grants, the HRCC considers the level of responsibility of the proposed recipient and his or her ability to impact performance and growth in Shareholder value.

The recommendations of the HRCC for MTIP and LTIP awards are not contingent on the number, term or current value of compensation previously awarded to an individual. The HRCC believes that reducing or limiting current MTIP and LTIP awards because of prior grants would unfairly penalize the executive and reduce the motivation for continued high achievement. Similarly, the HRCC does not purposely increase total longer-term compensation value in a given year to offset less-than-expected returns from previous awards.

MTIP (Unit Plan)

All EIP participants are eligible to receive MTIP awards in accordance with the terms and conditions of the Unit Plan. The Unit Plan provides that only cash payments shall be made in respect of vested MTIPs.

[3] Please refer to the section of this Circular titled "Non-IFRS Measures" for a detailed description of "EBITDA".

The PSUs issued pursuant to the Unit Plan performance vest or are cancelled at the end of the three year period based upon the Corporation's performance relative to the "corporate objectives" set at the time of the grant. The "corporate objectives" are approved at the sole discretion of the Board after considering the recommendations of the HRCC. The total cash payout for each performance vested PSU is calculated using the twenty-day volume weighted average closing price of the Common Shares at December 31st of the applicable year and applying a multiplier dependent upon the relative performance of the Corporation against the applicable "corporate objective". The multiplier applied to the value of the PSUs can range from 0% to 200%.

Prior to December 31, 2012, the Corporation had only issued PSUs pursuant to the Unit Plan. RSUs were introduced in 2013 and are substantially similar to the PSUs; however, the three year vesting of RSUs is not dependent on performance. The value of each RSU is determined on the applicable vesting date and is calculated using the twenty-day volume weighted average closing price of the Common Shares. In addition to the RSUs, in respect of 2012 and 2013 STIP awards, the Corporation issued a modified form of RSUs ("**Bridging RSUs**") in substitution for a portion of STIP that would otherwise have been paid in cash to eligible employees. There were no Bridging RSUs issued in connection with any other years. The Bridging RSUs are similar to the RSUs in most respects, except that the Bridging RSUs vest on the first, second and third anniversaries of the date of grant of such Bridging RSUs in increments of 20%, 30% and 50%, respectively.

Subject to the discretion of the HRCC, when a participant's employment with the Corporation is terminated for cause or upon voluntary resignation, and if such termination does not constitute retirement, then all unvested MTIPs are immediately terminated and cancelled. In the case of retirement, outstanding MTIPs may continue to vest in the normal course and are not immediately terminated. See the section titled "Executive Compensation Discussion and Analysis – Management Retirement Policy". In the event of termination of an employee as a result of: (a) the employee's death; or (b) the employees' permanent disability, a prorated number of the employee's MTIPs immediately vest and are paid out within 90 days. In the case of a termination without cause, a prorated number of the employee's MTIPs may vest.

2014 PSU Corporate Objectives

The "corporate objectives" set by the HRCC in 2014, and used for the purposes of determining the value of the PSUs issued in 2014, were based on the Corporation's relative performance against a metric based: (a) 50% on Stuart Olson's total shareholder return relative to the S&P/TSX Capped Industrial Index; and (b) 50% on Stuart Olson's total shareholder return relative to the following six peers:

Aecon Group Inc.	WSP Global Inc.
Bird Construction Inc.	Stantec Inc.
IBI Group Inc.	North American Energy Partners Inc.

2015 and 2016 PSU Corporate Objectives

The "corporate objectives" set by the HRCC in each of 2015 and 2016, and used for the purposes of determining the value of all PSUs issued in each of those years, were based on the Corporation's performance against a metric based: (a) 50% on Stuart Olson's total shareholder return relative to the S&P/TSX Capped Industrial Index; and (b) 50% on Stuart Olson's actual EBITDA[4] generated over the three years relative to targets set at the beginning of the applicable grant term.

LTIP (Stock Option Plan)

The executives and other employees of the Corporation and its subsidiaries are eligible to participate in the Stock Option Plan. Stock options typically vest in equal one third increments over three years. The options that were outstanding as at March 1, 2013 all expire five years from the original date of grant. The options granted after March 1, 2013 expire 10 years from the date of grant.

[4] Please refer to the section of this Circular titled "Non-IFRS Measures" for a detailed description of "EBITDA".

As at the Effective Date, there were approximately:

(a) 2,298,828 Common Shares issuable upon the exercise of outstanding options; this represented 8.47% of the total number of issued and outstanding Common Shares as at the Effective Date; and

(b) 413,987 Common Shares remaining available for issuance under the Stock Option Plan; this represented 1.53% of the total number of issued and outstanding Common Shares as at the Effective Date.

A total of 862,969 options have been exercised under the Stock Option Plan since its inception in 2006, representing 3.19% of the outstanding Common Shares as of the Effective Date.

A maximum of 2,702,815 Common Shares have been reserved for issuance under the Stock Option Plan, subject to the following limitations:

(a) the aggregate number of Common Shares reserved for issuance to any one person under the Stock Option Plan, together with all other security-based compensation arrangements of the Corporation, must not exceed 5% of the then outstanding Common Shares (on a non-diluted basis);

(b) in the aggregate, no more than 10% of the then outstanding Common Shares (on a non-diluted basis) may be reserved at any time for insiders under the Stock Option Plan, together with all other security-based compensation arrangements of the Corporation; and

(c) the number of securities of the Corporation issued to insiders, within any one year period, under all security-based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares.

The exercise price per Common Share shall be fixed by the Board of Directors, but under no circumstances shall any exercise price at the time of the grant be lower than the “market price” (i.e. the five day volume weighted average trading price prior to the date of grant) of the Common Shares on the TSX or such other minimum price as may be required by any stock exchange on which the Common Shares are listed at the time of grant. The options that were outstanding as at March 1, 2013 all expire on the date that is five years from the original date of grant. The options granted after March 1, 2013 expire on the date that is ten years from the date of grant. The Stock Option Plan includes a blackout provision. Pursuant to the policies of the Corporation respecting restrictions on trading, there are a number of periods each year during which Directors, officers and certain employees are precluded from trading in the Corporation’s securities. These periods are referred to as “blackout periods”. A blackout period is designed to prevent a person from trading while in possession of material information that is not yet available to other Shareholders. The Stock Option Plan includes a provision that should an option expiration date fall within a blackout period or within ten business days following a blackout period, the expiration date will automatically be extended for ten business days following the end of the blackout period.

The Stock Option Plan permits a “cashless exercise” under which the Board may, from time to time in its sole discretion, permit vested options to be surrendered, unexercised to the Corporation by an option holder in consideration for the receipt by the option holder of an amount equal to the excess, if any, of the aggregate fair market value of the Common Shares eligible to be purchased pursuant to the vested and exercisable portion of the option over the aggregate option price for those Common Shares pursuant to those options. The inclusion of the “cashless exercise” feature is intended to make it easier for option holders to exercise their vested options without having to risk the subsequent sale of Common Shares into the market and to mitigate excessive dilution as a result of the issuance of Common Shares acquired pursuant to the exercise of options. On March 15, 2013, the Board resolved to indefinitely suspend the application of the “cashless exercise” feature of the Stock Option Plan.

