2011

MANAGEMENT PROXY CIRCULAR

NOTICE OF 2011 ANNUAL MEETING

FINNING INTERNATIONAL INC.

TABLE OF CONTENTS

March 17, 2011

TO OUR SHAREHOLDERS

On behalf of Finning International's Board of Directors and employees, we are pleased to invite you to attend the Finning Annual Meeting of Shareholders on Wednesday, May 11, 2011, to be held at the Terminal City Club, 837 West Hastings Street, Vancouver, British Columbia at 2:00 pm Pacific time.

Due to the hard work and commitment of our employees, Finning was able to capitalize on improving business conditions across all sectors in 2010. We also continued to make great strides towards improving our financial performance and profitability by reducing our cost structure and strengthening our balance sheet. Significantly, we divested our non-core Hewden rental business while expanding Finning's geographic footprint in 2010 with the acquisition of the Caterpillar dealerships in Northern Ireland and the Republic of Ireland. To support our strong growth objectives, we continued to make selective investments in our product support capabilities. The successful achievement of our 2010 corporate targets and our enhanced focus on operational excellence helped transform Finning into a stronger organization and set the stage for continued success in 2011 and beyond.

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 executive and directors. It also describes the Boards' roles and responsibilities and the key activities the Board committees undertook in 2010.

Your vote is important. We encourage you to participate in this process by voting your shares and, if possible, by attending the Annual Meeting. 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. In addition, we encourage you to visit our website at any time before the meeting as it provides useful information about Finning.

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

Sincerely,

Douglas W.G. Whitehead
Chairman of the Board

Michael T. Waites
President and Chief Executive Officer

NOTICE OF ANNUAL MEETING

An Annual Meeting of the Shareholders of FINNING INTERNATIONAL INC. ("Finning" or the "Corporation") will be held at the Terminal City Club, 837 West Hastings Street, Vancouver, British Columbia at 2:00 pm Pacific time on Wednesday, May 11, 2011 for the following purposes:

1. to appoint auditors and to empower the directors to determine the auditors' remuneration;
2. to consider, and if thought fit, to pass an ordinary resolution extending Finning's Amended and Restated Shareholder Rights Plan for three years;
3. to consider and approve, on an advisory basis, an ordinary resolution to accept Finning's approach to executive compensation;
4. to elect directors; and
5. to transact such other business as may properly come before the meeting.

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, 9th Floor, Toronto, Ontario, M5J 2Y1 not less than 48 hours, excluding Saturdays and holidays, prior to the meeting or any adjournment thereof.

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

If you are a NOBO, Finning's agent (Broadridge Financial Solutions, Inc.) has sent the enclosed materials 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 enclosed voting instruction form provided by Broadridge Financial Solutions, Inc.

If you are an OBO and receive these materials 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.

Shareholders of record at the close of business on March 17, 2011, will be entitled to vote at the meeting and are encouraged to participate either by proxy or in person.

DATED the 17th day of March, 2011.

BY ORDER OF THE BOARD

J. Gail Sexsmith
Corporate Secretary

SECTION 1–VOTING

MEETING PROCEDURES

Who can go to the meeting?

Anyone who holds Common Shares of Finning as of March 17, 2011, which is the record date for the meeting, is entitled to attend 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 17, 2011, you have the right to cast one vote per Common Share on the business matters set out in the accompanying Notice of Annual 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 17, 2011 Finning had 171,513,803 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 17, 2011, 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.

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).

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, Michael T. Waites and Douglas W.G. Whitehead, 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., Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 no later than 2:00 pm Pacific time on May 9, 2011.
If the meeting is adjourned, your proxy must be received 48 hours, excluding Saturdays 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 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 17, 2011, 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 Investor Services Inc. ("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, 9th Floor, Toronto, Ontario M5J 2Y1, any time up to 2:00 pm Pacific time on May 10, 2011, 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 Chairman 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 your proxy or 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 Chairman 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 e-mail 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 2012 annual meeting of shareholders must deliver their proposals to Finning by no later than December 19, 2011. All shareholder proposals must comply with the applicable requirements of the *Canada Business Corporations Act* and shareholders who wish to make such 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, 9th Floor
Toronto, Ontario
M5J 2Y1

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, 2010. These documents are contained in Finning's 2010 Annual 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 & Touche 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 27.

EXTENSION OF SHAREHOLDER RIGHTS PLAN

On September 13, 1989, the Board of Directors of Finning adopted a shareholder rights plan (the "Rights Plan"). The Rights Plan has subsequently been amended several times and extended by the shareholders of Finning at annual meetings in 1995, 1999, 2002, 2005 and 2008. The Rights Plan provides that it will terminate at the end of the annual meeting to be held on May 11, 2011 unless it is extended by a majority of votes cast at the meeting.

Shareholders will be asked to consider, and if thought fit, pass an ordinary resolution extending the Rights Plan for three years such that it will automatically terminate at the end of Finning's annual meeting in 2014 unless further extended by the shareholders prior to that time.

SUMMARY OF KEY TERMS OF RIGHTS PLAN

The following is a summary of the key terms of the Rights Plan. A copy of the current Rights Plan is available at *www.sedar.com*. A print copy of the draft amended and restated Rights Plan which reflects the extension of the Rights Plan to 2014 may be obtained from the Corporate Secretary of Finning.

Trading of Rights

Until the Separation Time (as defined below), or earlier termination or expiration of the rights, the rights are evidenced by and transferred with the associated Common Shares and the surrender for transfer of any certificate representing Common Shares will also constitute the surrender for transfer of the rights associated with those Common Shares. The rights are not exercisable until the Separation Time. After the Separation Time, the rights will become exercisable and begin to trade separately from the associated Common Shares. Until a right is exercised, the holder thereof, as such, will have no rights as a shareholder of Finning.

Separation Time

The rights will separate and trade separately from the Common Shares from and after the Separation Time. "Separation Time" means the close of business on the tenth Trading Day (as defined in the Rights Plan) after the earlier of:

(a) the first date (the "stock acquisition date") of public announcement by Finning or an Acquiring Person, of facts indicating that a person has become an Acquiring Person;

(b) the date of the commencement of, or first public announcement of the intent of a person (other than Finning or a subsidiary of Finning) to commence, a Take-over Bid (as defined in the Rights Plan) other than a Permitted Bid, Competing Permitted Bid or a Permitted Lock-up Agreement; or

(c) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such, or on such later date as the Board of Directors shall determine, provided that, if any Take-over Bid expires, or is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such offer shall be deemed never to have been made.

When Rights Become Exercisable

Following a transaction which results in a person becoming an Acquiring Person (a "Flip-in Event"), the rights entitle the holders thereof to receive upon exercise, Common Shares with a market value equal to twice the then Exercise Price of the rights. In such event, however, the rights beneficially owned by an Acquiring Person (including affiliates, associates and joint actors), or the transferee of any such person, will be void. A Flip-in Event does not include acquisitions approved by the Board or acquisitions pursuant to a Permitted Bid, a Competing Permitted Bid or a Permitted Lock-up Agreement.

Permitted Bids

The Rights Plan employs a "Permitted Bid" concept whereby a take-over bid will not trigger the rights if it meets certain conditions. A "permitted bid" is defined as an offer to acquire Common Shares for cash or securities made by means of a take-over bid circular where the Common Shares subject to the offer, together with shares beneficially owned by the offeror at the date of the offer (including its affiliates, associates and joint actors), constitute 20% or more of the outstanding Voting Shares and also that complies with the following additional provisions:

(a) it is made to all holders of Voting Shares of Finning (other than the offeror);
(b) it contains a condition that shares may be deposited pursuant to the take-over bid, and any shares deposited pursuant to the take-over bid may be withdrawn, and no shares can be taken up and paid for before the close of business on a date not less than 60 days following the date the take-over bid circular is made to all shareholders; and
(c) it contains a condition that more than 50% of the Voting Shares held by shareholders independent of the offeror must be tendered and not withdrawn, and if that condition is met, there will be a public announcement and the take-over bid will remain open for a further period of ten business days.

A competing permitted bid is required to remain open for the greater of: (a) the statutory minimum deposit period of 35 days after the competing permitted bid is made; and (b) the 60th day after the date on which the initial permitted bid was made.

