2016 MANAGEMENT PROXY CIRCULAR

NOTICE OF 2016 ANNUAL MEETING

FINNING

Welcome to Finning's Notice of 2016 Annual Meeting and Management Proxy Circular. This PDF version of the Circular has been enhanced with navigation and task buttons to help you navigate through the document and find the information you want more quickly. The table of contents, page references and URLs link to pages and sections within the document as well as to outside websites. The task buttons provide quick access to search, print, save to disk and view options, but may not work on all browsers or tablets.

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March 15, 2016

To Our Shareholders

Message from the Board Chair

On behalf of Finning International's Board of Directors and employees, we are pleased to invite you to attend Finning's Annual Meeting of Shareholders on Wednesday, May 4, 2016, to be held at the Terminal City Club, 837 West Hastings Street, Vancouver, British Columbia at 2:00 pm Pacific time.

The business to be considered at our Annual Meeting is described in the accompanying Notice of Annual Meeting and Management Proxy Circular which contains important information about the meeting, voting, the nominated directors, our governance practices and how we compensate our executives and directors.

As announced earlier in 2016, after eight years in the role, I have decided to step down as Board Chair at the conclusion of our Annual Meeting. I will stand for re-election as a director and look forward to working closely with Mike Wilson as he transitions into the role of Board Chair. Mike brings a wealth of experience to the Board and Finning and we will all benefit under his leadership.

We recently welcomed Stuart Levenick to our Board, who brings extensive and valuable industry insight, as a retired CAT executive.

Your vote is important. We encourage you to participate in this process by voting your shares and, if possible, by attending the Annual Meeting where you can consider and vote on a number of important matters. We will also webcast the meeting at *www.finning.com*. A recorded version will be available on our website until the next Annual Meeting of Shareholders.

Whether you choose to vote by proxy or in person, we appreciate your participation in this important meeting.

/s/ Douglas W.G. Whitehead

Douglas W.G. Whitehead
Board Chair

Message from the President & Chief Executive Officer

In 2015, we continued to advance the transformation of our business to achieve sustainable operating improvements and customer loyalty. With this focus, we are supporting our customers through challenging market conditions, while preserving the financial strength of our organization. During the year, we made difficult decisions, including the reduction of our global workforce, to adjust to lower activity levels. We entered 2016 well-positioned to withstand a period of prolonged market weakness.

Despite a significant drop in commodity prices and industry activity in 2015, Finning generated strong earnings before finance costs, income taxes, depreciation and amortization (EBITDA) and free cash flow. Our track record of producing relatively consistent EBITDA throughout the economic cycle speaks to the resiliency of our business model. It is supported by the relative stability of our parts and service business, and is reinforced by cost discipline and sustainable operating improvements. The strong conversion of EBITDA to free cash flow is driven by our capital discipline and focus on working capital management. In 2015, we completed a strategic acquisition, increased our dividend, and repurchased shares, while maintaining a solid balance sheet.

Talent management and succession planning remained a focus area in 2015. In March, we welcomed Steve Nielsen as our Chief Financial Officer. More recently, Chad Hiley was appointed as our Chief Human Resources Officer, and Kevin Parkes stepped into the role of Managing Director for Finning UK & Ireland.

We are on the right path to transforming our business to drive long-term value for our customers and shareholders. Our business model is robust and will generate significant free cash flow going forward. We will continue to advance our operational priorities and control what we can to make Finning a leaner, more agile organization focused on partnering with customers for mutual success.

/s/ L. Scott Thomson

L. Scott Thomson
President & Chief Executive Officer

Notice of Annual Meeting

An Annual Meeting of the Shareholders of FINNING INTERNATIONAL INC. will be held at the Terminal City Club, 837 West Hastings Street, Vancouver, British Columbia at 2:00 pm Pacific time on Wednesday, May 4, 2016, for the following purposes:

1. to receive the consolidated financial statements for the year ended December 31, 2015 and the auditors' report thereon;

2. to appoint auditors and to empower the directors to determine the auditors' remuneration;

3. to consider and approve, on an advisory basis, an ordinary resolution to accept Finning's approach to executive compensation; and

4. to elect directors;

Shareholders of record at the close of business on March 15, 2016, will be entitled to vote at the meeting and are encouraged to participate either by proxy or in person.

DATED the 15th day of March, 2016.

BY ORDER OF THE BOARD

/s/ J. Gail Sexsmith

J. Gail Sexsmith
Corporate Secretary

Proxy Summary

This summary highlights information contained in this Management Proxy Circular. The summary does not contain all of the information that you should consider. We encourage you to read the entire Management Proxy Circular carefully prior to voting.

Annual Meeting Details

Date	Location	Time
Wednesday, May 4, 2016	Terminal City Club 837 West Hastings Street, Vancouver, British Columbia	2:00 pm

Shareholder Voting Matters

Matters to Vote on	Management's Recommendation	Reference Page
Appointment and Remuneration of Auditors	For	10
Advisory Vote on Executive Compensation	For	10
Election of Directors	For each nominee	11

Director Nominees

				Committee Participation[1]			
Name	Principal Occupation	Year First Appointed	Independent	AC	CGC	HRC	SE&SR
Marcelo A. Awad	Corporate Director	2014	Yes	✓		✓	
James E.C. Carter	Corporate Director	2007	Yes		✓		Chair
Jacynthe Côté	Corporate Director	2014	Yes			✓	✓
Nicholas Hartery	Chairman of CRH plc & President & CEO, Prodigium LLC	2014	Yes			✓	✓
Stuart L. Levenick[2]	Corporate Director	2016	Yes				
Kevin A. Neveu	President & CEO, Precision Drilling Corporation	2013	Yes	✓			✓
Kathleen M. O'Neill	Corporate Director	2007	Yes	Chair	✓		
Christopher W. Patterson	Corporate Director	2010	Yes	✓		✓	
John M. Reid	Corporate Director	2006	Yes		✓	Chair	
L. Scott Thomson	President & CEO, Finning International Inc.	2013	No				✓
Douglas W.G. Whitehead, Chair	Corporate Director	1999	Yes				
Michael M. Wilson	Corporate Director	2013	Yes	✓	Chair		

1 AC – Audit Committee; CGC – Corporate Governance Committee; HRC – Human Resources Committee; SE&SR – Safety, Environment & Social Responsibility Committee.

2 Mr. Levenick was appointed as a member of the Board of Directors effective March 1, 2016 and is not currently a member of any committee.

Governance Highlights

Practices	For more information, see
Advisory Vote on Executive Compensation	Page 10
Majority Voting Policy for the Election of Directors	Page 11
Board Chair Succession	Page 24
Director Independence	Page 26
Director Retirement Policy	Page 29
Diversity	Page 29
Director Nomination and Skills Matrix	Page 31
Board and Committee Evaluation Process	Page 32
Director Orientation & Education Programs	Page 33
Ethical Business Conduct	Page 36
Share Ownership Guidelines for Directors and Executive Officers	Page 48 and 70
Clawback Policy	Page 61
Change of Control	Page 81

Executive Compensation Highlights

	Practice	For more information, see
Base Salaries	Due to the challenging macroeconomic environment in 2015, the Human Resources Committee and the Board of Directors accepted management's recommendation that there be no 2015 base salary increases for senior executives, including named executive officers.	Page 58
Short-Term Incentive Plan	Alongside our ongoing commitment to safety and customer loyalty, Finning continued to focus on the factors we can control, such as cost management, capital efficiency, and asset utilization.	Page 58
Long-Term Incentive Plan Program Update	Beginning in 2016, the weighting of Performance Share Units will increase for executives and will further strengthen the alignment between pay and performance. The weighting of the stock options component of the plan will be reduced to 20%. The Company will introduce Restricted Share Units to its long-term incentive plan.	Page 58
Share Ownership Guidelines	In 2015, share ownership requirements were increased for the majority of executives. These guidelines align the financial interests of our executives and shareholders with long-term stock price performance.	Page 59

Corporate Overview

Corporate Overview

Finning International (TSX: FTT) is the world's largest Caterpillar dealer delivering unrivalled services for over 80 years.

Finning sells, rents and provides parts and service for equipment and engines to customers in various industries, including mining, construction, petroleum, forestry and a wide range of power systems applications. Finning delivers solutions that enable customers to achieve the lowest equipment owning and operating costs while maximizing uptime.

Headquartered in Vancouver, British Columbia, Canada, Finning employs approximately 13,000 people worldwide and operates in three geographies:

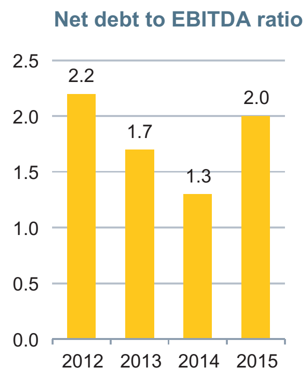
- Western Canada: British Columbia, Alberta, Saskatchewan, Yukon, the Northwest Territories, and a portion of Nunavut
- South America: Chile, Argentina, and Bolivia
- The United Kingdom and Ireland

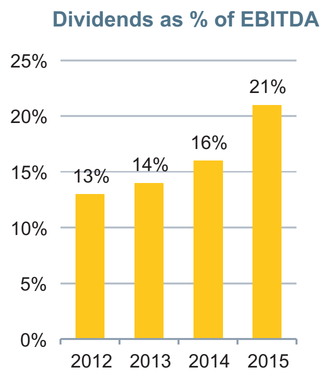
Market Statistics @ December 31, 2015	
Share Price	$18.68
Market Capitalization	$3.1B
Outstanding Shares	168M
Total Recordable Injury Frequency	0.61
Annual Dividend Per Share	$0.73

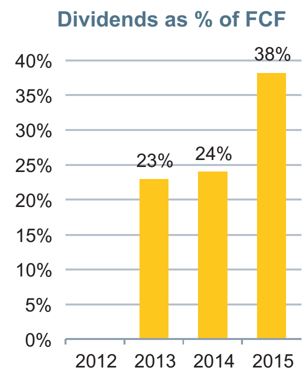
Compelling Value Proposition

- Great products and territories
  - Aligned with Caterpillar – world's leading manufacturer of construction and mining equipment
  - Operating in high-quality regions with significant growth opportunities
- Resilient business model
  - Machine population drives stable product support business
  - Customer diversification across many sectors
  - Cost discipline and decisive actions to navigate through market downturn
  - Advancing operational priorities to transform the business for sustainable profitability
- Relatively consistent earnings before finance costs, income taxes, depreciation and amortization (EBITDA) and strong free cash flow (FCF) conversion throughout the business cycle
- Strong financial position and attractive dividend yield

$ millions, except where specified	2012	2013	2014	2015
EBITDA	701	736	749	604
Net rental expenditures	(93)	(73)	(35)	(24)
Net capital expenditures	(113)	(74)	(63)	(54)
FCF	(37)	441	483	325
FCF conversion - %	(5)	60	64	54







MANAGEMENT PROXY CIRCULAR

IMPORTANT INFORMATION

If you are a *registered shareholder* of Finning and are unable to attend the meeting in person, please date and execute the accompanying form of proxy and deposit it with Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 not less than 48 hours, excluding Saturdays and holidays, prior to the meeting or any adjournment thereof.

Canadian Notice and Access Rules

Many shareholders of Finning are *non-registered shareholders*. These shareholders fall into two categories: (a) non-objecting beneficial owners (NOBOs) who do not object to their name and address being given to Finning; and (b) objecting beneficial owners (OBOs) who do object to their name and address being given to Finning.

Finning will deliver meeting related materials to NOBOs and OBOs using a "notice and access" procedure. Using this procedure, rather than delivering paper copies of this management proxy circular to NOBOs and OBOs, Finning is delivering a short-form notice and related materials (collectively, the "Short Form Notice") to NOBOs and OBOs that provides details relating to the meeting and voting procedures to be followed, and also describes how NOBOs or OBOs can obtain either an electronic copy of this management proxy circular (either from the SEDAR website at *www.sedar.com* or the Finning website at *www.finning.com*) or, if desired, a paper copy of this management proxy circular by dialing 1-888-346-6464.

Accordingly:

(a) if you are a NOBO, Finning's agent (Broadridge Financial Solutions, Inc.) has sent the Short Form Notice directly to you and has obtained your name, address and information about your holdings of securities in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf. By choosing to send these materials directly to you, Finning (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the voting instruction form provided by Broadridge Financial Solutions, Inc. and included in your Short Form Notice package; and

(b) if you are an OBO and receive the Short Form Notice through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary.

In either case, NOBOs or OBOs who wish to obtain a full copy of the management proxy circular should follow the instructions for doing so in the Short Form Notice. *All shareholders are urged to carefully review the management proxy circular before casting any votes on any matters to be considered at the meeting.*

GENERAL INFORMATION

In this document "Finning", the "Corporation", the "Company" or "we", "us" and "our" refer to Finning International Inc.; the "Board of Directors" or the "Board" refer to the Board of Directors of Finning International Inc.; and "Shares" refers to Common Shares in the capital of Finning International Inc.

Unless otherwise noted, the information contained in this Management Proxy Circular is given as of December 31, 2015 and all dollar amounts used in this document are shown in Canadian dollars.

Non GAAP Measures

This Management Proxy Circular contains certain financial metrics that do not have a standardized meaning under International Financial Reporting Standards, and may not be comparable to similar measures used by other companies, including earnings before finance costs, income taxes, depreciation and amortization (EBITDA), earnings before finance costs and income taxes (EBIT) margin, free cash flow (FCF), invested capital (IC), invested capital turns (ICT) and return on invested capital (ROIC). The Company's Management Discussion and Analysis (MD&A) for the year ended December 31, 2015 contains reconciliations of the non-GAAP measures to the most appropriate GAAP measure and includes additional information regarding these financial metrics, including definitions, under the heading "Description of Non-GAAP Measures".

Management believes that providing certain non-GAAP measures provides important information regarding the operational performance and related trends of the Company's business. By considering these measures in combination with the comparable IFRS measures, management believes that shareholders are provided a better overall understanding of the Company's business and its financial performance during the relevant period than if they simply considered the IFRS measures alone.

2015 reported financial metrics were impacted by a number of significant items management does not consider indicative of operational and financial trends either by nature or amount. These significant items are described in Finning's MD&A. Of the significant items described, $10 million was recorded in depreciation and amortization expense.

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SECTION 1 – VOTING

> If you own Common Shares of Finning on March 15, 2016 you are eligible to vote on the business matters and attend the annual meeting

Meeting Procedures

Who can go to the meeting?

Anyone who holds Common Shares of Finning as of March 15, 2016, which is the record date for the meeting, or has been appointed proxyholder by such a shareholder, is entitled to attend the meeting. Other members of the public may attend the meeting, subject to the discretion of the Chair of the meeting.

Who can vote at the meeting and what are we voting on?

If you hold Common Shares as of the close of business on March 15, 2016, or have been appointed proxyholder by such a shareholder, you have the right to cast one vote per Common Share on the business matters set out in the accompanying Notice of annual meeting and any other matters which properly come before the meeting.

How many shareholders do you need to reach a quorum?

A quorum is reached with at least two people present who hold, or represent by proxy, in the aggregate at least 25 percent of the issued and outstanding Common Shares, being the shares entitled to be voted at this meeting. On March 15, 2016 Finning had 168,033,288 Common Shares issued and outstanding.

Does any shareholder beneficially own 10 percent or more of the outstanding Common Shares?

No. To the knowledge of the directors and executive officers of Finning, as of March 15, 2016, no one beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares that carry more than 10 percent of the voting rights attached to all Common Shares entitled to be voted at the meeting.

> How to Vote

Voting Procedures

Am I a registered or non-registered shareholder?

You are a registered shareholder if you have a share certificate in your name.

You are a non-registered shareholder if your shares are registered in the name of an intermediary (such as a bank, trust company, trustee, investment dealer, clearing agency or other institution). If you hold your shares through a brokerage account, it is highly likely you are a non-registered shareholder.

How can I vote if I am a registered shareholder?

- by attending the meeting and casting your vote in person;
- by appointing someone else as proxy to attend the meeting and vote your shares for you; or
- by completing your proxy form and returning it by mail or delivery, following the instructions on your proxy.

How can I vote if I am a non-registered shareholder?

If you are a non-registered shareholder and you receive your materials through an investment dealer or other intermediary, complete and return the forms entitling you to vote by following the instructions in those forms.

How do I appoint someone else to go to the meeting and vote my shares for me?

Two directors of Finning, Douglas W.G. Whitehead and L. Scott Thomson, have been named in the proxy to represent shareholders at the meeting. If you are a registered shareholder, you can appoint someone else to represent you at the meeting. Just complete a paper proxy by inserting the person's name in the appropriate space on the proxy form, or complete another acceptable paper proxy. If you are a non-registered shareholder, you can also appoint someone else to represent you at the meeting by following the instructions in the materials you receive through your investment dealer or other intermediary. In either case, the person you appoint does not need to be a shareholder but must attend the meeting to vote your shares.

Is there a deadline for my proxy to be received?

Yes. Your proxy must be received by Computershare Investor Services Inc. (Computershare), Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 no later than 2:00 pm Pacific time on May 2, 2016. If the meeting is adjourned, your proxy must be received 48 hours, excluding weekends and holidays, before the adjourned meeting date.

How will my shares be voted if I return a proxy?

Shares represented by a proxy will be voted or withheld from voting, as the case may be, on any ballot that may be called for at the meeting. A shareholder or intermediary may direct the manner in which the shares represented by the proxy are to be voted by marking the form of proxy accordingly. Where a choice is specified, the shares represented by the proxy will be voted or withheld from voting in accordance with the choice specified. Where no choice is specified in the proxy with respect to a matter identified therein, the shares represented will be voted in favour of any ballot that may be called for on that matter. The form of proxy confers discretionary authority upon the proxyholder in respect of amendments to the matters identified in the accompanying notice of annual meeting, and in respect of any other matters that may properly come before the meeting.

What happens if there are amendments or variations or other matters brought before the meeting?

Your voting instructions provided by proxy give discretionary authority to the person you appoint as proxyholder to vote as he or she sees fit on any amendment or variation to any of the matters identified in the notice of the meeting and any other matters that may properly be brought before the meeting, to the extent permitted by law. As of March 15, 2016, neither the directors nor executive officers of Finning are aware of any variation, amendment or other matter to be presented for a vote at the meeting.

What if I change my mind?

If you are a registered shareholder and have voted by proxy, you may revoke your proxy by delivering to Computershare a duly executed proxy by paper, with a later date or by delivering a form of revocation of proxy. This new proxy must be delivered to Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, any time up to 2:00 pm Pacific time on May 3, 2016, or if the meeting is adjourned, 2:00 pm Pacific time on the business day before the date of the adjourned meeting.

You may also revoke your proxy and vote in person at the meeting, or any adjournment thereof, by delivering a form of revocation of proxy to the Chair of the meeting at the meeting before the vote, in respect of which the proxy is to be used, is taken. You may also revoke your proxy in any other manner permitted by law.

If you are a non-registered shareholder, you may revoke or change your voting instructions by contacting the individual who serves your account.

Is my vote by proxy confidential?

Yes. All proxies are received, counted and tabulated by Finning's Transfer Agent, Computershare, in a way that preserves the confidentiality of individual shareholders' votes, except:

- as necessary to meet applicable laws;
- in the event of a proxy contest;
- in the event a shareholder has made a written comment on the proxy; or
- if there is a need for the Chair to rule on the validity of a proxy.

Who is soliciting my proxy?

Your proxy is being solicited on behalf of management of Finning and Finning will pay for the cost of solicitation. Management will solicit proxies either by mail to your latest address shown on the register of shareholders or by electronic mail to the email address you provided. Additionally, employees or agents may solicit proxies by telephone or other ways at a nominal cost to Finning. Finning may, if determined advisable, retain an agency to solicit proxies for it in Canada and in the United States.

What if I want to submit a proposal for consideration at the next annual meeting?

Shareholders who wish to submit proposals for consideration at the 2017 annual meeting must deliver their proposals to Finning by no later than December 15, 2016. All shareholder proposals must comply with the applicable requirements of the *Canada Business Corporations Act* (CBCA). Shareholders who wish to make proposals are urged to seek legal advice to ensure their proposal complies with these requirements in full.

What if I have more questions?

Please contact Computershare if you have additional questions regarding the meeting:

- telephone: 1-800-564-6253
- mail: Computershare Investor Services Inc. Attention: Proxy Department
  100 University Avenue, 8th Floor Toronto, Ontario M5J 2Y1

Questions on voting? Call
Computershare at 1-800-564-6253

SECTION II – BUSINESS OF THE MEETING

Financial Statements

Financial information about Finning is included in the consolidated financial statements and management's discussion and analysis for the year ended December 31, 2015. These documents are contained in Finning's 2015 Financial Report and are available on SEDAR at *www.sedar.com* and on Finning's website at *www.finning.com*.

Appointment of Auditors

The Board of Directors recommends the re-appointment of Deloitte LLP as auditors of Finning to hold office until the next annual meeting at a remuneration to be determined by the directors. For further information on the external auditors, please refer to page 38.

BUSINESS OF THE MEETING – CONTENTS:

Advisory Vote on Executive Compensation

As part of Finning's commitment to strong corporate governance practices, since 2011 the Board has given shareholders the opportunity to cast an advisory vote on the Board's overall approach to executive compensation (Say on Pay) at its annual meeting. At the 2015 and 2014 annual meetings, Finning's approach to executive compensation was approved by 94.41% and 94.52%, respectively, of the Common Shares voted in support of the advisory Say on Pay resolution.

> At Finning's 2015 and 2014 annual meetings, shareholders voted 94.41% and 94.52%, respectively, in favour of its approach to executive compensation

Finning currently intends to hold an advisory Say on Pay vote at each annual meeting as part of the Corporation's process of shareholder engagement.

The purpose of a Say on Pay advisory vote is to provide shareholders the opportunity to indicate their acceptance of the Board's overall approach to executive compensation at Finning. The Board of Finning, through its Human Resources Committee, remains fully responsible for its compensation decisions and is not relieved of these responsibilities by either a positive or negative advisory vote by shareholders. Your vote is advisory only and non-binding on the Board or Finning. However, the Board and the Human Resources Committee will consider the outcome of the vote as part of its ongoing review of the executive compensation program of Finning together with feedback received from shareholders in the course of regular communications.

The Board diligently reviews Finning's executive compensation plans and consults third-party experts to design the terms of these plans relative to the current marketplace and would expect shareholders to also undergo their own due diligence before casting their votes. To fully understand the objectives, philosophy and principles the Board has used in its approach to executive compensation decisions, shareholders should carefully read the executive compensation section starting on page 52. That section describes Finning's compensation philosophy, the objectives and elements of the program, the measurement and assessment process used by Finning and why a large portion of Finning's executive compensation is linked to business performance and earned over the longer term thereby aligning the interests of executives with the interests of shareholders.

You are encouraged, prior to casting your vote at the meeting, to provide any specific feedback, questions or concerns you may have regarding executive compensation directly to the attention of the Board by writing to the attention of the Board Chair, c/o the Corporate Secretary, Finning. See "Communications with the Board" on page 36.

As a shareholder you have the opportunity to vote for or against Finning's overall approach to executive compensation through the following resolution:

BE IT RESOLVED, on an advisory basis only and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in Finning's management proxy circular delivered in connection with the 2016 annual meeting.

The Board recommends that shareholders vote "for" the advisory resolution on Finning's approach to executive compensation.

Approval of the above resolution will require an affirmative vote of a simple majority of the votes cast at the annual meeting. Unless otherwise instructed, the named proxyholders will vote for the advisory resolution. Finning will disclose the results of the advisory vote at the annual meeting, in a post-meeting press release, and in its report on the voting results for that meeting, which will be filed at *www.sedar.com*.

Election of Directors

The Board of Directors believes the appropriate size for the Board is between eight and 12 members, allowing the periodic ability to expand up to 14 members to provide an orientation period for new directors prior to the retirement of existing directors. The following appointments and retirements of directors have occurred since January 1, 2015:

- Messrs. Bacarreza and Simon retired on May 5, 2015;
- Mr. S. Levenick was appointed to the Board of Directors on March 1, 2016.

As of the date of this proxy, the current number of directors who serve on the Board is 12 and all 12 directors will be standing for re-election.

Advance Notice of Director Nominations

Finning's Advance Notice By-law, approved by shareholders in 2014, applies to director nominations. Shareholders who wish to nominate candidates for election as directors must provide timely notice in writing to the Corporate Secretary, 1000 – 666 Burrard Street, Vancouver, B.C., V6C 2X8 and include the information set out in the Advance Notice By-law. The notice must be made not less than 30 days nor more than 65 days prior to the date of the annual meeting. Shareholders may obtain a copy of the Company's Advance Notice By-law by making a request in writing to the Corporate Secretary. The full text of the Company's Advance Notice By-law is also available from the SEDAR website at *www.sedar.com*.

Majority Voting Policy

All proposed nominees have been asked and have agreed to comply with Finning's Majority Voting Policy. Under Finning's Majority Voting Policy, in an uncontested election, where the total number of shares withheld from voting exceeds the total number of shares voted in favour of the director nominee, then such director nominee shall be considered not to have received the support of shareholders, even though duly elected. In such case, the director shall offer his or her resignation if a request is made by the Board, for consideration by the Corporate Governance Committee. The Corporate Governance Committee will make a recommendation to the Board and, in the absence of extraordinary circumstances, the Board would expect a recommendation from the Corporate Governance Committee to accept the director's offer to resign. Finning will advise shareholders through a press release, issued within 90 days of the annual meeting, confirming the Board's decision, and if it is not accepting the resignation, its rationale for such decision. The full Majority Voting Policy is available in the *Governance* section of Finning's website at *www.finning.com*.

All proposed nominees have agreed to comply with Finning's Majority Voting Policy

Proposed Management Nominees for Election as Directors

In accordance with the By-laws of Finning, the Board of Directors has set the size of the Board at 12 members.

The Board has assessed the relative diversity, attributes, skills and experience that the 12 directors standing for re-election offer, and is satisfied that the nominees adequately satisfy the Board composition requirements. The term of office for all current directors will end on the day of the meeting and management is nominating 12 individuals for re-election at the meeting. Each director elected at the meeting will hold office until his or her successor is elected at the next annual meeting, unless he or she resigns or is otherwise removed from office earlier.

All proposed management nominees are currently directors of Finning. All proposed management nominees are ordinarily resident in Canada except Kevin A. Neveu, Stuart L. Levenick and Christopher W. Patterson, who reside in the United States, Nicholas Hartery, who resides in the Republic of Ireland and Marcelo A. Awad, who resides in Chile.

Finning will issue a press release following the annual meeting and will file on SEDAR at *www.sedar.com*, the results of the complete voting regarding all items of business conducted at the annual meeting, including the number of votes cast FOR and WITHHELD from each individual director.

Voting results will be available on www.sedar.com following Finning's annual meeting

Share ownership and compensation information for each of the proposed nominees, as at December 31, 2015 and December 31, 2014, where applicable, is set out in the following tables, which tables also provide additional information, including:

- a brief biography and country of residence;
- independence status;
- year first appointed to the Board;
- key areas of expertise;
- board and committee membership and meeting attendance;
- details on other public board memberships;
- annual meeting voting results; and
- details on attainment of share ownership requirements.

MARCELO A. AWAD
Santiago, Chile

Age: 63
Director since: 2014
Independent Director

Areas of Expertise: CEO/SEO, Diversity, Growth, Industry Experience, Banking, Financial Leadership, Compensation Leadership, Environment, Health & Safety, Governance

Mr. Awad is a Corporate Director and serves as a senior advisor to Mitsubishi Corporation Investments and Haldeman Mining Company. Mr. Awad spent 16 years with Antofagasta Minerals SA and served as President & Chief Executive Officer for over seven years until his departure in 2012. Prior to joining Antofagasta Minerals, Mr. Awad spent 18 years with Codelco in progressively senior positions in both London and Chile until leaving his position of Executive Vice President, Copper Trading & Futures in 1996. In London, Mr. Awad was a director of the London Metal Exchange. He currently serves on the boards of AC Perforaciones, a drilling services company, Echeverria Izquierdo S.A., a Chilean engineering and construction company, SAME Industrial, an environment engineering company and Partners in Performance (PIP) in the Americas, an Australian consulting company.

Mr. Awad holds a Civil Engineering degree and is a graduate of Universidad Tecnica del Estado and is fluent in English and Spanish.

Finning Board/Committee Memberships

	Attendance at Meetings during 2015		
	Attendance	**Term in 2015**	**% of Meetings Attended**
Board of Directors	7 of 7	Jan 1 – Dec 31	
Audit Committee	4 of 4	Jan 1 – Dec 31	100%
Human Resources Committee	4 of 4	Jan 1 – Dec 31	

Other Public Company Boards/Committee Memberships

Company	Type of Company	Position
Echeverria Izquierdo S.A.	Engineering and construction	Director and Chair of the Audit Committee

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	124,917,834	99.69%	391,369	0.31%
2014	127,965,133	99.40%	775,127	0.60%

Securities Held

					Minimum Share Ownership Requirements[2]	
Year	**Common Shares**	**DSUs**	**Total Units**	**Total Market Value[1]**	**Target Units (Common Shares and DSUs)**	**Meets Target Requirements**
2015	0	11,817	11,817	$220,748		
2014	0	3,968	3,968	$100,118	n/a[4]	n/a[4]
Change	0	7,849	7,849	$120,630		

Value of Total Compensation Received from Finning[3]

Year	Compensation
2015	$176,000
2014	$122,153

JAMES E.C. CARTER
Edmonton, Alberta, Canada

Age: 66
Director since: 2007
Independent Director

Areas of Expertise: CEO/SEO, Growth, Industry Experience, Banking, Compensation Leadership, Environment, Health & Safety, Governance, Government

Mr. Carter is a Corporate Director. Mr. Carter retired from Syncrude Canada Ltd. in 2007 after 28 years, including 10 years as President and 18 years as Operations Chief. He currently serves on the Boards of Directors of Irving Oil Limited, Brand Energy and Industrial Services, Alberta Treasury Branch Financial and Alberta Treasury Branch Investor Services as well as The Climate Change Emissions Management Corporation. Mr. Carter serves on various not for profit Boards, including Careers: The Next Generation and The Edmonton Symphony Orchestra Board. He is a former Chair of the Mining Association of Canada and Board member of The Alberta Chamber of Resources.