The Stock Option Plan allows the Board to terminate or discontinue the Stock Option Plan at any time without the consent of the option holders provided that such termination or discontinuance shall not alter or impair any options previously granted.

The Stock Option Plan does not provide any specific vesting provisions for options granted thereunder. Any vesting provisions for options granted under the Stock Option Plan will be determined by the Board of Directors and set out in the agreements evidencing such options. Options granted under the Stock Option Plan are non-assignable, except in the case of the death of an optionee. In the event that an option holder ceases to be engaged by the Corporation as a result of voluntary termination by the option holder, all options held by that person shall be cancelled immediately. In the event that an option holder is terminated by the Corporation, the option holder has a period of 90 days in which to exercise any vested options and any unvested options are immediately cancelled. In the event of death or permanent disability of an option holder, all options held by that person vest immediately and the option holder or his or her estate, as the case may be, has a period of one year from the date of vesting to exercise such options. In the event that an option holder retires from the Corporation, any outstanding options held by that individual immediately vest upon retirement and retain the original expiration dates. See the section of this Circular titled "Executive Compensation Discussion and Analysis – Management Retirement Policy" for a description of the Management-related retirement policy of the Corporation. At the discretion of the Board of Directors, the expiry date may be extended; however, in no event will an option be exercisable at a date in excess of 10 years from the date of grant, without the approval of the TSX.

The Board of Directors may amend the Stock Option Plan and options granted under it, without Shareholder approval, provided that the Board shall not be permitted, in the absence of Shareholder and TSX approval to:

(a) reduce the exercise price or cancel and reissue options or other entitlements including those held by non-insiders of the Corporation;

(b) extend the expiry date of an option held by any insider of the Corporation (subject to such date being extended by virtue of the blackout provision noted above);

(c) amend the limitations on the maximum number of Common Shares reserved or issued to insiders;

(d) change the eligible participants under the Stock Option Plan, including permitting non-Management Directors of Stuart Olson or its subsidiaries to participate in the Stock Option Plan;

(e) permit options granted under the plan to be transferable or assignable other than for normal estate settlement purposes;

(f) increase the maximum number of Common Shares issuable pursuant to the Stock Option Plan; or

(g) amend the amendment provisions of the Stock Option Plan.

The Stock Option Plan was last amended on March 10, 2010 and the unallocated options were approved by the Shareholders on May 25, 2016.

Other Compensation Plans

The following discussion pertains to the other compensation plans that are included as part of the total compensation package offered to EIP participants, including the Named Executive Officers.

Employee Share Purchase Plan

Stuart Olson offers all of its salaried employees, including the Named Executive Officers, the opportunity to invest in Common Shares through an employer matched share purchase plan (the "**ESPP**"). Pursuant to the terms of the ESPP, Stuart Olson matches an employee's contributions up to 5% of his or her base salary. The funds accumulate and are used to purchase Common Shares in the open market. Contributions are vested immediately. The plan is designed to provide employees with an ownership interest and motivate their actions towards maximizing Shareholder value.

Group RRSP

Stuart Olson offers most of its employees, including the Named Executive Officers other than Mr. Hale, an opportunity to contribute to their retirement savings through an employee/employer Group Registered Retirement Saving Program ("**RRSP Program**"). Stuart Olson matches employee contributions to the RRSP Program up to 5% of the employee's base salary. Contributions made by Stuart Olson pursuant to the RRSP Program are vested immediately. The purpose of the RRSP Program is to encourage employees to save for retirement.

Group Benefits and Other Perquisites

The benefit programs in which the Named Executive Officers participate include car allowances and enrollment in programs for health, dental, life insurance and short and long-term disability.

Management Retirement Policy

The Corporation has implemented a formal retirement policy that applies to its employees. The policy provides that in order to be eligible for retirement an employee must: (a) be employed by the Corporation at the time he or she reaches the age of 60; and (b) have worked for the Corporation for a minimum of two consecutive years. Subject to the President and Chief Executive Officer's approval and provided that the foregoing conditions are met, the retiring employee is entitled to retain all Bridging RSUs, RSUs, PSUs and options held at the time of retirement. All of such awards continue to be subject to the original vesting conditions at the time of award including, without limitation, the "corporate objectives" applicable to the PSUs. Any options outstanding expire on the earlier of: (a) five years from the date of grant; or (b) the original expiry date of such options. The policy also provides that any outstanding awards shall be cancelled in the event that the retired employee returns to work with a competitor of the Corporation. The foregoing policy applies to all employees of the Corporation, other than certain employees that continue to be subject to a previous version of the policy. That previous version was substantially similar to the current policy, other than that it applied to employees at the age of 55, instead of 60.

Executive Equity Ownership Guidelines

The HRCC and the Board believe it is important that the Corporation's executives demonstrate their commitment to Stuart Olson's stewardship through equity ownership. This equity investment is achieved by: (a) acquiring Common Shares in the open market, through the exercise of options or through participation in the ESPP; (b) purchasing convertible debentures in the open market; (c) acquiring RSUs and Bridging RSUs through annual equity awards; and (d) up until December 31, 2012, electing to receive DSUs in accordance with the DSU Plan. The Board first approved equity ownership guidelines in 2011 and then, upon the recommendation of the HRCC, approved revised guidelines in 2014 that now apply to a broader group of executives and include increased ownership levels. The 2014 equity ownership guidelines encourage an executive to obtain equity ownership at the applicable multiple of his or her salary within five years of appointment to his or her position. If, at the end of such five year period, the required multiple is not met, then all after tax proceeds paid to the Executive from equity incentives (such as BRSUs, RSUs, and PSUs) are required to be used to purchase Common Shares until the guidelines are met. Those guidelines are as set out in the table below.

Position	2014 Equity Ownership Guidelines Minimum Multiple of Base Salary[1]	Previous Equity Ownership Guidelines Minimum Multiple of Base Salary[2]
President and Chief Executive Officer	3.0x	2.0x
Chief Financial Officer	1.5x	1.5x
Business Leads for Each Operating Company	1.5x	1.5x
Other Direct Reports to the Chief Executive Officer	0.5x	Nil

Notes:

(1) The guidelines approved in 2014 require that the executive meet the ownership requirements within five years from the later of December 10, 2014 and the date upon which the executive was appointed to his or her position.

(2) The guidelines approved in 2011 required that the executive meet the ownership requirements within three years from the later of March 10, 2011 and the date upon which the executive was appointed to his or her position.