Permitted Lock-up Agreement

The Rights Plan also provides that the Rights Plan will not be triggered by a Permitted Lock-up Agreement. The term "Permitted Lock-up Agreement" is defined to mean an agreement which is publicly available pursuant to which certain shareholders agree to deposit shares to a take-over bid (the "Lock-up Bid"). In addition, the lock-up agreement must:

(a) permit a shareholder to terminate the agreement in the event a superior bid is made or other superior transaction is proposed; and
(b) provide for "break fees" or similar fees in an amount which do not exceed the greater of:
    A. 2.5% of the consideration payable to locked shareholders under the Lock-up Bid, and
    B. one-half of the difference between the consideration payable to locked shareholders under the Lock-up Bid and the consideration payable to locked shareholders under the superior bid or other transaction, in order to be a "Permitted Lock-up Agreement". The lock-up agreement may specify that the termination rights in the event of a superior bid or transaction do not become effective unless the consideration offered under the superior bid or transaction exceeds the consideration payable under the Lock-up Bid by more than a specified percentage, provided that this specified percentage does not exceed 7%.

Protection Against Dilution

The Exercise Price, the number and nature of securities that may be purchased upon exercise of rights and the number of rights outstanding, are subject to adjustment from time to time to prevent dilution in the event of stock dividends, subdivisions, consolidations, reclassifications or other changes in the outstanding Common Shares, pro rata distributions to holders of Common Shares or other circumstances where adjustments are required to appropriately reflect the interest of the holders of rights.

Redemption and Waiver

At any time prior to the occurrence of a Flip-in Event, the Board may (provided it has received the prior consent of shareholders by a majority vote) redeem all, but not less than all, of the then outstanding rights at a redemption price of $0.001 per right, subject to adjustment. The Board of Directors may waive the application of the Rights Plan to any Flip-in Event if it determines that a person became an Acquiring Person by inadvertence, conditional upon such person having, within ten days after the determination by the Board of Directors, reduced its beneficial ownership of shares such that it is no longer an Acquiring Person. The Board of Directors may also, until a Flip-in Event has occurred, waive the application of the Rights Plan to any particular Flip-in Event which occurs as a result of a takeover bid circular sent to all shareholders but in that event, the Board of Directors must waive the application of the Rights Plan to any Flip-in Event occurring as a result of a takeover bid which has occurred previously to the initial waiver (and remains outstanding at the time of the initial waiver) or that occurs within 75 days after the initial waiver.

Amendments

The Board of Directors may amend the Rights Plan to correct clerical or typographical errors or to maintain the validity of the Rights Plan in light of legislative changes. Other amendments can only be made with the approval of the shareholders of Finning or, after the Separation Time, the holders of the rights. Any supplements or amendments to the Rights Plan require the prior approval of the Toronto Stock Exchange.

Term
If the Rights Plan is extended at the annual meeting of shareholders on May 11, 2011, it will terminate at the termination of the annual meeting of shareholders to be held in 2014. If it is not extended, it will terminate at the end of the meeting on May 11, 2011.

Canadian Income Tax Consequences
Finning did not receive any income as a result of the issuance of the Rights for Canadian federal income tax purposes. Generally, the value of a right, if any, to acquire additional shares of a company is not a taxable benefit includable in income under the *Income Tax Act* (Canada) (the "Act") and is not subject to non-resident withholding tax under the Act if the right is conferred on all shareholders. While the Rights are conferred on all shareholders, the Rights may become void in the hands of certain shareholders upon the occurrence of certain triggering events. Whether the issuance of the Rights is a taxable event is not therefore free of doubt, but no tax arises if the Rights do not have a monetary value at the date of issue. Finning considers the Rights to have had a negligible monetary value at their date of issue and to continue to have a negligible monetary value. If the value of the Rights is negligible, the issue of the Rights will not give rise to a taxable benefit or capital gain and will not be subject to non-resident withholding tax. If the Rights come to have a monetary value, their disposition, other than by way of exercise, will give rise to a capital gain equal to the full amount of the proceeds received by shareholders who held the Rights as capital property. The foregoing does not address the Canadian income tax consequences of other events such as the separation of the voting Rights from the Common Shares, the occurrence of a Flip-in Event or the redemption of Rights.

As a shareholder you have the opportunity to vote for or against the extension to Finning's Rights Plan, through the following resolution:

BE IT RESOLVED that:
(a) the extension (the "Extension") of Finning's amended and restated Shareholder Rights Plan for three years as described in this management proxy circular is hereby approved; and
(b) any one director or officer is hereby authorized, on behalf of Finning, to execute and deliver an amended and restated Shareholder Rights Plan which reflects the Extension.

The Board recommends that shareholders vote "for" the resolution to extend Finning's amended and restated Shareholder Rights Plan.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

ADVISORY VOTE ON APPROACH TO EXECUTIVE COMPENSATION
As part of Finning's commitment to strong corporate governance practices, in February 2011, the Board approved a plan to give its shareholders the opportunity to cast an advisory vote on the Board's approach to executive compensation ("Say on Pay") at its annual meeting of shareholders on May 11, 2011. 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 the 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 39. 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 executives' compensation is linked to business performance and earned over the longer term thereby aligning the interests of executives with the interests of shareholders.

In addition, you are encouraged, prior to casting your vote at the meeting, to provide any specific feedback, questions or concerns you may have directly regarding executive compensation to the attention of the Board by writing to the attention of the Chairman of the Board, c/o the Corporate Secretary, Finning. See "Communications with the Board" on page 26.

As a shareholder you have the opportunity to vote for or against Finning's 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 2011 annual meeting of shareholders.

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 majority of the votes cast at the annual meeting of shareholders. 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 of shareholders and in its report on the voting results for that meeting.

ELECTION OF DIRECTORS

The Board of Directors believes the appropriate size for the Board is between eight and twelve members, allowing the periodic ability to expand up to fourteen members to provide an orientation period for new directors prior to the retirement of directors. This year, in accordance with the By-laws of Finning, the Board of Directors has determined that ten directors will be elected at the annual meeting. The current number of directors that serve the board is ten. The Board has assessed the relative diversity of skills, attributes and experience that the ten directors standing for election offer, and are 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 the ten individuals described under the heading "Proposed Management Nominees for Election as Directors" that follows. 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.

PROPOSED MANAGEMENT NOMINEES FOR ELECTION AS DIRECTORS

All proposed management nominees are currently directors of Finning. All proposed management nominees are ordinarily resident in Canada except Christopher W. Patterson, who resides in the United States, Andrew H. Simon, who resides in Switzerland and Ricardo Bacarreza and Bruce L. Turner, who reside in Chile.

All proposed nominees have been asked and have agreed to comply with Finning's Majority Voting Policy, details of which are attached to this circular as Schedule D.

Information regarding each of the proposed nominees, as at December 31, 2010, is set out in the following tables. For each nominee, the information provided includes:

- a brief biography, age and country of residence;
- independence status;
- date first appointed to the Board;
- areas of expertise;
- board and committee meeting attendance;
- details on board interlocks, if any;
- securities held and market value for the past two years; and
- director compensation for the past two years.

For purposes of measurement and disclosure in the referenced tables, the market value of Common Shares, Deferred Share Units ("DSUs") and Options was calculated using Common Share values of $27.09 and $16.68, which were the closing trading prices of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2010 and December 31, 2009, respectively.

RICARDO BACARREZA – SANTIAGO, CHILE

- Age: 65
- Director since: 1999
- Independent Director

Areas of Expertise: CEO/SEO, Diversity, Strategy Vision & Growth, Governance, Financial Leadership, Government & Regulatory, Banking & Financial Institutions, Compensation

Mr. Bacarreza is currently the President of Proinvest S.A., a financial services company based in Santiago, Chile. In his career, Mr. Bacarreza has been an Economist at the World Bank (Washington, D.C.), Vice President of Banco Unido De Fomento (Chile) and Chief Executive Officer of Banco Del Trabajo (Chile), La Chilena Consolidada Insurance Company (Chile), Banco Sudamericano (Chile) and Banco BHIF (Chile). Mr. Bacarreza has been on the Board of Directors of a number of companies and has served as director and Chairman of the Chilean Management Institute. Mr. Bacarreza currently serves on the Board of Directors for Sociedad de Rentas Palo Alto SA.

He holds a Civil Engineering degree from Catholic University of Chile and M.A., M.Sc. and Ph.D. from Stanford University and is fluent in Spanish.