In June 2014 Mr. Carter was awarded the Order of Canada. Mr. Carter is a registered professional engineer in the Province of Alberta and a Fellow of the Canadian Academy of Engineering. He holds a Bachelor of Engineering degree from Nova Scotia Tech. (now Dalhousie Engineering) and is a graduate of the Advanced Management Program at Harvard Graduate School of Business Administration in Boston, Massachusetts. Mr. Carter has also been awarded honorary doctorates by three Canadian universities.

Finning Board/Committee Memberships

	Attendance at Meetings during 2015		
	Attendance	Term in 2015	% of Meetings Attended
Board of Directors	7 of 7	Jan 1 – Dec 31	100%
Audit Committee	2 of 2	Jan 1 – May 5	
Corporate Governance Committee	4 of 4	Jan 1 – Dec 31	
Safety, Environment & Social Responsibility Committee, Chair	4 of 4	Jan 1 – Dec 31	

Other Public Company Boards/Committee Memberships

Company	Type of Company	Positions
None		

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	123,915,559	98.89%	1,393,644	1.11%
2014	127,818,635	99.28%	921,625	0.72%

Securities Held

					Minimum Share Ownership Requirements[2]	
Year	Common Shares	DSUs	Total Units	Total Market Value[1]	Target Units (Common Shares and DSUs)	Meets Target Requirements
2015	10,000	49,078	59,078	$1,103,586	34,797	Yes
2014	10,000	39,980	49,980	$1,261,006		
Change	0	9,098	9,098	($ 157,420)		

Value of Total Compensation Received from Finning

Year	Compensation
2015	$177,577
2014	$196,038

JACYNTHE CÔTÉ
Candiac, Quebec, Canada

Age: 57
Director since: 2014
Independent Director

Areas of Expertise: CEO/SEO, Diversity, Growth, Industry Experience, Financial Leadership, Compensation Leadership, Environment, Health & Safety, Governance, Government

Ms. Côté is a Corporate Director. From 2009 until June 2014, Ms. Côté was President and Chief Executive Officer of Rio Tinto Alcan and she continued to serve in an advisory role until her retirement on September 1, 2014. Prior to 2009, she served as President and Chief Executive Officer of Rio Tinto Alcan's Primary Metal business group, following Rio Tinto's acquisition of Alcan Inc. in October 2007. Ms. Côté joined Alcan Inc. in 1988 and she served in a variety of progressively senior leadership roles during her career, including positions in human resources, environment, health and safety, business planning and development and production/managerial positions in Quebec and England. Ms. Côté is a director of the Royal Bank of Canada, Suncor Energy Inc., Transcontinental Inc. and serves as a member of the Advisory Board of the Montreal Neurological Institute and of the Board of Directors of École des Hautes Études Commerciales, Montreal.

Ms. Côté has a Bachelor of Science degree in Chemistry from Laval University.

Finning Board/Committee Memberships

	Attendance at Meetings during 2015		
	Attendance	Term in 2015	% of Meetings Attended
Board of Directors	7 of 7	Jan 1 – Dec 31	
Human Resources Committee	2 of 2	May 5 – Dec 31	100%
Safety, Environment & Social Responsibility Committee	2 of 2	May 5 – Dec 31	

Other Public Company Boards/Committee Memberships

Company	Type of Company	Position
Royal Bank of Canada	Bank	Director and member of the Audit Committee and Governance Committee
Suncor Energy Inc.	Energy	Director and member of the Audit Committee and Environment, Health, Safety and Sustainable Development Committee
Transcontinental Inc.	Marketing products and services	Director and member of the Human Resources and Compensation Committee

Annual Meeting Voting Results[5]

Year	Votes in Favour		Votes Withheld	
2015	124,710,555	99.52%	598,648%	0.48%

Securities Held

					Minimum Share Ownership Requirements[2]	
Year	Common Shares	DSUs	Total Units	Total Market Value[1]	Target Units (Common Shares and DSUs)	Meets Target Requirements
2015	10,000	8,637	18,637	$348,133		
2014	0	1,586	1,586	$ 40,016	n/a[4]	n/a[4]
Change	10,000	7,051	17,051	$308,117		

Value of Total Compensation Received from Finning[5]

Year	Compensation
2015	$160,423
2014	$ 44,164

NICHOLAS HARTERY
Limerick, Republic of Ireland

Age: 64
Director since: 2014
Independent Director

Areas of Expertise: CEO/SEO, Diversity, Growth, Industry Experience, Compensation Leadership, Environment, Health & Safety, Governance

Mr. Hartery is Chairman of CRH plc, an Irish-based international building materials group, where he has been a non-executive director since 2004. He is also President & Chief Executive Officer of Prodigium LLC, a consulting company providing business advisory services. Mr. Hartery was Vice President of Manufacturing and Business Operations for Dell Inc.'s Europe, Middle East and Africa operations from 2000 to 2008. He has also served as an Executive Vice President at Eastman Kodak and served as the President & Chief Executive Officer at Verbatim Corporation. Mr. Hartery also serves on the boards of Musgrave Group, a privately owned international food retailer, and Eircom Group Ltd., a telecommunications service provider in Ireland.

Mr. Hartery is a Chartered Engineer and Fellow of the Institute of Engineers of Ireland (C.Eng. F.I.E.I.). He holds a Bachelor of Engineering degree (Electrical) from University College Cork and holds an MBA from University of Galway.

Finning Board/Committee Memberships

	Attendance at Meetings during 2015		
	Attendance	Term in 2015	% of Meetings Attended
Board of Directors	6 of 7	Jan 1 – Dec 31	86%
Human Resources Committee	2 of 2	May 5 – Dec 31	100%
Pension Committee[6]	0 of 1	Jan 1 – May 5	0%
Safety, Environment & Social Responsibility Committee	3 of 4	Jan 1 – Dec 31	75%

Other Public Company Boards/Committee Memberships

Company	Type of Company	Position
CRH plc	Building materials manufacturing and distribution	Director and Chairman and member of the Remuneration Committee, Chair of the Finance Committee, Nomination & Corporate Governance Committee and the Acquisitions Committee

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	124,243,053	99.15%	1,066,150	0.85%
2014	127,917,681	99.36%	822,579	0.64%

Securities Held

					Minimum Share Ownership Requirements[2]	
Year	Common Shares	DSUs	Total Units	Total Market Value[1]	Target Units (Common Shares and DSUs)	Meets Target Requirements
2015	0	11,193	11,193	$209,078		
2014	0	4,027	4,027	$101,596	n/a[4]	n/a[4]
Change	0	7,166	7,166	$107,482		

Value of Total Compensation Received from Finning[3]

Year	Compensation
2015	$161,000
2014	$115,741

STUART L. LEVENICK[7]
Peoria, Illinois, United States

Age: 63
Director since: 2016
Independent Director

Areas of Expertise: CEO/SEO, Diversity, Growth, Industry Experience, Financial Leadership, Compensation Leadership, Environment, Health & Safety, Governance

Mr. Levenick is a Corporate Director. Mr. Levenick retired from Caterpillar Inc. in 2014 after 37 years, including 10 years as Group President. His most recent responsibility included leadership of customer and dealer support for Caterpillar. Other responsibilities during his tenure as Group President included management of businesses spanning marketing, manufacturing operations, engineering, supply chain, procurement and human resources. Prior to assuming that position in 2004, Mr. Levenick served as Vice President, Caterpillar Inc., and Chairman of Shin Caterpillar Mitsubishi Ltd. from 2000 to 2004, and as Vice President, Asia Pacific Division, from 2001 to 2004. Prior to 2000, he held various senior positions with Caterpillar in North America, Asia and Europe. Mr. Levenick is a director of Entergy Corporation and is a director of W.W. Grainger, Inc.

Mr. Levenick graduated from the University of Illinois with a Bachelor of Science degree in Forestry and is a Sloan Fellow with a Master of Science degree in management from the Massachusetts Institute of Technology.

Other Public Company Boards/Committee Memberships

Company	Type of Company	Position
Entergy Corporation	Energy	Director and member of the Executive and Corporate Governance Committees and Chair of the Finance Committee
W.W. Grainger, Inc.	Broad line supplier	Lead Director and Chair of the Board Affairs & Nominating Committee and member of the Compensation Committee

KEVIN A. NEVEU
Houston, Texas, United States

Age: 55
Director since: 2013
Independent Director

Areas of Expertise: CEO/SEO, Growth, Industry Experience, Financial Leadership, Environment, Health & Safety, Governance, Government

Mr. Neveu is President & Chief Executive Officer and a director of Precision Drilling Corporation. Mr. Neveu has 34 years of experience in the oilfield services sector. Prior to joining Precision Drilling Corporation, Mr. Neveu was President of the Rig Solutions Group of National Oilwell Varco in Houston and held senior management positions with it and its predecessor companies in London, Moscow, Houston, Edmonton and Calgary. Mr. Neveu currently serves as a director of Bonanza Creek Energy, Inc. and is a former board member of RigNet. He is a member of the Advisory Board for The Heart and Stroke Foundation of Alberta, a director for a Canadian national sports non-profit organization and an Advisor for the University of Calgary's School of Public Policy. Mr. Neveu is a director and member of the Executive Committee for the International Association of Drilling Contractors.

Mr. Neveu holds a Bachelor of Science degree and is a graduate of the Faculty of Engineering at the University of Alberta and is a registered Professional Engineer in the province of Alberta. He has completed the Harvard Advanced Management Program.

Finning Board/Committee Memberships

	Attendance at Meetings during 2015		
	Attendance	Term in 2015	% of Meetings Attended
Board of Directors	7 of 7	Jan 1 – Dec 31	100%
Audit Committee	4 of 4	Jan 1 – Dec 31	
Pension Committee[6]	1 of 1	Jan 1 – May 5	
Safety, Environment & Social Responsibility Committee	4 of 4	Jan 1 – Dec 31	

Other Public Company Boards/Committee Memberships

Company	Type of Company	Position
Precision Drilling Corporation	Oilfield services	Director
Bonanza Creek Energy, Inc.	Exploration production	Director and member of the Compensation Committee and Chair of the Governance & Nominating Committee

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	122,266,623	97.57%	3,042,580	2.43%
2014	126,479,603	98.24%	2,260,657	1.76%

Securities Held

					Minimum Share Ownership Requirements[2]	
Year	Common Shares	DSUs	Total Units	Total Market Value[1]	Target Units (Common Shares and DSUs)	Meets Target Requirements
2015	10,000	10,598	20,598	$384,774	6,959	Yes
2014	10,000	3,035	13,035	$328,874		
Change	0	7,563	7,563	$ 55,900		

Value of Total Compensation Received from Finning

Year	Compensation
2015	$171,038
2014	$165,648

KATHLEEN M. O'NEILL
Toronto, Ontario, Canada

Age: 62
Director since: 2007
Independent Director

Areas of Expertise: CEO/SEO, Diversity, Growth, Industry Experience, Banking, Financial Leadership, Compensation Leadership, Governance, Government

Ms. O'Neill is a Corporate Director and experienced Audit Committee Chair. Prior to 2005, Ms. O'Neill was an Executive Vice-President at BMO Financial Group where her most recent position was Executive Vice-President, Personal & Commercial Development and Head of Small Business Banking. Prior to joining BMO Financial Group in 1994, Ms. O'Neill was with PricewaterhouseCoopers LLP for 19 years including eight years as a tax partner. Ms. O'Neill currently serves on the Board of Directors of ARC Resources Limited, Invesco Canada Funds (Invesco Canada Fund Inc. and Invesco Corporate Class Inc. boards, and Invesco Canada Funds Advisory Board and Independent Review Committee), Ontario Teachers' Pension Plan and Cadillac Fairview Corporation Ltd. Ms. O'Neill is past Chair of St. Joseph's Health Centre and St. Joseph's Health Centre Foundation.

In 2005, Ms. O'Neill was accredited through the Institute of Corporate Directors / Rotman School of Management Directors Education Program. She is on the Ontario Advisory Council for the Institute of Corporate Directors (ICD). Ms. O'Neill instructs the audit committee effectiveness course and is a frequent examiner/executive in residence for the ICD. She holds a Bachelor of Commerce degree (with Honours) from the University of Toronto and is a Fellow of the Ontario Institute of Chartered Accountants (FCPA). Ms. O'Neill was on the Steering Committee on Enhancing Audit Quality jointly sponsored by the Canadian Institute of Chartered Accountants and by the Canadian Public Accountability Board. For the past two consecutive years, Ms. O'Neill was selected as one of Canada's most powerful women by the Women's Executive Network.

Finning Board/Committee Memberships

	Attendance at Meetings during 2015		
	Attendance	**Term in 2015**	**% of Meetings Attended**
Board of Directors	7 of 7	Jan 1 – Dec 31	100%
Audit Committee, Chair and designated financial expert	4 of 4	Jan 1 – Dec 31	
Corporate Governance Committee	4 of 4	Jan 1 – Dec 31	
Human Resources Committee	2 of 2	Jan 1 – May 5	

Other Public Company Boards/Committee Memberships

Company	Type of Company	Positions
ARC Resources Limited	Oil & Gas	Director and Chair of the Audit Committee and member of the Health, Safety & Environment Committee and the Risk Committee
Invesco Canada Funds Advisory Board and Independent Review Committee and boards of Invesco Corporate Class Inc. and Invesco Canada Fund Inc.	Mutual fund	Member of Funds Advisory Board and Independent Review Committee, Director and Chair of the Audit Committee of Invesco Corporate Class Inc. and Invesco Canada Fund Inc.

Year	Votes in Favour		Votes Withheld	
2015	124,924,500	99.69%	384,703	0.31%
2014	128,486,124	99.80%	254,136	0.20%

Securities Held

					Minimum Share Ownership Requirements[2]	
Year	**Common Shares**	**DSUs**	**Total Units**	**Total Market Value[1]**	**Target Units (Common Shares and DSUs)**	**Meets Target Requirements**
2015	14,000	43,918	57,918	$1,081,905	34,797	Yes
2014	14,000	36,729	50,729	$1,279,895		
Change	0	7,189	7,189	($ 197,990)		

Value of Total Compensation Received from Finning

Year	Compensation
2015	$196,538
2014	$193,000

CHRISTOPHER W. PATTERSON
Bonita Springs, Florida, United States

Age: 61
Director since: 2010
Independent Director

Areas of Expertise: CEO/SEO, Growth, Industry Experience, Financial Leadership, Compensation Leadership, Environment, Health & Safety, Governance

Mr. Patterson is a Corporate Director. From April 2005 until his retirement in June 2009, he was President and Chief Executive Officer of Daimler Trucks North America LLC. Prior to 2005, he held progressively senior executive positions with Freightliner LLC, predecessor to Daimler Trucks North America, including Senior Vice President, Service and Parts and was Executive Vice President, Sales and Marketing of Volvo Trucks North America. Mr. Patterson is a director of CAX Parent, LLC, Modine Manufacturing Company, Jeld-Wen Manufacturing Co. and FleetPride Inc.

Mr. Patterson holds a Bachelor of Arts degree in Economics and an MBA from the University of Western Ontario.

Finning Board/Committee Memberships

	Attendance at Meetings during 2015		
	Attendance	Term in 2015	% of Meetings Attended
Board of Directors	7 of 7	Jan 1 – Dec 31	
Audit Committee	2 of 2	May 5 – Dec 31	
Corporate Governance Committee	2 of 2	Jan 1 – May 5	100%
Human Resources Committee	4 of 4	Jan 1 – Dec 31	
Pension Committee, Chair[6]	1 of 1	Jan 1 – May 5	

Other Public Company Boards/Committee Memberships

Company	Type of Company	Positions
Modine Manufacturing Company	Thermal management systems and components	Director and member of the Corporate Governance and Audit Committees and Chair of the Officer Nomination and Compensation Committee

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	124,920,738	99.69%	388,465	0.31%
2014	128,685,418	99.96%	54,842	0.04%

Securities Held

					Minimum Share Ownership Requirements[2]	
Year	Common Shares	DSUs	Total Units	Total Market Value[1]	Target Units (Common Shares and DSUs)	Meets Target Requirements
2015	8,025	17,598	25,623	$478,632	34,797	Yes[8]
2014	4,625	13,942	18,567	$468,451		
Change	3,400	3,656	7,056	$ 10,181		

Value of Total Compensation Received from Finning

Year	Compensation
2015	$177,423
2014	$177,549

JOHN M. REID
Vancouver, British Columbia, Canada

Age: 68
Director since: 2006
Independent Director

Areas of Expertise: CEO/SEO, Growth, Industry Experience, Financial Leadership, Compensation Leadership, Environment, Health & Safety, Governance, Government

Mr. Reid is a Corporate Director. From November 1997 to November 2005 he was President and Chief Executive Officer of Terasen Inc. (formerly BC Gas Inc.). Mr. Reid joined Terasen Inc. in May 1995 as Executive Vice President, Finance and Chief Financial Officer. Formerly, Mr. Reid worked with Scott Paper Limited for 15 years in a number of senior financial positions and as President and Chief Executive Officer. Mr. Reid currently serves on the board of Methanex Corporation. Over the years, he has served on many boards including MacDonald, Dettwiler & Associates Ltd., the University of British Columbia, Lester B. Pearson College, St. Paul's Hospital Foundation, Vancouver Board of Trade, Junior Achievement of British Columbia and the Financial Executives Institute.

Mr. Reid holds a Bachelor of Economics degree from the University of Newcastle in the United Kingdom and is a Fellow of the British Columbia and England and Wales Institutes of Chartered Accountants.

Finning Board/Committee Memberships

	Attendance at Meetings during 2015		
	Attendance	Term in 2015	% of Meetings Attended
Board of Directors	7 of 7	Jan 1 – Dec 31	
Corporate Governance Committee	4 of 4	Jan 1 – Dec 31	100%
Human Resources Committee, Chair	4 of 4	Jan 1 – Dec 31	

Other Public Company Boards/Committee Memberships

Company	Type of Company	Positions
Methanex Corporation	Methanol producer and supplier	Director and member of the Audit, Finance and Risk Committee and Chair of the Human Resources Committee

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	124,917,094	99.69%	392,109	0.31%
2014	128,467,790	99.79%	272,470	0.21%

Securities Held

					Minimum Share Ownership Requirements[2]	
Year	Common Shares	DSUs	Total Units	Total Market Value[1]	Target Units (Common Shares and DSUs)	Meets Target Requirements
2015	20,000	37,318	57,318	$1,070,708	34,797	Yes
2014	20,000	32,753	52,753	$1,330,966		
Change	0	4,565	4,565	($ 260,258)		

Value of Total Compensation Received from Finning

Year	Compensation
2015	$190,346
2014	$216,676

L. SCOTT THOMSON
Vancouver, British Columbia, Canada

Age: 46
Director since: 2013
Non-Independent Director

Areas of Expertise: CEO/SEO, Growth, Industry Experience, Banking, Financial Leadership, Compensation Leadership, Environment, Health & Safety, Governance

Mr. Thomson joined Finning International Inc. as President and Chief Executive Officer in June of 2013. Prior to joining Finning, Mr. Thomson was Chief Financial Officer of Talisman Energy Inc. with responsibility for finance, tax, treasury, investor relations, marketing, business development and strategy, planning and performance management from 2008 to 2013. Prior to Talisman, Mr. Thomson held several executive positions with Bell Canada Enterprises from 2003 to 2008 including the role of Executive Vice President, Corporate Development. Prior to Bell, Mr. Thomson was a Vice President at Goldman Sachs. Mr. Thomson currently serves as a director of Interfor Corporation.

Mr. Thomson holds a Bachelor of Arts degree in Economics and Political Science from Queen's University and an MBA from the University of Chicago.

Finning Board/Committee Memberships[9]

	Attendance at Meetings during 2015		
	Attendance	Term in 2015	% of Meetings Attended
Board of Directors	7 of 7	Jan 1 – Dec 31	100%
Safety, Environment & Social Responsibility Committee	4 of 4	Jan 1 – Dec 31	

Other Public Company Boards/Committee Memberships[10]

Company	Type of Company	Position
Interfor Corporation	Forestry	Director and a member of the Audit Committee and the Environment & Safety Committee

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	124,723,112	99.53%	586,091	0.47%
2014	128,451,581	99.78%	288,679	0.22%

Securities Held

Year	Common Shares	DSUs	Options[11]	PSUs[11]
2015	112,298	0	858,930	142,820
2014	90,991	0	556,770	186,830
Change	21,307	0	302,160	(44,010)

For disclosure relating to Mr. Thomson's shareholdings and compensation as an executive of Finning, refer to Section V – Executive Compensation.

Value of Total Compensation Received from Finning

As an employee of Finning, Mr. Thomson does not receive any compensation in his capacity as a director.

DOUGLAS W.G. WHITEHEAD
North Vancouver, British Columbia, Canada

Age: 69
Director since: 1999
Board Chair since: 2008
Independent Director

Areas of Expertise: CEO/SEO, Diversity, Growth, Industry Experience, Financial Leadership, Compensation Leadership, Environment, Health & Safety, Governance

Mr. Whitehead is a Corporate Director. From 2000 to May 2008 he was the President and Chief Executive Officer of Finning. Prior to joining Finning, Mr. Whitehead held a number of senior executive positions with Fletcher Challenge Canada including President and Chief Executive Officer, Senior Vice President and Chief Operating Officer and Vice President of the Crown Packaging Division. Mr. Whitehead is a director of Interfor Corporation, Kal Tire Ltd. and Belkin Enterprises Ltd.

Mr. Whitehead holds a Bachelor of Applied Sciences degree (Civil Engineering) from the University of British Columbia and an MBA from the University of Western Ontario.

Finning Board/Committee Memberships[1,2]

	Attendance at Meetings during 2015		
	Attendance	Term in 2015	% of Meetings Attended
Board of Directors, Chair	7 of 7	Jan 1 – Dec 31	100%

Other Public Company Boards/Committee Memberships

Company	Type of Company	Positions
Interfor Corporation	Forestry	Chair of the Audit Committee and a member of the Corporate Governance and Nominating Committee

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	122,263,831	97.57%	3,045,372	2.43%
2014	127,284,921	98.87%	1,455,339	1.13%

Securities Held

					Minimum Share Ownership Requirements[2]	
Year	Common Shares	DSUs	Total Units	Total Market Value[1]	Target Units (Common Shares and DSUs)	Meets Target Requirements
2015	143,299	65,560	208,859	$3,901,483	91,006	Yes
2014	143,299	57,842	201,141	$5,074,782		
Change	0	7,718	7,718	($1,173,299)		

Value of Total Compensation Received from Finning

Year	Compensation
2015	$340,000
2014	$340,000

MICHAEL M. WILSON
Bragg Creek, Alberta, Canada

Age: 64
Director since: 2013
Independent Director

Areas of Expertise: CEO/SEO, Diversity, Growth, Industry Experience, Financial Leadership, Compensation Leadership, Environment, Health & Safety, Governance, Government

Mr. Wilson is a Corporate Director. Mr. Wilson retired from Agrium Inc. in December 2013 after 13 years, including 10 years as President and Chief Executive Officer. Prior to joining Agrium, Mr. Wilson was a senior executive at Methanex Corporation, a leading global producer of methanol headquartered in Vancouver, B.C. where he was Executive Vice President, and President, Methanol. In addition, he held various senior positions in North America and Asia during his 18 years with Dow Chemical. Mr. Wilson brings over 30 years of international and executive management experience in the chemical industry. Mr. Wilson currently serves as a director of Air Canada, Celestica Inc., Suncor Energy Inc. and is Chair of the Calgary Prostate Cancer Centre.

Mr. Wilson is a graduate of the University of Waterloo, Ontario where he earned his degree in Chemical Engineering.

Finning Board/Committee Memberships

	Attendance at Meetings during 2015		
	Attendance	Term in 2015	% of Meetings Attended
Board of Directors	7 of 7	Jan 1 – Dec 31	100%
Audit Committee	4 of 4	Jan 1 – Dec 31	
Corporate Governance Committee, Chair	4 of 4	Jan 1 – Dec 31	
Human Resources Committee	2 of 2	Jan 1 – May 5	

Other Public Company Boards/Committee Memberships

Company	Type of Company	Positions
Air Canada	Airline	Director and member of the Human Resources and Compensation Committee and the Pension Committee
Celestica Inc.	Electronics manufacturing services	Director and member of the Audit Committee, the Governance Committee and the Human Resources Committee
Suncor Energy Inc.	Energy	Director and member of the Audit Committee and the Governance Committee

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	124,709,938	99.52%	599,265	0.48%
2014	128,498,893	99.81%	241,367	0.19%

Securities Held

					Minimum Share Ownership Requirements[2]	
Year	Common Shares	DSUs	Total Units	Total Market Value[1]	Target Units (Common Shares and DSUs)	Meets Target Requirements
2015	10,000	21,427	31,427	$587,047	6,959	Yes
2014	10,000	13,133	23,133	$583,644		
Change	0	8,294	8,294	$ 3,403		

Value of Total Compensation Received from Finning

Year	Compensation
2015	$179,538
2014	$183,462

Footnotes to Director Nominee tables:

1 For purposes of measurement and disclosure in the referenced tables, the market value of Common Shares and Deferred Share Units (DSUs) was calculated using Common Share values of $18.68 and $25.23 which were the closing trading prices of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2015 and December 31, 2014, respectively.

2 Target units for minimum share ownership requirements are set as the number of units (Common Shares and DSUs) required to be held as at December 31, 2015, based on the Director Share Ownership requirements. The target number of units are determined based on the dollar value of the applicable annual retainer multiple divided by the market value of Common Shares at the measurement date of December 31, 2015. See "Board of Directors Compensation – Share Ownership Requirements" on page 48 of this management proxy circular.

3 Messrs. Awad and Hartery were elected as directors on May 13, 2014. Their 2014 compensation only reflects the period May 13, 2014 to December 31, 2014.

4 Messrs. Awad and Hartery and Ms. Côté have two years from the date of their appointment to the Board of Directors to meet minimum share ownership requirements.

5 Ms. Côté was appointed as a member of the Board of Directors effective October 1, 2014. Her 2014 compensation reflects three months.

6 There was one meeting of the Pension Committee in 2015, prior to its dissolution in May 2015. Oversight responsibility for pensions was subsequently transferred to the Audit Committee.

7 Mr. Levenick was appointed as a member of the Board of Directors effective March 1, 2016.

8 Pursuant to Finning's Share Ownership Guidelines, Mr. Patterson is deemed to have met his ownership requirements as the original amount paid to acquire the shares and the grant value of the DSUs issued, exceeds the value of his ownership requirements which are $650,000.

9 Mr. Thomson attended meetings of various other committees of which he was not a member in his capacity as President and Chief Executive Officer of Finning.

10 Mr. Thomson is not standing for re-election as a director of Interfor Corporation at its upcoming annual meeting on April 28, 2016. Mr. Thomson is standing for election as a director of The Bank of Nova Scotia at its annual meeting on April 12, 2016.

11 Mr. Thomson was granted Options and Performance Share Units (PSUs) in his capacity as a senior officer of Finning.

12 Mr. Whitehead attended meetings of various other committees, of which he was not a member, in his capacity as Board Chair.

Board Chair Succession

In 2015, the Board of Directors formed a special independent Board Chair succession committee (sub-committee) to define and facilitate the process for the succession and appointment of a new Board Chair to succeed Mr. Douglas W.G. Whitehead, whose mandatory retirement date as a director of Finning is 2019. The members of the sub-committee were Ms. O'Neill and Messrs. Patterson, Reid and Whitehead, with Ms. O'Neill chairing the sub-committee. The sub-committee was tasked with the responsibility to oversee the candidate identification and succession process through to the nomination of qualified candidates for the Board's discernment. The sub-committee reported directly to the Board.

In 2015, the Board defined and executed its Board Chair Succession plan, culminating with the Board's approval of Mike Wilson to succeed Doug Whitehead as Board Chair at the conclusion of the annual meeting in May 2016.

In fulfilling its responsibilities, the sub-committee conducted interviews with all Board members to determine if there were any internal candidates and to confirm the individual qualities and criteria required for potential Board Chair candidates. Following initial interviews, the sub-committee developed the Board Chair criteria, recommended amendments to the Board Chair mandate and developed a timeline for the succession and transition of the Board Chair.

The sub-committee met formally on four occasions in 2015. Additionally, the sub-committee chair facilitated and coordinated numerous in person and telephone meetings with individual Board members, Board Chair candidates and sub-committee members.

In February 2016, the sub-committee made a recommendation to the Board to proceed with the appointment of Mr. Michael M. Wilson as Board Chair, which appointment is expected to be effective following, and subject to, his re-election as a director at the Company's annual meeting on May 4, 2016. The recommendation of the sub-committee was subsequently approved by the Board of Directors.

Mr. Whitehead, the current Board Chair, will remain as a director of Finning and is standing for re-election at the Company's 2016 Annual Meeting.

Board Retirement

In 2015, Finning reviewed the median age for mandatory Board retirement, based on an analysis of the policies of TSX companies and its peer group. In reviewing the mandatory retirement age, the Board considered the benefits of extending the mandatory retirement age to 72, including the expansion of the director candidate pool; the potential for longer retention of experienced directors; and, the added value of long-standing director expertise. This review resulted in the Board amending its mandatory retirement age for directors to age 72 from 70, which is consistent with the median retirement age for Finning's peer group.

The following table indicates the ages of the directors standing for re-election, as at the date of this proxy and their mandatory retirement date, upon reaching the age of 72 years old. For more information on the terms of Finning's director retirement policy please refer to page 29.