Equity valuations of Common Shares for the purposes of the ownership guidelines are: (i) for Common Shares, based on the greater of cost or fair market value as of December 31, 2016; and (ii) for RSUs, DSUs and Bridging RSUs, valued at payout value assuming a 100% payout on December 31, 2016. As of December 31, 2016, all of the Named Executive Officers were in compliance with the 2014 Equity Ownership Guidelines, however, Messrs. LeMay, Myles and Atkinson, are required to acquire additional equity ownership prior to the anniversaries of their respective appointments in 2019, 2021 and 2020 respectively. The table below sets out the calculated value of the equity held by each of the Named Executive Officers, other than Mr. Hale as he is not subject to ownership guidelines, as at December 31, 2016 and the status of each with respect to the equity ownership requirement:

Named Executive Officer	**Base Salary ($)**	**Required Multiple of Base Salary**	**Required Value at Risk ($)**	**Total Value at Risk ($)[1]**	**Actual Multiple of Base Salary**	**2014 Equity Ownership Guideline Achieved**	**2011 Equity Ownership Guideline Achieved**
David LeMay	540,750	3.0x	1,622,250	1,510,773	2.79	No[2]	Yes
Daryl Sands	408,447	1.5x	612,671	1,320,584	3.23	Yes	Yes
Robert Myles	410,000	1.5x	615,000	97,073	0.24	No[3]	N/A
Arthur Atkinson	350,000	1.5x	525,000	308,597	0.88	No[4]	N/A

Notes:

(1) Mr. LeMay and Mr. Sands each own DSUs. The issuance of DSUs to employees was discontinued in 2012.
(2) Mr. LeMay has until June 1, 2019 to meet the ownership requirements approved in 2014.
(3) Mr. Myles has until February 1, 2021 to meet the ownership requirements approved in 2014.
(4) Mr. Atkinson has until May 1, 2020 to meet the ownership requirements approved in 2014.

2016 EXECUTIVE COMPENSATION AND RELATED MATTERS

The Corporation's compensation program is designed to be market-based, pay for performance and align executive incentives with the Corporation's corporate objectives and overall strategy. This section, together with the section titled "Executive Compensation Discussion and Analysis", explains the Corporation's executive compensation program, the Corporation's 2016 performance, the HRCC and the Board assessment of corporate and executive performance and related compensation decisions for the Named Executive Officers of the Corporation for the 2016 fiscal year.

2016 Corporate Performance

The following summarizes Stuart Olson's performance against 2016 corporate objectives:

Corporate Performance Objective	Target	Actual Result	Performance Assessment
EBITDA[(1)] ($ mm)	$47.5	$27.5	Below threshold
Backlog[(1)] ($ billions)	$2.0	$2.0	Met target
Business Diversification	30% year over year growth	30% year over year growth	Met target
Safety: Recordable Incident Frequency Improvement	Two of three operating groups to meet quarterly targets	One operating group met quarterly targets	Met threshold

Note:

(1) Please refer to the section of this Circular titled "Non-IFRS Measures" for a detailed description of "EBITDA" and "Backlog".

The year ending December 31, 2016, was a challenging year for the Canadian economy, and in particular for construction and industrial companies operating in Alberta. The economy was weakened by depressed commodity prices, and an uncertain and evolving political landscape. Oil prices remained well below those experienced in prior years, with West Texas Intermediate averaging approximately USD43/bbl. Also in 2016, a massive forest fire devastated the Fort McMurray region in Alberta, resulting in shutdowns and decreases in work activity for many companies, including the Corporation and many of its key customers. The Alberta oil sands market, which is the Corporation's largest, contracted well beyond industry expectations and spending in the sector was well below the historical highs of 2010-2014. Many construction projects were cancelled or delayed and maintenance repair and operations ("**MRO**") spending was deferred as owners focused on reducing costs and optimizing cash flow. Although federal and provincial infrastructure budgets rose in 2016, very few of these budget increases translated into actual projects, and the Alberta commercial market in particular was impacted by the struggling energy sector with commercial tenant vacancy rates hovering above 20%. The Buildings Group and Commercial Systems Group were impacted by a slower than expected rollout of federal and provincial infrastructure projects and a lack of clarity for funding models that delayed the development process for institutional builders.

Evaluation of Performance to Corporate Objectives

EBITDA: The Corporation strategically responded to the challenging market conditions with restructuring initiatives across all operating groups, matching cost structures with activity levels and achieving $13.9 million in savings of general and administrative costs compared to 2015, most of which are expected to continue in future years. Despite these measures, the Corporation realized EBITDA of $27.5 million, as compared to the $51.2 million that was achieved in 2015, and well below the target for the year.

Backlog: Although 2016 was challenging in terms of revenues, the Corporation met its backlog target by maintaining a book to bill ratio of greater than 1 to 1, securing $943 million in new projects, and ending the year with record backlog of $2.0 billion.

Business Diversification: In keeping with its strategy to adapt to changing market conditions, the Corporation advanced its diversification strategy by securing backlog outside of Alberta and its traditional oil sands market. The Buildings Group secured several new projects in Ontario and further developed its team to establish a strong presence in the Ontario market. The Industrial Group won a significant contract in the mining sector in Northern Ontario and continued work on a major power project in Manitoba. The Commercial Systems Group opened field offices in Saskatoon and Winnipeg.

Safety: One operating group achieved a 20% reduction in the recordable incident frequency metric on a quarter over quarter basis, but the Corporation fell short of its target to have zero recordable incidents.

Although the Corporation met its backlog and diversification targets, the HRCC reviewed the Corporation's overall performance and determined it was below target for 2016.

Determination of Components of Compensation for the Financial Year Ended December 31, 2016

Base Salaries

The base salaries for each of the Named Executive Officers are determined in accordance with the philosophy described in the section of this Circular titled "Executive Compensation Discussion and Analysis - Description of Components of Compensation – Base Salary". Consistent with 2015, for 2016, no base salary increases were awarded to the Named Executive Officers.

2016 STIP Analysis

The Corporation did not meet the threshold EBITDA target at which a STIP pool would be funded for 2016 performance. The HRCC evaluated the Corporation's overall performance and determined that no STIP would be payable to the Named Executive Officers in respect of 2016. See the section titled "2016 Corporate Performance".

Notwithstanding that overall performance was below target for the year, the Corporation did achieve a number of positive outcomes:

- The Corporation addressed key organizational gaps which included the hiring of a new Chief Operating Officer to lead the Industrial Group and a new President and Chief Operating Officer in early 2017 to lead the Commercial Systems Group.
- The Industrial Group successfully expanded its recurring MRO business while diversifying across geographies and sectors and finished the year with record backlog of $823 million which included $700 million in new awards or increase in scope to existing contracts.
- The Buildings Group further advanced its strategy of leveraging technology with the Centre for Building Performance and its Virtual Design Construction offerings by demonstrating to clients its ability to add value by design in its pre-construction and construction processes with these services.
- The Commercial Systems Group further expanded its market position as a go to service provider in large institutional projects and successfully qualified as a key partner for a bid team that is pursuing a major health care P3 project in Alberta.
- The Corporation amended its credit facility obtaining an extension of the maturity date to 2021 and improved commercial terms and covenants.
- The Corporation declared and paid annual dividends of $0.48 per common share in 2016.