Finning Board/Committee Memberships	**Attendance at Meetings During 2010**		
	Attendance	**Term in 2010**	**% of meetings attended**
Board of Directors	6 of 6 in person 3 of 3 by teleconference	Jan 1– Dec 31	100%
Audit Committee	4 of 4 in person	Jan 1– Dec 31	100%
Environment, Health and Safety Committee	2 of 2 in person	May 14 – Dec 31	100%
Human Resources Committee	2 of 2 in person	May 14 – Dec 31	100%
Pension Committee	1 of 1 in person	Jan 1 – May 13	100%

Other Public Company Boards/Committee Memberships

None

Public Board Interlocks

None

Securities Held

Year	Common Shares	DSUs	Options(1)	Total Market Value	Minimum Shareholder Requirements	Met Minimum Shareholder Requirements
2010	29,000	37,204	0	$ 1,793,472	10,000 Common Shares	Yes
2009	21,133	32,947	10,867	$ 1,010,669		
Change	7,867	4,257	(10,867)	$ 782,803		

Value of Total Compensation Received

2010	$ 153,755
2009	$ 118,672

(1) Finning ceased issuing options to Directors in 2001 and any options reflected in Securities Held were issued in 2001 or earlier.

JAMES E.C. CARTER – EDMONTON, ALBERTA, CANADA

- Age: 61
- Director since: 2007
- Independent Director

Areas of Expertise: CEO/SEO, Strategy Vision & Growth, Oil Mining & Energy, Environment Health & Safety, Governance, Financial Leadership, Government & Regulatory

Mr. Carter is a Corporate Director. Mr. Carter retired from Syncrude Canada Ltd. in 2007 after twenty-eight years, including 10 years as President and 18 years as Operations Chief. He currently serves on the Boards of Directors of EPCOR Utilities Inc., Clark Builders, the Climate Change Emissions Management Corporation, Alberta Treasury Branch Financial, CAREERS: The Next Generation and the Edmonton Symphony Orchestra. He is a former director and Chair of the Mining Association of Canada where he championed development of the *Toward Sustainable Mining* initiative, which is designed to help improve the mining industry's environmental and social performance. Mr. Carter was also a member, director and executive member of the Alberta Chamber of Resources.

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 in Mining Engineering, Technical University of Nova Scotia (now Dalhousie Engineering), and is a graduate of the Advanced Management Program at Harvard Graduate School of Business Administration. Mr. Carter has also been awarded honorary doctorates by three Canadian universities.

Finning Board/Committee Memberships	**Attendance at Meetings During 2010**		
	Attendance	**Term in 2010**	**% of meetings attended**
Board of Directors	6 of 6 in person 3 of 3 by teleconference	Jan 1 – Dec 31	100%
Audit Committee	2 of 2 in person	Jan 1 – May13	100%
Corporate Governance Committee	2 of 2 in person	May 14 – Dec 31	100%
Environment, Health and Safety Committee	2 of 2 in person	Jan 1 – May13	100%
Human Resources Committee	2 of 2 in person	May 14 – Dec 31	100%
Pension Committee, Chair	2 of 2 in person	May 14 – Dec 31	100%

Other Public Company Boards/Committee Memberships

Company	Type of Company	Positions
EPCOR Utilities Inc.	Utility	Director

Public Board Interlocks

None

Securities Held

Year	Common Shares	DSUs	Options	Total Market Value	Minimum Shareholder Requirements	Met Minimum Shareholder Requirements
2010	10,000	22,299	n/a	$ 874,987	4,000 Common Shares	Yes
2009	10,000	14,274	n/a	$ 404,898		
Change	0	8,025	n/a	$ 470,089		

Value of Total Compensation Received

2010	$ 147,915
2009	$ 103,502

HON. DAVID L. EMERSON P.C. – VANCOUVER, BRITISH COLUMBIA, CANADA
- Age: 65
- Director since: 2008
- Independent Director

Areas of Expertise: CEO/SEO, Diversity, Strategy Vision & Growth, Forestry & Energy, Environment Health & Safety, Governance, Financial Leadership, Government & Regulatory, Banking & Financial Institutions

Mr. Emerson P.C. is a Corporate Director, Public Policy Advisor and serves as a senior advisor to CAI Managers, a private equity fund. Nationally he has held senior positions with the Government of Canada that included Minister of Foreign Affairs, Minister of International Trade with responsibility for the Asia Pacific Gateway initiative and the 2010 Vancouver Olympics and Minister of Industry. In British Columbia, Mr. Emerson was the Province's Deputy Minister of Finance, Secretary to Treasury Board and Deputy Minister to the Premier, Secretary to Cabinet. He has also served in leadership roles in the private sector, including President and CEO of Canfor Corporation, President and CEO of the Vancouver International Airport Authority and Chairman and CEO of Canadian Western Bank. Mr. Emerson currently serves on the Boards of Directors of TimberWest Forest Corporation, Stantec Inc., Chorus Aviation Inc., Postmedia Networks Inc., Conair Group Inc. and D-Wave Systems Inc. In addition, Mr. Emerson is Chair, Alberta Premier's Council for Economic Strategy, Chair, Energy Policy Institute of Canada, Co-Chair, Prime Minister's Advisory Committee on the Public Service and a member of the China Investment Corporation International Advisory Council.

Mr. Emerson holds a Bachelor and Master Degree in Economics from the University of Alberta and Doctorate in Economics from Queen's University.

Finning Board/Committee Memberships	**Attendance at Meetings During 2010**		
	Attendance	**Term in 2010**	**% of meetings attended**
Board of Directors	6 of 6 in person 3 of 3 by teleconference	Jan 1 – Dec 31	100%
Audit Committee	4 of 4 in person	Jan 1 – Dec 31	100%
Corporate Governance Committee, Chair	2 of 2 in person	May 14 – Dec 31	100%
Pension Committee	3 of 3 in person	Jan 1 – Dec 31	100%

Other Public Company Boards/Committee Memberships

Company	Type of Company	Positions
Chorus Aviation Inc.	Holding Company which owns Jazz Aviation LP	Director and member of the Governance and Nominating Committee and the Human Resources and Compensation Committee
Stantec Inc.	Design and consulting service company	Director and chair of the Governance and Human Resources Committee and a member of the Audit Committee
TimberWest Forest Corporation	Forestry	Director and member of the Audit Committee

Public Board Interlocks

None

Securities Held

Year	Common Shares	DSUs	Options	Total Market Value	Minimum Shareholder Requirements	Met Minimum Shareholder Requirements
2010	7,300	13,492	n/a	$ 563,260	4,000 Common Shares	Yes
2009	7,300	7,178	n/a	$ 241,496		
Change	0	6,314	n/a	$ 321,764		

Value of Total Compensation Received

2010	$ 142,308
2009	$ 98,947

KATHLEEN M. O'NEILL – TORONTO, ONTARIO, CANADA

- Age: 57
- Director since: 2007
- Independent Director

Areas of Expertise: CEO/SEO, Diversity, Strategy Vision & Growth, Energy, Governance, Financial Leadership, Government & Regulatory, Banking and Financial Institutions, Compensation

Ms. O'Neill is a Corporate Director. 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 the TMX Group Inc., ARC Resources Limited, Invesco Trimark Funds (Invesco Trimark Canada Fund Inc. and Invesco Trimark Corporate Class Inc. boards, and Invesco Trimark Funds Advisory Board, Independent Review Committee) and Canadian Tire Bank, a subsidiary of Canadian Tire Corporation. Ms. O'Neill is past Chair of St. Joseph's Health Centre Foundation and is involved in several non-profit organizations.

Ms. O'Neill is accredited through the Institute of Corporate Directors / Rotman School of Management Director's Education Program, holds a Bachelor of Commerce Degree (with Honours) from the University of Toronto and is a Fellow of the Ontario Institute of Chartered Accountants.