Director	Current Age	Mandatory Retirement Date[1]
Douglas W.G. Whitehead	69	2019
John M. Reid	68	2019
James E.C. Carter	66	2022
Nicholas Hartery	64	2023
Michael M. Wilson	64	2024
Marcelo A. Awad	63	2025
Stuart L. Levenick	63	2025
Kathleen M. O'Neill	62	2026
Christopher W. Patterson	61	2026
Jacynthe Côté	57	2030
Kevin A. Neveu	55	2033
L. Scott Thomson	46	2042

1 Directors may not stand for re-election in the year noted as the mandatory retirement date under Finning's current mandatory retirement policy, subject to the Board waiving these requirements in certain limited circumstances.

Summary of Attendance of Directors

The following table sets out the attendance, in person and by telephone, of the Board of Directors at Board meetings and Board standing committee meetings of which they were members during 2015. Six Board meetings were held in person and one meeting was held by telephone conference.

Director	Board Meetings Attended	Committee Meetings Attended	Percentage of Meetings Attended
Director nominees standing for re-election			
Marcelo A. Awad	7 of 7	8 of 8	100%
James E.C. Carter	7 of 7	10 of 10	100%
Jacynthe Côté	7 of 7	4 of 4	100%
Nicholas Hartery[1]	6 of 7	5 of 7	79%
Kevin A. Neveu	7 of 7	9 of 9	100%
Kathleen M. O'Neill	7 of 7	10 of 10	100%
Christopher W. Patterson	7 of 7	9 of 9	100%
John M. Reid	7 of 7	8 of 8	100%
L. Scott Thomson[2]	7 of 7	4 of 4	100%
Douglas W.G. Whitehead[2]	7 of 7	n/a	100%
Michael M. Wilson	7 of 7	10 of 10	100%

1 Mr. Hartery had a pre-existing commitment which existed prior to his election to Finning's Board in 2014. This commitment prevented him from attending the scheduled Board and committee meetings in the first quarter of 2015.

2 Messrs. Thomson and Whitehead attend meetings of various other committees, of which they are not members, in their capacity as Chief Executive Officer and Board Chair, respectively.

It should be noted that the summary of director attendance at meetings of the Board of Directors and committees of the Board of Directors is not strictly indicative of the contribution made by each director. In 2015 Mr. Carter continued to lead the Board of Directors in their Board renewal efforts and led the director recruitment process with an external recruitment firm. Similarly, the sub-committe formed to facilitate the process for the succession and appointment of a new Board Chair, was not a formal Board standing committee. While the sub-committee meetings were well attended by members, and included inclusive individual director discussions, attendance was not included in the attendance records.

Directors may also attend Board committee meetings to enhance their knowledge of Finning's business and their understanding of particular committee matters, regardless of whether they are a member of that Board committee. From time to time directors may visit operational head offices to offer their expertise to local management and to gain a better understanding of the local business.

Director Independence

The following table describes the independence status of each member of the Board and, where applicable, the reasons for the Board's determination that a particular director is not independent.

	Executive Director	Non-Executive Directors	
Name	**Not Independent**	**Independent**	**Reason for Non-Independent Status**
Director nominees standing for re-election			
Marcelo A. Awad		X	
James E.C. Carter		X	
Jacynthe Côté		X	
Nicholas Hartery		X	
Stuart L. Levenick		X	
Kevin A. Neveu		X	
Kathleen M. O'Neill		X	
Christopher W. Patterson		X	
John M. Reid		X	
L. Scott Thomson	X		President and Chief Executive Officer of Finning
Douglas W.G. Whitehead		X	
Michael M. Wilson		X	

The Board of Directors is currently made up of 12 members. The Board has considered which of its members are "independent" for purposes of National Instrument 58-101 of the Canadian Securities Administrators and has concluded that all directors, other than L. Scott Thomson (who is the President and Chief Executive Officer of Finning) are independent as at the date of this circular.

Directors annually complete detailed questionnaires regarding their individual circumstances. In determining the independence of its members, the Board (with the assistance of the Corporate Governance Committee) reviews any exceptions noted in the questionnaires and assesses all relevant information including:

- direct or indirect relationships with Finning which could interfere with the exercise of his/her independent judgment. For example, should a director hold a management or director position with a company that Finning does business with, any payments made between the service provider and/or customer, are evaluated to ensure no conflict of interest exists. Further, decisions made by Finning's Board involving either service providers or customers, are evaluated to ensure no conflicts of interest are identified. Where there is potential for, or an identified conflict, the Board Chair is advised and the individual director or directors will abstain from participating in any discussion, review of relevant Board materials and voting on the matter. The Board considers that a director's perspective from a customer or partnership experience and market expertise, adds to the overall strength of Finning's Board.
- employment by, or other relationship with, Finning or with its internal or external auditor, in which case the member will be deemed not independent until the prescribed period of three years has elapsed since the end of the service;
- immediate family member relationships with Finning, its internal or its external auditor;
- any payment of fees by Finning to the member or the member's immediate family. Finning does not arrange any personal loans or extension of credit to its directors; and
- direct or indirect relationships of its members with other members of the Board.

In addition, in order to ensure that the Board can function independently from management:

- Finning has separated the role of Board Chair and Chief Executive Officer (CEO);
- with an independent Board Chair, Finning does not currently have a Lead Director, however, one would be appointed if the Board Chair is determined not to be independent, or in other circumstances where the Board considers such an appointment to be appropriate; and
- the Board further ensures its independence by convening independent director-only sessions at every Board meeting.

Interlocking Outside Boards

In assessing the inter-relationships of Board members, the Corporate Governance Committee reviews those directors who serve on the same boards and committees of other reporting issuers. Although the Board does not set a formal limit on the number of interlocking board and committee memberships, the Board and the Corporate Governance Committee review any such interlocks as part of its annual evaluation of director independence. Common memberships on boards of public companies among Finning's current directors are set out below. The Board and the Corporate Governance Committee have determined that these board interlocks do not impair the independence or effectiveness of these directors as members of Finning's Board or its Board standing committees.

Company	Director	Committee Membership
Interfor Corporation	L. Scott Thomson[1]	Audit Environment & Safety
	Douglas W.G. Whitehead	Audit, Chair Corporate Governance & Nominating Committee
Suncor Energy Inc.	Jacynthe Côté	Audit Environment, Health, Safety and Sustainable Development
	Michael M. Wilson	Audit Governance

1 Mr. Thomson is not standing for re-election as a director of Interfor Corporation in 2016 and, accordingly, this interlock will cease to exist as of April 28, 2016, which is the date of Interfor Corporation's annual meeting of shareholders.

SECTION III – CORPORATE GOVERNANCE

Finning's Board of Directors and management are committed to the highest corporate governance standards and understand that such standards are central to the efficient and effective operation of Finning in a manner that ultimately enhances shareholder value.

As a Canadian reporting issuer, listed on the Toronto Stock Exchange, Finning is required to disclose certain corporate governance practices it has adopted.

The following disclosure describes the corporate governance policies and initiatives developed by Finning. For additional disclosure relating to Finning's corporate governance, see Schedule A attached to this management proxy circular.

CORPORATE GOVERNANCE – CONTENTS:

Board Objectives

Every year the Board of Directors establishes a set of objectives on which to focus particular attention during the year. The 2015 objectives developed by the Corporate Governance Committee for the Board of Directors focused on the following:

- major initiatives oversight;
- CEO support;
- Board composition and renewal;
- Board effectiveness and efficiency;
- strategy; and
- risks.

These objectives are discussed at each Board meeting and are incorporated into the annual performance assessment of the Board. The Board's performance against these objectives is measured through the annual assessment process and the Board and management reported good progress in all areas was achieved in 2015. For further information on the annual performance assessment process, refer to Board and committee evaluations, page 32.

Board Mandate

The Board of Directors has overall responsibility for Finning's business conduct. The Board fulfils this responsibility both directly and by delegating certain authority to Board committees and to Finning's senior management.

The direct responsibilities of the Board include:

- choosing Finning's CEO, who is responsible for all of Finning's day-to-day operations;
- reviewing and approving the annual operating plan and the strategic plan that takes into account an identification of business opportunities and business risks;
- overseeing and monitoring management's systems for the operations of Finning;
- monitoring and assessing Finning's performance in meeting both short- and long-term goals established by management and approved by the Board;
- directly reviewing and approving major transactions proposed by management, including the payment of dividends and the terms for the issuance of securities;
- reviewing reports and recommendations from committees of the Board with respect to matters such as succession planning and giving necessary direction to management;
- reviewing the content of significant communications with shareholders and the investing public, including this management proxy circular, annual information forms and quarterly and annual financial statements, management's discussion and analysis and their associated press releases;
- reviewing and approving key corporate policies;
- managing its own affairs, including planning its composition, selecting its Board Chair, nominating candidates for election to the Board, appointing committees and determining director compensation; and
- approving the appointment of all corporate officers and the remuneration of the CEO.

Board Meetings

During 2015, the Board of Directors met on seven occasions. Six meetings were in person and one was held by telephone conference. At each Board meeting, the Board discusses the corporate strategy and annually has an in-depth discussion on strategy and the top key strategic business risks to Finning. At every meeting the Board holds independent sessions without management and without the non-independent directors present.

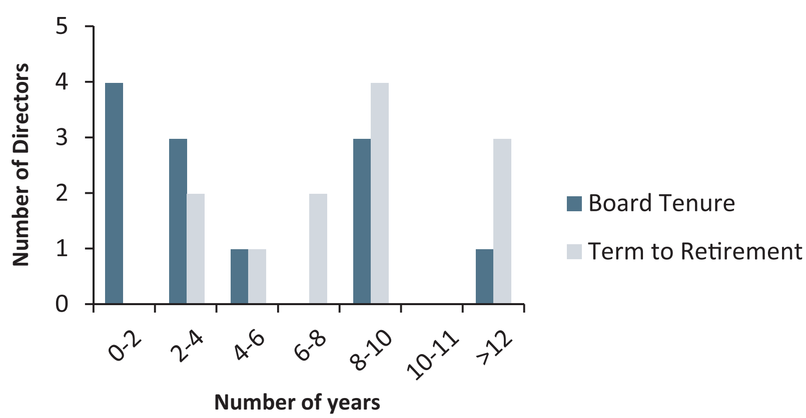
Director Tenure

To encourage and facilitate Board renewal, the Board has adopted a mandatory retirement age policy, which is described in more detail below. This policy, when combined with an effective annual Board assessment process and natural turnover, provides the Board with an appropriate balance of knowledge and understanding, new perspectives and diversity and allows for a strong and effective Board.

The Board recognizes that term limits can help facilitate board refreshment and new perspectives. However, term limits can also put a board at risk of losing longer serving directors who have an in-depth knowledge and understanding of a company and its business and its strategic business partner relationships. This loss of knowledge and understanding would not necessarily serve a company or its shareholders' best interests. As an example of the effectiveness of its Board renewal process, since January 2013, the Board and its shareholders have appointed six new independent Board members, which represent 50% of its membership. While the Board continually assesses renewal, independence and diversity, the Board has not adopted term limits for its directors. The Board believes the current combination of its retirement age policy, annual performance and director skills assessments and natural turnover achieve a well-balanced and effective Board without limiting the time a director can serve.

Of the 12 directors standing for election at the 2016 annual meeting, four directors have two or less years' tenure on the Board. The average tenure of the Board membership is just over five years. The information supplied in the chart below is based on the 12 directors standing for election at Finning's annual meeting.

Board Tenure & Renewal Diversity



Retirement Policy

All directors are eligible for re-election until reaching age 72, and must retire, at the next annual meeting following the date on which the director reaches the age of 72. The Board may waive this policy if after conducting a thorough search, a qualified replacement director cannot be found or if the retiring director possesses such unique skills that the loss of these skills would be a material loss to Finning.

Diversity

Director Diversity

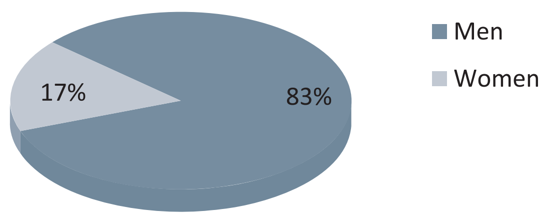
Diversity is integral to Finning at all levels throughout our organization. In addition to the traditional concepts of diversity (i.e., gender, culture, and geographic region) it is important for the Board to achieve a diversity of knowledge, experience and capabilities that support Finning's strategic direction. While Finning does not have a formal policy concerning diversity of director nominees, or the representation of women on the Board, it is committed to building and sustaining a diverse and inclusive Board that both supports Finning's strategy and reflects its global presence.

Finning's Board does not support fixed percentages or quotas for diversity, as it is ultimately the diversity of skills and experience that are most important in determining the value that an individual brings to the Board. As part of the Board renewal process, where candidates are relatively equivalent in their levels of required skills and experience, the Board is committed to support those candidates who enhance gender diversity to add a broader perspective and achieve a stronger balance of gender diversity on the Board.

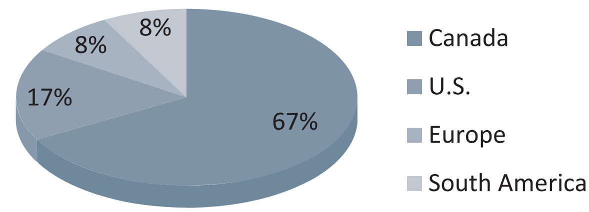
Finning has been focused on Board renewal over the last three years and has recruited six new independent directors. Three of the directors maintain geographic diversity, while one female director increases the Board's cultural and gender diversity, and the remaining two directors provide in-depth industry and customer perspectives. Each of these directors contribute to the Board's overall diversity and have complemented and strengthened the skills and expertise of the Board as identified by our skills matrix and nomination process on page 31.

Finning currently has 12 directors, two of whom are female directors, representing 17% of the Board. All 12 directors are standing for election at the 2016 annual meeting. The Board believes these 12 nominees comprise an appropriate diversity of gender, age, geographical background, industry knowledge and experience.

Board Gender Diversity



Board Geographic Diversity



Management Diversity

Globally, Finning management is also focused on broadening diversity within Finning and has recently developed and approved a diversity statement which has been incorporated into its Code of Conduct, which applies to all employees, officers and directors.

Diversity Statement
We are committed to elevating diversity at Finning, to building and sustaining a diverse and inclusive workforce and to do so with clear accountability frameworks, staffing goals, and a robust pipeline of diverse leaders. In this context, diversity is defined to be inclusive of people representing various genders, races, national and ethnic origins, colours, religions, ages, sexual orientation, marital and family status, and/or mental or physical disabilities.

With regard to gender diversity, management agrees that women are the most underrepresented group within our industry. Finning recognizes that growing diversity in this area serves as an opportunity to source resources from a broader pool of high-quality employees and utilize diverse perspectives to improve Finning's business performance. Finning currently has 10 executive officers, two of whom are female, representing 20% of the executive officers.

Recognizing the importance of diversity in our business practices and growth, in 2015 Finning formed regional Diversity Councils at each of its operations, who report into the Global Diversity Council, a management council chaired by Finning's CEO. Significant third-party research has been conducted on Finning's diversity practices, including the identification of differing career experiences of women and men at Finning.

As a result of the additional focus on diversity, a number of initiatives are planned for introduction in 2016. These initiatives include:

- targeted support for individual female leaders and high potentials;
- review of maternity and return to work policies in all regions; and
- increased focus on adding more females in leadership.

While Finning appreciates the benefits of a diverse workforce, the level of female representation is only one factor of diversity that is measured, together with merit, qualifications and experience when considering candidates for employment and promotions.

Director Nomination and Skills Matrix

The Corporate Governance Committee, a committee composed entirely of independent directors, is responsible for identifying and recruiting new candidates for nomination to the Board. In developing these recommendations for the Board, the Corporate Governance Committee believes that having a diverse Board brings a broader range of skills, experience and perspectives to corporate governance, while enhancing the Board's effectiveness. Ultimately, when identifying potential candidates, the Board assesses the candidates' competencies and skills against those that have been identified as desirable to enhance overall Board performance. The Board strives to provide a diverse and broad range of skills and synergies to support management in the achievement of their goals and Finning's strategic plans, while maintaining the Board's fiduciary responsibility to act in Finning's best interest.

The Committee utilizes a skills and expertise matrix to assist with reviewing the skill sets of candidates and the Board as a whole. As the Board composition changes and as Finning's strategy evolves, the director skills matrix is reviewed to ensure that the current director skill sets align with the strategic corporate goals as well as to prioritize and identify areas of future enhancements or gaps in the current skill sets of Board members or its various committees.

As a result of director recruitment and renewal activities that have been ongoing since 2012, the Committee has been actively recruiting Board members with the specific skill and diversity requirements that have been identified in the director skills matrix as potential gaps. The Board and management are confident that ongoing recruitment activities will further strengthen the Board through diversity and in meeting the strategic needs of the Company.

In 2015, the Corporate Governance Committee and the Board continued to focus on Board renewal with consideration to future retirements and with a view to expanding the Board's skill sets and diversity to support the strategic growth of Finning, succession planning, and filling those areas where skill gaps may arise. As a result of this process, Mr. Levenick was appointed to the Board on March 1, 2016. As a former Caterpillar executive, Mr. Levenick brings specific expertise and industry and geographic diversity to the Board, together with an in-depth understanding of Finning's key customers and suppliers. He has senior leadership skills in growth, finance, information systems technology, data and innovation, compensation, safety and governance, and his vast business exposure to global geographies will benefit Finning.

The Board is continuing with efforts to strengthen its list of potential Board candidates for future considerations for Board renewal and replenishment to ensure a smooth transition, including maintaining and building upon the key skills and competencies of the Board.

Below is a listing of each director's key skills, together with a description of those key skills and experience desirable to support the strategic direction of Finning.

Director	CEO/SEO	Diversity	Growth	Industry	Banking	Financial	Compensation	EH&S	Governance	Government
Marcelo A. Awad	√	√	√	√	√	√	√	√	√	
James E.C. Carter	√		√	√	√		√	√	√	√
Jacynthe Côté	√	√	√	√		√	√	√	√	√
Nicholas Hartery	√	√	√	√			√	√	√	
Stuart L. Levenick	√	√	√	√		√	√	√	√	
Kevin A. Neveu	√		√	√		√		√	√	√
Kathleen M. O'Neill	√	√	√	√	√	√	√		√	√
Christopher W. Patterson	√		√	√		√	√	√	√	
John M. Reid	√		√	√		√	√	√	√	√
L. Scott Thomson	√		√	√	√	√	√	√	√	
Douglas W.G. Whitehead	√	√	√	√		√	√	√	√	
Michael M. Wilson	√	√	√	√		√	√	√	√	√
Total Directors with expertise	12	7	12	12	4	10	11	11	12	6

Key Skills and Experience Diversity Matrix

Strategy, Vision and Growth

Chief Executive Officer/Senior Executive Officer (CEO/SEO)
Experience as a CEO or SEO for a publicly listed company or for a major organization with international operations

Diversity
Experience with international operations that operate in the same countries as Finning's operations with a thorough understanding of cultural, regulatory and political requirements. Offers a depth of perspective from a gender, ethnic or geographic viewpoint

Growth
Experience driving a clear strategic vision with focus on superior execution, experience in significant acquisitions or mergers or restructurings

Industry Experience

- Industry experience as a senior officer in mining, large construction, power generation and alternate energies
- Operational expertise in international manufacturing, heavy equipment sales and marketing, supply chain excellence, technology and integrated solutions
- Key relationship expertise either through Caterpillar affiliations or global customer affiliates

Banking and Financial Institutions (Banking)
Experience in investment or corporate banking, or as an economist

Functional Expertise

Financial Leadership
Significant financial experience as a senior officer responsible for an organization of similar complexity as Finning, or experience working as a senior officer in financial accounting, reporting, and corporate finance for a major organization and knowledge of internal controls and testing

Compensation Leadership
Senior executive experience or board compensation committee participation with a thorough understanding of compensation, benefit and pension programs, legislation and collective bargaining

Corporate Social Responsibility

Environment, Health and Safety
Knowledge and experience in the areas of corporate social responsibility, community relations and environment, health and safety including knowledge of industry regulations and a commitment to best practices for workplace safety

Corporate Governance and Other Key Skills

Governance
Experience as a board member for a publicly listed company or for a major organization

Government
Broad regulatory, political and public policy experience at Canadian and international levels

Board and Committee Evaluations

Acknowledging the impact that good governance contributes to corporate effectiveness, annually the Board, facilitated by the Corporate Governance Committee, formally reviews its own performance, the performance of each committee of the Board, the committee chairs and the Board Chair. The Board's peer evaluation process is facilitated through one-on-one director interviews with the Board Chair.

In 2014, an independent consultant was engaged to survey and interview Finning's directors and executive management to assess Finning's current governance practices to ensure that directors were properly exercising their expected fiduciary duty and duty of care. The survey also provided a deeper insight into the Board's performance, and identified opportunities to enhance governance in ways that would directly impact Finning's performance. The 2014 assessment report produced recommendations, which the Board has been addressing in 2015.

For 2015, the Corporate Governance Committee reviewed the annual evaluation process to determine how to best evolve the assessment process and continue to raise the bar for Board performance. The Corporate Governance Committee determined that the more fulsome assessment process utilizing a third-party consultant would be utilized every second year, with a survey assessment in the interim years. The survey assessment, utilizing in-house designed surveys, assessed general performance and progress on governance recommendations from the prior year.

For 2015, the annual assessment for Finning International's Board and committees consisted of the following components:

- one-on-one interviews with directors and the Board Chair. These interviews were primarily for the Board Chair to provide feedback to a specific director and to receive input that they may not normally provide in Board meetings and surveys. These interviews focused on key points raised in the previous year's assessment reports including Finning's strategy and corporate risk management plans and processes; how to make the Board more effective and efficient; the degree of comfort each director feels in contributing and expressing their viewpoints; and, any feedback on the Board Chair or peer directors;
- a Board Effectiveness survey. This survey monitors the Board's level of performance in addressing the areas identified in the 2014 survey and measuring performance against the 2015 Board Objectives. All Board members and executive management participate in this survey and aggregate responses and comments are shared with all survey participants. Recommendations brought forward through the evaluation process will be considered, and where appropriate, will be utilized in the setting of the 2016 Board Objectives. The survey was conducted by the office of the Corporate Secretary;
- a Board Chair survey with directors and executive management participating; and
- committee and committee chair surveys. Each of the four committees and their respective chairs in addition to executive management who provide support for the committee participate in this survey.

Other considerations taken into account in making the determination for the 2015 annual assessment process was the Board Chair succession process. This process included one-on-one interviews with individual directors and the chairs of the Board and the sub-committee. As part of the Board Chair transition process, additional interviews will be conducted with individual directors and Mr. Wilson, the Board Chair successor, to assess Board dynamics and individual director requirements.

The results of the 2015 performance assessments of the Board and its committees and respective chairs, as compiled by the office of the Corporate Secretary, indicated that governance is working well at Finning; strong Board performance as measured against its objectives, and the committees and chairs performed well in compliance with their respective Terms of Reference. Overall, the Board of Directors and its committees demonstrate a healthy culture with a broad diversity of perspectives, and a high commitment to strong Board governance.

Orientation and Education

The purpose of the Director Orientation and Education Program is to ensure there is an orientation program for new directors and an ongoing education program for existing directors. The program utilizes materials and resources that both inform and educate directors on the Corporation's corporate governance framework, its business, operations and current issues and strategies. The education program will address the educational needs of directors in respect of their duties generally. The program is overseen by the Corporate Governance Committee.

The purpose of the director orientation program is to increase a director's familiarity with the Corporation and its industry and to equip directors with sufficient information and resources to facilitate fully informed decisions.

The purpose of the education program is to enable directors to better perform their duties, and to recognize and deal appropriately with different issues that may arise during their tenure as a director and a member of a Board committee.

Director Orientation

Director orientation is part of a process that begins when a potential director is being considered for membership on the Board, is the focus during the onboarding phase and transitions into ongoing director education and assessment.

As part of the recruitment process, prospective Board members will receive certain information regarding the Corporation's organization, culture, strategy, Board composition and compensation plans, and Board mandate outlining the key responsibilities of directors.

At the time of appointment as a director, the Corporate Secretary will provide training and access to its Board portal where key orientation materials can be accessed, including Finning's Board Policy Manual. Other material on the portal includes Board and committee meeting materials, governance information related to the responsibilities of directors, in addition to key policies and communications materials.

New directors are also provided with detailed information describing Finning and its business. In addition, all new directors meet with senior management for detailed briefings. Briefings and materials supplied include details on:

- business and strategic plans;
- key strategic risks and risk management;
- operational overviews;
- compliance programs;
- treasury (funding position, arrangements, policies); and
- financial reporting and auditing policies and procedures.

The orientation program also involves direct visits to plant sites and facilities, where appropriate.

Ongoing Director Education

Each director ultimately assumes responsibility for keeping himself or herself informed about Finning's business and relevant developments outside Finning that affect its business. Management assists directors by providing regular updates on relevant developments and other information that management considers of interest to the Board, including information regarding investor relations activities, analyst reports and shareholder information.

The education portion of the program is designed to enhance directors' skills and understanding of Finning's business environment. This knowledge will enable them to better perform their duties and to recognize and deal appropriately with different issues that may arise during their directorship. Educational opportunities include:

- paid membership to professional organizations such as the Institute of Corporate Directors;
- periodic presentations to the Board by management and advisors, with respect to specific topics related to Finning and our business;
- articles on emerging corporate governance trends and best practices, analyst reports and other relevant topics regarding Finning's business are regularly posted on the Board portal for all directors' general information;
- guest attendance at committee meetings by non-committee Board members who are interested in more in-depth discussions regarding subject matters of interest;
- plant site and facility visits from time to time to give directors additional insight into Finning's business; and
- external director education programs to enhance their development as a director. The Corporate Secretary will review information on education opportunities and advise directors, as appropriate. The Board Chair must pre-approve any external programs to be paid for by Finning.

The following table lists continuing education sessions and topical updates presented by management for directors, committee members and guests, during regularly scheduled director and committee meetings in 2015:

Theme & Session	Attendees	Presenter
Economy		
Canadian Macro Economics	Board Members	President, Finning (Canada) & Chief Operating Officer
Argentina Economic Review	Audit Committee	Vice President & Treasurer, Finning International Inc.
Commodity Pricing Outlook	Board Members	Global Management Consulting Firm
Quality Assurance		
Internal Audit Quality Assurance Review	Audit Committee	Ernst & Young
Collaborating With Audit Committees to Deliver Audit Value	Audit Committee	Chief Executive Officer, Canadian Public Accountability Board
Operational Overviews		
Canadian Mining Overview	Board Members	President, Finning (Canada) & Chief Operating Officer & Senior Vice President, Mining, Finning (Canada)
Canadian Facilities Optimization	Board Members	Vice President Finance, Finning (Canada)
U.K. Equipment Solutions	Board Members	Director, Equipment Solutions, Finning UK & Ireland
Global Risks	Board Members	Vice President, Risk Management, Finning International Inc.
Regional Talent Reviews	Board Members	Chief Human Resources Officer, Finning International Inc. and regional country Presidents
Safety & Site Tour – Regina Branch	Board Members & Safety, Environment & Social Responsibility Committee	Executive Vice President, Customer & External Relations, Finning International Inc. (site tour) and Chair of the Safety, Environment & Social Responsibility Committee (safety site audit)
Caterpillar		
Caterpillar Mining Update Overview	Board Members	Group President & Executive Office Member, Caterpillar
Caterpillar Data & Innovation Update	Board Members	Group President & Executive Office Member & Vice President, Caterpillar
Technology		
Data & Innovation Outlook	Board Members	Chief Information Officer
Information Systems Technology Roadmap	Board Members	Chief Information Officer

In November 2015, the Board and executive management travelled to Regina, Saskatchewan, where they convened their third quarter committee, Board and strategy meetings. During this visit, the Board toured Finning's Regina Branch and the Safety, Environment & Social Responsibility Committee members conducted a safety site audit of the branch, reporting their feedback to local management. Further, while the Board was in Regina, Caterpillar hosted a meeting with the Board where they provided a business, strategy and market update.

During the year, certain directors have also attended education sessions independently. The 2015 sessions entailed offerings from Audit firms, Audit Committee conferences, Institute of Corporate Directors, National Association of Corporate Directors, independent consultants, and attendance at other boards' education sessions. Further, certain directors have participated as instructors, panelists and guest lecturers for a variety of business forums and educational institutions, including the Institute of Corporate Directors, CPA Canada and the Rotman School of Management. Topics covered included:

- audit committee effectiveness;
- audit quality;
- board diversity;
- compliance and governance issues;
- counter-party risks;
- executive pay and compensation trends;
- industrial banking trends;
- international financial reporting standards;
- monitoring effectiveness of compliance policies;
- policies and public opinions (Alberta); and
- shareholder activism.

Risk Management Process

Finning's Board, with assistance from its committees, is responsible for ensuring that management has identified the principal risks of Finning's business and that all reasonable steps have been taken to ensure the implementation of appropriate systems and plans to manage these risks. The Audit Committee assists the Board in the assessment of the management systems and processes to manage business and financial risks. Management updates the Audit Committee on the top key risks and any changes in relative ranking of those risks at each regularly scheduled Audit Committee meeting including strategic, financial, operational and corporate risks. The Human Resources Committee reviews Finning's compensation policies and practices to confirm their alignment to Finning's risks and principles to ensure that they do not encourage inappropriate or excessive risk tolerance. The Safety, Environment & Social Responsibility Committee oversees the policies and systems to monitor for safety, health and environmental risks. See Committees of the Board of Directors starting on page 37 for more information about each committee's risk management activities for 2015.

In 2015, the Board continued to educate new directors on the top key strategic risks to Finning's business. Top risks are noted in each quarterly operating review with the Board. In 2015, management presented its enterprise risk process and held an educational session on the top key strategic risks and mitigation actions for the short and long term. As part of this process, emerging risks that could impact Finning's business into the future were identified and discussed.