Long-Term Incentives

The Board grants MTIPs and LTIPs to the Named Executive Officers on the recommendation of the HRCC. The MTIP and LTIP awards are determined as part of the annual deliberation to determine each Named Executive Officer's total compensation package. The HRCC uses market data provided by Willis Towers Watson, and targets the median of the Proxy Peer Group in accordance with the philosophies described in the section of this Circular titled "Executive Compensation Discussion and Analysis - Description of Components of Compensation – Equity Based Incentives".

2016 MTIP and LTIP Awards

The table below reflects the MTIP and LTIP awards made to each of the Named Executive Officers in 2016:

Named Executive Officer	**2016 MTIP Award $**	**2016 LTIP Award $**
David LeMay	660,000	220,000
Daryl Sands	321,652	107,217
Robert Myles	230,625	76,875
Arthur Atkinson	223,125	74,375
Doug Hale	146,460	Nil

Summary Compensation Table

The following table sets forth certain information regarding compensation paid, payable, awarded, granted, given or otherwise provided during each of 2014, 2015 and 2016 to each of the Named Executive Officers. The total remuneration paid or granted to the Named Executive Officers in the financial year ended December 31, 2016 is summarized below.

Name and Principal Position	Year	Salary[(1)] ($)	Share-based awards[(2)] ($)	Option-based awards[(3)] ($)	Non-equity incentive plan compensation: Annual incentive plans[(4)] ($)	Non-equity incentive plan compensation: Long-term incentive plans ($)	Pension value[(5)]	All other compensation[(6)] ($)	Total compensation ($)
David LeMay President and Chief Executive Officer Stuart Olson	2016	540,750	660,000	220,000	Nil	Nil	Nil	54,074	1,474,825
	2015	561,548	646,875	215,625	548,861	Nil	Nil	56,154	2,029,063
	2014	540,023	608,344	356,781	757,050	Nil	Nil	123,755	2,385,953
Daryl Sands Executive VP and Chief Financial Officer Stuart Olson	2016	408,447	321,652	107,217	Nil	Nil	Nil	40,844	878,160
	2015	424,157	321,652	107,217	291,018	Nil	Nil	42,414	1,186,458
	2014	407,899	321,651	107,217	398,236	Nil	Nil	40,790	1,275,793
Robert Myles Chief Operating Officer Industrial Group	2016	378,461	230,625	76,875	Nil	Nil	Nil	51,191	737,152
	2015	-	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	-	-
Arthur Atkinson Chief Operating Officer Buildings Group	2016	350,000	223,125	74,375	Nil	Nil	Nil	45,320	692,820
	2015	344,346	187,700	100,000	216,125	Nil	Nil	45,151	893,322
	2014	280,038	115,876	Nil	120,000	Nil	Nil	38,324	554,238
Doug Hale Executive Vice President, Commercial Systems Group	2016	273,000	146,460	Nil	Nil	Nil	46,000	47,460	512,920
	2015	273,000	122,216	Nil	146,460	Nil	45,000	17,460	599,136
	2014	273,000	115,278	Nil	137,818	Nil	38,000	18,405	582,501

Notes:

(1) Salary reported is actual salary paid in the calendar year, and may differ from the executive's base salary as a result of the timing of pay periods in the calendar year. For the past two fiscal years, there have been no increases in the base salaries of the Named Executive Officers, with the exception of the increase to Mr. Atkinson's base salary as a result of his promotion into his current position.

(2) Represents the value of: (a) PSUs and RSUs awarded pursuant to the MTIP in accordance with the Unit Plan as at the grant date; and (b) Bridging RSUs awarded in lieu of STIP payments earned in respect of 2013. The value disclosed in this column is based on the weighted average share price of Common Shares for the five days prior to the date of grant, multiplied by the number of PSUs and RSUs granted. The actual value realized upon the future vesting and payment of such awards may be greater or less than the grant date fair value indicated.

(3) Represents the fair value of options awarded pursuant to the LTIP in accordance with the Stock Option Plan as at the grant date. The key assumptions and estimates used in the Black Scholes model for the calculation of the grant date fair value of the options granted to: (a) all Named Executive Officers (other than Mr. Hale) on March 8, 2016, include the weighted average expected option life of 7 years, the weighted average expected volatility of 44.13%, the weighted average expected dividend yield of 8.21% and a risk free rate of 0.95% (b) all Named Executive Officers (other than Messrs. Atkinson, Myles and Hale) on April 1, 2015, include the weighted average expected option life of 7 years, the weighted average expected volatility of 45.22%, the weighted average expected dividend yield of 5.57% and a risk free rate of 0.97%; (c) Mr. Atkinson on May 19, 2015, include the weighted average expected option life of 10 years, the weighted average expected volatility of 47.19%, the weighted average expected dividend yield of 6.70% and a risk free rate of 1.45%; and (d) Messrs LeMay and Sands on September 13, 2014, include the weighted average expected option life of 7 years, the weighted average expected volatility of 49.74%, the weighted average expected dividend yield of 4.83% and a risk free rate of 1.81%. The actual value realized may be greater or less than the grant date fair value indicated.

(4) Represents the annual cash bonus awards (STIP) earned by the Named Executive Officers in the applicable fiscal year.

(5) The 2015 Pension Value for Mr. Hale has been restated to $45,000 as compared to the $40,000 disclosed in the prior year's Management Information Circular.

(6) Other than as detailed in the section below titled "Perquisites and Other Personal Benefits", perquisites and other personal benefits do not exceed the lesser of $50,000 and 10% of the total of the annual salary for the Named Executive Officers and are not reported.

Perquisites and Other Personal Benefits

The table below sets out the details pertaining to the perquisites and other personal benefits awarded to each of the Named Executive Officers for 2014, 2015 and 2016.

Named Executive Officer	Year	Perquisites and Other Personal Benefits
David LeMay	2016	(a) $27,037 in respect of matching contributions to the Corporation's RRSP Program; and (b) $27,037 in respect of matching contributions to the ESPP.
	2015	(a) $28,077 in respect of matching contributions to the Corporation's RRSP Program; and (b) $28,077 in respect of matching contributions to the ESPP.
	2014	(a) $27,001 in respect of matching contributions to the Corporation's RRSP Program; (b) $27,001 in respect of matching contributions to the ESPP; and (c) $69,753 in respect of a golf club share purchase.
Daryl Sands	2016	(a) $20,422 in respect of matching contributions to the Corporation's RRSP Program; and (b) $20,422 in respect of matching contributions to the ESPP.
	2015	(a) $21,207 in respect of matching contributions to the Corporation's RRSP Program; and (b) $21,207 in respect of matching contributions to the ESPP.
	2014	(a) $20,395 in respect of matching contributions to the Corporation's RRSP Program; and (b) $20,395 in respect of matching contributions to the ESPP.
Robert Myles	2016	(a) $18,976 in respect of matching contributions to the Corporation's RRSP Program; (b) $18,923 in respect of matching contributions to the ESPP; and (c) $13,292 in respect of a car allowance.
	2015	Not applicable
	2014	Not applicable
Arthur Atkinson	2016	(a) $17,500 in respect of matching contributions to the Corporation's RRSP Program; (b) $17,500 in respect of matching contributions to the ESPP; and (c) $10,320 in respect of a car allowance.
	2015	(a) $17,217 in respect of matching contributions to the Corporation's RRSP Program; (b) $17,217 in respect of matching contributions to the ESPP; and (c) $10,717 in respect of a car allowance.
	2014	(a) $14,002 in respect of matching contributions to the Corporation's RRSP Program; (b) $14,002 in respect of matching contributions to the ESPP; and (c) $10,320 in respect of a car allowance.
Doug Hale	2016	(a) $5,460 in respect of matching contributions to the ESPP; (b) $30,000 in the form of a salary supplement for acting as interim Chief Operating Officer of the Commercial Systems Group; and (c) $12,000 in respect of a car allowance.
	2015	(a) $5,460 in respect of matching contributions to the ESPP; and (b) $12,000 in respect of a car allowance.
	2014	(a) $6,405 in respect of matching contributions to the ESPP; and (b) $12,000 in respect of a car allowance.