Finning Board/Committee Memberships	**Attendance at Meetings During 2010**		
	Attendance	**Term in 2010**	**% of meetings attended**
Board of Directors	6 of 6 in person 3 of 3 by teleconference	Jan 1 – Dec 31	100%
Audit Committee, Chair(1)	4 of 4 in person	Jan 1 – Dec 31	100%
Corporate Governance Committee	2 of 2 in person	May 14 – Dec 31	100%
Human Resources Committee	4 of 4 in person	Jan 1 – Dec 31	100%
Pension Committee	3 of 3 in person	Jan 1 – Dec 31	100%

Other Public Company Boards/Committee Memberships

Company	Type of Company	Positions
ARC Resources Limited	Oil & Gas	Director and member of the Audit Committee and the Human Resources Committee
Invesco Trimark 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, member of Audit Committee and board of Invesco Corporate Class Inc. and Invesco Canada Fund Inc.
TMX Group Inc.	Stock exchange	Director and member of the Finance and Audit Committee and the Governance Committee

Public Board Interlocks

None

Securities Held

Year	Common Shares	DSUs	Options	Total Market Value	Minimum Shareholder Requirements	Met Minimum Shareholder Requirements
2010	14,000	14,762	n/a	$ 779,151	4,000 Common Shares	Yes
2009	14,000	8,582	n/a	$ 376,673		
Change	0	6,180	n/a	$ 402,478		

Value of Total Compensation Received

2010	$ 164,308
2009	$ 123,447

(1) Ms. O'Neill was appointed Chair of the Audit Committee May 14, 2010 and is the Designated Financial Expert.

CHRISTOPHER W. PATTERSON – GREENSBORO, NORTH CAROLINA, UNITED STATES

- Age: 56
- Director since: 2010
- Independent Director

Areas of Expertise: CEO/SEO, Diversity, Distribution & Marketing, Strategy Vision & Growth, Energy, Environment Health & Safety

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 Modine Manufacturing Company.

He holds a BA degree in economics and a MBA from the University of Western Ontario.

Finning Board/Committee Memberships	**Attendance at Meetings During 2010**		
	Attendance	**Term in 2010**	**% of meetings attended**
Board of Directors	2 of 2 in person	Oct 1 – Dec 31	100%
Audit Committee	1 of 1 in person	Oct 1 – Dec 31	100%
Environment, Health and Safety Committee	1 of 1 in person	Oct 1 – Dec 31	100%

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 Nominating Committee and the Officer Nomination and Compensation Committee

Public Board Interlocks

None

Securities Held

Year	Common Shares	DSUs	Options	Total Market Value	Minimum Shareholder Requirements	Met Minimum Shareholder Requirements
2010	375	628	n/a	$ 27,180	4,000 Common Shares(1)	N/A(1)

Value of Total Compensation Received

2010(2)	$ 36,250

(1) Mr. Patterson has two years from the date of his appointment to meet these minimum shareholder requirements.
(2) Mr. Patterson's appointment to the Board of Directors was effective October 1, 2010. Accordingly, his 2010 Compensation reflects earnings from October 1, 2010 to December 31, 2010.

JOHN M. REID – VANCOUVER, BRITISH COLUMBIA, CANADA

- Age: 63
- Director since: 2006
- Independent Director

Areas of Expertise: CEO/SEO, Strategy Vision & Growth, Forestry & Energy, Governance, Financial Leadership, Compensation

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 boards of Methanex Corporation and Corix. 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 2010**		
	Attendance	**Term in 2010**	**% of meetings attended**
Board of Directors, Lead Director(1)	6 of 6 in person 3 of 3 by teleconference	Jan 1 – Dec 31	100%
Audit Committee(1)	4 of 4 in person	Jan 1 – Dec 31	100%
Corporate Governance Committee	4 of 4 in person	Jan 1 – Dec 31	100%
Human Resources Committee, Chair	2 of 2 in person	May 14 – Dec 31	100%

Other Public Company Boards/Committee Memberships

Company	Type of Company	Positions
Methanex Corporation	Methanol supply company	Director and member of the Audit, Finance and Risk Committee, the Responsible Care Committee and chair of the Human Resources Committee

Public Board Interlocks

None

Securities Held

Year	Common Shares	DSUs	Options	Total Market Value	Minimum Shareholder Requirements	Met Minimum Shareholder Requirements
2010	20,000	16,370	n/a	$ 985,270	4,000 Common Shares	Yes
2009	20,000	11,880	n/a	$ 531,757		
Change	0	4,490	n/a	$ 453,513		

Value of Total Compensation Received

2010	$ 174,226
2009	$ 115,947

(1) Mr. Reid attended meetings of various other committees of which he was not a member in his capacity as Lead Director, which appointment was effective May 13, 2010. Mr. Reid was the chair of the Audit Committee up to May 13, 2010.

ANDREW H. SIMON, OBE – BOUGY-VILLARS, SWITZERLAND
- Age: 65
- Director since: 1999
- Independent Director

Areas of Expertise: CEO/SEO, Diversity, Strategy Growth & Vision, Energy, Environment Health & Safety, Governance, Financial Leadership, Compensation

Mr. Simon is a Corporate Director who serves on the Boards of Directors of a number of companies including Exova Group plc, SGL Carbon SE Supervisory Board, Travis Perkins plc, Management Consulting Group plc, Icon Infrastructure Management Ltd. and BCA Osprey 1 Ltd. For most of his career, Mr. Simon worked for the Evode Group, an international specialty chemicals and materials company. At Evode, he held various positions including Managing Director and Chairman and Chief Executive Officer.

Mr. Simon holds a Bachelor of Science degree from Southampton University and an MBA from the Wharton School of Finance.

Finning Board/Committee Memberships	**Attendance at Meetings During 2010**		
	Attendance	**Term in 2010**	**% of meetings attended**
Board of Directors	6 of 6 in person 3 of 3 by teleconference	Jan 1 – Dec 31	100%
Audit Committee	4 of 4 in person	Jan 1 – Dec 31	100%
Environment, Health and Safety Committee	4 of 4 in person	Jan 1 – Dec 31	100%
Pension Committee	2 of 2 in person	May 14 – Dec 31	100%

Other Public Company Boards/Committee Memberships

Company	Type of Company	Positions
Management Consulting Group plc	Consulting and professional service company	Director and member of the Audit and Risk Committee, the Nominations Committee and chair of the Remuneration Committee
SGL Carbon SE Supervisory Board	Manufacturer of carbon-based products	Director and chair of the Audit Committee and a member of the Nomination Committee and the Strategy Committee
Travis Perkins plc	Building and construction materials provider	Director and chair of the Health and Safety Committee and the Remuneration Committee

Public Board Interlocks

None

Securities Held

Year	Common Shares	DSUs	Options(1)	Total Market Value	Minimum Shareholder Requirements	Met Minimum Shareholder Requirements
2010	35,000	39,180	0	$ 2,009,530	10,000 Common Shares	Yes
2009	29,000	34,877	6,000	$ 1,125,434		
Change	6,000	4,303	(6,000)	$ 884,096		

Value of Total Compensation Received

2010	$ 155,255
2009	$ 115,390

(1) Finning ceased issuing options to Directors in 2001 and any options reflected in Securities Held were issued in 2001 or earlier.

BRUCE L. TURNER – SANTIAGO, CHILE

- Age: 60
- Director since: 2006
- Independent Director

Areas of Expertise: CEO/SEO, Diversity, Strategy Vision & Growth, Mining, Environment Health & Safety

Mr. Turner is President and Chief Executive Officer of AQM Copper Inc. and Turner Minerals S.A. Mr. Turner was formerly the President of Minera Escondida Ltda., the company that operates the Escondida copper mine in northern Chile. In 1996, he established the Escondida Foundation to promote sustainable development through a focus on educational and health initiatives in the local community and in 1997 he founded the Escondida Technical Centre which introduced the concept of apprenticeship trades training into Chile. During the majority of his 34-year mining career, Mr. Turner was employed in progressively senior roles by BHP Billiton Limited in mining operations and projects in Canada, Chile and Australia. Mr. Turner is currently a director of Compania Minera Pumillahue.

Mr. Turner holds a Bachelor of Applied Science degree in Mining Engineering from the University of British Columbia and a Doctor of Technology (Honorary Degree) from the British Columbia Institute of Technology. He has also completed the Advanced Management Course at Harvard Graduate School of Business Administration. Mr. Turner is fluent in Spanish.