Key Policies

As part of its oversight responsibilities, the Board has approved a number of policies to ensure employees at all levels maintain Finning's high standards of governance. Copies of these policies are available on our website at *www.finning.com*. These include:

- Code of Conduct;
- Code of Ethics for Senior Executive and Financial Management;
- Corporate Disclosure Policy;
- Policy on Share Trading, Hedging and Use of Material Information;
- Whistleblower Policy;
- Global Anti-Bribery and Anti-Corruption Policy; and
- Global Political Contributions Policy.

Annually, Finning's senior executive and financial management receive the Code of Ethics for Senior Executives and Financial Management, together with the Code of Conduct, Corporate Disclosure Policy, Whistleblower Policy, Global Anti-Bribery and Anti-Corruption Policy and the Policy on Share Trading, Hedging and Use of Material Information. These employees annually acknowledge in writing that they are aware of these policies and acknowledge that they are bound by their terms.

Ethical Business Conduct

Finning's Code of Conduct (Code) governs the behaviour of all directors, officers and employees of Finning and its subsidiaries and affiliates. The Code also requires that agents, consultants, contractors and suppliers act consistently with Finning's Code when acting with or on behalf of Finning. The Code, available in English and Spanish, sets out the fundamental terms upon which Finning conducts its business and deals with subjects such as ethical decision making, compliance with laws, corruption and bribery, business and fiscal integrity and responsibility, health and safety, care of the environment, conflicts of interest, diversity and inclusion, and providing a workplace free from harassment. In 2015, the Board approved an updated Code of Conduct which incorporated policy refreshments and current best practices. The full text of the Code can be found on Finning's website at *www.finning.com*.

The Board monitors compliance with the Code through the Audit Committee. All directors, officers and key employees acknowledge their support and understanding of the Code on an annual basis. All new employees receive a copy of the Code upon hiring. All directors, officers and employees have a duty to report suspected Code violations. Suspected Code violations are reported to the Audit Committee. In order to address Code matters in a timely, unbiased and confidential manner, the Company has established a Global Ethics Committee comprised of the Compliance Officer (Corporate Secretary), Executive Vice President & Chief Financial Officer, Vice President, Risk Management, Chief Human Resources Officer and the Senior Vice President, Corporate Controller & Treasurer. The Global Ethics Committee investigates and, where appropriate, delegates potential violation claim reports to the Regional Ethics Committees (comprised of senior level executives in finance, legal, human resources and internal audit). The Global and Regional Ethics Committees are management committees.

Anyone who believes that a violation of the Code has occurred or who requires advice regarding compliance with the Code, is encouraged to report such violation or concerns through Finning's compliance website or telephone hotline. Both the compliance website and the telephone hotline are managed by an independent global reporting agency. In addition, the Compliance Officer can be contacted directly at complianceofficer@finning.com. Further information on the reporting of ethics violations or concerns is provided in Finning's Whistleblower Policy, which is available on our corporate website at *www.finning.com*.

Position Descriptions

The Board has adopted and approved a number of written position descriptions and mandates (Terms of Reference) for:

- the Board of Directors (attached hereto as Schedule B) and general Guidelines for the Board of Directors;
- the President and Chief Executive Officer;
- the Board Chair; and
- each committee of the Board: Audit Committee; Human Resources Committee; Corporate Governance Committee; Safety, Environment & Social Responsibility Committee.

Links to Finning's key governance policies and documents can be found in the *Governance* section of Finning's website at *www.finning.com*. In addition, any shareholder may request paper copies by contacting the Corporate Secretary.

Communications with the Board

The Board ensures systems are in place for communication with Finning's shareholders and other stakeholders. Such communication includes quarterly and annual financial statements and related management's discussion and analysis, management proxy circulars, annual information forms and news releases containing significant new financial information. The Board also encourages shareholders to attend Finning's annual meeting. The annual meeting provides a valuable opportunity to hear directly from management about the results of Finning's business and operations. Members of the Board are in attendance at annual meetings and the Board and committee chairs are available to answer questions.

The Board also recognizes that it is important for the Board to communicate with shareholders, including organizations that represent or advise shareholders on matters of governance. The Board has determined that questions or concerns related to the Board and senior executive succession process, executive and Board compensation, Board level corporate governance and other matters that are within the scope of the Board's supervisory and oversight duties, as set out in its Terms of Reference, may appropriately be addressed to and by, the Board.

Those shareholders, employees and other interested parties wishing to communicate directly with the Board may do so through the Board Chair. Direct your written communication marked Private and Confidential, in writing to:

Board Chair
c/o Corporate Secretary
Finning International Inc.
1000 – 666 Burrard Street
Vancouver, B.C. V6C 2X8

Committees of the Board of Directors

The Board carries out its responsibilities directly and through its committees, which make recommendations to the Board for approval. In May 2015 the Pension Committee was dissolved with oversight responsibilities transferring to the Audit Committee, and plan design responsibilities transferring to the Human Resources Committee. In 2015, there was only one meeting of the Pension Committee.

There are currently four standing committees of the Board of Directors:

- the Audit Committee;
- the Human Resources Committee;
- the Corporate Governance Committee; and
- the Safety, Environment & Social Responsibility Committee.

Each committee operates in accordance with Board-approved Terms of Reference. The Board may create a new committee whenever it considers it advisable to do so.

The Board rotates committee members and committee chairs from time to time as required. In doing so, the Board tries to make use, to the extent possible, of the particular expertise of each of the directors.

Committee chairs, in consultation with committee members, determine the frequency of meetings for each committee, provided that a committee must at all times comply with its Terms of Reference. The agenda for each meeting is established by the committee chair in consultation with appropriate members of management and the Corporate Secretary. Each committee chair reports to the full Board with respect to each of its meetings.

The Board of Directors and each standing committee ensure their independence by convening independent director-only sessions at every meeting.

Committee members are appointed annually following Finning's annual meeting or as required due to a change in composition of the directors or upon the creation of a special committee. The Corporate Governance Committee and the Board Chair provide recommendations to the Board in respect of all such appointments.

The following reports of the committees of the Board of Directors describe the composition, mandate and report on activities for 2015 undertaken by each of the committees of the Board.

Audit Committee: Mandate and Report

Mandate

The Audit Committee provides assistance to the Board of Directors in fulfilling its oversight responsibility to the shareholders with respect to Finning's:

- ethical business conduct;
- financial statements and related management discussion and analysis and earnings press releases;
- financial reporting processes;
- systems of internal and disclosure controls;
- internal audit function;
- external audit function;
- financial arrangements and liquidity;
- risk management process; and
- pension plans.

It is the responsibility of the Committee to maintain an open avenue of communication between itself, the external auditors, the internal auditors and management of Finning. In performing its role, the Committee is empowered to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of Finning. It is also empowered to retain outside counsel or other experts as required.

Committee Membership

Name	Independent
Kathleen M. O'Neill, Chair and Financial Expert	Yes
Marcelo A. Awad	Yes
Kevin A. Neveu	Yes
Christopher W. Patterson	Yes
Michael M. Wilson	Yes

Douglas W.G. Whitehead attends meetings of the Audit Committee in his capacity as Board Chair. All Committee members must be independent and financially literate, meaning that each member can read and understand financial statements that are comparable to Finning's in terms of breadth and complexity of accounting issues. At least one member is required to have accounting or related financial management expertise. K.M. O'Neill, the current Chair of the Audit Committee, is also the designated "financial expert".

Meetings

The Committee met four times in 2015, with 100% attendance at all meetings. In addition, at each Committee meeting the members held sessions without management present.

External Auditor

Deloitte LLP (Deloitte) has been Finning's external auditor since 2002. The Audit Committee has the oversight responsibility for reviewing Deloitte's performance, qualifications, independence and audit of Finning's financial statements.

Services provided by the external auditor are:

Audit Services
Audit Services generally relate to fees charged for the annual audit, interim reviews, administrative charges and other services related to the performance of the annual audit.

Audit-Related Services
Audit-related services include assurance and related services, such as audits of Finning's pension plans, French translation of interim and annual financial statements and notes and other services required by regulators of auditors.

Tax Services
Tax services include foreign tax advice and filings for corporate directors.

Other Services
Other services would include any non audit-related or non-tax services. Services provided in 2014 relate to an assessment of supply chain performance in Finning (Canada) of $434,710 and an assessment of the Company's community investment programs of $9,818.

External Auditor Fees

Fees paid or accrued by Finning and its major business units or subsidiaries for audit and other services provided by Deloitte during 2015 and 2014 were as follows:

Type of Service	2015[1]	2014[1]
Audit Services	**$2,699,626**	$2,598,250
Audit-Related Services	**249,036**	100,715
Tax Services	**10,861**	7,223
Other Services	**-**	444,528
Total:	**$2,959,523**	$3,150,716

1 Amounts were billed in various currencies and converted to Canadian dollars using the exchange rates in existence at the time of billing.

Pre-approval Policies and Procedures

The Audit Committee has adopted a formal policy requiring the pre-approval of services to be provided by Deloitte, prior to the commencement of the engagement. Between regularly scheduled Audit Committee meetings, the Committee has delegated to the Chair of the Audit Committee the authority to approve individual service engagements up to a value of $100,000 that have not been pre-approved. Under no circumstances will Finning's management engage the external auditors to perform services that have not been approved by the Audit Committee. Management and the external auditor are required to report quarterly to the Audit Committee all services provided by the external auditor and fees paid or accrued each quarter.

The Committee determined that the provision of the audit-related, tax and other services described above did not compromise the independence of Deloitte for purposes of performing audit services for Finning.

Risk Management

Finning has adopted a risk management approach to identifying and evaluating risks in order to protect and enhance shareholder value. On a quarterly basis, the Audit Committee reviews Finning's process with respect to risk assessment and management of key risks, including Finning's major financial risks and exposures and the steps taken to monitor and control such exposures. The risk management process involves the identification, by each of Finning's significant operations, of key risks that could impact the achievement of Finning's strategic plan. Each of these key risks and related mitigation or action plans are monitored closely and disclosed annually in Finning's Annual Information Form and MD&A. Any changes to the key risks are reviewed by the Audit Committee and are disclosed on a quarterly basis in Finning's interim financial filings.

Highlights

Key areas of focus for the Committee included the following activities for 2015:

Financial Statements

- reviewed quarterly and annual consolidated financial statements, management's discussion and analysis, and quarterly earnings press releases and made recommendations to the full Board;
- reviewed Finning's financial arrangements and liquidity;
- reviewed significant accounting principles and disclosures in accordance with International Financial Reporting Standards (IFRS);
- reviewed IFRS Accounting updates including new, pending and amended standards; and
- attended educational sessions supplied by management, third-party consultants and industry experts to facilitate a stronger understanding of the Argentine economy; Internal Audit quality assurance; and the Canadian Public Accountability Board's role in collaborating with audit committees to deliver audit value.

External Auditor

- reviewed and recommended selection of the external auditor and approved audit fees for the current year;
- met independently with the external auditor at each meeting;
- reviewed reports of the external auditor following quarterly reviews and annual audit;
- approved all audit and non-audit services performed by the external auditor; and
- reviewed and approved the annual Audit Plan of the external auditor.

Internal Auditor

- reviewed a Control Objectives for Information and Related Technology information technology standard maturity assessment;
- reviewed internal audit function and effectiveness;
- approved updates to the Code of Conduct and reviewed anti-bribery process, communication and monitoring;

- met independently with the internal auditor at each meeting;
- reviewed and approved the annual internal audit plan;
- reviewed results of internal audit reports and progress to audit plan and reviewed internal audit self-assessment;
- reviewed independent valuation of internal audit's self-assessment; and
- reviewed and approved amendments to the internal audit charter.

Risk Management, Internal Controls and Information Systems

- reviewed effectiveness of internal controls and management of major financial risk exposures;
- reviewed results of the internal auditor's review of Finning's Compliance Program; and
- reviewed internal controls to ensure production of reliable financial statements.

Treasury

- reviewed insurable risks and insurance coverage;
- reviewed and approved increase to capital approval limits;
- reviewed Finning's Dividend Policy and made recommendations to the full Board regarding the declaration of quarterly dividends;
- reviewed Argentina foreign exchange risks;
- reviewed and approved the extension of the Corporation's $1 billion credit facility; and
- reviewed and approved management's recommendations on global hedging strategies.

Compliance

- provided oversight with respect to compliance with legal and regulatory requirements, regulatory updates and reviewed status of legal claims;
- reviewed CEO/CFO certification process for interim and annual financial statements;
- reviewed process to identify disclosure controls and internal controls for financial reporting and the effectiveness of these controls;
- reviewed and approved the Board Chair and CEO's expenses;
- oversaw Global Ethics Committee and their investigations related to suspected code violations, enhanced reporting of high risk cases, and reviewed the process and charter governing compliance to Finning's Code of Conduct;
- reviewed and approved amendments to the Committee's Terms of Reference; and
- completed the Committee's self-assessment and assessment of the Committee Chair.

Succession Planning

- supported management in the recruitment process for the Executive Vice President & Chief Financial Officer; and
- reviewed Succession Plan for financial and accounting management.

Pension (including Pension Committee highlights prior to its dissolution in May 2015)

- reviewed the governance structure and key responsibilities for Finning's pension plans, in conjunction with the dissolution of the Pension Committee, including delegation of certain responsibilities to the Management Pension Committee;
- reviewed and approved the Management Pension Committee's Terms of Reference, and revisions thereto;
- monitored the financial positions of the plans;
- monitored progress of risk reducing strategies for assets and liabilities of Finning's defined benefit (DB) pension plans, including review and approval of key elements of the Canadian strategy;
- reviewed and approved management's recommendations to adjust the investment structure and one of the investment managers of Finning's Canadian DB pension plan;
- reviewed and approved management's recommendations to adjust the investment options available under Finning's Canadian defined contribution (DC) pension plans by adding two new options;
- reviewed and approved funding and investment policies; and
- jointly, with the Human Resources Committee, reviewed and approved a move from Finning's DC pension plan to the Machinists pension plan for future accruals for BC union employees as part of the 2015 collective bargaining process.

For more information regarding the Audit Committee and its mandate, please refer to the section entitled "Audit Committee" in Finning's most recent Annual Information Form, which is available at *www.sedar.com* and on Finning's website at *www.finning.com*.

The Committee is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2015.

Human Resources Committee: Mandate and Report

Mandate

The Human Resources Committee provides oversight of the human resources and talent management strategy design of Finning's compensation programs and policies. The Committee provides recommendations to the Board of Directors on key compensation and human resources matters, including executive and key employee continuity, succession planning, and any changes to Finning's executive compensation program that the Committee considers to be necessary from time to time.

Committee Membership

Name	Independent
John M. Reid, Chair	Yes
Marcelo A. Awad	Yes
Jacynthe Côté	Yes
Nicholas Hartery	Yes
Christopher W. Patterson	Yes

Each member of the Committee is considered to possess the knowledge and experience in human resources and compensation matters to positively contribute to the Committee's work. All members have experience in compensation matters as former or current CEOs or senior executive officers. Three members, one of whom is the current Chair of the Committee, currently sit on compensation committees for other publicly traded companies.

Meetings

In 2015, the Committee met four times, with 100% attendance at all meetings. In addition, at each Committee meeting the members held sessions without management present.

Highlights

In 2015, the Committee focused on a number of key areas in human resources and compensation matters, including the following:

Executive Compensation

Following the annual review of Finning's executive compensation in 2015, the Committee approved the following with respect to the base salary, short-term and long-term incentive plans:

Base Salary

- due to the continued challenging macroeconomic environment, agreed with Management's recommendation to suspend base salary increases in 2015 for executives and employees in Canada and South America.

Short-Term and Long-Term Incentive Plans

- confirmation of performance measures and metrics that ensure continued alignment with Finning's strategic plan and key operational priorities; and
- following a market review of Finning's long-term incentive plan design, approved the re-design of the plan, which features an increase to the overall weighting of performance share units, a reduction in the weighting of stock options, and the introduction of restricted share units.

Performance Assessments

- reviewed the 2015 performance goals for the CEO and recommended approval by the Board;
- reviewed the performance of the CEO against his goals on a quarterly basis and reported to the Board; and
- reviewed and approved 2014 short-term incentive payments, paid in 2015, based on achievement of certain financial, safety and individual performance targets for the CEO and other senior executives.

Talent Strategy

- reviewed Finning's talent strategy to ensure planned succession for key executive roles and further enable a highly engaged workforce; and
- approved executive retention plans designed to support Finning's talent strategy.

Succession Planning and Leadership Development

- reviewed high-potential development planning processes to support succession and leadership integration;

- as part of Finning's formal succession planning process:
  - reviewed potential CEO successor candidates, the performance of those individual executives in their current roles, and assessed the readiness of candidates to fill the CEO role;
  - reviewed the executive talent pool, succession plans and contingency planning for the CEO and the top senior executive positions deemed critical for the success of Finning; and
- reviewed, without management present, the CEO succession plans with the Board of Directors.

Employee Culture, Diversity and Engagement

- reviewed results and action plans relating to Finning's annual Employee Opinion Survey; and
- reviewed progress made on diversity initiatives.

Leadership Team Appointments

- recommended appointment of executive officers reporting to the CEO to the Board of Directors, including:
  - Chief Financial Officer;
  - Managing Director of Finning UK & Ireland; and
  - Chief Human Resources Officer.

Compliance

- reviewed key executives' share ownership compliance and management's plans for facilitating compliance, including the approval of a new bonus deferral plan that allows executives in Canada and the United Kingdom to redirect cash earned through the short-term incentive plan into a Deferred Share Unit plan until share ownership guidelines are achieved; and
- completed the Committee's self-assessment and assessment of the Committee Chair.

Pension

- jointly, with the Pension Committee, reviewed and approved a move from Finning's DC pension plan to the Machinists pension plan for future accruals for BC union employees as part of the 2015 collective bargaining process.

The Committee considers that it has appropriately fulfilled its mandate for the year ended December 31, 2015.

Advisors to the Committee and Finning

In making its decisions relating to compensation, the Committee may obtain advice from consultants with expertise in this area. The Committee and Board consider the advice received from consultants and ultimately, make their own decisions about these matters. Meridian Consulting acts as the independent advisor for the Board and the Committee for matters relating to director and executive compensation. Willis Towers Watson and Korn Ferry Hay Group provide Finning advice in respect of executive compensation practices and competitive market data. For more information on the advisors to the Committee and Finning, please refer to page 62.

Corporate Governance Committee: Mandate and Report

Mandate

The Corporate Governance Committee provides assistance to the Board by focusing on corporate governance programs and in establishing and monitoring corporate governance principles that will enhance corporate performance. The Committee has oversight for Finning's Code of Conduct. In addition, the Committee manages the evaluation process to monitor the effectiveness of the Board, its committees and individual directors and has responsibility for establishing a process for identifying, recruiting, appointing and re-appointing directors and succession planning for the Board Chair. The Committee also has responsibility for providing ongoing development of current Board members.

A healthy governance culture also demands that both management and the Board engage in continuous constructive discussions to delineate their respective roles to best support Finning and its shareholders as business and regulatory environments continue to evolve. The Corporate Governance Committee, together with the Board Chair and the CEO, share the responsibility for developing annual objectives for the Board of Directors.

The Corporate Governance Committee monitors the flow of information between the Board and management and, where necessary, makes recommendations on improving these lines of communication.

Committee Membership

Name	Independent
Michael M. Wilson, Chair	Yes
James E.C. Carter	Yes
Kathleen M. O'Neill	Yes
John M. Reid	Yes

The Committee membership, not including the Chair of the Committee, is typically composed of the chairs of the various standing committees of the Board.

Meetings

The Committee met four times during 2015, with 100% attendance at all meetings. At each Committee meeting the members held sessions without management present.

Highlights

Key areas of focus for the Committee included the following activities for 2015:

Board Composition, Planning and Director Nominations

- reviewed Board succession and renewal planning and identified skill sets, expertise and diversity requirements for potential future director nominees;
- extended the independent consultant's contract to facilitate ongoing Board member recruitment search;
- recommended to the Board the recruitment of a new Board member, Mr. Stuart L. Levenick, whose appointment was effective March 1, 2016;
- reviewed Board interlocks and director independence and potential for conflicts of interest;
- completed assessment of existing and future membership of Board committees. As a result of the assessments in 2015, the Committee recommended the dissolution of the Pension Committee; and
- undertook a review of director compensation best practices and trends and reviewed the director compensation plan relative to its comparator group.

Governance

- developed annual Board objectives, together with the Board Chair and CEO;
- completed an annual review of the Terms of Reference for all Board standing committees and the Board Chair, Board of Directors, individual Director, and President and Chief Executive Officer and the Board Guidelines;
- reviewed, and based on the median practices amongst its comparator group, recommended Board approval to the Corporation's director retirement policy, increasing the mandatory director retirement age to 72 from 70;
- completed an annual review and approved amendments to key governance policies including the Code of Conduct, Whistleblower Policy and the Corporate Disclosure Policy;
- updated and approved director travel and expense guidelines;
- reviewed emerging best practices and trends in corporate governance and potential securities regulatory changes;
- reviewed and approved amendments to the Committee's Terms of Reference; and
- provided oversight for the updating of the Board Policy Manual on the Board portal.

Shareholder Communications

- adopted Say on Pay advisory vote for shareholders at 2015 annual meeting which received 94.41% shareholder approval;
- monitored current trends in disclosure.

Board Chair Succession

- provided initial oversight of the Board Chair Succession sub-committee;
- reviewed and approved the Terms of Reference for the Board Chair Succession sub-committee and recommended approval by the Board;
- reviewed and approved amendments to the Board Chair Terms of Reference and recommended approval by the Board; and
- reviewed and approved the Board Chair criteria and the timeline for the transition of the Board Chair.

Director Orientation and Education

- reviewed and approved the Director Orientation and Education program;
- ensured education sessions and topical updates for directors were provided throughout the year (for details, see Orientation and Education on page 33); and
- approved individual director memberships in formal director networking and educational associations.

Performance Evaluations

- completed the Committee's self-assessment and assessment of the Committee Chair; and
- conducted a Board Performance Evaluation with Board members and key management participation. Performance assessments of committees and committee chairs were facilitated by the office of the Corporate Secretary. Individual Board member peer reviews were conducted by the Board Chair through one-on-one meetings with each director.

The Committee is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2015.

Safety, Environment & Social Responsibility Committee: Mandate and Report

Mandate

The Safety, Environment & Social Responsibility Committee provides assistance and counsel to the Board and management of Finning in its drive towards attaining and maintaining world-class safety, health and environmental performance through the oversight of management's procedures and policies to ensure they build compliance into business processes and activities and exceed any legal obligations.

The Committee supports management in the corporate goal of eliminating environmental incidents, work-related injuries and occupational illnesses that could result from the activities of Finning.

Community investment is also supported by the Committee, as well as any matter affecting Finning's sustainable development in these areas of oversight responsibility.

Committee Membership

Name	Independent
James E.C. Carter, Chair	Yes
Jacynthe Côté	Yes
Nicholas Hartery	Yes
Kevin A. Neveu	Yes
L. Scott Thomson	No

The Committee must be comprised of at least three directors, two of whom must be independent and one of whom must be the CEO.

Meetings

The Committee met four times during 2015, with 100% attendance at three meetings and 83% attendance at one meeting. At each Committee meeting the independent directors held sessions without management present.

Highlights

Key areas of focus for the Committee included the following activities for 2015:

Monitor and assess safety, environment and social responsibility management systems and policies:

- monitored accident investigation reporting and root cause analysis consistent with its mandate to audit safety, environment and social responsibility systems and performance;
- monitored global safety initiatives, including the Personal Protective Equipment Policy, Life Saving Rules, Significant Incident Protocols and the Safety Management System;
- reviewed global leading safety indicators;
- reviewed lost time injuries, significant near misses and corrective actions;
- monitored safety performance and continued focus on risk prevention with job hazard analysis and near miss reporting with increasing focus on total recordable injury reporting;
- reviewed environment, health and safety policies and encouraged the sharing of best practices and the setting of cardinal rules amongst the operations and with key customers;
- reviewed and monitored the occupational health programs and communications to employees on various health topics;
- reviewed the results of environmental audits performed in the year and ensured compliance with international standards and regulations;
- reviewed regional environmental performance metrics and regional carbon reporting;
- reviewed compliance with the Corporation's Global Political Contributions Policy;
- reviewed environmental legal compliance for each operation;
- participated in a safety site audit at Finning's newly acquired Regina Branch;
- reviewed and approved the Committee's Terms of Reference; and
- completed the Committee's self-assessment and assessment of the Committee Chair.

External recognition for Finning's environment, health and safety performance:

In Canada, Finning was recognized by the North American Occupational Safety and Health (NAOSH) organization in British Columbia for branch participation in various NAOSH initiatives.

In South America, Finning received several recognition awards related to health and safety performance and compliance, including the 2015 Carlos Vial Espantoso Award recognizing good labour union practices and excellence in collaborative safety management and training.

Recognition was received from Freeport-McMoRan El Abra Mine for its Joint Health and Safety Committee's excellence in performance as well as from CODELCO and Sierra Gorda.

Mutual de Seguridad certified and recognized Finning's Joint Health and Safety Committees' contributions to safety excellence and recognized Finning for its participation in the National Hand on Hand Campaign focused on hand injury prevention.

Finning was recognized by Caterpillar among all the dealers in Central and South America for its contribution to a Safety First Culture.

In the U.K. and Ireland, Finning's industry leading health and safety performance was recognized by the Royal Society for the Prevention of Accidents (RoSPA). RoSPA awarded Finning "The Engineering Services Sector Industry Award" for Occupational Health and Safety for the fourth consecutive year.

Several recognition awards from health & safety approval bodies were received, such as Achilles, Safe Contractor, Construction Health and Safety Assessment Scheme and Link-Up covering industries such as oil & gas, building construction, quarrying and rail. Recognition awards were also received from customers, including BP, Archer and The Mineral Products Association.

Internal recognition for Finning's environment, health and safety performance:

In the 2015 Employee Opinion Survey, Finning scored 89% for its commitment to employee safety. The effectiveness of Finning's safety systems were evaluated through employee involvement in the identification of safety issues, reinforcement of safety practices, employee involvement in identifying and resolving safety issues and employee accountability for creating and maintaining a safe work environment. With 84% of its employees participating in the survey, these results are comparable to the prior year.

The Committee supports Finning's commitment to continuously improve its safety performance to reduce the frequency of injuries and the occurrence of all serious incidents. In 2015, our consolidated safety record, as measured by Total Recordable Incident Frequency (TRIF) was the lowest rate ever achieved by Finning at 0.61 compared to 0.75 for 2014. TRIF measures the number of lost time injuries, return-to-work cases, and medical aids for every 200,000 hours worked. The Company strives to maintain our leadership position in the industry and demonstrate the strong commitment of all employees to follow safe work practices.

The Committee is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2015.

SECTION IV – BOARD OF DIRECTORS COMPENSATION

Director Compensation Plan

Finning's main objective in designing its directors' compensation plan has been to develop a plan which supports the successful recruitment and retention of qualified individuals to serve as members of its Board. The compensation plan is intended to provide an appropriate level of remuneration considering the responsibilities, time requirements and accountability of their roles. Directors who are also employees of Finning or its subsidiaries do not receive any additional remuneration for acting as directors.

BOARD OF DIRECTORS COMPENSATION – CONTENTS:

In establishing an effective director compensation plan, Finning strives to achieve a level of director compensation that is competitive and achieves the median level of compensation paid by companies that are comparable in size and in a similar business.

Evaluation of the Program

The Corporate Governance Committee reviews director compensation annually and makes recommendations to the Board with consideration given to best practices, trends and its pay philosophy. In 2015, management undertook a review of director compensation and compared Finning's existing Director Compensation Plan to our comparator group. The director compensation comparator group was the same Canadian comparator group utilized by management in evaluating executive compensation plans, and comprised the publicly listed Canadian companies within this group. These companies were considered appropriate director compensation comparator companies due to their similar industry, focus and size in terms of revenue.

The review concluded that Finning's director compensation is well below the 50^{th} percentile target for total director compensation. However, in light of the continuing pressures facing Finning's business due to global economic challenges, particularly lower commodity prices, and the decrease in activity in Canada related to declining oil prices, the Board of Directors has deferred any decisions related to compensation until mid-2016. There has been no increase in director compensation since 2013.

Fees and Retainers and Equity-Based Compensation

Director compensation includes:

- annual retainer and additional retainers for chairing or serving on committees;
- Board and committee meeting and conference call fees;
- travel fees, where applicable, to cover the necessary travel time to attend Board and committee meetings; and
- equity-based compensation in the form of deferred share units (DSUs).

The table below shows Finning's current fees and retainers for directors:

Directors' Remuneration	Amount ($)
Board Chair Annual Retainer[1]	195,000
Lead Director Annual Retainer	70,000
Director Annual Retainer	50,000
Audit Committee Chair Retainer	20,000
Human Resources Committee Chair Retainer	15,000
Other Committee Chair Retainer	10,000
Audit Committee Member Retainer	6,000
Other Committee Member Retainer	3,000
Board Meeting Fee[2,3]	1,500
Committee Meeting Fee[2,3]	1,500
Board Conference Call Meeting Fee	1,000
Committee Conference Call Meeting Fee	1,000

1 The Board Chair receives a fixed annual retainer and is not eligible for meeting fees, travel allowances or a daily stipend.

2 If a meeting is held at a place other than the city in which a director is resident, he/she receives a $1,500 travel allowance; or if held on a different continent, he/she receives a travel allowance of $3,000 in recognition of the time required to travel to and from the meeting.

3 An individual director may be eligible for a daily stipend, where he or she has assumed additional short-term duties over and above his or her ordinary director responsibilities, to a maximum of $1,500 per day spent on the short-term duties. Any such additional compensation will be set by the Board Chair and reviewed by the Corporate Governance Committee.