Pension Plan Benefits

The Corporation acquired indirect ownership of Canem Systems Ltd. (“**Canem**”) pursuant to the Corporation's acquisition of Seacliff Construction Corp. in July of 2010. At that time, certain of Canem's employees, including Mr. Hale, were participants in Canem's defined benefit retirement plan (the “**Canem Plan**”). The Canem Plan is active in respect to its legacy participants, but is no longer available to new entrants. The following table sets out the accrued benefits to Mr. Hale under the Canem Plan as at December 31, 2016.

Named Executive Officer	Number of years credited service	Annual benefits payable ($)		Opening present value of defined benefit obligation ($)	Compensatory change ($)	Non-compensatory change ($)	Closing present value of defined benefit obligation
		At year end	At age 65				
Doug Hale	18	52,000	78,000	858,000	46,000	21,000	925,000

Outstanding Share-Based and Option-Based Awards

The following table sets forth for each of the Named Executive Officers all awards outstanding as at December 31, 2016 under the Stock Option Plan, as awards under the Stock Option Plan are considered "option-based awards" under applicable securities laws, and the Unit Plan, as awards of PSUs, RSUs and Bridging RSUs under the Unit Plan are considered "share-based awards" under applicable securities laws.

Named Executive Officer	Option-Based Awards				Share-Based Awards		
	Number of Shares underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options(1) ($)	Number of shares or units of shares that have not vested (#)(2)	Market or payout value of share-based awards that have not vested(3) ($)	Market or payout value of vested share-based awards not paid out or been distributed(4) ($)
David LeMay	25,919 115,740 120,396 63,369 50,000 152,926 224,490	15.48 8.19 7.50 9.94 9.94 5.77 5.80	Mar 15, 2017 Aug 17, 2017 Apr 1, 2023 Sept 13, 2024 Sep 13, 2024 Apr 1, 2025 Mar 8, 2026	Nil Nil Nil Nil Nil 9,176 6,735	177,650 PSUs 88,825 RSUs 6,386 Bridging RSUs	1,568,951	17,538
Daryl Sands	48,385 82,615 33,505 76,041 109,405	15.48 7.50 9.94 5.77 5.80	Mar 15, 2017 Apr 1, 2023 Sept 13, 2024 Apr 1, 2025 Mar 8, 2026	Nil Nil Nil 4,562 3,282	88,877 PSUs 44,439 RSUs 3,618 Bridging RSUs	787,371	50,094
Robert Myles	78,444	5.80	Mar 8, 2026	2,353	22,644 PSUs 11,322 RSUs	195,305	Nil
Arthur Atkinson	9,617 71,429 75,893	15.48 6.07 5.80	Mar 15, 2017 May 19, 2025 Mar 8, 2026	Nil Nil 2,277	47,530 PSUs 28,340 RSUs 1,738 Bridging RSUs	446,246	Nil
Doug Hale	Nil	N/A	N/A	N/A	23,323 PSUs 30,260 RSUs	308,102	Nil

Notes:

(1) The value of the unexercised in-the-money options has been calculated as at December 31, 2016 as determined based on the excess of the closing price of the Common Shares on the TSX on December 31, 2016 of $5.83 per share over the exercise price of such options. The actual value realized upon the exercise of such options may be greater or less than the value indicated.

(2) RSUs, Bridging RSUs and PSUs are granted pursuant to the MTIP and subject to and in accordance with the Unit Plan.

(3) The value of the unvested share-based awards has been calculated as at December 31, 2016 as determined based on the cash value of the PSUs, RSUs and Bridging RSUs held by the Named Executive Officer at that time. The relative value of a PSU has been calculated assuming the Corporation had achieved target performance and 100% of the PSUs had vested on December 31, 2016. The cash value of one PSU, RSU and Bridging RSU on December 31, 2016 would have had a value of $5.75, being the weighted average trading price of the Common Shares on the TSX for the twenty trading days immediately preceding December 31, 2016.

(4) The amounts represent the cash value of DSUs held by each Named Executive Officer as at December 31, 2016. The amounts have been calculated based upon each DSU having a value of $5.85, being the weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding December 31, 2016.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table provides details of the value of option-based and share-based awards that vested during the financial year ended December 31, 2016 and the value of annual incentive awards earned in respect of 2016 for each of the Named Executive Officers.

Named Executive Officer	Option-based awards- Value vested during the year(1) ($)	Share-based awards – Value vested during the year(2) ($)	Non-equity incentive plan compensation – Value earned during the year(3) ($)
David LeMay	3,059	250,100	Nil
Daryl Sands	1,521	162,842	Nil
Robert Myles	Nil	Nil	Nil
Arthur Atkinson	Nil	101,302	Nil
Doug Hale	Nil	21,207	Nil

Notes:

(1) The value of the options that vested during 2016 was determined as at December 31, 2016 on the excess of the price of the Common Shares as at that date ($5.83 per Common Share) over the applicable exercise price. Out-of-the-money options are excluded from the calculation.

(2) Represents the amounts paid out pursuant to the vesting of the MTIP awards granted in 2013, 50% of the Bridging RSUs awarded in 2013 and 30% of the Bridging RSUs awarded in 2014. The Corporation's relative performance for the three year period ending in 2016 corresponded to a payout of 62% of the value of the PSUs underlying that award.

(3) There were no cash payments or awards for STIP earned by the Named Executive Officers in respect of the financial year ended December 31, 2016.