Finning Board/Committee Memberships	**Attendance at Meetings During 2010**		
	Attendance	**Term in 2010**	**% of meetings attended**
Board of Directors	6 of 6 in person 3 of 3 by teleconference	Jan 1 – Dec 31	100%
Corporate Governance Committee	4 of 4 in person	Jan 1 – Dec 31	100%
Environment, Health and Safety Committee, Chair	4 of 4 in person	Jan 1 – Dec 31	100%
Human Resources Committee	4 of 4 in person	Jan 1 – Dec 31	100%

Other Public Company Boards/Committee Memberships

Company	Type of Company	Positions
AQM Copper Inc.	Mineral Exploration and Development	Director

Public Board Interlocks

None

Securities Held

Year	Common Shares	DSUs	Options	Total Market Value	Minimum Shareholder Requirements	Met Minimum Shareholder Requirements
2010	10,450	10,466	n/a	$ 566,617	4,000 Common Shares	Yes
2009	10,450	6,825	n/a	$ 288,145		
Change	0	3,641	n/a	$ 278,472		

Value of Total Compensation Received

2010	$ 163,363
2009	$ 129,652

MICHAEL T. WAITES – VANCOUVER, BRITISH COLUMBIA, CANADA

- Age: 57
- Director since: 2008
- Non-Independent Director

Areas of Expertise: CEO/SEO, Strategy Vision & Growth, Mining Oil & Gas, Environment Health & Safety, Financial Leadership, Government & Regulatory

Mr. Waites is President and Chief Executive Officer of Finning. From May 2006 to May 2008, he was Executive Vice President and Chief Financial Officer of Finning. Prior to joining Finning in May 2006, Mr. Waites was Executive Vice President and Chief Financial Officer at Canadian Pacific Railway since July 2000, and also Chief Executive Officer U.S. Network of Canadian Pacific Railway from March 2003. Previously, he was Vice President and Chief Financial Officer at Chevron Canada Resources. He also served as a member of the Board of Directors of Finning International Inc. for three years prior to his appointment as Executive Vice President and Chief Financial Officer. Mr. Waites is a member and past Chair of the Shawnigan Lake School Board of Governors.

Mr. Waites holds a B.A. (Hons.) in Economics from the University of Calgary, an MBA from Saint Mary's College of California, and a Masters of Arts, Graduate Studies in Economics, from the University of Calgary. He has also completed the Executive Program at The University of Michigan Business School.

Finning Board/Committee Memberships[(1)]	**Attendance at Meetings During 2010**		
	Attendance	**Term in 2010**	**% of meetings attended**
Board of Directors	6 of 6 in person 3 of 3 by teleconference	Jan 1 – Dec 31	100%
Environment, Health & Safety Committee	4 of 4 in person	Jan 1 – Dec 31	100%

Other Public Company Boards/Committee Memberships

None

Public Board Interlocks

None

Securities Held

Year	Common Shares	DSUs[(2)]	Options[(3)]	PSUs[(3)]	
2010	68,468	11,232	1,058,180	94,744	For disclosure relating to Mr. Waites' shareholdings and compensation as an executive of Finning, refer to Section V – Executive Compensation
2009	54,144	10,973	957,540	52,464	
Change	14,324	259	100,640	42,280	

Value of Total Compensation Received

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

(1) Mr. Waites attended meetings of various other committees of which he was not a member in his capacity as Chief Executive Officer of Finning.
(2) DSUs were granted to Mr. Waites in his capacity as a director of Finning from October 2003 to March 2006 and are to be held until retirement in accordance with the Directors' DSU plan.
(3) Options and PSUs granted to Mr. Waites in his capacity as a senior officer of Finning.

DOUGLAS W.G. WHITEHEAD – NORTH VANCOUVER, BRITISH COLUMBIA, CANADA

- Age: 64
- Director since: 1999
- Chairman since: 2008
- Non-Independent Director(1)

Areas of Expertise: CEO/SEO, Diversity, Strategy Vision & Growth, Forestry Energy & Mining, Governance, Financial Leadership, Compensation

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 Ballard Power Systems Inc., Inmet Mining Corporation, International Forest Products Ltd. and Belkorp Industries. He is also a member of the Board of Directors of the Vancouver General Hospital and University of British Columbia Hospital Foundation.

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

Finning Board/Committee Memberships(2)	Attendance at Meetings During 2010		
	Attendance	Term in 2010	% of meetings attended
Board of Directors, Chairman	6 of 6 in person 2 of 3 by teleconference	Jan 1 – Dec 31	89%

Other Public Company Boards/Committee Memberships

Company	Type of Company	Positions
Ballard Power Systems Inc.	Fuel cell technology	Director and member of the Audit Committee
Inmet Mining Corporation	Mining production	Director and chair of the Compensation Committee and a member of the Safety, Environmental and Community Affairs Committee
International Forest Products Ltd.	Forestry	Director and member of the Audit Committee and chair of the Management Resources and Compensation Committee

Public Board Interlocks

None

Securities Held

Year	Common Shares	DSUs	Options(3)	Total Market Value	Minimum Shareholder Requirements	Met Minimum Shareholder Requirements
2010	170,299	33,820	272,000	$ 5,529,586	19,380 Common Shares	Yes
2009	125,620	27,091	567,200	$ 2,593,114		
Change	44,679	6,729	(295,200)	$ 2,936,472		

Value of Total Compensation Received

2010	$ 280,000
2009	$ 226,532

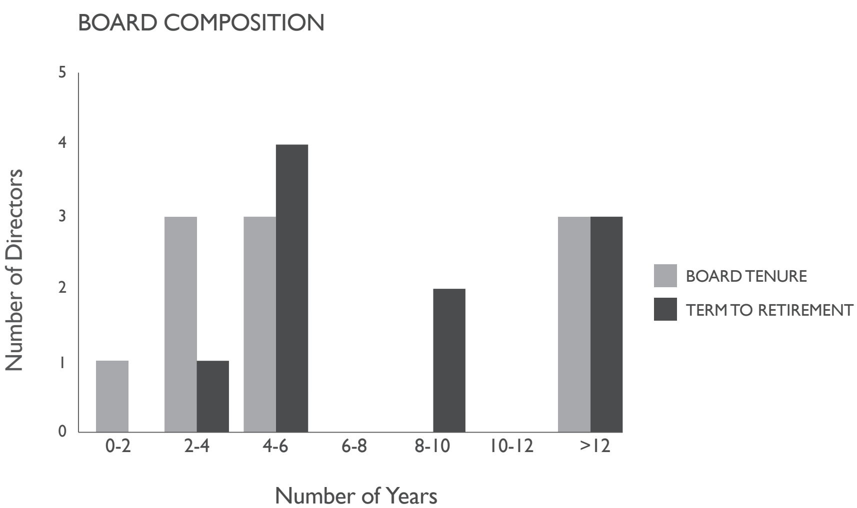
(1) Mr. Whitehead will no longer be deemed "non-independent" after May 6, 2011, having exceeded the three year time limitation since retirement as an officer of Finning in the role of President and CEO.
(2) Mr. Whitehead attended meetings of various other committees, of which he was not a member, as an ex officio representative in his capacity as Chairman of the Board of Directors.
(3) Options were issued to Mr. Whitehead in his capacity as a senior officer of Finning prior to his retirement as an employee of Finning in May 2008.

RETIREMENTS

Mr. Conrad Pinette and Mr. John Willson, both long-serving directors of Finning, retired on May 13, 2010, having reached the mandatory retirement age for directors. For disclosure purposes in this Management Proxy Circular, where information is provided for Messrs. Pinette and Willson, the time period for the information provided is January 1, 2010 to May 13, 2010.

BOARD TENURE AND TERM TO RETIREMENT

The following chart shows the Board's current composition of board tenure measured as at March 17, 2011 and the respective term to mandatory retirement age of 70 as at the Annual Meeting date of May 11, 2011.