Director Equity-Based Compensation – Deferred Share Units

In 2015, 75% of Director Compensation was paid in Deferred Share Units

In its effort to align the interests of members of the Board with those of its shareholders, Finning directors are required to meet minimum share ownership requirements and receive equity-based compensation in the form of DSUs as part of the overall director compensation program. A DSU plan was approved for the non-executive directors as an appropriate form of equity-based compensation intended to provide a competitive long-term incentive aligned with shareholder interests.

Under that plan, directors who are not full-time employees of Finning or any of its subsidiaries are granted DSUs by way of an annual award based on the fair market value of Finning's Common Shares on the day preceding the annual grant date and having a value of $80,000. The Lead Director is granted DSUs having a value of $100,000. The Chair is granted DSUs having a value of $145,000.

Directors also have the right to receive DSUs in lieu of cash compensation payable for service as a director. DSUs are issued at the fair market value of Finning's Common Shares on the day preceding the date of issue.

In 2015 a total of 36,451 DSUs were issued to directors pursuant to the annual award. An additional 28,124 DSUs were issued in lieu of cash compensation payable for service as a director. DSUs accrue notional dividends that are allocated in the form of additional DSUs based upon the fair market value of Finning's Common Shares the day preceding the dividend payment date. A further 9,310 DSUs were granted to directors during the year as payment for notional dividends.

DSUs are only exercisable once an eligible director ceases to serve on the Board of Directors. At such time, he or she will be entitled to receive the value of the DSUs from Finning, payable (at the election of the eligible director) either in cash or in Common Shares of Finning. If an eligible director elects to receive payment in the form of Common Shares, Finning will purchase such Common Shares, on behalf of the eligible director, on the Toronto Stock Exchange. DSUs do not entitle eligible directors to voting rights. Directors have until December 31 of the year following the year they leave to exercise their DSUs.

Share Ownership Requirements

Finning and the Board of Directors believe that the interests of shareholders and directors are better aligned when directors hold significant investments in Finning. In support of this belief, Finning has fixed minimum requirements for share ownership by Finning's directors. Share ownership includes holdings of both Finning's Common Shares and DSUs. For purposes of these requirements, the annual retainer is defined to be the combination of the cash annual retainer and the value of the annual DSU grant to directors. The current share ownership requirements are:

- by no later than two years after their appointment or election to the Board, directors must hold Common Shares and/or DSUs having a value equal to the annual retainer then payable to directors;
- by no later than five years after their appointment or election to the Board, directors must hold Common Shares and/or DSUs having a value equal to five times the annual retainer then payable to directors;
- once their minimum guidelines have been achieved, if a director's share ownership later falls below the minimum guidelines due to a decline in the share price, such director will have two years to restore compliance; and
- for the purposes of these requirements, the value of the share ownership is defined as the greater of: (a) the original amount paid by the director to acquire the Common Shares or the grant value of the DSUs; or (b) the current market value of those shares and units at the point of measurement, normally the last trading day of the year.

These requirements are reviewed annually at the end of the calendar year by the Corporate Secretary and are reported to the Corporate Governance Committee. The most recent review indicates that all directors are in compliance with these requirements.

2015 Director Compensation

The following table sets out the value of fees and other compensation paid to non-executive directors of Finning during 2015. The compensation amounts noted in the tables have been adjusted for those directors who retired in the year. Specifically, Mr. Bacarreza and Mr. Simon's compensation is for the period January 1, 2015 to May 5, 2015. Mr. Levenick has not been included in the disclosure as he did not become a director of Finning until March 1, 2016. For details on compensation paid to Mr. Thomson who is an executive director of Finning, refer to Section V – Executive Compensation. Mr. Thomson receives no additional compensation in his role as a director of Finning.

	2015 Fees Earned						Allocation of Fees Earned		
Director	**Annual Cash Retainer ($)**	**Meeting Fees ($)**	**Travel Fees ($)**	**Total Fees and Cash Retainer ($)**	**Share-based Awards: Annual DSU Grant Cash Equivalent ($)**	**Total Compensation ($)**	**Cash ($)**	**Share-based Awards: DSUs ($)[1]**	**DSUs % of Total Compensation (%)[2]**
Marcelo A. Awad	59,000	22,000	15,000	96,000	80,000	176,000	-	176,000	100
Ricardo Bacarreza	19,385	10,000	6,000	35,385	27,692	63,077	35,385	27,692	44
James E.C. Carter	65,077	25,000	7,500	97,577	80,000	177,577	-	177,577	100
Jacynthe Côté	53,923	19,000	7,500	80,423	80,000	160,423	-	160,423	100
Nicholas Hartery	56,000	16,000	9,000	81,000	80,000	161,000	-	161,000	100
Kevin A. Neveu	60,038	23,500	7,500	91,038	80,000	171,038	-	171,038	100
Kathleen M. O'Neill	74,038	35,000	7,500	116,538	80,000	196,538	58,269	138,269	70
Christopher W. Patterson	61,423	28,500	7,500	97,423	80,000	177,423	97,423	80,000	45
John M. Reid	74,923	27,000	1,500	103,423	86,923	190,346	103,423	86,923	46
Andrew H. Simon	19,385	8,500	6,000	33,885	27,692	61,577	33,885	27,692	45
Douglas W.G. Whitehead	195,000	-	-	195,000	145,000	340,000	195,000	145,000	43
Michael M. Wilson	67,038	25,000	7,500	99,538	80,000	179,538	-	179,538	100
Total:	**805,230**	**239,500**	**82,500**	**1,127,230**	**927,307**	**2,054,537**	**523,385**	**1,531,152**	**75**

1 Where DSUs are being issued in lieu of Board fees, they are valued based on the fair market value of Finning's Common Shares on the day preceding the payment date. For the annual DSU grant, DSUs are valued based on the fair market value of Finning's Common Shares on the day preceding the annual grant date.

2 Indicates the portion of the director's total fees and cash retainer that is paid in DSUs and is, therefore, at risk.

Outstanding Share-Based Awards and Option-Based Awards

Finning does not issue options to non-executive directors. DSUs are the only share-based awards issued to non-executive directors and there were no share-based awards that were unvested at December 31, 2015.

	Option-based Awards				Share-based Awards		
Director	**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 Awards that have not Vested ($)**	**Market or Payout Value of Vested Share Awards not Paid out or Distributed ($)[1]**
Marcelo A. Awad	n/a	n/a	n/a	n/a	n/a	n/a	220,748
James E.C. Carter	n/a	n/a	n/a	n/a	n/a	n/a	916,786
Jacynthe Côté	n/a	n/a	n/a	n/a	n/a	n/a	161,333
Nicholas Hartery	n/a	n/a	n/a	n/a	n/a	n/a	209,078
Kevin A. Neveu	n/a	n/a	n/a	n/a	n/a	n/a	197,974
Kathleen M. O'Neill	n/a	n/a	n/a	n/a	n/a	n/a	820,385
Christopher W. Patterson	n/a	n/a	n/a	n/a	n/a	n/a	328,725
John M. Reid	n/a	n/a	n/a	n/a	n/a	n/a	697,108
Douglas W.G. Whitehead	n/a	n/a	n/a	n/a	n/a	n/a	1,224,658
Michael M. Wilson	n/a	n/a	n/a	n/a	n/a	n/a	400,247

1 The value of the vested share awards was calculated using a Common Share value of $18.68 which was the closing share price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2015.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value of all share-based and option-based compensation which vested during the year ended December 31, 2015, for each of the non-executive directors described below.

Name	Option Awards – Value During the Year on Vesting ($)	Realized Gains on Option Exercises ($)	Share Awards – Value During the Year on Vesting[1,2] ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)
Marcelo A. Awad	n/a	n/a	176,000	n/a
Ricardo Bacarreza	n/a	n/a	27,692	n/a
James E.C. Carter	n/a	n/a	177,577	n/a
Jacynthe Côté	n/a	n/a	160,423	n/a
Nicholas Hartery	n/a	n/a	161,000	n/a
Kevin A. Neveu	n/a	n/a	171,038	n/a
Kathleen M. O'Neill	n/a	n/a	138,269	n/a
Christopher W. Patterson	n/a	n/a	80,000	n/a
John M. Reid	n/a	n/a	86,923	n/a
Andrew H. Simon	n/a	n/a	27,692	n/a
Douglas W.G. Whitehead	n/a	n/a	145,000	n/a
Michael M. Wilson	n/a	n/a	179,538	n/a

1 DSU grants are valued based on the fair market value of Finning's Common Shares on the day preceding the grant date. The majority of DSUs are granted through the annual grants. In 2015 the annual grant of DSUs was valued at $25.44. Other DSUs are granted throughout the year where directors have elected to receive DSUs in lieu of Board fees.

2 The Share Awards Value excludes the value of the notional dividends issued during 2015 as they are not deemed to be director compensation.

Director Ownership

The following two tables set out the number and value of all securities held by the non-executive Directors in Finning as at December 31, 2015.

Number of Securities Held

Director	Vested Options (#)	Unvested Options (#)	Total Options (#)	Share-based Awards: DSUs (#)	Common Shares (#)	Total Units (#)
Marcelo A. Awad	n/a	n/a	n/a	11,817	-	11,817
James E.C. Carter	n/a	n/a	n/a	49,078	10,000	59,078
Jacynthe Côté	n/a	n/a	n/a	8,637	10,000	18,637
Nicholas Hartery	n/a	n/a	n/a	11,193	-	11,193
Kevin A. Neveu	n/a	n/a	n/a	10,598	10,000	20,598
Kathleen M. O'Neill	n/a	n/a	n/a	43,918	14,000	57,918
Christopher W. Patterson	n/a	n/a	n/a	17,598	8,025	25,623
John M. Reid	n/a	n/a	n/a	37,318	20,000	57,318
Douglas W.G. Whitehead	n/a	n/a	n/a	65,560	143,299	208,859
Michael M. Wilson	n/a	n/a	n/a	21,427	10,000	31,427

Value of Securities Held

Director	Vested Options Value ($)	Unvested Options Value ($)	Share-based Awards: DSUs Value ($)[1]	Common Shares Value ($)[1]	Total Value of all Equity Holdings ($)[1]
Marcelo A. Awad	n/a	n/a	220,748	-	220,748
James E.C. Carter	n/a	n/a	916,786	186,800	1,103,586
Jacynthe Côté	n/a	n/a	161,333	186,800	348,133
Nicholas Hartery	n/a	n/a	209,078	-	209,078
Kevin A. Neveu	n/a	n/a	197,974	186,800	384,774
Kathleen M. O'Neill	n/a	n/a	820,385	261,520	1,081,905
Christopher W. Patterson	n/a	n/a	328,725	149,907	478,632
John M. Reid	n/a	n/a	697,108	373,600	1,070,708
Douglas W.G. Whitehead	n/a	n/a	1,224,658	2,676,825	3,901,483
Michael M. Wilson	n/a	n/a	400,247	186,800	587,047

1 The value of equity holdings was calculated using a Common Share value of $18.68 which was the closing share price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2015.

SECTION V – EXECUTIVE COMPENSATION

Executive Compensation

This section of the Management Proxy Circular discusses the elements of Finning's executive compensation program, 2015 performance highlights and the related executive compensation decisions made over the past year.

Key Terms

Several key terms related to Finning's financial results and executive compensation program appear throughout this section of the Management Proxy Circular. For reference, their definitions are listed below.

Deferred Share Unit (DSU): A notional unit with a value equal to a Finning Common Share that can only be redeemed when the individual leaves the Company

Earnings Before Finance Costs and Income Taxes (EBIT) Margin: Calculated as the ratio of EBIT to net revenue. Our market leadership and service excellence priorities combined with cost management are factors in our control that impact EBIT

Earnings Per Share (EPS): Net income divided by average outstanding shares

Fair Market Value (FMV): Fair market value of Finning's Common Shares on any date means the volume-weighted average price per share at which shares have traded on the preceding day

Free Cash Flow (FCF): Cash flow provided by (used in) operating activities less net additions to property, plant and equipment and intangible assets; allows Finning to fund daily operations and make long-term investments, has a direct impact on return on invested capital (ROIC), and focuses attention on efficient inventory management, improved collections and cost and capital management

Invested Capital (IC): Capital invested to build and run the business, formally calculated as book value of shareholders' equity plus net debt; represents funds raised to invest capital primarily in working capital (e.g., inventories, accounts receivable less payables), facilities and other capital expenditures

Invested Capital Turns (ICT): Calculated as total revenue divided by IC. Our supply chain and asset utilization priorities are factors in our control that impact ICT. A common ROIC calculation is EBIT Margin x ICT, with ICT as the key indicator of capital efficiency

Long-Term Incentive Plan (LTIP): Recognizes executives' role in driving Finning's business growth, increasing shareholder value and supporting our continued financial success; made up of three components: performance share units, restricted share units and stock options

Net Promoter Score (NPS): Industry standard measure that drives future demand for products and services and demonstrates the importance of customer loyalty; calculated by subtracting % detractors (unsatisfied customers) from % promoters (loyal customers who refer others)

Performance Share Unit (PSU): A notional unit with a value equal to a Finning Common Share. The value received is contingent on meeting predetermined performance targets and the share price at the time of payout

Restricted Share Unit (RSU): A notional unit with a value equal to a Finning Common Share

Return on Equity (ROE): Net income divided by average shareholder equity for a period

Return on Invested Capital (ROIC): Calculated as EBIT divided by IC. Improvements in ROIC correlate well with total shareholder return and provide a comprehensive measure of Finning's performance. Another common ROIC calculation is EBIT Margin x ICT, highlighting both profitability and capital efficiency's contribution to this key metric

Share Ownership Guidelines (SOGs): Guidelines that require all senior executives to meet specific ownership targets based on their position with Finning; aligns the financial interests of our executives and our shareholders with long-term stock price performance

Short-Term Incentive Plan (STIP): A cash-based annual incentive plan that encourages executives to focus on specific corporate, business unit and individual goals

Stock Option: The right to purchase a Finning Common Share in the future at a predetermined price, subject to satisfying applicable time-based vesting rules

Total Recordable Injury Frequency (TRIF): The total number of recordable injuries multiplied by 200,000 and divided by exposure hours; aligned with the fundamental importance of employee safety at Finning. TRIF helps us address the root cause of incidents and allows us to take action to prevent more serious injuries

Total Shareholder Return (TSR): Measures the value an investor receives from Common Shares over time. TSR combines share price appreciation and dividends paid to show the total return to the shareholder (assumes reinvestment of dividends); expressed as a percentage

Letter to Shareholders

Dear Shareholder,

At Finning's upcoming Annual Meeting of Shareholders on May 4, 2016, you are invited to cast your advisory Say on Pay vote for 2016. Our goal is to provide executive compensation information to shareholders as clearly and concisely as possible. To ensure you have the information you need to make an informed vote regarding our executive compensation programs and decisions, we are providing you with this Compensation Discussion and Analysis (CD&A).

Oversight and Philosophy

The Board and the Human Resources Committee carefully oversee governance practices for executive compensation. The Human Resources Committee receives advice from independent advisors and works closely with management to ensure Finning's executive compensation programs are:

- competitive;
- effective at attracting, retaining and inspiring key employees while taking into account the overall cost of compensation;
- aligned with our global priorities and encourage appropriate behaviours and decisions; and
- rewarding our executives for performance and for building shareholder value.

For more information on the role of the Human Resources Committee, please refer to pages 41-42.

2015 Performance and Achievement Highlights

In 2015, Finning continued its execution on our operational excellence agenda during a difficult macroeconomic environment. Finning's focus on safety and people as well as a greater emphasis on efficiently managing costs and capital will result in better returns for shareholders when global commodity markets recover. We are taking this opportunity to transform the business with the objective of being more agile and responsive to customer demands. A lower cost base combined with our focus on managing invested capital efficiently will result in improving ROIC over the long term. We believe ROIC is strongly correlated with increasing shareholder returns over time.

In line with our focus on earnings and capital discipline and Finning's commitment to earning its customers' loyalty, employees worked to advance the following operational priorities: customer and market leadership, service excellence, supply chain and asset utilization.

In 2015, overall revenues were down 11% to $6.2 billion, driven by lower overall new equipment sales. Despite the slowdown in demand, advancements in our operational priorities resulted in the Company ending the year in a strong financial position with free cash flow of $325 million. In addition, Finning became the approved Caterpillar dealer in Saskatchewan with the acquisition of the operating assets of Kramer Ltd. This expansion of Finning's Western Canadian operations is a tremendous growth opportunity and is a natural fit with complementary capabilities, customer bases and employees across neighbouring territories.

In 2015, Finning was awarded a "**Governance Gavel**" by the Canadian Coalition for Good Governance (CCGG) for "**The Best Disclosure of Approach to Executive Compensation**". This award recognizes Finning's efforts in explaining executive compensation practices in a clear, concise, and transparent manner.

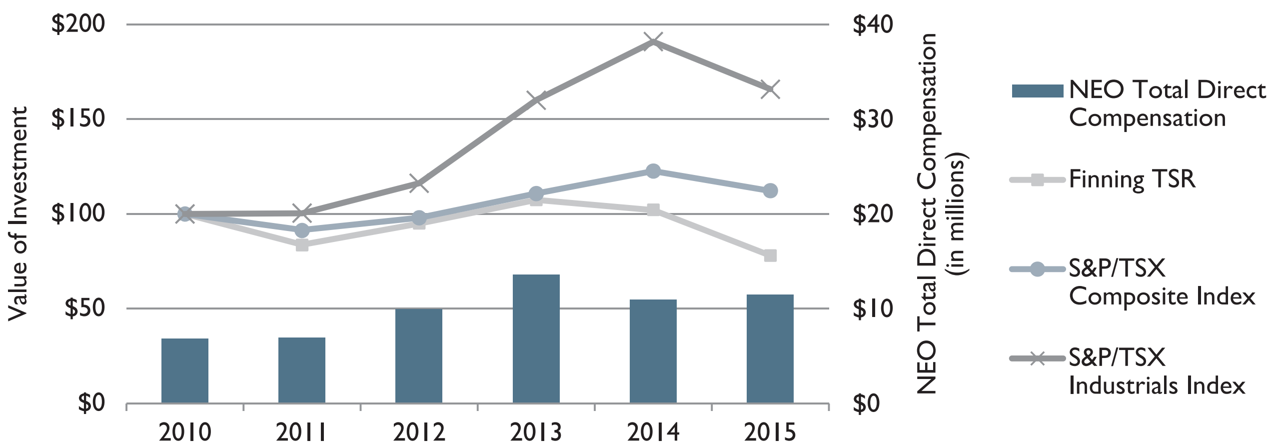
Our Canadian operations reported lower earnings as a result of the challenging economic conditions from the downturn in oil and other commodity prices. Despite the depressed global commodity markets, our South American operations maintained its profitability levels by continuing to reduce their cost structure and invested capital to align with lower activity levels. In our UK & Ireland operations, EBIT margin was negatively impacted from the competitive market environment and the decline in commodity markets. As a result of these economic factors, the Company recorded an impairment loss of $338 million to its distribution network and goodwill.

Finning continued to navigate a difficult macroeconomic environment by proactively adjusting its cost base and invested capital to anticipated business levels. In 2015, the Company reduced its global workforce by 1,900 or 13% (excluding Saskatchewan) and restructured its facilities footprint in all operations. In addition, a salary freeze for employees, including executives, was implemented across the majority of its operations. Overall, we believe that focusing on what we can control – costs and capital efficiency – positions us well for future growth and helps us build sustainable value as a company.

In addition to our financial results, employee safety and customer loyalty are two key metrics by which Finning evaluates its annual performance. We place great emphasis across the organization on TRIF as a measure of our safety performance and NPS as a measure of customer loyalty. The Company exceeded annual operating plan targets for both TRIF and NPS in 2015. We are proud of our accomplishments in these two areas. Looking ahead, we will maintain our Company-wide focus on ensuring the safety of our employees and contractors every day, providing superior service to our customers and improving our operating performance.

Each year, the Human Resources Committee assesses the actual compensation of our NEOs relative to the Company's performance, as detailed below. The graph below shows the relationship of our NEOs' total compensation (as reflected in the Summary Compensation Table on page 77) compared to our cumulative shareholder return over the last five years. As illustrated, the compensation of our NEOs has generally tracked TSR.

Total Shareholder Return Compounded* (2010-2015)



* Assumes dividends are reinvested into additional stock on an ongoing basis; reflects total return index values (based on the aggregate market value of the index constituents plus their paid dividends/distributions assuming dividends/distributions are reinvested into additional stock on an ongoing basis).

Your Board, with the support of the Human Resources Committee, remains committed to ensuring that executive compensation is aligned with shareholder interests, linked to performance and drives Finning's long-term competitiveness. We believe that our sound governance practices relating to executive compensation, on which you are invited to vote, are appropriately linked to our strategy to build long-term shareholder value and enable us to obtain the right balance between attracting and retaining talented leaders and providing compensation that is based on performance and sound risk-taking.

Sincerely,

/s/ Douglas W.G. Whitehead | */s/ John M. Reid*

Douglas W.G. Whitehead
Board Chair

John M. Reid
Chair, Human Resources Committee

2015 Compensation Discussion and Analysis

At Finning, we believe in aligning executive compensation with shareholder interests and business results. In this spirit, we offer a competitive compensation program that allows our leaders to share in the Company's financial success when they deliver performance that helps achieve short- and long-term corporate goals, increases shareholder value and demonstrates commitment to our operational excellence agenda.

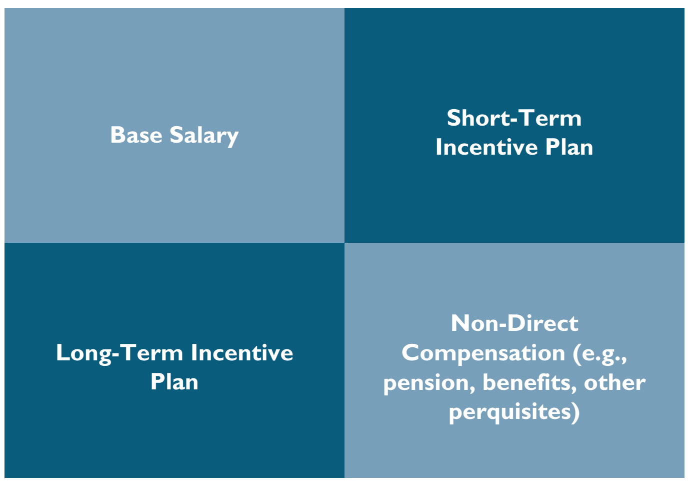
Compensation Philosophy and Objectives

Finning abides by a compensation philosophy based on the principles of pay-for-performance, to ensure our incentive program payouts are based on corporate, business unit and individual performance results, and market competitiveness, to ensure our executive compensation package is competitive to attract and retain skilled executives. Guided by this compensation philosophy, we developed our executive compensation programs to limit incentives that promote excessive risk-taking and meet the following objectives:

- ✓ **Enable** Finning to attract individuals who have the leadership and management skills to drive the future growth and success of the Company
- ✓ **Retain** the services of valued members of Finning's executive team
- ✓ **Motivate** executives to achieve excellence within their respective areas of responsibility and together as a team
- ✓ **Reward** executives for their individual and collective contributions to Finning's success and encourage a strong link between an individual's compensation and the interests of the Company and our shareholders
- ✓ **Support** the health and the well-being of the members of Finning's executive team

In addition to the Company's financial performance, we consider shareholder input and market pay practices when determining the appropriate compensation levels for our leaders. We also take executives' current compensation into account as well as the advice of external compensation consultants.

Finning's compensation Plan includes four basic components:



Our pay-for-performance philosophy is to target the 50th percentile – median – of the total compensation similar companies offer their executives. We retain the ability to exceed the 50th percentile through higher incentive payouts when performance exceeds expectations and, conversely, when performance is below expectations, payments will result in below median compensation.

To help ensure our executives' pay is aligned with Finning's overall business strategy, the executive compensation program is driven by a core set of principles embedded in our overall compensation philosophy. These core principles have been developed within the context of both CCGG's Executive Compensation Principles and philosophical concepts that are specific to Finning's business. While actual performance targets and metrics may vary from year to year, the following principles relating to the program remain consistent:

Key Principle	Method of Implementing Principle
Senior executives should be focused on building shareholder value.	The Human Resources Committee seeks to focus senior management on several key financial metrics that it considers key drivers of shareholder value, such as EBIT margin and ICT in our short-term incentive plan and ROIC and TSR in our long-term incentive plan.
Senior executives' compensation should be performance-based.	Total individual compensation varies from year to year depending on corporate, business unit and individual performance results.
A significant portion of senior executives' compensation should be at risk.	The senior executives' compensation plan contains elements of pay at risk, as an executive does not receive certain compensation amounts until a minimum performance threshold is achieved and will receive increasing amounts as performance exceeds the targets.
Senior executives should focus on building the business over a medium and long-term time horizon.	The senior executives' compensation plan includes a long-term incentive plan that is focused on achieving results with a medium to longer-term view.
Senior executives should be focused on employee health and safety.	Safety targets make up a component of the annual bonus structure. Also, as part of corporate policy, even if the safety target was achieved in a given year, the safety component of the bonus structure is not paid out to a senior executive if there was an employee fatality in his or her area of responsibility.
The bonus structure should be relatively simple and easy to understand.	A limited number of metrics are used. The Human Resources Committee believes that if too many metrics are used, the overall effect of the bonus structure is diluted.
The focus of the bonus structure should be on quantitative metrics.	The majority of metrics used are financial, operational, and quantitative in nature, in alignment with Finning's broader strategy and priorities, and are those that executives have a reasonable ability to influence.
Teamwork among senior executives should be encouraged and rewarded.	A portion of the bonus payable to senior executives working in business units relates to overall corporate performance in addition to actual business unit performance.
Compensation programs should not encourage inappropriate risk-taking.	The executive compensation program is balanced between fixed and variable pay. Performance metrics are designed to measure a combination of quantitative and qualitative objectives that are aligned with Finning's business strategy. Maximum payouts under the incentive programs are capped, a clawback policy is in place for the CEO and CFO and executives are required to hold Finning Common Shares.

This CD&A provides information on the following 2015 NEOs:

- L. Scott Thomson, President and Chief Executive Officer
- Steven Nielsen[1], Executive Vice President and Chief Financial Officer
- Juan Carlos Villegas, President, Finning Canada and Chief Operating Officer, Finning International Inc.
- Marcello Marchese, President, Finning South America
- Neil Dickinson[2], Managing Director, Finning UK & Ireland and Executive Vice President, Global Power Systems

1 Mr. Nielsen was appointed Executive Vice President and Chief Financial Officer, effective March 30, 2015. Mr. Nielsen's 2015 compensation in the CD&A reflects nine months of service in his role.

2 Mr. Dickinson stepped down from his position of Managing Director, Finning UK & Ireland and Executive Vice President, Global Power Systems on February 1, 2016 and will retire from the Company on March 31, 2016.

Overview of Key Compensation Decisions and Actions

Key Compensation Decisions and Plan Updates

(see pages 66-71 for details)

2015 Base Salaries

- *CEO:* In light of challenging market conditions, Mr. Thomson's 2015 base salary remained unchanged at $927,000
- *Other NEOs:* Like our CEO, given challenging market conditions, Messrs. Villegas, Marchese, and Dickinson did not receive a 2015 salary increase

2016 Base Salaries

In recognition of continued challenging market conditions, Finning has implemented a general, company-wide salary freeze[1] in 2016.

Short-Term Incentive Plan

In 2015, alongside our ongoing commitment to safety and customer loyalty, Finning continued to focus on the factors we can control, such as cost management, capital efficiency and asset utilization. 2015 metrics remained the same as 2014; however, targets were adjusted to reflect the Company's Annual Operating Plan (AOP).

Financial Metrics	Non-financial Metrics
Earnings before finance costs and taxes margin **Invested capital turns** **Free cash flow**	Safety – measured as **total recordable injury frequency** A customer loyalty component - measured as **net promoter score**

2015 STIP Awards

Our 2015 performance resulted in an overall corporate score of 52% of target levels. Based on this, the Human Resources Committee determined that bonus payouts, including the individual component of the award, would be 63% of the target for the CEO and between 62% and 81% for the other NEOs.

Long-Term Incentive Plan

In alignment with shareholder interests and our operational excellence agenda, our LTIP for 2015 consisted of two components: PSUs (50%) and stock options (50%). In 2015, we continued to use TSR and ROIC as performance metrics for the PSU plan, in order to drive greater shareholder value, profitability and capital efficiency.

ROIC is aligned with our operational priorities, which are directly linked to driving earnings growth (customer and market leadership and service excellence) and improving capital efficiency (supply chain optimization and asset utilization). In addition, TSR is strongly aligned with shareholder interests as it reflects Finning's ability to create long-term value. The S&P/TSX Capped Industrials Index is the comparator group against which Finning benchmarks TSR. The Index was selected because it has historically correlated well with the Company's share price performance and because a number of companies in similar industries are part of it.

[1] Finning recognizes that salary adjustments for market competitiveness and retention purposes may be required from time-to-time on an exception basis.

2015 LTIP Awards

For the 2015 LTIP, the combined grant of PSUs and stock options reflects approximately the 50th percentile for grant value of our comparator group based on market data:

- *PSUs:* For the 2015-2017 performance cycle, NEOs received PSU target grants with values ranging from $217,552 to $1,758,798.

  For the 2013-2015 performance cycle, no PSU awards were earned in December 2015 based on ROE performance for those three years.

- *Stock Options*: NEOs received target grants of stock option awards with values ranging from $217,552 to $1,758,798.

Share Ownership Guidelines

SOGS are in place and require all executives to meet specific ownership targets based on position. These guidelines align the financial interests of our executives and shareholders with long-term stock price performance. The SOGs were revised in 2015 and reflect increased levels of ownership for the majority of executives.