Employment, Termination and Change of Control Benefits

Each of the Named Executive Officers has entered into an employment agreement with the Corporation. The employment agreements govern the relationship between the individual Named Executive Officer and the Corporation in the case of certain scenarios including the following: (a) a termination of the Named Executive Officer without cause, including constructive dismissal; (b) in the case of Messrs. Miller and Hale, the retirement of the Named Executive Officer; and (c) in the case of Messrs. LeMay, Sands and Myles, termination following a change of control of the Corporation. For the purposes of this section, a "change of control of the Corporation" can be summarized as meaning the occurrence of any one or more of the following events:

(a) the acquisition, by whatever means, by a third party of more than a majority of the combined voting power of the Common Shares;

(b) the amalgamation, consolidation or merger of the Corporation with another entity pursuant to which Shareholders immediately prior to such transaction do not own voting securities of the successor or continuing corporation which would entitle them to cast more than 50% of the votes attaching to shares in the capital of the successor or continuing corporation;

(c) the election at a meeting of Shareholders of that number of persons which would represent a majority of the Board, as Directors who are not included in the slate for election as Directors proposed by the Corporation;

(d) the sale, lease, transfer, or other disposition of all or substantially all of the assets of the Corporation;

(e) the decision to liquidate, dissolve or wind-up the Corporation;

(f) the transfer of the head offices of the Corporation from Calgary, Alberta;[5]

(g) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (a) through (e) referred to above; or

(h) a determination by the Board of Directors that a change of control has occurred.

[5] This provision triggering a change of control is only applicable to the employment agreement of Mr. LeMay.

Neither the Unit Plan nor the Stock Option Plan provides for automatic vesting of PSUs, RSUs, Bridging RSUs or options upon the occurrence of a change of control of the Corporation. Any automatic vesting under those plans would occur only in accordance with the provisions of each individual's employment agreement.

Similarly, for the purposes of this section, "good reason" in the context of a change of control can be summarized as generally meaning the occurrence of any one or more of the following events:

(a) a materially adverse change in the executive's position, duties, or responsibilities other than as a result of the executive's physical or mental incapacity;

(b) a materially adverse change in the executive's reporting relationship that is inconsistent with the executive's title or position;

(c) a material increase in the duties and responsibilities of the executive without a corresponding reasonable increase in the executive's compensation;

(d) a reduction in the executive's base salary or benefits;

(e) the relocation of the executive without his or her consent; or

(f) a material reduction in the benefits provided to the executive.

The table below sets out the relevant provisions of the employment agreement of each Named Executive Officer:

Named Executive Officer	Date of Agreement	Entitlement Upon Termination Following Change of Control[1]	Entitlement Upon Termination Without Cause[2]	Non-Solicitation and Non-Compete Provisions
David LeMay	May 31, 2013	• All accrued and unpaid base salary, STIP and vacation pay earned prior to the date of termination • A lump sum equal to: (a) 1/12 of target STIP times the number of complete months of service provided in the said year; (b) base salary for a period of twenty-four (24) months; (c) 2 times target STIP; and (d) 20% of base salary to compensate for lost benefits • MTIP awards and Bridging RSUs shall fully vest, where applicable, at 100% of the performance target • Options shall fully vest with an exercise date being the earlier of the regular expiry date or ninety days from the date of termination	• All accrued and unpaid base salary, STIP and vacation pay earned prior to the date of termination • A lump sum equal to: (a) 1/12 of target STIP times the number of complete months of service provided in the said year; (b) base salary for a period of twenty-four (24) months; (c) 2 times target STIP; and (d) 20% of base salary to compensate for lost benefits • MTIP awards and Bridging RSUs shall vest on a prorated basis, where applicable, at 100% of the performance target • Options which have not vested shall be forfeited and all vested options will have an exercise date being the earlier of the regular expiry date or ninety days from the date of termination	Yes, for a 12 month period and within a certain geographic region following termination of employment with the Corporation.
Daryl Sands	May 31, 2013	• All accrued and unpaid base salary, STIP and vacation pay earned prior to the date of termination • A lump sum equal to: (a) 1/12 of target STIP times the number of complete months of service provided in the said year; (b) base salary for a period of twenty-four (24) months; and (c) 2 times target STIP	• All accrued and unpaid base salary, STIP and vacation pay earned prior to the date of termination • A lump sum equal to: (a) 1/12 of target STIP times the number of complete months of service provided in the said year; (b) base salary for a period of eighteen (18) months; and (c) 1.5 times target STIP	Yes, for a 12 month period and within a certain geographic region following termination of employment with the Corporation.

Named Executive Officer	Date of Agreement	Entitlement Upon Termination Following Change of Control[(1)]	Entitlement Upon Termination Without Cause[(2)]	Non-Solicitation and Non-Compete Provisions
		• MTIP awards and Bridging RSUs shall fully vest, where applicable, at 100% of the performance target • Options shall fully vest with an exercise date being the earlier of the regular expiry date or ninety days from the date of termination	• MTIP awards and Bridging RSUs shall vest on a prorated basis, where applicable, at 100% of the performance target • Options which have not vested shall be forfeited and all vested options will have an exercise date being the earlier of the regular expiry date or ninety days from the date of termination	
Robert Myles	January 7, 2016	• All accrued and unpaid base salary, STIP and vacation pay earned prior to the date of termination • A lump sum equal to: (a) 1/12 of target STIP times the number of complete months of service provided in the said year; (b) base salary for a period of eighteen (18) months; and (c) 1.5 times target STIP • MTIP awards shall fully vest, where applicable, at 100% of the performance target • Options shall fully vest with an exercise date being the earlier of the regular expiry date or ninety days from the date of termination	• All accrued and unpaid base salary and vacation pay earned prior to the date of termination. • A lump sum equal to base salary for a period of eighteen (18) months. • MTIP awards shall vest on a prorated basis, where applicable, at 100% of the performance target. • Options which have not vested shall be forfeited and all vested options will have an exercise date being the earlier of the regular expiry date or ninety days from the date of termination.	Yes, for a 12 month period and within a certain geographic region following termination of employment with the Corporation.
Arthur Atkinson	June 1, 2014	N/A	• A lump sum equal to base salary for a period of eighteen months (18) months • Subject to the discretion of the Board, MTIP awards and Bridging RSUs shall vest on a prorated basis, where applicable, at 100% of the performance target • Options which have not vested shall be forfeited and all vested options will have an exercise date being the earlier of the regular expiry date or ninety days from the date of termination	Yes, for a 12 month period and within a certain geographic region following termination of employment with the Corporation.

Named Executive Officer	Date of Agreement	Entitlement Upon Termination Following Change of Control[(1)]	Entitlement Upon Termination Without Cause[(2)]	Non-Solicitation and Non-Compete Provisions
Doug Hale	December 20, 2010	N/A	• A lump sum equal to base salary for a period of twenty-four months (24) months • Subject to the discretion of the Board, MTIP awards and Bridging RSUs shall vest on a prorated basis, where applicable, at 100% of the performance target • Options which have not vested shall be forfeited and all vested options will have an exercise date being the earlier of the regular expiry date or ninety days from the date of termination	Yes, for a 12 month period and within a certain geographic region following termination of employment with the Corporation.

Notes:

(1) This includes termination by the Corporation following a "change of control" or termination by the executive for "good reason" following a change of control of the Corporation. See the immediately preceding section titled "Employment, Termination and Change of Control Benefits" for the relevant definitions of "change of control" and "good reason".

(2) Termination without cause includes "constructive dismissal".