SUMMARY OF ATTENDANCE OF DIRECTORS

The following table sets out the attendance of the Board of Directors at Board meetings and committee meetings of which they were members during 2010:

Directors	Board Meetings Attended (in person)	Board Meetings Attended (teleconference)	Committee Meetings Attended (in person)	Percentage of Meetings Attended
R. Bacarreza	6 of 6	3 of 3	9 of 9	100%
J.E.C. Carter	6 of 6	3 of 3	10 of 10	100%
D.L. Emerson	6 of 6	3 of 3	9 of 9	100%
K.M. O'Neill	6 of 6	3 of 3	13 of 13	100%
C.W. Patterson	2 of 2	n/a	2 of 2	100%
C.A. Pinette	2 of 2	2 of 2	5 of 5	100%
J.M. Reid[(1)]	6 of 6	3 of 3	10 of 10	100%
A.H. Simon	6 of 6	3 of 3	10 of 10	100%
B.L. Turner	6 of 6	3 of 3	12 of 12	100%
M.T. Waites[(2)]	6 of 6	3 of 3	4 of 4	100%
D.W.G. Whitehead[(3)]	6 of 6	2 of 3[(4)]	n/a	89%
J.M. Willson	2 of 2	2 of 2	4 of 4	100%

(1) Mr. Reid attends meetings of various other committees, of which he is not a member, in his capacity as Lead Director.
(2) Mr. Waites attends meetings of various other committees, of which he is not a member, in his capacity as Chief Executive Officer of Finning.
(3) Mr. Whitehead attends meetings of various other committees, of which he is not a member, as an ex officio representative, in his capacity as Chairman of the Board of Directors.
(4) Mr. Whitehead was absent from the board teleconference call to approve the 2010 management proxy due to a scheduling conflict. He empowered the Lead Director to chair the meeting and supplied his comments after a review of the document.

It should be noted that the summary of attendance of directors 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 and that absence from a meeting may have resulted from a variety of factors or causes.

Additionally, all directors are entitled to attend Board committee meetings regardless of whether they are a member of that Board committee. During the course of the year directors serving as guests participated in many committee meetings and increased total annual committee meeting participation from a required 88 to over 140.

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	Not Independent	Reason for Non-Independent Status
R. Bacarreza		X		
J.E.C. Carter		X		
D.L. Emerson		X		
K.M. O'Neill		X		
C.W. Patterson		X		
J.M. Reid		X		
A.H. Simon		X		
B.L. Turner		X		
M.T. Waites	X			President & Chief Executive Officer of Finning
D.W.G. Whitehead[(1)]			X	Former President & Chief Executive Officer of Finning

(1) Mr. Whitehead was the President and Chief Executive Officer of Finning until he retired in May 2008. He will no longer be deemed "not independent" after May 6, 2011, having exceeded the three year time limitation since retirement.

The Board of Directors is currently made up of ten members. The Board has considered which of its members are "independent" for purposes of National Instrument 58-101 and has concluded that all directors, other than Michael T. Waites (who is the President and Chief Executive Officer of Finning) and Douglas W.G. Whitehead (who was formerly President and Chief Executive Officer) are independent as at the date of this circular.

In determining the independence of its members, the Board (with the assistance of the Corporate Governance Committee) assesses:

- direct or indirect material relationships with Finning which could interfere with the exercise of his/her independent judgment;
- 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 Chairman of the Board and Chief Executive Officer;
- to ensure objectivity, given that the Chairman, Mr. Whitehead, is the former President and Chief Executive Officer, the Board has appointed an independent Lead Director (currently John M. Reid). The Lead Director role will serve in its capacity to ensure objectivity until the Chairman is no longer deemed not-independent but may remain at the discretion of the Board to further assist the Chairman in Board matters; 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, Finning reviews those directors that serve on the same boards and committees of other reporting issuers. There are currently no interlocking directorships.

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.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") requires issuers, such as Finning, to disclose certain corporate governance practices they have adopted.

As required by NI 58-101 and other applicable regulatory instruments, the following disclosure describes the corporate governance policies and initiatives developed by Finning. For additional disclosure relating to Finning's compliance, see Schedule B attached to this management proxy circular.

BOARD MANDATE

The Board of Directors has overall responsibility for Finning's business conduct. The Board fulfills 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 Chief Executive Officer, who is responsible for all of Finning's day-to-day operations;
- reviewing and approving a 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 the Board;
- directly reviewing and approving major transactions proposed by management;
- reviewing reports and recommendations from committees of the Board with respect to matters such as succession planning and preparation of financial statements and giving necessary directions to management;
- reviewing the content of significant communications with shareholders and the investing public, including this management proxy circular, annual reports, annual information forms and quarterly and annual financial statements and their associated press releases; and
- approval of the appointment and remuneration of all executive officers.

BOARD MEETINGS

During 2010, the Board of Directors met on nine occasions, including one special meeting devoted exclusively to Finning's corporate strategy and direction. Three meetings were held by telephone conference calls and the remaining six meetings were in person. In addition, at every meeting the Board holds independent sessions without management and without non-independent directors present.

RETIREMENT POLICY

All directors are eligible for re-election until reaching age 70, and must retire, at the next annual meeting following the date on which the director reaches the age of 70. 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.

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 considers the candidates' competencies and skills that have been identified as desirable to complement the existing Board members and support the long-term strategies of Finning. The Committee utilizes a skills and expertise matrix to assist with reviewing the skill set of the candidate and the Board as a whole. Below is a summary of the current key skills matrix, identifying those skill sets and experience desirable to support the strategic direction of Finning which are used to assess the Board members standing for nomination and to help identify where gaps exist for new candidate considerations.

Key Skills and Experience Diversity Matrix:	Number of Nominee Directors with Expertise
Chief Executive Officer/Senior Executive Officer ("CEO/SEO") • experience as a Chief Executive Officer or Senior Executive Officer for a publicly listed company or for a major organization with international operations	**10**
Diversity • experience with international operations that operate in the same countries as Finning's operations with understanding of cultural, regulatory and political requirements. Offers a depth of perspective from a gender, ethnic or geographic viewpoint	**7**
Strategy, Vision and Growth • experience driving a clear strategic vision with focus on superior execution, experience in significant acquisitions or mergers	**10**
Operations • production, exploration or related industry experience, as a senior officer, with a leading resource or utility service provider, in the following industries: – forestry – mining – oil and gas – power generation – distribution and marketing	**9**
Environment, Health and Safety • knowledge and experience in the areas of social responsibility, community and health and safety including knowledge of industry regulations and a commitment to best practices for workplace safety	**6**
Governance • experience as a board member for a publicly listed company or for a major organization	**7**
Financial Leadership • experience working as a senior officer in financial accounting, reporting, and corporate finance for a major organization with international operations and knowledge of internal controls and testing	**8**
Government Relations / Regulatory Boards • broad regulatory, political and public policy experience at Canadian and international levels	**5**
Banking and Financial Institutions • experience in investment or corporate banking, or as an economist	**3**
Compensation • senior executive experience or board compensation committee participation with a thorough understanding of compensation, benefit and pension programs, legislation and collective bargaining	**5**

BOARD AND COMMITTEE EVALUATIONS

Acknowledging the impact that good governance contributes to corporate effectiveness, each year the Board, facilitated by the Corporate Governance Committee, formally reviews its own performance, the performances of each committee of the Board, the committee chairs, the Chairman of the Board, and of each individual director (facilitated through one on one interviews with the Chairman of the Board).

Similar to past years, the process included the engagement of a third party independent consultant who conducted online surveys of Board members. For the 2010 evaluation process, as a further indication to the Board of its performance, the survey audience was expanded to include executive management's input and perspective in relevant sections of the survey. The survey consisted of the following six components:

- Board Culture Check and Performance Review which included assessing performance on Board effectiveness related to risk management, strategic planning and decision making on critical issues, with all Board members and supporting executive management participating;
- Board Chair evaluation, with all Board members, except the Chairman participating;
- Board committee self-assessment to assess the effectiveness of each committee, with all Board committee members (including the committee chair) plus executive management who provide support for the committee participating;
- Committee chair evaluations with all members of the committee (except the committee chair) plus executive management who provide support for the committee participating;
- direct interviews were conducted by the consultant with each of the Chairman, the Lead Director and the Chief Executive Officer; and
- director personal assessment questionnaires were facilitated by the Chairman to focus the discussion between the Chairman and individual directors. These one-on-one director interviews will continue throughout 2011 to continuously assess the performance and effectiveness of each director and the group as a whole.

The consultant compiles the results and provides a report to the Governance Committee and the Board on the effectiveness and performance of the Board. The results of the evaluations highlight performance items that were perceived by members or by supporting management as either higher or lower achievement areas. Performance is also measured against attributes associated with high performance organizations. The Board uses the survey results to help focus the Board in developmental areas, assess where changes are required in Board composition or skill sets, and assess where opportunities may arise to improve overall effectiveness of the Board's performance and contribute to the setting of the annual Board Objectives or raise items to focus on for future periods. Similarly, the individual committees utilize their results to highlight performance and composition areas of improvement.