Position	Current Ownership Requirement	Former Ownership Requirement
CEO	4x base salary	3x base salary
EVP[1]	2x base salary	1.5x base salary
SVP	1.5x base salary	1x base salary
VP	1x base salary	1x base salary

1 The President, Finning Canada and Chief Operating Officer, Finning International's ownership requirement is unchanged and remains at 2x base salary.

Along with the new guidelines, a new bonus deferral program was introduced to allow executives in Canada and the U.K. to redirect cash earned through STIP payouts into a DSU plan on a pre-tax basis until their individual SOGs are achieved.

For more details on current share ownership levels, please refer to page 71.

2016 Program Updates

Long-Term Incentive Plan

In line with our strong governance process, we conducted a market review of executive LTIP design in 2015. Based on this review, we made several changes to our plan design to better align with market practice and shareholder interests. Effective May 2016, Finning's LTIP will be revised to increase the weighting of PSUs from 50% to 60% to further strengthen the alignment between pay and performance. The weighting of the stock options component of the plan will be reduced to 20%. The Company will introduce RSUs to LTIP. The introduction of RSUs will help to further align employees' interests with that of shareholders and is a common form of LTIP provided to Finning's comparator group companies and the broader market. Any movement in share price is reflected in the ultimate value of RSUs received by executives upon vesting.

2016 LTIP	2015 LTIP
60% PSUs ↑	50% PSUs
20% Stock Options ↓	50% Stock Options
20% RSUs **NEW**	

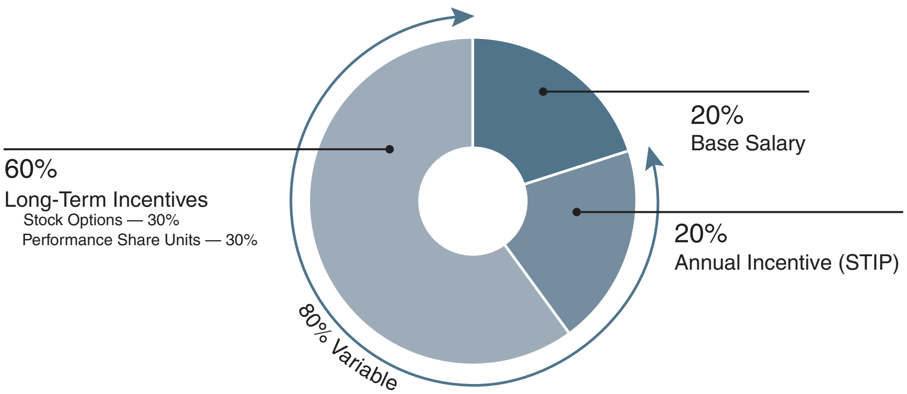
How We Pay for Performance

Finning's success depends largely on our NEOs' contributions in executing on our short- and long-term goals and maintaining our unwavering commitment to safety and talent. This understanding shapes our approach to providing a competitive total rewards package to our NEOs.

Total direct compensation comprises base salary, target short-term incentives and target long-term incentives. In 2015, 82% of the total direct compensation delivered to Mr. Thomson and between 56%-75% delivered to the other NEOs was incentive-based. The Committee believes these compensation mixes ensure a strong link between pay and performance and are aligned with market practice.

Focus on Pay-for-Performance

To ensure management's interests are aligned with those of shareholders and the performance of Finning, a substantial portion of our CEO's compensation is at-risk and will vary above or below target levels depending on Company performance.



With our pay-for-performance philosophy, executives can earn in excess of target levels (up to a maximum) when performance exceeds established objectives. And, if performance falls below established objectives, our incentive plans pay below target levels.

To ensure that we are adhering to the principle of pay-for-performance, we evaluate the degree of alignment of our total incentive compensation to our business results, including EBIT margin, FCF, ICT, ROIC and TSR relative to the TSX Capped Industrials Index over the prior three fiscal years.

We use a balance of short- and long-term incentives as well as cash and non-cash compensation to meet these objectives. Finning's incentive compensation programs for executives are designed to link compensation performance with the full spectrum of our business goals, some of which are short-term, while others take several years or more to achieve:

	Short-Term (Cash) **Annual Incentive**	**Long-Term** (Cash/Equity) **PSUs**	**Long-Term** (Equity) **Stock Options**
Objective	Short-term operational business priorities	Long-term strategic financial goals	Long-term shareholder value creation
Time Horizon	1 Year	3 Years	7 Years (vesting occurs over a three-year period and begins on first anniversary of grant date)
Financial Metrics	25% EBIT Margin 25% ICT 20% FCF	50% ROIC 50% TSR	Stock Price appreciation over the Grant Price (FMV at time of grant)
Non-financial Metrics	15% NPS 15% TRIF		

Our Say on Pay Vote and Other Shareholder Outreach

In determining the elements of our executive compensation program and their related metrics, the Human Resources Committee gives serious consideration to aligning the interests of executives and shareholders. To further this alignment, beginning in 2011, Finning voluntarily provided shareholders the right to cast an advisory vote on the Company's approach to executive compensation. At the 2015 annual meeting, 94.41% of the votes cast approved our overall approach to executive compensation. In 2014, there was 94.52% approval and in 2013, 95.78% approval. Based on shareholder feedback, the Human Resources Committee determined that no material changes to our compensation programs were warranted for 2015.

Managing Compensation Risk

Key features of our executive compensation program help limit excessive risk-taking. These include:

Program structure: Our compensation program incorporates a balanced mix of short-, medium- and long-term compensation components; quantitative and qualitative measures to provide a holistic assessment of performance; maximum awards in the STIP and the PSU component of the LTIP; and overlapping performance cycles in the PSU plan, which serve to encourage sustained performance.

Share Ownership Guidelines: These guidelines require all executives to meet established minimum ownership requirements based on position. This requirement exposes the executives to the same long-term stock price volatility our shareholders experience. For details on our requirements see page 70.

Clawback policy: If a restatement of Finning's financial statements is necessary because of the CEO or CFO's misconduct, intentional misstatement of information, gross negligence or fraud and the restated financial statements result in a lower amount of incentive compensation owing to either of them for the period covered by the restated financial statements, there is a requirement to repay all or some of the incentive compensation received in the prior 24-month period.

Hedging policy: Senior executives are prohibited from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted to them as compensation or held directly or indirectly by them. Hedging may also not be utilized to offset the value of the shareholding requirements set by Finning's SOGs for executive management and directors.

Change-In-Control provisions: Finning has a double-trigger requirement in place for the CEO with respect to cash benefits in a "change-in-control" situation. This means that two events must occur before the cash benefits are payable: a change-in-control and the termination of the CEO's employment. While no specific change-in-control agreements exist for the other NEOs, in practice, executives must be involuntarily terminated before receiving any cash benefits from the Company.

If the outstanding long-term incentive awards are assumed by the surviving entity following a change-in-control, there is no accelerated vesting and if an individual is terminated following a change-in-control under this scenario, regular termination provisions apply, which stipulate that unvested long-term incentives are forfeited.

If a surviving entity does not assume the long-term incentives, partial vesting (50%) of outstanding stock options would occur (regardless of whether or not there is a termination). Furthermore, the Human Resources Committee would take into account all the facts in this scenario and has the discretion to determine whether or not a portion of unvested PSUs shall vest.

Compensation Risk Oversight

The Human Resources Committee develops and reviews the compensation plans, philosophy, guidelines and policies for senior executives to ensure that there is a link between pay and performance while striking a balance with risk management.

The nature of the business in which Finning operates requires some level of risk-taking in order to achieve growth and desired outcomes in the best interest of shareholders. Finning's executive compensation policies and programs seek to increase long-term value while limiting incentives that promote excessive risk-taking.

In 2012, Finning began conducting annual risk assessments with periodic reviews performed by external compensation consultants. Based on the 2015 assessment, and having considered the features of the compensation program, the Committee does not believe that any risks arise from Finning's compensation policies and practices that are reasonably likely to have a material adverse effect on Finning.

Determining Compensation for 2015

Role of the Human Resources Committee

The Human Resources Committee reviews all compensation decisions relating to our leaders and considers recommendations from the CEO to determine the appropriate level of compensation for each of the NEOs, excluding the CEO.

For the CEO, the Committee provides a recommendation with respect to compensation to the Board, which makes the final decisions regarding such matters.

While certain senior executives, including the CEO, review and make recommendations with respect to the compensation programs, final approval of the programs, related incentive metrics and incentive payments for all NEOs lies with the Human Resources Committee and, in some cases, the Board of Directors.

The Human Resources Committee carefully oversees governance practices for executive compensation and works closely with management to identify and make changes that ensure Finning's executive compensation programs are aligned with our overall compensation philosophy. In assessing individual NEO performance, the Human Resources Committee considers many factors, including time in role, demonstrated level of leadership competence and oversight of strategic projects and initiatives. In addition to the CEO's recommendations for the other NEOs, the Human Resources Committee also considers current and emerging market trends in executive compensation and reviews the competitiveness of Finning's compensation plan relative to its comparator group of companies, described on page 63. The Human Resources Committee meets both in the presence of senior management and with only Committee members present.

In situations where there are significant variances to Finning's AOP that have a clear positive or negative impact on STIP payouts, such as unusual items, write-offs or actuarial gains/losses on pension plans, the Human Resources Committee reviews the case and may exercise discretion to increase or decrease the size of an award or payout.

Role of the CEO

At the beginning of each year, the CEO sets objectives with each NEO within the context of the overall corporate strategy. At the end of the year, the CEO reviews each NEO's performance against their objectives and completes detailed performance review summaries for each NEO. Based on year-end performance outcomes, the CEO prepares compensation recommendations for the NEOs. The Human Resources Committee then reviews and approves these compensation recommendations made by the CEO.

Role of the Compensation Consultant

In making its decisions around compensation and the design of the programs in general, the Human Resources Committee and management may obtain advice from consultants with expertise in this area. The Committee and Board consider the compensation consulting firm's advice regarding our executive compensation program and then, ultimately, make their own decisions about these matters.

In 2015, Finning engaged the services of Willis Towers Watson (formerly known as Towers Watson) and Korn Ferry Hay Group (formerly known as Hay Group). Willis Towers Watson has been retained by the Company since 2010 to provide advice in respect to Finning's executive compensation practices. Finning management has also retained Willis Towers Watson to perform other work related to retirement and benefit programs. As discussed in the "Executive Compensation Comparator Groups" section on page 63, in making its compensation-related decisions and recommendations, the Committee reviews comparative market data provided by Korn Ferry Hay Group, an independent compensation consultant retained by management since 1998. Korn Ferry Hay Group provides updates on compensation trends and executive market data, which the Committee considers in making their decisions on executive compensation.

Key Pay Practices

The following list highlights executive compensation practices we have implemented to help drive performance. To motivate and reward our leaders while mitigating risk, we:

- ✓ Pay for performance by delivering most of the total compensation as variable pay
- ✓ Target pay based on market comparables
- ✓ Set challenging short- and long-term incentive award goals
- ✓ Provide strong oversight that ensures adherence to incentive grant regulations and limits
- ✓ Maintain robust share ownership requirements (*updated in 2015*)
- ✓ Adhere to a clawback policy
- ✓ Offer market-competitive benefits
- ✓ Consult with an independent advisor on pay

Beginning in 2014, the Committee engaged the services of Meridian Compensation Partners to provide independent advice to the Committee in the area of executive compensation. The following table provides a breakdown of services provided by Korn Ferry Hay Group, Meridian Compensation Partners and Willis Towers Watson, as well as fees paid in the last two years to these consultants:

	2015			2014		
	Korn Ferry Hay Group	Meridian	Willis Towers Watson	Hay Group	Meridian	Towers Watson
Executive Compensation – Related Fees	**$30,010**	**$0**	**$116,187**	$ 97,700	$6,545	$ 205,102
All Other Fees[1]	**$32,645**	**$0**	**$681,991**	$ 13,280	$ 0	$1,022,754
Total	**$62,655**	**$0**	**$798,178**	$110,980	$6,545	$1,227,856

[1] Non-executive compensation consulting, retirement (actuarial, administration and general advice) and benefit programs.

Executive Compensation Comparator Groups

As a general guide in fixing the level for each of the components of executive compensation, Finning compares its overall compensation structure, as well as each individual component of the structure, with that of a comparator group.

In conducting its executive compensation reviews, Finning, with input from the Human Resources Committee and in consultation with Korn Ferry Hay Group, an independent human resources consultancy, selects a comparator group of companies for each region. Generally, this group consists of companies with whom Finning may compete for executive talent. While Finning's unique business model makes it difficult to align with competitors of similar statistical significance, comparator group selection criteria generally include companies:

- of comparable size to Finning (in terms of revenue and employees);
- which operate in similar industries (e.g., heavy equipment, mining, construction, forestry); and
- for our Canadian comparator group, generally major Canadian companies with global operations that are publicly listed independently or through their parent organization, with an emphasis on companies that have a presence in Western Canada.

In addition, in consultation with Korn Ferry Hay Group and regional senior management, Finning selects separate groups of comparator companies to use for local benchmarking purposes for the NEOs responsible for overseeing Finning's operations in foreign jurisdictions. Our comparator groups that were used in our last benchmarking review in 2014 included the companies listed below. As part of the Company's 2015 cost containment initiatives, including the decision to freeze executive base salaries at 2014 levels, no formal benchmarking review was conducted in 2015.

Canadian Comparator Group	South American (Chile) Comparator Group	UK & Ireland Comparator Group
Agrium	AES Gener	Anglo American
ArcelorMittal Canada	Anglo American	BG Group
Barrick Gold Corporation	Antofagasta Minerals	BOC UK Gases
BHP Billiton Canada	Barrick Gold	BP
Canadian Forest Products	Barrick Gold – Compania Minera Zaldivar	Caterpillar Articulated Truck
Canadian Oil Sands	BHP Billiton	Caterpillar UK
Enbridge Inc.	CGE	CEMEX UK
Fortis Inc.	Codelco	Centrica Renewable Energy
Glencore Canada	Compania Minera Dona Ines de Collahuasi SCM	ConocoPhillips UK
Goldcorp	Freeport-McMoRan	Costain Group
Kinross Gold Corporation	Glencore	CRH plc
Methanex Corporation	Gold Fields	Doosan Power Systems
North American Energy Partners	KGHM International Ltd.	ExxonMobil
Potash Corporation of Saskatchewan	Kinross Minera Chile	FG Wilson Engineering
Russel Metals Inc.	Komatsu	Hanson UK
Sherritt International Corp.	LAN Airlines SA	National Grid
SNC Lavalin	Rio Tinto Mining & Exploration Ltd.	Perkins Engines Company
Stuart Olson	Teck Resources Chile	Petrofac
Suncor Energy Inc.		RWE nPower
Teck Resources Limited		Rio Tinto plc
Toromont Industries		Rolls-Royce
Vale Canada		Schlumberger Oilfield UK
Wajax		Scottish & Southern Energy (SSE)
West Fraser Timber Co. Ltd.		Scottish Power Renewables
		Senergy
		Shell UK

The comparator groups noted above were used for compensation purposes only. TSR was used to determine part of the vesting for the LTIP's PSU component beginning in 2015 and Finning chose the S&P/TSX Capped Industrials Index as the comparator group against which to benchmark performance for purposes related to PSU awards. The Index was selected because it has historically correlated well with Finning's share price performance and because a number of companies in similar industries are in the index. For more details, see page 68.

Elements of Finning's Executive Compensation Program

	Link to Program Objectives	Key Features
Base Salary	The Human Resources Committee considers base salaries paid by companies for comparable roles in general industry and uses the 50th percentile as a guideline, offering market-competitive fixed compensation	Provides a stable source of income and is a standard compensation element in executive compensation packages
Short-Term Incentive (STIP)	A cash-based annual incentive plan that encourages executives to focus on specific corporate, business unit and individual goals	Target incentive opportunity is set as a percentage of base salary and is awarded only if threshold performance levels are met
Long-Term Incentive (LTIP): Performance Share Units	Links compensation of executives to the building of long-term shareholder value, balances short-term operating focus and aligns the long-term financial interests of executive management with those of our shareholders	Performance-based shares are designed to reward executives for attainment of specified medium-term corporate ROIC and TSR performance goals
Long-Term Incentive (LTIP): Stock Options	Helps ensure that executive pay is directly linked to the achievement of the Finning's long-term objectives	Seven-year term and three-year vesting promote retention and NEOs only receive value if the stock price rises
Pension	Critical element of a total rewards program that helps attract and retain executive talent	Eligible senior executives receive retirement benefits through a defined contribution plan
Employment and Change in Control Agreements	Helps ensure NEOs remain focused on creating sustainable performance	Agreements protect the Company and senior executives from risks by providing: • economic stability; • death or disability payments; and • payments and benefits in the event of a change in control and subsequent involuntary termination (applies only to the CEO)
Perquisites and Other Benefits	Keeps program competitive	Perquisites are limited in amount and the Human Resources Committee limits eligibility and use

Analysis of 2015 Compensation Decisions and Actions

Base Salary

Base salary is the basic method of compensating our senior executives and the only portion of total direct compensation that is not “at risk”. Base salary is an important component of Finning’s ability to attract and retain individuals who have the leadership and management skills to drive the further growth and success of our business.

2015 Base Salary Decisions

Due to the challenging macroeconomic environment in 2015, upon recommendation by management, Messrs. Thomson, Villegas, Marchese and Dickinson did not receive a base salary increase in 2015. The Board of Directors has exercised its discretion and agreed to management’s recommendation.

Short-Term Incentive Plan (STIP)

Our STIP rewards executives for achieving a series of employee safety, customer loyalty, financial and individual performance targets over the course of a year. For each goal, executives earn an award as long as minimum performance thresholds are achieved. Once these thresholds are met, payout can be increased by reaching performance levels that exceed established targets and are subject to maximum amounts.

Targets for each NEO are set annually and are generally based on Finning’s broader AOP. These targets consist of metrics (i.e., financial or other measures) relating to both overall corporate performance and, where applicable, the performance of business units for which each executive has responsibility. The weighting on corporate, business unit and individual performance goals varies based on each executive’s role. While short-term incentives encourage teamwork, individual accountability is also an important element in determining the final award. The table below provides the 2015 weightings for each NEO:

	2015 STIP Weightings		
	Corporate	Business Unit	Individual
L. Scott Thomson	85%	0%	15%
Steven Nielsen	85%	0%	15%
Juan Carlos Villegas	35%	50%	15%
Marcello Marchese	25%	60%	15%
Neil Dickinson	25%	60%	15%

In 2015, the STIP metrics were designed to continue our focus on factors in our control.

2015 Corporate STIP Metrics (weightings)
EBIT Margin (25%) ICT (25%) FCF (20%) NPS (Customer Loyalty) (15%) TRIF (Safety) (15%)

Actual STIP payout is a percentage of base salary times the weighting of the final STIP performance results for the year, as indicated below:

Annual Salary $	x	Annual STIP Target Opportunity %	x	STIP Performance Results Weighted Score %	=	Actual Annual STIP $

2015 STIP Decisions

2015 performance for each of our Corporate STIP metrics is summarized in the following table:

2015 STIP Corporate Score[1]						
	Weighting	Threshold	Target	Maximum	Actual	Score
EBIT Margin	25%	6.9%	7.4%	7.9%	-1.9%	0%
Invested Capital Turns	25%	2.01	2.08	2.17	1.77	0%
Free Cash Flow	20%	$264M	$425M	$475M	$248M	0%
Net Promoter Score	15%	58	63	68	65	144%
Total Recordable Injury Frequency	15%	0.89	0.70	0.62	0.59	200%
2015 Weighted Score Calculation: 52% of target						

1 Excludes results reported from the Saskatchewan acquisition since July 2015.

The tables below summarize the individual target opportunities and payouts for the NEOs, which take into account the financial results above as well as the individual performance component of the STIP. For the CEO, all personal objectives are approved by the Board of Directors upon the recommendation of the Human Resources Committee. For all other NEOs, personal objectives are approved by the CEO to ensure they are clearly aligned with overall corporate priorities and objectives. Finning believes that disclosure of the details associated with 2015 personal objectives and business unit goals of NEOs would affect its overall competitive position and, as a result, does not disclose them. The varying payouts for the key metrics and overall payouts relative to target for each executive demonstrate the ongoing link between pay and performance in the short-term incentive plan.

	Corporate			Business Unit			Individual			Overall Weighted Score (% of Target)
	Weight	x	Score	Weight	x	Score	Weight	x	Score	
L. Scott Thomson	85%		52%	n/a		n/a	15%		125%	63%
Steven Nielsen[1]	85%		52%	n/a		n/a	15%		125%	63%
Juan Carlos Villegas	35%		52%	50%		51%	15%		125%	62%
Marcello Marchese	25%		52%	60%		82%	15%		125%	81%
Neil Dickinson	25%		52%	60%		89%	15%		75%	77%

	Target (% of Base Salary)	Potential Payout Range (% of Base Salary)	Target Award Opportunity	Actual % of Target	Actual Amount Awarded
L. Scott Thomson	100%	0%-200%	$927,000	63%	$569,646
Steven Nielsen[1]	80%	0%-160%	$330,000	63%	$206,621
Juan Carlos Villegas	80%	0%-160%	$618,000	62%	$377,657
Marcello Marchese	60%	0%-120%	$343,303	81%	$272,457
Neil Dickinson	60%	0%-120%	$326,044	77%	$252,467

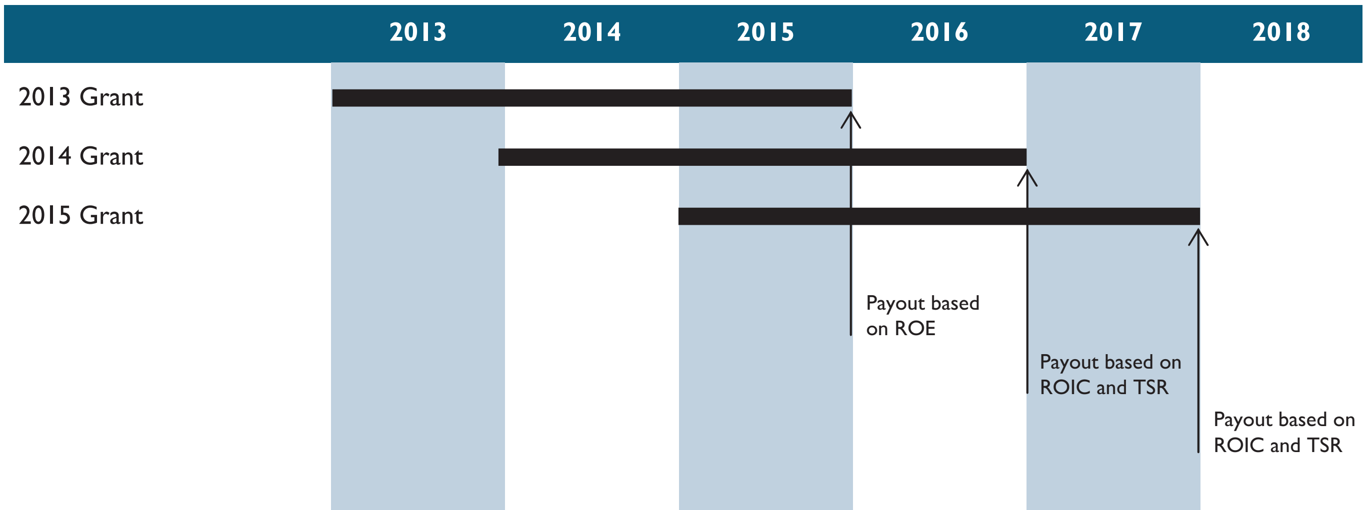
1 Mr. Nielsen was appointed Executive Vice President and Chief Financial Officer, effective March 30, 2015. Mr. Nielsen's 2015 compensation reflects nine months of service in his role.

Long-Term Incentive Plan

The LTIP recognizes our executives' role in driving Finning's business growth, increasing shareholder value and supporting our continued financial success. It is made up of two components: PSUs and stock options.

The Performance Share Unit Plan

The PSU Plan is a performance-based incentive plan that creates alignment between our executives and shareholders, as each unit's value is tied to share price and performance conditions for vesting. PSUs are paid out in cash, assuming performance targets are met. PSUs vest or expire at the end of three years and their value is measured at the end of three years using the prevailing share price at the time of payout, as shown below for the 2013-2015 performance cycle:



2013 – 2015 Performance Cycle Payout

Vesting for PSUs granted in 2013 was determined at the end of 2015, based on the former metric (average ROE over 2013, 2014 and 2015). Performance targets and results for the 2013-2015 cycle are summarized in the following table:

	Average ROE			Actual ROE Performance
	Threshold 15.0%	Target 18.0%	Maximum 22.0%	14.3%
Award Payout	**50%**	**100%**	**200%**	**0%**

As actual ROE performance did not meet threshold, no payout was awarded in 2015 for PSUs granted in 2013.

Why ROIC and TSR?

ROIC is aligned with our operational priorities, which are directly linked to improving profitability and capital efficiency and places a clear focus on factors we can control. Improvements in ROIC correlate well with TSR and provide a comprehensive measure of Finning's performance.

TSR shows the performance of Finning's Common Shares over time relative to other comparable companies. Because shareholders ultimately want to pay management for strong share price performance and for outperforming other companies, relative TSR is a useful and informative measure.

Beginning in 2014, fifty percent of our NEOs' PSU payout is now based on TSR results, with the other fifty percent based on ROIC results over the three-year performance cycle. These metrics are strongly tied to shareholder value, profitability and capital efficiency, providing us with a more comprehensive measure of Finning's performance over time.

We compare Finning's TSR with the TSR of the constituents of the S&P/TSX Capped Industrials Index over the three-year performance cycle. The Index currently comprises 23 companies and executives' payouts are based on our percentile ranking compared to the companies within the Index at the end of the performance cycle. TSR performance over the period is calculated based on the five-day trading average leading up to January 1 of the grant year and the five-day trading average ending December 31 at the end of the three-year period.

For PSUs granted in 2015 (the 2015-2017 performance cycle), payouts will be based on the following:

	Finning 3-Year TSR Compared to Index Constituents' TSR (50%)		
	25th Percentile ↓	50th Percentile ↓	100th Percentile ↓
Award Payout	**50% of Target**	**100% of Target**	**200% of Target**

	3-year average ROIC Performance (50%)		
	15.5% (Threshold) ↓	16.5% (Target) ↓	18.5% (Maximum) ↓
Award Payout	**50% of Target**	**100% of Target**	**200% of Target**

No payouts occur for results below threshold; payouts are capped at 200% if performance exceeds maximum.

Stock Option Plan

Stock options enable Finning to strengthen the link between shareholder and Company interests with those of our executives over a longer-term time horizon. The exercise price of each option is set at the market value of Finning's Common Shares at the time of grant. Accordingly, the total value of the options (and, therefore, the benefit potentially received by each NEO) increases as Finning's stock price increases.

Finning's senior executives hold options that vest in accordance with a specified schedule and are then exercisable over a period of time, providing an incentive for executives to remain with Finning and to take steps to build Finning's business in a manner that increases the Company's stock price over time. All options are granted and governed by the terms of the Company's existing 2005 Stock Option Plan for Senior Executives (Option Plan). Options granted under the Option Plan have a seven-year term and vest in three equal annual installments beginning on the first anniversary of the grant date. For more details on the terms of the Option Plan, see Schedule C to this management proxy circular.

2015 PSU and Stock Option Decisions

The annual grants for the 2015 LTIP were as follows:

	Long-Term Incentive Plan				
	Number of Stock Options	**Value of Stock Options**	**Number of PSUs**	**Value of PSUs**	**Total Value of Award**
L. Scott Thomson	302,160	$1,758,798	84,310	$1,758,798	$3,517,596
Steven Nielsen	85,900	$ 500,000	23,970	$ 500,000	$1,000,000
Juan Carlos Villegas	82,860	$ 482,305	23,120	$ 482,305	$ 964,610
Marcello Marchese	48,980	$ 285,092	13,670	$ 285,092	$ 570,184
Neil Dickinson	37,380	$ 217,552	10,430	$ 217,552	$ 435,104

Deferred Share Unit Plan

In certain circumstances, Finning may grant DSUs to senior executives if approved by the Human Resources Committee. Two such grants have occurred since 2006; one grant made in 2012 and another in 2013, both in relation to the COO role. Only a small number of current executives hold vested DSUs and only one executive holds unvested DSUs.

In 2015, Finning updated its share ownership guidelines, including a new provision that allows executives to rollover their STIP payout to a DSU plan.

DSUs track the value of Finning's Common Shares but do not entitle the holder to receive Common Shares from treasury or to voting rights. All DSUs, other than the 2012 grant, are fully vested. All vested DSUs accrue notional dividends that are allocated in the form of additional DSUs based on the fair market value of Finning's Common Shares on the day preceding the dividend payment date. Vested DSUs can only be converted into a cash payment or Common Shares for a period of time specified by the plan following termination of employment or retirement from Finning. If payment is requested in the form of Common Shares, Finning will purchase the Common Shares on behalf of the executive on the Toronto Stock Exchange.

Pension, Perquisites and Other Benefits

Finning provides a series of pension and benefit programs to its NEOs. These generally include:

- defined contribution pension plans in Canada and the U.K. and Ireland;
- an executive supplementary income plan in Canada;
- health and dental coverage for employees and dependents;
- death and disability benefits; and
- an employee share purchase plan (ESPP).

Variations in these programs may exist between Finning's regions due to local market conditions.

Under the terms of the ESPP, in most regions, Finning provides a partial match of up to 2% of base salary for contributions made by employees into a fund that is then used to purchase Finning's Common Shares on the open market for the benefit of these employees.

Finning also provides a series of perquisites to its senior executives. These include car allowances, club dues, tax consultation reimbursement and annual executive medical examinations. Although these items make up a very small portion of the total compensation paid to a senior executive, the Human Resources Committee believes the provision of these benefits assists in the overall goal of attracting and retaining individuals who have the leadership and management skills to drive the further growth and success of Finning's business. In some instances, these benefits also assist in achieving Finning's goal of supporting the health and well-being of our senior executives such that these executives are able to devote the time and energy necessary to Finning's business to continue its growth and development.