Estimated Termination Payments

The following table summarizes the payments to which each Named Executive Officer would have been entitled if his employment had been terminated on December 31, 2016 in various scenarios, including by the Corporation without cause or, in the case of certain Named Executive Officers, by the Named Executive Officer as a result of "good reason" following a "change of control" of the Corporation or retirement:

Named Executive Officer	Termination Following Change of Control[(1)] ($)	Termination Without Cause (incl. Constructive Dismissal)[(2)] ($)	Retirement ($)
David LeMay	4,398,384	3,679,162	17,538 [(4)]
Daryl Sands	2,573,367	1,861,433	50,094 [(4)]
Robert Myles	1,476,555	663,826	Nil[(4)]
Arthur Atkinson	N/A	746,375[(3)]	Nil[(4)]
Doug Hale	N/A	704,953[(3)]	Nil[(5)]

Notes:

(1) This includes termination by the Corporation following a "change of control" or termination by the executive for "good reason" following a change of control of the Corporation. See the above content in this section titled "Employment, Termination and Change of Control Benefits" for the relevant definitions of "change of control" and "good reason". The amounts do not include funds received pursuant to the sale of any Common Shares owned by the executive.

(2) The amounts do not include funds received pursuant to the sale of any Common Shares owned by the executive.

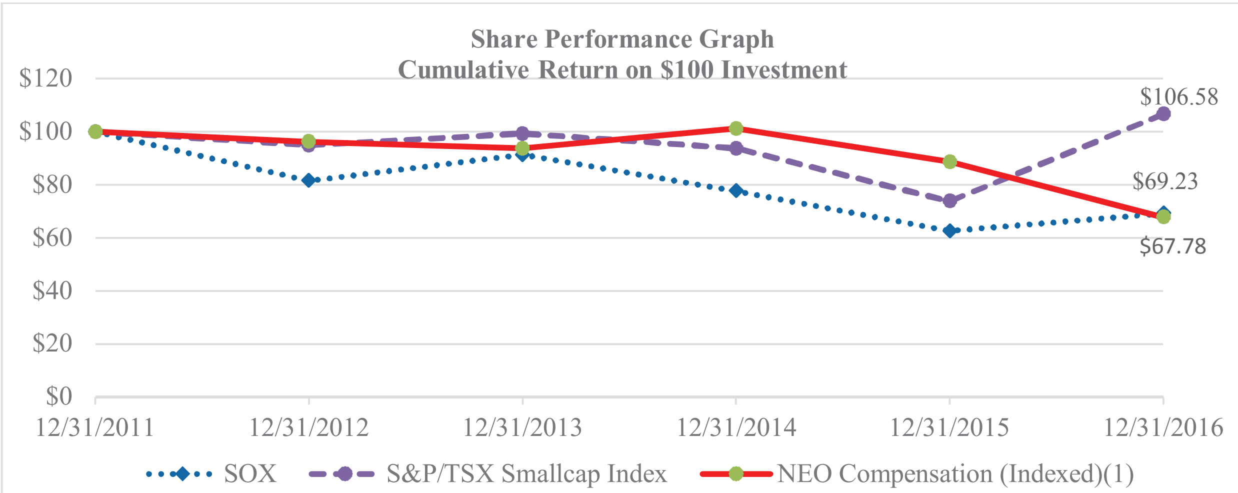
(3) For the purposes of termination without cause, the amounts assume that the Board would have exercised its discretion to 100% vest all MTIPS which would be paid out on a prorated basis.

(4) The Corporation's retirement policies would not have applied to Messrs. LeMay, Myles, Sands and Atkinson as at December 31, 2016. Each of Messrs. LeMay and Sands would, however, have been entitled to receive a payout on DSUs that he held at December 31, 2016 had he retired on that date.

(5) The incremental payments to Mr. Hale resulting from his retirement do not include amounts payable to him pursuant to the Canem Plan. Please refer to "2016 Executive Compensation and Related Matters – Pension Plan Benefits" for further details. Also excluded from the table are any amounts Mr Hale would be entitled to receive pursuant to Bridging RSUs, RSUs and PSUs retained by him following retirement in accordance with the Corporation's retirement policy. Please refer to "Executive Compensation Discussion and Analysis – Management Retirement Policy" for further details.

Share Performance Graph

The share performance graph below compares the yearly and cumulative total return on the Common Shares (assuming a $100 investment was made on December 31, 2011) with the cumulative total return of the S&P/TSX Smallcap Index. The graph also shows the aggregate compensation paid or awarded to the then Named Executive Officers over the same time period (portrayed as an index, for the purposes of which, the amount of such compensation for the year ending in December 31, 2011 is set at $100) ("**NEO Compensation (Indexed)**)".



Note:

(1) This amount is calculated as the applicable year's aggregate compensation paid or awarded to the then Named Executive Officers divided by the corresponding amount in 2011, multiplied by $100.

The above graph illustrates that the compensation has followed a similar trend to the cumulative return experienced by Shareholders for the last five years and, in particular in 2016.

Realizable Compensation

The pay-for-performance philosophy of the Corporation is also demonstrated by analyzing the difference in the value of realizable compensation to the value of awarded compensation for the President and Chief Executive Officer. The chart below compares current realizable compensation for the President and Chief Executive Officer to the awarded value of the same compensation for the period January 1, 2014 to December 31, 2016, each calculated as at December 31, 2016. The chart shows that realizable value of compensation is approximately 34% less than the awarded value. This reduction in realizable compensation demonstrates that the Corporation's pay for performance philosophy aligns actual compensation with shareholder results. The other Named Executive Officers have experienced a similar decline in the realizable value of their compensation over the period analyzed.

President and Chief Executive Officer 2014 – 2016 Aggregate Compensation	**Target[1] ($)**	**Actual / Realizable[2][3] ($)**
Base Salary	1,622,250	1,622,250
STIP	1,622,250	1,305,911
Options	792,406	21,991
RSU	638,565	518,013
PSU	1,277,135	451,597
Total Cash	3,244,500	2,928,161
Total Equity	2,708,106	991,601
Total Direct	5,952,606	3,919,762

Notes:

(1) Target compensation includes salary, target STIP and awarded value for MTIP (PSUs and RSUs) and LTIP (Options).

(2) Realizable compensation includes salary, actual STIP, current value for RSUs as at December 31, 2016 and actual value of the 2014 PSUs as at December 31, 2016 (20% performance factor), and the estimated value of the 2015 and 2016 PSUs as at December 31, 2016 (Assuming 50% payout factor). Options at December 31, 2016 reflect in-the-money value. Equity valuation reflects the Common Share price of $5.83 as at December 31, 2016.

(3) Realizable compensation is based on units granted and does not reflect actual exercises and payout, with the exception of the 2014 PSUs. As noted above, the 2015 and 2016 payout factor is assumed at 50%, reflecting management's current estimate of the payout factor based on the Corporate Objectives set in 2015 and 2016. The 2014 PSUs were paid out at $5.74 per unit with a payout factor of 20%.

MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or company other than the Directors or executive officers of the Corporation (or private companies controlled by them, either directly or indirectly).