The results of the 2010 directors' and senior management's assessment of the Board and its committees, as compiled by its independent third party consultant, indicated a strong and effective, high performance Board at Finning. The high rating was consistent with previous years' ratings despite the inclusion of management's assessments and various director role and committee membership changes within the Board during 2010.

ORIENTATION AND CONTINUING EDUCATION

The purpose of the Directors' Orientation and Continuing Education Program is to familiarize new directors with Finning and its business and to facilitate Board member access to relevant education programs. The program is overseen by the Corporate Governance Committee.

All new directors are provided with a Board Manual in the form of an electronic CD that contains governance information regarding the responsibilities of directors, guidelines and terms of references, and explains key policies and processes. New directors are also provided a detailed package of 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:

- strategic plans;
- governance structures and codes of conduct;
- significant accounting and risk management issues, including any major litigation claims;
- financial reporting and accounting and treasury policies and procedures;
- key performance metrics utilized by Finning;
- recent regulatory filings; and
- past minutes of Board meetings.

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

The continuing education portion of the program involves periodic presentations on specific topics related to Finning and its business and regular visits to plant sites and facilities (including scheduling Board meetings at such sites and facilities from time to time). Educational presentations can be facilitated at Board meetings or Audit Committee meetings. For education sessions held during Audit Committee meetings, all Board members are invited to attend for that portion of the Audit Committee session. These educational sessions are primarily facilitated by management, but have also included presentations facilitated by individual directors on topics within his/her area of expertise and relevance to Finning's business. In addition, the Corporate Secretary is responsible for identifying other available relevant educational programs and informing the Board of those opportunities.

The following table lists continuing educational sessions presented by management for the directors in 2010:

Topic	Presenter	Session held
International Financial Reporting Standards	Finance Management	Quarterly Audit Committee
Risks and Insurance	Treasury Management	November
Safety Site Visit to Surrey, B.C.	Finning (Canada) Management	December
Tax Structures and Risks	Director of Tax; Finance Management	November

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 them with regular updates on relevant developments and other information that management considers of interest to the Board. Directors may also attend other Finning committee meetings to which they are not active members, to broaden their education and receive additional information on Finning's business and developments in areas where they are not commonly exposed.

During the year, certain directors have also attended education sessions independently. These sessions included such topics as:
- IFRS;
- Remuneration Policies;
- Pension Plans – underfunding and obligations;
- International Corporate Governance;
- Audit Committee Conference topics and roundtable discussions;
- Global and Regional economic outlook seminars;
- Regional Capital Market regulatory developments; and
- Decision making effectiveness.

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:
- Code of Conduct;
- Code of Ethics for Senior Executive and Financial Management;
- Corporate Disclosure Policy;
- Employee Privacy Policy;
- Policy on Share Trading and Use of Material Information; and
- Whistleblower Policy.

The Code of Conduct, the Code of Ethics for Senior Executives and Financial Management and the Policy on Share Trading and Use of Material Information are signed annually by appropriate employees in order to confirm that such employees are aware of these policies and to acknowledge that they are bound by their terms.

ETHICAL BUSINESS CONDUCT

As noted above, Finning has adopted a Code of Conduct (the "Code") which governs the behaviour of all directors, officers and employees of Finning and its subsidiaries. The Code sets out the fundamental terms upon which Finning conducts its business and deals with subjects such as compliance with laws, fiscal integrity and responsibility, health and safety, care of the environment, conflicts of interest, ensuring equal opportunities and providing a workplace free from harassment. 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. Suspected Code violations are reported to the Audit Committee through the Global Ethics Committee chaired by the Compliance Officer (the Corporate Secretary). The Global Ethics Committee investigates and, where appropriate, delegates to the Regional Ethics Committees.

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 C) and general Guidelines for the Board of Directors;
- the President and Chief Executive Officer;
- the Chair;
- the Lead Director;
- each committee of the Board: Audit Committee; Human Resources Committee; Corporate Governance Committee; Environment, Health and Safety Committee; Pension Committee; and
- the External Auditor.

Links to Finning’s governance policies and documents can be found in the *Corporate 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

Shareholders, employees and other interested parties may communicate directly with the Board of Directors, through the Chairman of the Board, in writing to:

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

Please send your communication in a sealed envelope and mark it *Private and Confidential*. Your envelope will be delivered unopened to the intended recipient.

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. There are currently five standing committees of the Board of Directors:

- the Audit Committee;
- the Human Resources Committee;
- the Corporate Governance Committee;
- the Environment, Health and Safety Committee; and
- the Pension 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 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, ensures their independence by convening independent director-only sessions at every meeting.

Committee members are appointed annually following Finning’s annual meeting. The Corporate Governance Committee and the Chairman of the Board 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 2010 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:

- financial statements;
- financial reporting process;
- systems of internal and disclosure controls;
- internal audit function;
- external audit function;
- financial arrangements and liquidity; and
- risk identification, assessment and management program.

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
K.M. O'Neill, Chair and Financial Expert	Yes
R. Bacarreza	Yes
D.L. Emerson	Yes
C.W. Patterson	Yes
J.M. Reid	Yes
A.H. Simon	Yes

Douglas W.G. Whitehead attends meetings of the Audit Committee in his capacity as Chairman of the Board. All Committee members must be independent and financially literate (as such terms are defined in National Instrument 52-110 – Audit Committees) and 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 2010 and achieved 100% attendance at all meetings. All of these meetings were held in person. In addition, at every Committee meeting the members hold sessions without management present.

EXTERNAL AUDITOR

Deloitte & Touche LLP ("Deloitte") has been Finning's external auditors 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 reviewing annual and interim financial statements and notes, conducting the annual audit and providing other services regulators may require of auditors.

Audit-Related Services

Audit-related services include assurance and related services, such as audits of Finning's pension plans that are reasonably related to the performance of the annual audit, and assistance with Finning's IFRS transition. IFRS services provided by the external auditor included a review of accounting policy choices and any related adjustments to Finning's opening balance sheet under IFRS, as well as 2010 IFRS quarterly comparative financial statements.

Tax Services
Tax services include tax compliance reviews, review of the tax impact of specific transactions, assistance with inquiries from tax authorities, and international employee relocation advice and personal tax assistance.

Other Services
Other services would include any non audit-related or non-tax services. There were no other services provided in 2010 or 2009.

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 2010 and 2009 were as follows:

Type of Service	2010[1]	2009[1]
Audit Services	$ 1,882,987	$ 2,163,124
Audit-Related Services	464,417	93,469
Tax Services	21,500	18,552
Other Services	–	–
Total:	$ 2,368,904	$ 2,275,145

(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 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 for the fiscal year-to-date period.

The Committee determined that the provision of the audit-related and tax services described above did not compromise the independence of Deloitte for purposes of performing audit services for Finning. In addition, Deloitte is required to comply with the terms of Finning's "Terms of Reference for External Auditors".

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 is monitored closely and disclosed annually in Finning's Annual Information Form. 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 2010:

Financial Statements
- reviewed and approved quarterly and annual Consolidated Financial Statements, Management's Discussion and Analysis, and Quarterly earnings press releases for 2010;
- reviewed Finning's financial arrangements and liquidity;
- reviewed significant accounting principles and disclosures in accordance with Canadian Generally Accepted Accounting Principles;
- reviewed Finning's progress and the associated risks of its transition to International Financial Reporting Standards ("IFRS");
- reviewed and approved accounting policy choices required for IFRS transition;
- reviewed key IFRS impacts on the January 1, 2010 opening balance sheet; and
- reviewed external communications plan for transitioning to IFRS.

External Auditor
- reviewed and recommended selection of the external auditor and compensation 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;
- pre-approved all audit and non-audit services performed by the external auditor, including work to be performed in conjunction with Finning's transition to IFRS; and
- reviewed and approved the annual Audit Plan of the external auditor.

Internal Auditor
- reviewed internal audit function and effectiveness;
- met independently with the internal auditor at each meeting;
- reviewed and approved the annual internal audit plan;
- reviewed internal audit reports and progress to audit plan; 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 internal controls to ensure production of reliable financial statements;
- reviewed internal capital restructuring for investments; and
- reviewed insurable risks and insurance coverage.