The value of all benefits conferred under such plans and programs to the NEOs in 2015 is described later in the Summary Compensation Table. Additional disclosure relating to Finning's pension plans and supplementary income plans is provided later under the heading "Pension Plan Disclosure" on page 84.

Share Ownership Guidelines

Finning strongly encourages executive share ownership as we believe that the interests of shareholders and NEOs are better aligned when executives directly hold investments in the Company. In 2015, the SOGs were revised to reflect increased levels of ownership for the majority of executives as detailed below.

Shareholdings are defined as the total of Common Shares and vested DSUs owned by the executive. Vested DSUs that are not part of Finning's bonus deferral program are subject to a 50% cap towards share ownership. Stock Options and PSUs are not included in the definition of shareholdings for the purposes of this requirement.

Position	Current Ownership Requirement	Former Ownership Requirement
CEO	4x base salary	3x base salary
EVP[1]	2x base salary	1.5x base salary
SVP	1.5x base salary	1x base salary
VP	1x base salary	1x base salary

[1] The President, Finning Canada and Chief Operating Officer, Finning International's ownership level is unchanged and remains at 2x base salary.

Along with the new SOGs, a new bonus deferral program was introduced to allow executives in Canada and the U.K. to redirect cash earned through STIP payouts into a DSU plan on a pre-tax basis until their individual SOGs are achieved.

As of December 31, 2015, all current NEOs are on track to achieving their share ownership requirements within our current guidelines.

	Equity Holdings						
	Ownership Multiple of Salary	Total Vested DSUs Held	Total Value of Vested DSUs Held	Common Shares Held	Total Value of Common Shares Held	Total Share-holdings	Total Value of Share-holdings[1]
L. Scott Thomson	4 x	-	-	112,298	$2,097,727	112,298	$2,097,727
Steven Nielsen	2 x	-	-	2,518	$ 47,036	2,518	$ 47,036
Juan Carlos Villegas	2 x	74,651	$1,394,481	35,518	$ 663,476	110,169	$2,057,957
Marcello Marchese[2]	1.6 x	-	-	28,331	$ 529,223	28,331	$ 529,223
Neil Dickinson	2 x	45,787	$ 855,301	11,923	$ 222,722	57,710	$1,078,023

1 This represents the total value of all vested DSUs and Common Shares held. This does not include unvested DSUs or other at-risk long-term incentives, such as stock options and PSUs. Stock options are not considered as equity until they are exercised and retained as Common Shares. PSUs are not included in the calculation as there is no guarantee of vesting until certain performance conditions have been met. The market value used for the calculations was $18.68, which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2015.

2 Mr. Marchese's share ownership multiple is less than that of other EVPs due to the fact that local Chilean tax rules do not permit the rollover of STIP proceeds towards a DSU plan on a pre-tax basis. The 20% reduction on his share ownership requirement reflects this tax issue and equalizes the SOGs requirement for all EVPs on an after-tax basis.

	Share Ownership Status				
	Common Shares Held	DSUs Held Eligible for Meeting Ownership Requirements[1]	Total Value of Shareholdings Eligible for Ownership Requirements[2]	% of Requirement Achieved	Deadline
L. Scott Thomson	112,298	-	$2,901,780	78%	May 2020
Steven Nielsen	2,518	-	$ 55,597	5%	May 2020
Juan Carlos Villegas	35,518	41,354	$1,527,258	99%	June 2017
Marcello Marchese	28,331	-	$ 707,992	77%	May 2020
Neil Dickinson[3]	11,923	29,090	$ 841,244	77%	n/a

1 Includes only qualifying DSUs based on the rule that a maximum of 50% of the required ownership value may be held in the form of DSUs. DSUs received as part of the Company's bonus deferral program count 100% towards the required ownership value.

2 The Value of Shareholdings eligible for ownership requirements was calculated using the higher of market value of Common Shares or cost base to purchase Common Shares (the value of shares purchased through the Company's ESPP is based on an average share price calculation). The market value used for the applicable calculations was $18.68, which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2015.

3 Mr. Dickinson stepped down from his position of Managing Director, Finning UK & Ireland and Executive Vice President, Global Power Systems on February 1, 2016 and will retire from the Company on March 31, 2016. As a result, he will no longer be subject to the Company's share ownership guidelines.

Statement of Executive Compensation

Named Executive Officer Profiles

Finning's NEOs are the Chief Executive Officer, the Chief Financial Officer and the three next highest paid executive officers. Their profiles on the following pages provide a brief biography, share ownership levels and summary of total compensation over the past three years. For purposes of measurement and disclosure in the referenced tables, the market value of Common Shares, DSUs, PSUs and Stock Options was calculated using Common Share values of $18.68, $25.23 and $27.15, which were the closing trading prices of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2015, December 31, 2014 and December 31, 2013, respectively.

L. SCOTT THOMSON
President and Chief Executive Officer
Vancouver, British Columbia, Canada
Age: 46

Total Shareholdings

	Number	Value
2015	112,298	$2,097,727
2014	90,991	$2,373,452
2013	58,616	$1,591,424

Mr. Thomson joined Finning International Inc. as President and Chief Executive Officer in June of 2013. Prior to joining Finning, Mr. Thomson was Chief Financial Officer of Talisman Energy Inc. with responsibility for finance, tax, treasury, investor relations, marketing, business development and strategy, planning and performance management from 2008 to 2013. Prior to Talisman, Mr. Thomson held several executive positions with Bell Canada Enterprises from 2003 to 2008 including the role of Executive Vice President, Corporate Development. Prior to Bell, Mr. Thomson was a Vice President at Goldman Sachs. Mr. Thomson currently serves as a director of Interfor Corporation.

Mr. Thomson holds a Bachelor of Arts degree in Economics and Political Science from Queen's University and an MBA from the University of Chicago.

Share Ownership Guidelines

Minimum Ownership Requirement		Eligible Holdings[1]	% 2015 Guidelines Achieved	Deadline
Multiple	*Amount*			
4.0 x salary	$3,708,000	$2,901,780	78%	Has until May 31, 2020 to achieve

Total Compensation[2]

Three-Year Look-Back	*2015*	*2014*	*2013*
Base Salary	**$ 909,833**	$ 926,273	$ 467,308
Short-Term Incentive	**569,646**	913,929	294,185
Long-Term Incentive (PSUs)	**1,758,798**	1,399,550	2,399,550
Long-Term Incentive (Stock Options)	**1,758,798**	1,399,550	2,399,550
Pension Value	**218,954**	146,455	56,077
All Other Compensation	**64,789**	53,942	24,652
Total Compensation	**$5,280,818**	$4,839,699	$5,641,322

1 For further details on the calculation of Eligible Holdings, please refer to the "Share Ownership Guidelines" section in this management proxy circular.

2 The Total Compensation values included in this table are consistent with the Summary Compensation Table and should be read in tandem with the related footnotes to that table on pages 77-78.

STEVEN NIELSEN
Executive Vice President and Chief Financial Officer
Issaquah, Washington, U.S.A.
Age: 60

Total Shareholdings

	Number	Value
2015	2,518	$47,036

Mr. Nielsen joined Finning International Inc. as Executive Vice President and Chief Financial Officer (CFO) in March of 2015. Mr. Nielsen brings to Finning extensive executive leadership experience in finance and operation roles across diverse industries. As CFO for Univar, a global distributor of chemicals, Mr. Nielsen was instrumental in leading the organization to higher growth and profitability as well as spearheading the company's efforts to improve working capital performance. Prior to Univar, Mr. Nielsen gained significant executive experience in various senior positions at Sprint Nextel Corporation, a U.S. telecommunications company. During his career at Sprint, Mr. Nielsen's roles included CFO of Sprint's wireless division, Chief Transition Officer responsible for the Sprint – Nextel merger, Executive Vice President and Chief Service Officer, and Executive Vice President and CFO of corporate initiatives.

Mr. Nielsen is a Chartered Global Management Accountant and member of the American Institute of Certified Public Accountants and holds a Bachelor of Arts degree.

Share Ownership Guidelines

Minimum Ownership Requirement		Eligible Holdings[1]	% 2015 Guidelines Achieved	Deadline
Multiple	*Amount*			
2.0 x salary	$1,100,000	$55,597	5%	Has until May 31, 2020 to achieve

Total Compensation[2]

Three-Year Look-Back	*2015*	*2014*	*2013*
Base Salary	**$ 412,500**	n/a	n/a
Short-Term Incentive	**206,621**	n/a	n/a
Long-Term Incentive (PSUs)	**500,000**	n/a	n/a
Long-Term Incentive (Stock Options)	**500,000**	n/a	n/a
Pension Value	**49,563**	n/a	n/a
All Other Compensation	**605,467**	n/a	n/a
Total Compensation	**$2,274,151**	n/a	n/a

1 For further details on the calculation of Eligible Holdings, please refer to the "Share Ownership Guidelines" section in this management proxy circular.

2 The Total Compensation values included in this table are consistent with the Summary Compensation Table and should be read in tandem with the related footnotes to that table on pages 77-78.

JUAN CARLOS VILLEGAS
President, Finning (Canada) and Chief Operating Officer, Finning International Inc.
Edmonton, Alberta, Canada
Age: 61

Total Shareholdings

	Number	Value
2015	110,169	$2,057,957
2014	81,623	$2,059,348
2013	73,720	$2,001,498

Mr. Villegas was appointed President of Finning (Canada) in November 2013, in addition to his position as Chief Operating Officer of Finning International Inc., which was effective in June 2012. As President of Finning (Canada), Mr. Villegas has overall responsibility for the Canadian operations with a mandate for delivering on the key priorities in supply chain, service excellence, asset utilization, market share growth and talent. As the Chief Operating Officer of Finning International, Mr. Villegas has responsibility for increasing operational efficiencies and profitability. His previous role was President of Finning South America, where he led the successful growth of the business during his six-year tenure. Over the course of his career with Finning, Mr. Villegas has also served as Vice President of Power Systems for Canada, Vice President of Mining for South America and Vice President of Operations for Chile. Prior to joining Finning, Mr. Villegas had over 18 years of experience with the Cummins and Komatsu dealer in Chile, Argentina, Peru and Bolivia and held various executive management positions with Cummins and Komatsu, including Vice President Operations for the southern cone of South America.

Mr. Villegas was educated in Chile and also attended the University of California at Irvine. Mr. Villegas has completed a number of executive development courses in the United States and Canada.

Share Ownership Guidelines

Minimum Ownership Requirement		Eligible Holdings[1]	% 2015 Guidelines Achieved	Deadline
Multiple	*Amount*			
2.0 x salary	$1,545,000	$1,527,258	99%	Has until June 17, 2017 to achieve

Total Compensation[2]

Three-Year Look-Back	*2015*	*2014*	*2013*
Base Salary	**$ 758,195**	$ 771,894	$ 750,000
Short-Term Incentive	**377,657**	650,986	359,100
Long-Term Incentive (PSUs)	**482,305**	698,321	458,769
Long-Term Incentive (Stock Options)	**482,305**	698,321	1,758,338
Long-Term Incentive (DSUs)	**-**	-	200,007
Pension Value	**165,292**	135,719	139,666
All Other Compensation	**229,965**	280,823	258,497
Total Compensation	**$2,495,719**	$3,236,064	$3,924,377

1 For further details on the calculation of Eligible Holdings, please refer to the "Share Ownership Guidelines" section in this management proxy circular.

2 The Total Compensation values included in this table are consistent with the Summary Compensation Table and should be read in tandem with the related footnotes to that table on pages 77-78.

MARCELLO MARCHESE
President, Finning South America
Santiago, Chile
Age: 50

Total Shareholdings

	Number	Value
2015	28,331	$529,223
2014	24,682	$622,727
2013	22,772	$618,260

Mr. Marchese was appointed President of Finning South America in June 2012 with overall responsibility for Finning's operations in Chile, Argentina, Bolivia and Uruguay. His previous role was Senior Vice President, Construction and Power Systems, effective 2008. Mr. Marchese joined Finning in 1998 as Manager of the Power Systems Division in Chile. In 2002, he was transferred to Finning International, Vancouver, Canada where he held the positions of Business Development Manager, Power Systems and International Marketing Manager, Power and Energy. Mr. Marchese returned to Chile in January of 2006 as Vice President of Customer Support Services, Finning South America and in October 2006, he assumed the position of Vice President, Operations for the region. Mr. Marchese has over 18 years of experience in progressively senior roles in the aviation and power systems industries, in addition to the various roles he has held at Finning.

Educated in Chile, Mr. Marchese holds a Civil Mechanical Engineering degree from Federico Santa Maria University and an MBA from Adolfo Ibáñez University.

Share Ownership Guidelines

Minimum Ownership Requirement		Eligible Holdings[1]	% 2015 Guidelines Achieved	Deadline
Multiple	*Amount*			
1.6 x salary	$915,474	$707,992	77%	Has until May 31, 2020 to achieve

Total Compensation[2]

Three-Year Look-Back	*2015*	*2014*	*2013*
Base Salary	**$ 561,882**	$ 525,627	$ 532,134
Short-Term Incentive	**272,457**	269,174	177,839
Long-Term Incentive (PSUs)	**285,092**	267,347	248,955
Long-Term Incentive (Stock Options)	**285,092**	267,347	248,955
Pension Value	**n/a**	n/a	n/a
All Other Compensation	**94,879**	87,283	88,652
Total Compensation	**$1,499,402**	$1,416,778	$1,296,535

1 For further details on the calculation of Eligible Holdings, please refer to the "Share Ownership Guidelines" section in this management proxy circular.

2 The Total Compensation values included in this table are consistent with the Summary Compensation Table and should be read in tandem with the related footnotes to that table on pages 77-78.

NEIL DICKINSON
Managing Director, Finning UK & Ireland and
Executive Vice President, Global Power Systems
Bednall, U.K.
Age: 59

Total Shareholdings

	Number	Value
2015	57,710	$1,078,023
2014	54,325	$1,370,620
2013	51,512	$1,398,551

Mr. Dickinson was appointed Managing Director, Finning UK & Ireland in August 2010. In November 2012, he assumed responsibility for the Company's global power systems strategy as Executive Vice President, Global Power Systems, in addition to his role as Managing Director. Mr. Dickinson will retire from the Company on March 31, 2016.

Share Ownership Guidelines

Minimum Ownership Requirement		Eligible Holdings[1]	% 2015 Guidelines Achieved	Deadline
Multiple	*Amount*			
2.0 x salary	$1,086,815	$841,244	77%	Mr. Dickinson will retire from Finning on March 31, 2016 and will no longer be subject to the Company's share ownership guidelines.

Total Compensation[2]

Three-Year Look-Back	***2015***	***2014***	***2013***
Base Salary	**$ 543,407**	$ 505,864	$ 435,051
Short-Term Incentive	**252,467**	208,316	285,350
Long-Term Incentive (PSUs)	**217,552**	222,121	229,723
Long-Term Incentive (Stock Options)	**217,552**	222,121	229,723
Pension Value	**62,528**	70,941	69,286
All Other Compensation	**63,791**	52,207	33,711
Total Compensation	**$1,357,297**	$1,281,570	$1,282,844

1 For further details on the calculation of Eligible Holdings, please refer to the "Share Ownership Guidelines" section in this management proxy circular.

2 The Total Compensation values included in this table are consistent with the Summary Compensation Table and should be read in tandem with the related footnotes to that table on pages 77-78.

Summary Compensation Table

The following table summarizes the total compensation earned in each of the last three fiscal years by each of the NEOs:

	Year	Salary ($)[1]	Share Awards ($)[2]	Option Awards ($)[3]	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)[4]	All Other Compensation ($)[5]	Total Compensation ($)
L. Scott Thomson, President and Chief Executive Officer	2015	909,833	1,758,798	1,758,798	569,646	218,954	64,789	5,280,818
	2014	926,273	1,399,550	1,399,550	913,929	146,455	53,942	4,839,699
	2013	467,308	2,399,550	2,399,550	294,185	56,077	24,652	5,641,322
Steven Nielsen, Executive Vice President and Chief Financial Officer[6]	2015	412,500	500,000	500,000	206,621	49,563	605,467	2,274,151
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Juan Carlos Villegas, President, Finning (Canada) and Chief Operating Officer, Finning International Inc.[7]	2015	758,195	482,305	482,305	377,657	165,292	229,965	2,495,719
	2014	771,894	698,321	698,321	650,986	135,719	280,823	3,236,064
	2013	750,000	658,776	1,758,338	359,100	139,666	258,497	3,924,377
Marcello Marchese, President, Finning South America[8]	2015	561,882	285,092	285,092	272,457	n/a	94,879	1,499,402
	2014	525,627	267,347	267,347	269,174	n/a	87,283	1,416,778
	2013	532,134	248,955	248,955	177,839	n/a	88,652	1,296,535
Neil Dickinson, Managing Director, Finning UK & Ireland and Executive Vice President, Global Power Systems[9]	2015	543,407	217,552	217,552	252,467	62,528	63,791	1,357,297
	2014	505,864	222,121	222,121	208,316	70,941	52,207	1,281,570
	2013	435,051	229,723	229,723	285,350	69,286	33,711	1,282,844

1 In 2015, as part of Finning's cost reduction measures, Canadian employees, including NEOs, took one week of unpaid leave, which correspondingly reduced earned base pay and non-equity incentive plan (STIP) payout values.

2 This primarily refers to the grant of PSUs. It also includes DSUs that have been awarded to Mr. Villegas, as described under footnote 7. The PSUs have been valued at the grant date using an expanded Binomial Valuation Model. This model has been chosen because it is consistent with the methodology utilized for the market data in compensation benchmarking reports prepared by our compensation consultant, Korn Ferry Hay Group. The underlying assumptions and values are outlined in the table below. They differ from the values used for financial reporting purposes (accounting fair value). The values shown are "theoretical values" derived at a point in time and will be different than the value upon exercise. The grant values shown are calculated as PSUs granted multiplied by the PSU value, using the following PSU values for the regular annual grant:

Assumptions	2015 Grant Value	2014 Grant Value	2013 Grant Value
Expected term in years	3	3	3
Expected volatility	26.51%	30.35%	32.58%
Risk-free interest rate	2.00%	2.50%	2.00%
Expected dividend yield	2.25%	2.17%	2.11%
Performance discount at target relative to payout schedule	82.00%	82.00%	85.00%
Share price at grant	$ 25.44	$ 29.17	$ 22.29
PSU value	**$ 20.86**	**$ 23.92**	**$ 18.94**
Accounting fair value	*$ 25.62*	*$ 26.73*	*$ 20.90*

Actual PSU payments are disclosed in the "Incentive Plan Awards-Value Vested or Earned During the Year" table.

[3] This refers to the grant of stock options. The grant price is the fair market value on the day prior to the grant day. Option awards granted are based on a comparative analysis to the comparator group and the executives' performance. The stock options granted have been valued at the grant date using the Binomial Valuation Model. This model has been chosen because it is consistent with the methodology utilized for the market data in compensation benchmarking reports, prepared by our compensation consultant, Korn Ferry Hay Group. They differ from the values used for financial reporting purposes (accounting fair value). The underlying assumptions and values are outlined in the table below. The values shown are "theoretical values" derived at a point in time and will be different than the value upon exercise. The grant values shown are calculated as stock options granted x stock option value, using the following stock option values for the regular annual grant:

Assumptions	2015 Grant Value	2014 Grant Value	2013 Grant Value
Expected option term in years	7	7	7
Expected volatility	26.51%	30.35%	32.58%
Expected dividend yield	2.25%	2.17%	2.11%
Risk-free interest rate	2.00%	2.50%	2.00%
Exercise price	$ 25.44	$ 29.17	$ 22.29
Option value	**$ 5.82**	**$ 8.02**	**$ 6.36**
Accounting fair value	*$ 5.42*	*$ 7.58*	*$ 6.47*

[4] This refers to compensatory amounts that include the current pension service costs during the year as well as the impact of pay increases since the previous year's calculation. For further details, please refer to the "Pension Plan Disclosure" section outlined later in this management proxy circular.

[5] This includes all perquisites (e.g., car allowance, car benefits, tax return preparation, executive medical examinations, life insurance) and other executive benefits.

[6] Mr. Nielsen was appointed Executive Vice President and Chief Financial Officer, effective March 30, 2015. Mr. Nielsen's 2015 compensation in the CD&A reflects nine months of service in his role. Mr. Nielsen's share and option award totaled $1,000,000, of which $600,000 formed part of his annual LTIP award and the remaining $400,000 comprised of a signing bonus upon joining Finning. Mr. Nielsen received $45,833 in relocation benefits, which is included under the "All Other Compensation" column. As part of Finning's overall talent strategy and succession planning initiatives, Mr. Nielsen received a performance-based retention award with a $500,000 target value, as shown under the "All Other Compensation" column, to be paid out in August 2018 if certain performance conditions are met. The performance conditions directly relate to the Company's talent strategy and leadership succession planning. Performance outcomes will be measured by the Chief Executive Officer and approved by the Human Resources Committee. If successful in meeting all performance conditions, the $500,000 value will be denominated in the form of DSUs and will only be paid out upon termination from the Company. Partial achievement of performance conditions will result in zero payment; the value of the award is capped at $500,000.

[7] Mr. Villegas received a housing allowance in the amount of $180,000 as part of his expatriate assignment in Canada, which is included under the "All Other Compensation" column. In 2013, in connection with his appointment to the additional role of President, Finning (Canada), Mr. Villegas received a stock option grant in the amount of $1,299,569 (175,000 options) included in the "Option Awards" column. These options have a vesting requirement that they may not be exercised until after November 20, 2016 (three years following the grant date).

[8] Amounts have been converted from Chilean Pesos based on the following average annual exchange rates: 2015: 1 CLP = 0.0020 2014: 1 CLP = 0.001939 CAD; 2013: 1 CLP = 0.002083 CAD

[9] Mr. Dickinson stepped down from his position of Managing Director, Finning UK & Ireland and Executive Vice President, Global Power Systems on February 1, 2016 and will retire from the Company on March 31, 2016. Amounts have been converted from British Pounds Sterling based on the following average annual exchange rates: 2015: 1 GBP = 1.9540 2014: 1 GBP = 1.8190 CAD; 2013: 1 GBP = 1.6113 CAD.

Long-Term Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table summarizes all share-based and option-based awards that were held by each of the NEOs as of December 31, 2015.

	Option-based Awards					Share-based Awards		
	Number of Securities Underlying Unexercised Options (#)	Grant Date	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-the-Money Options[1] ($)	Number of Shares or Units of Shares at target that have not Vested (#)	Market or Payout Value of Share Awards at target that have not Vested[2] ($)	Market or Payout Value of Vested Share Awards not paid out or distributed[3] ($)
L. Scott Thomson	302,160	May 12/15	25.44	May 12/22	-	84,310	1,574,911	-
	174,600	May 21/14	29.17	May 21/21	-	58,510	1,092,967	-
	382,170	June 17/13	22.00	June 17/20	-	-	-	-
Steven Nielsen	85,900	May 12/15	25.44	May 12/22	-	23,970	447,760	-
Juan Carlos Villegas	82,860	May 12/15	25.44	May 12/22	-	23,120	431,882	-
	87,120	May 21/14	29.17	May 21/21	-	29,200	545,456	-
	175,000	November 20/13	26.02	November 20/20	-	-	-	-
		September 13/13			-	-	-	170,642
	72,120	May 15/13	22.29	May 15/20	-	-	-	-
	18,840	August 14/12	24.50	August 14/19	-	8,532[4]	159,378	250,088
	30,050	May 15/12	25.49	May 15/19	-	-	-	-
	16,080	May 18/11	28.29	May 18/18	-	-	-	-
	34,160	May 20/10	17.43	May 22/17	42,700	-	-	-
		Prior to 2006	-	-	-	-	-	973,751
Marcello Marchese	48,980	May 12/15	25.44	May 12/22	-	13,670	255,356	-
	33,360	May 21/14	29.17	May 21/21	-	11,180	208,842	-
	39,130	May 15/13	22.29	May 15/20	-	-	-	-
	7,330	August 14/12	24.50	August 14/19	-	-	-	-
	11,400	May 15/12	25.49	May 15/19	-	-	-	-
	8,810	May 18/11	28.29	May 18/18	-	-	-	-
	12,120	May 20/10	17.43	May 22/17	15,150	-	-	-
Neil Dickinson	37,380	May 12/15	25.44	May 12/22	-	10,430	194,832	-
	27,710	May 21/14	29.17	May 21/21	-	9,290	173,537	-
	36,110	May 15/13	22.29	May 15/20	-	-	-	-
	28,033	May 15/12	25.49	May 15/19	-	-	-	-
	1,897	May 15/12	25.54	May 15/19	-	-	-	-
	16,080	May 18/11	28.29	May 18/18	-	-	-	-
	23,600	May 20/10	17.43	May 22/17	29,500	-	-	-
		Prior to 2006	-	-	-	-	-	855,301

1 The value of Unexercised In-the-Money Options was calculated using a Common Share value of $18.68, which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2015. Stock options have a seven-year term and vest over three years as outlined previously in this management proxy circular under the heading "Long-Term Incentive Plan".

2 The value of these share-based awards (PSUs primarily, other than as noted in footnote (4) below) was calculated using a Common Share value of $18.68, which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2015. PSUs vest at the end of three years if performance criteria are met as outlined previously in this management proxy circular under the heading "Long-Term Incentive Plan".

3 The value of these share-based awards (DSUs only) was calculated using a Common Share value of $18.68, which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2015. DSUs can only be converted to a cash payment or Common Shares upon termination of employment or retirement from Finning as outlined previously in this management proxy circular under the heading "Long-Term Incentive Plan".

4 The number of units shown for Mr. Villegas includes DSUs. Mr. Villegas' DSUs granted in 2012 vest equally over a five-year period.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value of all share-based and option-based compensation which vested during the year ended December 31, 2015 for each of the individuals described below. This table also captures all non-equity incentive plan compensation earned during the year.

	Option Awards – Value During the Year on Vesting[1] ($)	Realized Gains on Option Exercises ($)	Share Awards – Value During the Year on Vesting[2] ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)
L. Scott Thomson	166,881	-	-	569,646
Steven Nielsen	-	-	-	206,621
Juan Carlos Villegas	83,058	-	-	377,657
Marcello Marchese	44,773	27,873	-	272,457[3]
Neil Dickinson	42,446	-	-	252,467[4]

1 The value of stock options that vested during the fiscal year. The value equals the difference between the exercise price of the options and the closing price of the Common Shares on the Toronto Stock Exchange on the vesting date. If the closing price of the Common Shares on the vesting date was below the exercise price, the stock options have no current value and are shown as "-". Stock options have a seven-year term and vest over three years as outlined previously in this management proxy circular under the heading "Long-Term Incentive Plan".

2 PSUs vest at the end of three years if performance criteria are met as outlined previously in this management proxy circular under the heading "Long-Term Incentive Plan".

3 Converted from Chilean Pesos based on average 2015 exchange rate (1 CLP = 0.0020 CAD).

4 Converted from British Pounds Sterling based on average 2015 exchange rate (1 GBP = 1.9540 CAD).

Termination and Change-in-Control Benefits

The table below summarizes the compensation that would be paid to the NEOs upon termination:

	Type of Termination Event		
Compensation Element	**Resignation (prior to retirement eligibility)**	**Retirement**	**Termination (involuntary, not for cause)**
Base Salary	None	None	Base salary is paid out in a lump sum: CEO: 24 months CFO: 12 months (plus 1 additional month per completed year of service up to a maximum of 18 months) COO: 18 months Other NEOs: No other agreements in place
STIP	Payable at assessed performance level if the executive has worked the entire calendar year; otherwise none	Current year's incentive is prorated to retirement date	CEO: 24 months of the lesser of either target STIP or the average of STIP received in the previous two years CFO: 12 months (plus 1 additional month per completed year of service up to a maximum of 18 months) of the lesser of either target STIP or the average of STIP received in the previous two years COO: 18 months of the lesser of either target STIP or the average of STIP received in the previous two years Other NEOs: No specific agreements in place
LTIP (Stock Options)	Vested stock options must be exercised within 30 days of resignation or by the end of the original term, whichever is sooner	Vested stock options must be exercised within three years of retirement or by the end of the original term, whichever is sooner; unvested options continue to vest within this period and are available for exercise	All NEOs: Vested stock options must be exercised within 30 days of termination or by the end of the original term, whichever is sooner Unvested stock options are cancelled COO: Stock options granted in November 2013 will follow the same vesting pattern as if it were a retirement
LTIP (PSUs)	Unvested PSUs are cancelled	Vested PSUs are payable; unvested PSUs are eligible to vest according to plan terms and are prorated to retirement date	Vested PSUs are payable; unvested PSUs are eligible to vest according to plan terms and are prorated to retirement date
LTIP (DSUs)	Unvested DSUs are cancelled	Unvested DSUs are cancelled	Unvested DSUs are cancelled
Benefits	None	Post-retirement benefits are provided for five years or to the age of 65, whichever is sooner	None
Pension	None. Regular termination provisions apply Mr. Villegas and Mr. Marchese: Chilean indemnity plan will pay a lump sum of one month salary per year of service, less any prior early payout[1]	None. Regular termination provisions apply Mr. Villegas and Mr. Marchese: Chilean indemnity plan will pay a lump sum of one month salary per year of service, less any prior early payout[1]	None. Regular termination provisions apply Mr. Villegas and Mr. Marchese: Chilean indemnity plan will pay a lump sum of one month salary per year of service, less any prior early payout[1]

1 Chilean Finning executives are eligible for an indemnity plan that will pay a benefit upon dismissal. For certain executives, the benefit is also payable upon resignation or retirement, as is the case for Mr. Villegas and Mr. Marchese. The benefit is typically payable in a lump sum, and is based on one month of salary per year of service. Certain limits may apply and early partial payouts are possible in some circumstances. Mr. Villegas and Mr. Marchese are eligible for this benefit as a result of their roles at Finning South America. For Mr. Villegas, the applicable salary rate will be the rate he was earning immediately prior to his relocation from Chile to Canada.