INDEBTEDNESS OF DIRECTORS OR NAMED EXECUTIVE OFFICERS

No Director, executive officer or employee of the Corporation, or former Director, executive officer or employee of the Corporation nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at December 31, 2016, the Stock Option Plan was the only compensation plan providing for the issuance of equity securities. General information regarding the Stock Option Plan is set out under the heading "Executive Compensation Discussion and Analysis – Description of Components of Compensation - Equity Based Incentives". The following table sets forth securities of the Corporation that are authorized for issuance under the Stock Option Plan as at December 31, 2016.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights ($)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by security holders	1,995,134	8.15	697,003
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	1,995,134	8.15	697,003

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth above, or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any Director or executive officer, proposed nominee for election as a Director or any Shareholder holding more than 10% of the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, to the knowledge of the Directors and executive officers of the Corporation, no Director or executive officer of the Corporation or any proposed nominee of Management for election as a Director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on SEDAR at www.sedar.com. Financial information pertaining to the Corporation's most recently completed financial year is provided in the Corporation's comparative financial statements and Management's Discussion and Analysis available under the Corporation's profile on SEDAR. A Shareholder may contact the Corporation at Stuart Olson Investor Relations, 600-4820 Richard Road S.W., Calgary, Alberta T3E 6L1 to obtain a copy of the Corporation's most recent financial statements and Management's Discussion and Analysis. This information is also available on the Corporation's website (www.stuartolson.com).

BOARD OF DIRECTORS APPROVAL

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

SCHEDULE "A"
WRITTEN MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors (the "**Board**") of Stuart Olson Inc. (the "**Corporation**") is elected by the Corporation's shareholders to supervise the management of the business and affairs of the Corporation pursuant to the powers vested in its articles and by-laws, and in accordance with the obligations under regulatory and public law.

Within its stewardship responsibility the Board is to preserve and enhance the viability of the Corporation and to ensure that it is managed in the interests of the shareholders as a whole in conformity with the law and legitimate interests of other stakeholders.

The Board delegates the responsibility for the day-to-day conduct of business to the management of the Corporation, through its President and Chief Executive Officer ("**CEO**"), within a policy framework established by the Board. In executing their responsibilities, each of the members of the Board is entitled to rely on the advice, reports and opinions of management.

Board of Directors

Board Composition

The composition of the Board should balance the following goals:

(a) The size of the Board should facilitate substantive discussions of the whole Board in which each Director can participate meaningfully;

(b) The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the Corporation's business;

(c) Membership on the Board shall include an appropriate number of Directors whom the Board has determined have no material relationship with the Corporation or its principal shareholders and who are otherwise considered independent as contemplated by National Policy 58-201 *Corporate Governance Guidelines*;

(d) In the event that a Director is determined not to be independent, the basis of such determination shall be disclosed; and

(e) The chairman of the Board shall be an independent Director within the meaning of National Policy 58-201 *Corporate Governance Guidelines.*

Meetings

Frequency of Meetings

The Board holds regularly scheduled meetings on a quarterly basis as well as additional meetings to consider particular issues or strategic planning. Meetings may be called from time to time as determined by the needs of the Corporation's business. The record of the Directors in attendance shall be noted for each meeting of the Board and attendance records for each Director shall be compiled annually. Directors will strive for 100% attendance and are expected to attend at least 75% of all Board meetings.

Selection of Agenda Items for Board Meetings

The Chairman, in consultation with the CEO and the Corporate Secretary, establishes the agendas for Board meetings. Any Board member, however, may recommend the inclusion of specific agenda items. The agenda is distributed in advance of a meeting to each Director.

Board Materials Distributed in Advance

Information, data and presentation materials that are important to the Board's understanding of the business are distributed in writing to the Board before each meeting. Management should provide materials that are as concise as possible while giving Directors sufficient information, and time for review (subject to availability of time sensitive materials), to make informed decisions. Under certain circumstances, written materials may be unavailable to Directors in advance of a meeting, and certain items to be discussed at Board meetings may be of a sensitive nature such that the distribution of materials on these matters prior to the Board meeting would not be appropriate.

Management at Meetings

The Board invites members of management, in addition to the CEO and the Chief Financial Officer, to attend Board meetings from time to time to make presentations and provide additional insight into the various operations of the Corporation.

In-Camera Meetings

To encourage free and open discussion and communication among the non-management Directors of the Board, the independent Directors may meet during, or at the end of each Board meeting, without members of management present.

Board Mandate

The core responsibilities of the Board include stewardship and oversight in the following areas:

Strategic Planning

The Board ensures that the Corporation adopts a strategic planning process to guide its activities and address the opportunities and risks of the business. The Board shall meet at least annually to review the plan. In addition, at each regular meeting, the Board reviews the Corporation's overall business strategies, its business plan, as well as major strategic initiatives, to allow the Board to evaluate whether the Corporation's proposed actions are generally in accordance with its objectives.

Identification of Principal Risks

The Board, directly and through the Audit Committee, reviews the principal risks of the Corporation's business and the appropriateness of the systems put in place to manage these risks.

Selection and Remuneration of the CEO and the Senior Management Team

The Board is responsible for selecting the CEO and for approving the selection of the members of the senior management team. Communication with the management team is through the CEO and the Board is responsible for judging the effectiveness of this officer and replacing him if such action is deemed to be in the best interests of the Corporation. The Board is also responsible for providing an effective system of remuneration. These functions are performed with the benefit of advice from the Human Resources and Compensation Committee.

Succession Planning

On a regular basis, the Board reviews a succession plan, developed by management, addressing the policies and principles for selecting a successor to the CEO and other key senior management positions, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills, training and planned career paths for possible successors to the CEO currently in the Corporation's senior management.

Financial Reporting and Internal Controls

The Board, acting through the Audit Committee, oversees the financial reporting and regulatory filing and disclosures of the Corporation. This includes monitoring the implementation of appropriate internal control systems to ensure the accuracy and timeliness of the information.

Communication Policy

The *Policy Regarding Disclosure and Confidentiality* established by the Board summarizes practices regarding disclosure of material information to investors, analysts and the media. The Board, in consultation with the Corporate Governance and Nominating Committee, monitors and advises on compliance with this Policy.

Evaluating Board Performance

The Board, acting through the Corporate Governance and Nominating Committee, conducts an evaluation, at least annually, to assess the effectiveness of the Board, its Committees, the Chairman, and individual Directors. In addition, the Corporate Governance and Nominating Committee periodically considers the mix of skills and experience that Directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively.

Issuer's Approach to Corporate Governance

The Corporation is committed to effective practices in corporate governance. The Corporation consistently assesses and adopts corporate governance measures. The Corporate Governance and Nominating Committee shall be responsible for disclosing the Corporation's approach to corporate governance in public disclosure documents.

Whistleblowing Policy

The Board has established a *Policy Regarding Whistleblowing*, which establishes the complaint procedure for concerns about any aspect of the Corporation's activities and operations.

Shareholder Feedback

The Board monitors management in its ongoing development of appropriate investor relations programs and procedures to receive and respond to shareholder feedback.