Finning has a double-trigger requirement in place for the CEO with respect to cash benefits in a "change-in-control" situation. This means that two events must occur before the cash benefits are payable: a change-in-control and the termination of the CEO's employment. While no specific change-in-control agreements exist for the other NEOs, in practice, executives must be involuntarily terminated before receiving any cash benefits from the Company. Our change-in-control provisions within our long-term incentive plans are shareholder friendly in that if the awards are assumed by the surviving entity, there is no accelerated vesting and if an individual is terminated following a change-in-control under this scenario, regular termination provisions apply, which stipulate that unvested long-term incentives are forfeited.

If a surviving entity does not assume the long-term incentives, partial vesting (50%) of outstanding stock options would occur (regardless of whether or not there is a termination). Furthermore, the Human Resources Committee would take into account all the facts in this scenario and has the discretion to determine whether or not a portion of unvested PSUs shall vest.

The table below summarizes the compensation that would be paid to the NEOs upon a change-in-control:

	Type of Change-in-Control[1] Event			
Compensation Element	**Change-in-Control and Termination (surviving entity assumes awards)**	**Change-in-Control and Termination (surviving entity does not assume awards)**	**Change-in-Control (surviving entity assumes awards)**	**Change-in Control (surviving entity does not assume outstanding awards)**
Base Salary	CEO: consistent terms to that of involuntary termination if termination for "Good Reason" occurs within 12 months from the date of change in control[2] Other NEOs: No specific change in control agreements are in place. Regular termination provisions apply		None	None
STIP	CEO: consistent terms to that of involuntary termination if termination for "Good Reason" occurs within 12 months from the date of change in control[2] Other NEOs: No specific change in control agreements are in place. Regular termination provisions apply		None	None
LTIP (Stock Options)	None (no accelerated vesting). Regular termination provisions apply	50% of unvested options are exercisable; remaining unvested options are cancelled A seven (7) day window is provided to exercise vested stock options prior to the anticipated closing date of a transaction	None (no accelerated vesting)	50% of unvested options are exercisable; remaining unvested options are cancelled A seven (7) day window is provided to exercise vested stock options prior to the anticipated closing date of a transaction
LTIP (PSUs)	None (no accelerated vesting). Regular termination provisions apply	PSU may be deemed to be vested at the discretion of the Human Resources Committee and redeemed based on the outcome of certain conditions (such as performance and the time horizon relating to vesting date(s))	None (no accelerated vesting)	PSU may be deemed to be vested at the discretion of the Human Resources Committee and redeemed based on the outcome of certain conditions (such as performance and the time horizon relating to vesting date(s))
LTIP (DSUs)	None (no accelerated vesting). Regular termination provisions apply	50% of all unvested DSUs are exercisable; remaining unvested DSUs are cancelled	None (no accelerated vesting)	50% of all unvested DSUs are exercisable; remaining unvested DSUs are cancelled
Benefits	None. Regular termination provisions apply	None. Regular termination provisions apply	None	None
Pension	None. Regular termination provisions apply	None. Regular termination provisions apply	None	None

1 A change-in-control is defined as a transaction whereby Finning is not the surviving entity of a merger, consolidation or amalgamation with another corporation or in the event of a liquidation or reorganization.

[2] "Good Reason" means any action by the Company after a change in control that, without the Executive's consent (which the Executive must not withhold unreasonably), results in:

(a) a material change in the Executive's status, duties, position or responsibilities;

(b) a material reduction in the Executive's base salary or benefits entitlements (other than STIP and LTIP);

(c) a requirement that the Executive's primary work location be more than 50 kilometres away from the Executive's present work location; or

(d) any reason amounting to constructive dismissal under the laws of British Columbia.

The table below shows the amounts that would have been paid if any of the NEOs had been involuntarily terminated without cause and/or impacted by a change-in-control, assuming target achievement of STIP:

	Type of Event	Base Salary ($)	Target Short-Term Incentive Plan ($)	Long-Term Incentive Plan ($)	Other ($)	Total ($)
L. Scott Thomson, President and Chief Executive Officer	Termination	1,854,000	1,854,000	n/a	n/a	3,708,000
	Change in Control[1]	n/a	n/a	0[2]	n/a	0
Steven Nielsen, Executive Vice President and Chief Financial Officer	Termination	550,000	440,000	n/a	n/a	990,000
	Change in Control[1]	n/a	n/a	0[2]	n/a	0
Juan Carlos Villegas, President, Finning (Canada) and Chief Operating Officer, Finning International Inc.	Termination	1,158,750	927,000	79,689	416,953[3]	2,557,850
	Change in Control[1]	n/a	n/a	79,689[2]	n/a	79,689
Marcello Marchese, President, Finning South America[4]	Termination	n/a	n/a	n/a	794,315[3]	794,315
	Change in Control[1]	n/a	n/a	0[2]	n/a	0
Neil Dickinson, Managing Director, Finning UK & Ireland and Executive Vice President, Global Power Systems[4]	Termination	n/a	n/a	n/a	n/a	n/a
	Change in Control[1]	n/a	n/a	0[2]	n/a	0

[1] A change-in-control is defined as a transaction whereby Finning is not the surviving entity of a merger, consolidation or amalgamation with another corporation or in the event of a liquidation or reorganization. Payout amounts will only apply in the absence of any surviving corporation's assumption of outstanding awards made under the Stock Option, DSU and PSU plans.

[2] This payout occurs only if the surviving entity of a merger, consolidation or amalgamation does not assume the Company's outstanding LTIP awards. In this case, 50% of unvested options are exercisable; remaining unvested options are cancelled. 50% of all unvested DSUs are exercisable; remaining unvested DSUs are cancelled. Unvested PSUs may be deemed to be vested at the discretion of the Human Resources Committee and redeemed. Given this, the figures presented in this table include the values for options and DSUs only. All unvested stock options are currently underwater, as at December 31, 2015.

[3] This amount reflects the estimated balance remaining in the Chilean indemnity plan.

[4] No formal termination agreement terms are outlined in the employment contract for Mr. Marchese, other than the benefit under the Chilean indemnity plan. No formal termination agreement terms are outlined in the employment contract for Mr. Dickinson.

Pension Plan Disclosure

Finning provides various pension plans for its employees. Executive pensions are generally intended to be set at the market median when compared to pension benefits provided by comparator companies in the appropriate region where the executive is based.

In Canada, new executives at the level of Vice-President or above are enrolled in a defined contribution pension plan called the Finning International Inc. Retirement Plan (Executive Group – DC Provisions) (the "Canadian Executive DC Plan") with an associated supplementary accumulation plan (SAP). Prior to January 1, 2010, a defined benefit pension plan was offered.

In the U.K., all executives participate in a defined contribution arrangement (U.K. Executive DC Plan). Prior to April 2012, a defined benefit pension plan was offered, called the Finning Pension Scheme (the U.K. Executive DC Plan).

In South America, no Company-sponsored pension plans exist.

During 2015, three NEOs (Messrs. Thomson, Nielsen, and Villegas) participated in the Canadian plan. One NEO, Mr. Dickinson, participated in the U.K. Executive DC Plan in 2015. Mr. Dickinson earned benefits under the U.K. Executive DB Plan prior to April 2012. The respective plans and benefits earned under the plans are described below. The remaining NEO, Mr. Marchese, who is based in South America, did not participate in a Company pension plan since no such plan exists in that region and no information for him is included in the tables that follow.

Canadian Executive DC Plan

Finning's contributions in respect of executives under the Canadian Executive DC Plan are at a rate of 12% of base salary plus bonus under the STIP, where such bonus will be capped at target. All contributions will be made to a registered plan to the extent permitted under the Income Tax Act (ITA) and notional contributions for amounts in excess of ITA limits will be made to the unfunded SAP. The executive makes an election as to how the funds will be invested from a range of available investment options under the Canadian Executive DC Plan. Notional contributions under the SAP are credited with interest based on a long-term Government of Canada bond yield plus 2%.

U.K. Executive DC Plan and DB Plan

Finning's contributions in respect of executives under the U.K. Executive DC Plan are at a rate of 16% of base salary. Executives are generally required to contribute 5% of pay. The executive makes an election as to how the funds will be invested from a range of available investment options under the U.K. Executive DC Plan. Currently, Mr. Dickinson participates in this plan.

Service accruals in the U.K. Executive DB Plan ceased in April 2012. Mr. Dickinson remains eligible for benefits earned prior to this date in the U.K. Executive DB Plan. No new benefits have been earned under this plan since April 2012. The value of benefits previously earned under this plan are noted below.

Canadian Pension Plan Table

The accumulated value at the start and end of the year, as well as compensatory amounts earned during the year for each of Finning's NEOs participating in the Canadian Executive DC Plan, are provided in the following table:

	Accumulated Value at Start of Year ($)	Compensatory ($)	Accumulated Value at Year End ($)
L. Scott Thomson	216,692	218,954	443,733
Steven Nielsen	-	49,563	49,464
Juan Carlos Villegas[1]	347,015	165,292	530,077

1 Mr. Villegas became eligible to participate in the Canadian Executive DC Plan in June 2012, upon his appointment as COO and relocation to Canada. Prior to that time, he did not participate in any Finning pension plan.

U.K. Pension Plan Tables

The accumulated value at the start and end of the year under the U.K. Executive DC Plan (for service after April 2012), as well as compensatory amounts earned during the year for Mr. Dickinson, are provided in the following table:

	Accumulated Value at Start of Year ($)[1]	Compensatory ($)[2]	Accumulated Value at Year End ($)[3]
Neil Dickinson	298,172	62,528	404,059

1 Converted from British Pounds Sterling based on the exchange rate as at December 31, 2014 (1 GBP = 1.8071 CAD).

2 Converted from British Pounds Sterling based on the average 2015 exchange rate (1 GBP = 1.954 CAD).

3 Converted from British Pounds Sterling based on the exchange rate as at December 31, 2015 (1 GBP = 2.0407 CAD).

The number of credited years of service at December 31, 2015, the estimated annual pension benefits payable and the estimated value of the accrued obligation at the end of both 2014 and 2015 under the U.K. Executive DB Plan (for service prior to April 2012) for Mr. Dickinson are provided in the following table:

Name (a)	No. of Years Credited Service (#) (b)	Annual Benefits Payable[1] ($) (c)		Accrued Obligation at Start Year ($) (d)	Compensatory[2] ($) (e)	Non-Compensatory[2] ($) (f)	Accrued Obligation at Year End ($) (g)
		At year end (c1)	At age 65 (c2)				
Neil Dickinson[3]	31 11/12	325,288	483,850	7,768,723	0	808,339	8,577,062

1 Annual benefits payable are determined using the plan formula. No further benefits are accruing under the plan, however, the benefits are eligible for partial inflationary increases each year as well as increases for each year in which pension payments are deferred beyond his applicable unreduced pension age.

2 There are no compensatory amounts as no new benefits are being earned. Non-compensatory amounts include other elements such as changes in assumptions. The assumptions applied in determining the projected benefits and obligations reflect the same assumptions used in Finning's annual financial statements. Certain year-end assumptions for 2015 changed from those used for 2014 in order to conform to accounting standards set out by IFRS. In addition, the U.K. exchange rate has changed significantly over the past year. The combined effect of these two items is the non-compensatory increase shown in this table.

3 All figures in the above table were converted from British Pounds Sterling based on the exchange rate as at December 31, 2014 (1 GBP = $1.8071 CAD) for the Accrued Obligation at Start of Year and December 31, 2015 (1 GBP = 2.0407 CAD) for the Annual Benefits Payable and the Accrued Obligation at Year End.

SECTION VI – OTHER INFORMATION

Directors and Officers Liability Insurance

Finning provides liability insurance for its directors and officers. The current policy limit is $100,000,000 each loss/each policy year. The deductible is nil for a non-indemnifiable loss against the individual directors and officers, $250,000 for an indemnifiable loss against the directors and officers and $500,000 for any securities claims.

Indebtedness of Directors, Officers and Employees

Finning does not, as a general rule, provide loans to its directors and officers. As of February 15, 2016, there were no loans made or outstanding to any director or officer or former director or officer of the Corporation or any of its subsidiaries. Should any loan be made to a director of the Corporation, or any subsidiary of the Corporation, such loan would require the prior approval of the Board of Directors.

Finning does, from time to time, provide loans to its employees that are routine indebtedness.

Approval of this Circular

The contents and the sending of this circular have been approved by the directors.

Dated as of March 15, 2016.

/s/ J. Gail Sexsmith

J. Gail Sexsmith
Corporate Secretary

SCHEDULE A

National Instrument 58-101

Disclosure of Corporate Governance Practices

PRACTICE	FINNING
1. Board of Directors	
(a) Disclose the identity of directors who are independent.	All directors of Finning are independent, other than L. Scott Thomson.
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	L. Scott Thomson is the current President and Chief Executive Officer of Finning. Mr. Thomson is the only director who is not independent of management.
(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.	11 of the 12 current directors are independent.
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	The directorships in other reporting issuers held by the nominees for director are listed in the description of each nominee under the heading "Proposed Management Nominees for Election as Directors".
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	At each regularly scheduled Board meeting, the Board meets outside of the presence of members of management. It also meets in camera without its non-independent director, L. Scott Thomson. Where matters directly involving L. Scott Thomson (such as compensation issues) are being discussed, L. Scott Thomson is excused from those discussions and the directors meet alone. For committee meetings, the independent directors also meet in camera without management.
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.	The Board Chair, Douglas W.G. Whitehead, is independent. The Board Chair's role and responsibilities are described in the "Terms of Reference for the Chair", which are posted on Finning's website in the *Governance* section – *Corporate Governance (Corporate Governance Policies)*.
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	The attendance record of each of the directors is shown in the table "Summary of Attendance of Directors" on page 25.
2. Board Mandate	
Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.	The Board's written Terms of Reference are attached as Schedule B.
3. Position Descriptions	
(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.	The Board has developed written position descriptions for the Board Chair and has Committee Operating Guidelines which include Terms of Reference for committee chairs.
(b) Disclose whether or not the board and Chief Executive Officer have developed a written position description for the Chief Executive Officer. If the board and Chief Executive Officer have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the Chief Executive Officer.	The Board and Chief Executive Officer have developed a written position description for the Chief Executive Officer, which is reviewed annually. In addition, the Human Resources Committee annually reviews goals and objectives for the Chief Executive Officer and assesses his performance against the goals and objectives for the year.

PRACTICE	FINNING
4. Orientation and Continuing Education	
(a) Briefly describe what measures the board takes to orient new directors regarding: (i) the role of the board, its committees and its directors; and	A full description of these measures is contained under the heading "Orientation and Education" on page 33.
(ii) the nature and operation of the issuer's business.	A full description of these measures is contained under the heading "Orientation and Education" on page 33.
(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.	A full description of these measures is contained under the heading "Orientation and Education" on page 33.
5. Ethical Business Conduct	
(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:	The Board has adopted a written Code of Conduct for directors, officers and employees of Finning.
(i) disclose how a person or company may obtain a copy of the code;	The Code is available on Finning's website and on SEDAR.
(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and	Management is responsible for reporting violations of the Code and any actions it has taken to the Audit Committee of the Board. If any significant violation is reported, the Audit Committee Chair would report to the Board of Directors.
(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.	There were no material violations of the Code in 2015 that would require the filing of a material change report.
(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	If there is a conflict of interest or the perception of a conflict of interest, executive officers or directors do not participate in negotiations or approvals pertaining to such a matter.
(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	In addition to adopting the Code of Conduct, a global whistleblower telephone hotline exists, in addition to online reporting, both of which tools are accessible through Finning's website and are hosted by an independent third party. Further, Finning has a Global Anti-Bribery and Anti-Corruption Policy for its directors, officers and employees.
6. Nomination of Directors	
(a) Describe the process by which the board identifies new candidates for board nomination.	The Corporate Governance Committee is responsible for identifying, recruiting and recommending new candidates for Board nomination or appointment. At least annually, the Committee reviews the Board's current composition by comparing the diversity of skills, attributes and experience of Board members against Board requirements. See page 31 for further details on the Director Nomination process and Skills Matrix.
(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	The Corporate Governance Committee is composed entirely of independent directors. It currently acts as a nominating committee.
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	The Corporate Governance Committee mandate is described on page 43.

PRACTICE	FINNING
7. Compensation	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.	The Corporate Governance Committee and the Human Resources Committee are responsible for recommending the compensation of Finning's directors and executive officers, respectively. The Committees use comparative information to ensure that the compensation is competitive considering the scope of the responsibilities. The process followed by the committees is described in Director Compensation beginning on page 47 and in the executive Compensation Discussion and Analysis starting on page 56.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.	The Human Resources Committee is composed entirely of independent directors.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	The Human Resources Committee's mandate is described in their report beginning on page 41.
(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.	In arriving at its recommendations, the Human Resources Committee of the Board engages consultants from time to time. This is discussed in the Human Resources Committee's report on page 42 and in the Compensation Discussion and Analysis on page 62.
8. Other Board Committees	
If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	Finning has a Corporate Governance Committee and a Safety, Environment & Social Responsibility Committee. The mandates of these committees are described on pages 43 and 45, respectively.
9. Assessments	
Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.	The Corporate Governance Committee has responsibility for conducting performance evaluations of the Board, each of its Board committee chairs and Board committees and the Board Chair. Further, the Board's peer evaluation process is facilitated through one-on-one interviews with individual directors and the Board Chair. The evaluation process is conducted by a third-party consultant every two years, with a survey in the interim years, utilizing in-house designed surveys, evaluating governance and performance against the Board's objectives. The surveys and the third-party assessments also include executive management's input and perspective. Ultimately, the Committee makes recommendations to the full Board regarding any changes and improvements it determines to be necessary. Details on the survey assessments undertaken in 2015 are described on page 32.

SCHEDULE B

Finning International Inc.

Terms of Reference for the Board of Directors

I. INTRODUCTION

A. The primary responsibility of the Board is to foster the long-term success of the Corporation consistent with its fiduciary responsibility to shareholders to maximize shareholder value and provide strategic oversight.

B. The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. Subject to the Articles and By-laws of the Corporation, the Board retains the responsibility for managing its own affairs, including planning its composition, selecting its Chair, nominating candidates for election to the Board, appointing committees and determining director compensation.

C. These terms of reference are prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

II. COMPOSITION AND BOARD ORGANIZATION

A. Director nominees are initially considered and recommended by the Corporate Governance Committee of the Board, approved by the entire Board and are elected annually by the shareholders of the Corporation.

B. A majority of directors comprising the Board must qualify as independent directors.

C. Certain of the responsibilities of the Board referred to herein may be delegated to committees of the Board. The responsibilities of those committees are set forth in their terms of reference, as amended from time to time.

III. DUTIES AND RESPONSIBILITIES

A. Managing the Affairs of the Board

The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. The legal obligations of the Board are described in detail in Section IV. Subject to these legal obligations and to the Articles and By-laws of the Corporation, the Board retains the responsibility for managing its own affairs, including:

i) planning its composition and size;

ii) selecting and setting the terms of reference for the Board Chair;

iii) nominating candidates for election to the Board;

iv) appointing committees;

v) determining director compensation;

vi) assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities;

vii) approving any recommended changes to the terms of reference for the Board, the Board Chair, the Lead Director, if applicable, an individual director, the President & Chief Executive Officer, Board committees and the Guidelines for the Board of Directors;

viii) setting annual board objectives; and

ix) facilitating annual site visits to country operations.

B. Management and Human Resources

The Board has the responsibility:

i) for the appointment and replacement of a Chief Executive Officer (CEO), for monitoring CEO performance, for approving CEO compensation and providing advice and counsel to the CEO in the execution of the CEO's duties;

ii) for approving terms of reference for the CEO;

iii) in consultation with the CEO, for approving annual objectives that the CEO is responsible for meeting;

iv) to the extent feasible, for satisfying itself as to the integrity of the CEO and executive management and for ensuring that they create a culture of integrity throughout the organization;

v) for acting upon the advice of the CEO, and on the recommendation of the Human Resources Committee, for approving the appointment of all corporate officers; and

vi) for ensuring that plans have been made for management succession including appointing, training and monitoring of senior management.

C. Monitoring and Acting

The Board has the responsibility:

i) for monitoring the Corporation's progress towards its annual operating plan and strategic goals, and for revising and altering corporate direction through management in light of changing circumstances;

ii) for approving any payment of dividends and new financings;

iii) to ensure management identifies the principal risks of the Corporation's business (including country investment and political risks) and takes all reasonable steps to ensure the implementation of appropriate systems to manage these risks; and

iv) for directing management to ensure systems are in place for the implementation and integrity of the Corporation's internal control and information technology systems.

D. Planning and Strategy Determination

The Board has the responsibility:

i) for annual review and approval of the Corporation's annual operating plan;

ii) for adopting a strategic planning process;

iii) for approving, at least annually, a strategic plan that takes into account, among other things, the opportunities and risks of the business; and

iv) for reviewing with management the mission of the business, its objectives and goals, and the strategy by which it proposes to reach those goals.

E. Policies and Procedures

The Board has the responsibility:

i) for approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated;

ii) for approving any recommended changes to the written Code of Conduct and a Code of Ethics for Senior Management and Financial Officers;

iii) for approving and properly disclosing any waivers to the Code of Conduct and the Code of Ethics for Senior Management and Financial Officers; and

iv) for ensuring systems are in place which are designed to ensure that the Corporation operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.

F. Financial and Corporate Issues

The Board has the responsibility:

i) with consideration to the recommendation of the Audit Committee, for nominating an External Auditor for approval by shareholders; and if the Board does not adopt the Audit Committee's recommendation for External Auditor, ensure this fact is disclosed in the Annual Information Form;

ii) with consideration to the recommendation of the Audit Committee, for approving the compensation of the External Auditor; and if the Board does not adopt the Audit Committee's recommendation, ensure this fact is disclosed in the Annual Information Form;

iii) for taking reasonable steps to ensure the implementation and integrity of the Corporation's internal control and management information systems;

iv) for reviewing operating and financial performance relative to budgets or objectives;

v) for approving annual and quarterly financial statements and approve release thereof by management;

vi) for approving the Management Proxy Circular, Annual Information Form and documents incorporated by reference therein; and

vii) for approving the commencement or settlement of litigation that may have a material impact on the Corporation.

G. Reporting to Stakeholders

i) The Board has the responsibility to periodically review its communications policies for the Corporation.

ii) The Board has the responsibility to direct management:

a) to ensure that the Corporation maintains effective, productive and appropriate reporting and communications links with Caterpillar;

b) to ensure that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;

c) to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles;

d) to ensure the timely reporting of any other developments that have a significant and material impact on the value of the Corporation;

e) to report annually to shareholders at its annual shareholders' meeting on its stewardship for the preceding year; and

f) to ensure that the Corporation has systems in place which accommodate feedback from stakeholders.

IV. LEGAL REQUIREMENTS

A. The Board is responsible for taking all reasonable steps to ensure that legal requirements have been met, annual shareholder meetings held, and documents and records have been properly prepared, approved and maintained.

B. Canadian law, the jurisdiction of incorporation of the Corporation, identifies the following as legal requirements for the Board:

i) to manage, or supervise the management of, the business and affairs of the Corporation;

ii) to act honestly and in good faith with a view to the best interests of the Corporation;

iii) to exercise the care, diligence and skill that reasonable prudent people would exercise in comparable circumstances;

iv) to act in accordance with its obligations contained in the *Canada Business Corporations Act*, the *Securities Act* of each province and territory of Canada, other relevant legislation and regulations, and the Corporation's articles and By-laws; and

v) in particular, it should be noted that the following matters must be considered by the Board as a whole and may not be delegated to a Committee:

a) any submission to the shareholders of a question or matter requiring the approval of the shareholders;

b) the filling of a vacancy among the directors or in the office of the External Auditor;

c) the manner and the term for the issuance of securities;

d) the declaration of dividends;

e) the purchase, redemption or any other form of acquisition of shares issued by the Corporation;

f) the payment of a commission to any person in consideration of the purchase or agreement to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares;

g) the approval of Management Proxy Circulars;

h) the approval of any Take-over Bid Circular or Directors' Circular;

i) the approval of the financial statements of the Corporation; and

j) the adoption, amendment or repeal of By-laws of the Corporation.

SCHEDULE C

Finning International Inc.

2005 Stock Option Plan – Summary of Terms

The following is a summary of the key terms of Finning's existing Option Plan. Shareholders who wish to review a full copy of the Option Plan should contact the Corporate Secretary.

Under the Option Plan, the Board is authorized to issue options to senior executives of Finning or its subsidiaries. The terms of such options will include:

Term of Option: As determined by the Board at the time of grant, provided such term is not more than seven years after grant date.

Exercise Price: As determined by the Board at the time of grant, provided such price is not less than the weighted average trading price of the Common Shares on the business day prior to the grant date.

Vesting: Options vest in three equal tranches, beginning on the first anniversary of the grant date and ending on the third anniversary of the grant date.

Transferability: Options are non-assignable and non-transferable.

Exercise: All exercises of options will generally be done using a cashless exercise method which involves the holder thereof voluntarily giving up the right to exercise a number of vested options with a value equal to the purchase price of the Common Shares to be issued. The Common Shares underlying such cancelled vested options shall continue to be available for future issuance upon the grant and exercise of Options subsequently granted under the Option Plan. Finning may consent to the exercise of options using a traditional cash method.

In the event that the employment of a senior executive is terminated while such executive holds options issued under the Option Plan, all unvested options will become immediately void, except as described below. In addition, the following rules will apply:

(a) if the executive dies, all unvested options immediately vest and each vested option may then be exercised for a period that ends on the earlier of: (i) the option expiry date; and (ii) the date that is one year after such termination of employment;

(b) if the executive becomes disabled or retires (so long as it is not retirement for the purpose of accepting competitive employment), each vested option may then be exercised for a period that ends on the earlier of: (i) the option expiry date; and (ii) the date that is three years after such termination of employment. In addition, any unvested option which would normally have vested during such exercise period will be considered to be a vested option as of the date of such vesting;

(c) if the executive is dismissed without cause or voluntarily resigns, such vested options may be exercised for a period that ends on the earlier of: (i) the option expiry date; and (ii) the date that is 30 days after such termination of employment;

(d) if the executive voluntarily resigns for the purpose of accepting competitive employment, then unless specifically determined otherwise by the Human Resources Committee of the Board of Directors (or its successor), such vested options may be exercised for a period that ends on the earlier of: (i) the option expiry date; and (ii) the date that is 30 days after such termination of employment; and

(e) if the executive is dismissed with cause, such vested options shall be immediately null and void unless otherwise determined by the Human Resources Committee of the Board of Directors (or its successor).

The maximum number of Common Shares issuable upon the exercise of options granted under the Option Plan is currently fixed at 7,470,000. As at March 15, 2016:

(a) 5,136,138 options were issued and outstanding under the Option Plan (representing 3.06% of the total number of issued and outstanding shares as of such date);

(b) 1,040,893 Common Shares (representing 0.62% of the total number of issued and outstanding shares as of such date) remain available for future issuance under the Option Plan; and

(c) 1,292,969 Common Shares issuable under the Option Plan (up to the maximum number specified above) have previously been issued and are no longer available for future issuance.

The table below summarizes the option activity, including grants, cancellations and exercises from March 18, 2015 to March 15, 2016, under our 2005 Stock Option Plan.

	As at March 18, 2015		Activity			As at March 15, 2016	
2005 Stock Option Plan	**# of Common Shares or Options**	**% of Shares Outstanding**	**# of Options Granted**	**# of Options Cancelled and/or withheld**	**# of Options Exercised and issued**	**# of Common Shares or Options**	**% of Shares Outstanding**
Shares issued on exercise of options	1,250,230	0.72%			42,739	1,292,969	0.77%
Options granted and outstanding	4,158,781	2.41%	1,618,180[1]	(598,084)	(42,739)	5,136,138	3.06%
Options available for future grants	2,060,989	1.20%	(1,618,180)	598,084		1,040,893	0.62%
Total:	7,470,000	4.33%				7,470,000	4.45%

[1] Options granted to senior executives in 2015 represent 0.96% of the issued and outstanding Common Shares of Finning, as at March 15, 2016.

The maximum number of Common Shares issuable under the Option Plan may be increased with the approval of shareholders by way of an ordinary resolution and the approval of all necessary regulatory authorities. In addition, any amendments to the Option Plan or re-pricing of previously issued options will require approval of shareholders by way of an ordinary resolution.

The total number of options granted to insiders of Finning under the Option Plan, when combined with all other security-based compensation arrangements of Finning, cannot exceed 10% of the total number of issued and outstanding Common Shares.

The number of Common Shares issuable, and the exercise price in respect of, options issued under the Option Plan will be adjusted in the event of any stock splits, consolidations or similar transactions. In addition, if Finning is not the surviving entity of a merger or similar transaction or in the event of a liquidation or reorganization and in the absence of the surviving corporation assuming Finning's obligations under outstanding option grants, the following rules apply:

(a) all vested options may be exercised by a senior executive up to the closing of the transaction and thereafter are null and void; and

(b) 50% of all unvested options are exercisable by a senior executive for a period of seven days prior to the anticipated closing of the transaction. Any such unvested options not exercised and all other unvested options will thereafter be null and void.

Finally, Finning is authorized, subject to receipt of all necessary regulatory approvals, to adopt sub-plans that apply to designated executives or groups of executives. The purpose of giving Finning the ability to adopt such sub-plans is to ensure that Finning has the ability to tailor specific plans to meet local taxation and regulatory requirements in jurisdictions outside Canada where Finning employs senior executives. As part of the Stock Option Plan, the Board of Directors has approved a sub-plan for residents of the United Kingdom which contains some minor variations in terms which are necessary to comply with local tax requirements including a requirement that all option exercises must be done using a cash exercise method.

2016 MANAGEMENT PROXY CIRCULAR

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