Compliance
- provided oversight with respect to compliance with legal and regulatory requirements;
- 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 for 2010;
- reviewed and approved financial investment criteria and policies;
- reviewed and approved amendments to Finning's capital structure;
- reviewed and approved the Board Chairman and CEO's expenses for 2010;
- reviewed and approved amendments to the Ethics Program Charter and monitored compliance with Finning's Code of Conduct; and
- reviewed and approved amendments to the Committee's Terms of Reference and completed the Committee's self-assessment.

Succession Planning
- reviewed the senior finance management talent pool; and
- reviewed potential CFO successor candidates and assessed the readiness of candidates to fill the CFO role on an emergency basis; short-term and longer-term views.

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, 2010.

HUMAN RESOURCES COMMITTEE: MANDATE AND REPORT

MANDATE

The Human Resources Committee provides oversight of the design of Finning's compensation programs and policies and also provides recommendations to the Board of Directors on key compensation and human resources matters. The Committee makes recommendations to the full Board of Directors with respect to 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
J.M. Reid, Chair	Yes
R. Bacarreza	Yes
J.E.C. Carter	Yes
K.M. O'Neill	Yes
B.L. Turner	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 Chief Executive Officers or senior executive officers and two members, one of which is the current Chair of the Committee, currently sit on compensation committees for other publicly traded companies.

MEETINGS

In 2010, the Committee met four times in person and achieved 100% attendance at all meetings. In addition, at every Committee meeting the members hold sessions without management present.

HIGHLIGHTS

In 2010, the Committee focused on a number of key areas in human resources and compensation matters, including the following:

Executive Compensation

In 2010, a comprehensive review of the current executive compensation plan design was undertaken with the assistance of Towers Watson. This review was conducted within the context of Finning's strategic plan, competitive market practices, and good governance practices.

As a result of this review, several changes will be introduced to Finning's executive compensation plans in 2011, such as:

- incentive plan redesign, including a shift to granting units under the long-term incentive plans based on market competitive data instead of prior year ROE performance;
- updates to performance measures in the short term incentive plan that enable further alignment with Finning's strategic plan; and
- modifications to performance level thresholds and maximums to ensure alignment with market practice.

Also, in conjunction with the Pension Committee, the Committee reviewed the Executive pension plan design in the overall context of Executive Compensation, and considered the sustainability of the current plans in the longer term.

Performance Assessments

- reviewed and approved performance goals for the Chief Executive Officer; and
- reviewed and approved 2010 short-term incentive payments based on achievement of certain financial, safety, and individual performance targets for the CEO and other senior executives.

People Strategy

- reviewed Finning's People Strategy and project plans specific to further enable a high performance culture.

Succession Planning and Leadership Development

- as part of Finning's formal succession planning process, reviewed the executive talent pool, succession plans, and contingency planning for the CEO and the top 34 senior executive positions deemed critical for the success of Finning;
- also, 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;
- as part of ensuring adequate exposure of CEO successor candidates to the board, candidates regularly make presentations at board meetings and also participate in board and company functions. In addition, the board and the CEO also ensure that members of the senior management team present topical materials and/or lead education sessions at board meetings to increase their exposure to the board;
- reviewed, without management present, the CEO succession plans with the board of directors; and
- identified specific development plans and career planning for executive succession candidates and high potential individuals.

Employee Culture and Engagement

- reviewed results and action plans relating to Finning's annual Employee Opinion Survey.

Leadership Team Appointments

- approved the appointments of three executive positions (Executive Vice President, Power Systems and Global Business Development, Managing Director, Finning U.K. and Senior Vice President, Human Resources), all of whom report to the CEO.

Compliance

- reviewed and approved amendments to the Committee's Terms of Reference and completed the Committee's self-assessment.

The Committee considers that it has appropriately fulfilled its mandate for the year ended December 31, 2010.

ADVISORS TO THE COMMITTEE AND FINNING

The Committee has retained both Hewitt Associates ("Hewitt") and Towers Watson as its independent consultants to provide advice in respect of Finning's executive compensation practices. Management must obtain Committee approval prior to retaining either firm for any compensation consulting work. In 2010, the total cost of services provided by Hewitt was $8,500. Towers Watson was selected to oversee and conduct a comprehensive review of the executive compensation plan. The total cost of services provided by Towers Watson was $97,500.

In addition, in making its compensation-related decisions and recommendations, the Committee reviews comparative market data provided by Hay Group. Hay Group is a consultant engaged by management to provide a comprehensive executive compensation review every three years. A full review was last conducted by Hay Group in 2008. In the years between comprehensive reviews, Hay Group provides high level updates on compensation trends which the Committee can consider in making their decisions on executive compensation. The total fees paid by Finning to Hay Group for compensation consulting during 2010 were $84,000.

CORPORATE GOVERNANCE COMMITTEE: MANDATE AND REPORT

MANDATE

The Corporate Governance Committee provides assistance to the Board by providing focus 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 Chairman of the Board. 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 in changing circumstances. As a result of feedback from the 2009 board evaluations, the Corporate Governance Committee, together with the Chairman of the Board, were tasked with the responsibility for developing 2010 annual objectives for the Board of Directors. As a result of discussions and feedback, the Committee developed objectives for the Board of Directors for 2010 which focused on the following:

- Efficiency and Effectiveness;
- Business and Organizational Development;
- Enterprise Risk Management;
- Project Governance; and
- Board Composition.

These annual objectives are incorporated into the annual performance assessment of the Board and the Board's performance against these objectives is reported through the annual assessment process, utilizing an independent third-party consultant.

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
D.L. Emerson, Chair	Yes
J.E.C. Carter	Yes
K.M. O'Neill	Yes
J.M. Reid	Yes
B.L. Turner	Yes

MEETINGS

The Committee met four times during 2010 and achieved 100% attendance at all meetings. All of these meetings were held in person. In addition, at every Committee meeting the members hold sessions without management present.

HIGHLIGHTS

Key areas of focus for the Committee included the following activities for 2010:

Board Composition, Planning and Director Nominations

- reviewed and defined skills, competencies and expertise of existing Board members;
- reviewed retiring Board members and reviewed desired skill sets for future Director nominees;
- coordinated director candidate search resulting in a successful director recruitment in 2010;
- reviewed succession planning and initiated an inventory list of potential future director nominees; and
- completed assessment of existing and future membership of Board committees.

Governance

- developed annual Board objectives, together with the Chairman of the Board and the Chief Executive Officer;
- completed an annual review of all Board Committee Terms of Reference, including Board Guidelines and the Code of Conduct;
- reviewed and approved amendments to the Committee's Terms of Reference and completed the Committee's self-assessment;
- reviewed and approved amendments to the Corporate Disclosure Policy;
- updated and issued the Board Policy Manual; and
- initiated a Board portal to facilitate a more efficient and effective method of distributing materials and communicating with the Board.

Shareholder Communications

- reviewed shareholder communications on items such as Say on Pay and monitored current trends in disclosure; and
- reviewed and recommended enhancements for communication of Finning's Corporate Disclosure Policy.

Director Orientation and Education

- education sessions for directors provided in 2010 included:
  - Tax Structures and Risks
  - International Financial Reporting Standards
  - Risks and Insurance
  - Safety Site Visit to Surrey, B.C.

Performance Evaluations

- conducted a Board Culture Check Survey with Board members and a performance assessment of committees and individual director peer evaluations, which were facilitated by an independent third party consultant; and
- undertook review of the 2010 director compensation with no increase recommended for 2010.

The Committee is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2010.

ENVIRONMENT, HEALTH AND SAFETY COMMITTEE: MANDATE AND REPORT

MANDATE

The Environment, Health and Safety Committee ("EH&S") provides assistance and counsel to the Board and management of Finning in its drive towards attaining and maintaining a high level of performance in areas relating to the environment, health and safety. The Committee also seeks to ensure, through Finning management, that its employees and contractors enjoy a safe and healthy workplace.

The Committee pursues the corporate goal of reducing injuries in the workplace through adoption, monitoring and enforcement of policies and procedures designed to meet or exceed the environment, health and safety goals that Finning has set for itself and applicable regulatory requirements.

COMMITTEE MEMBERSHIP

Name	Independent
B.L. Turner, Chair	Yes
R. Bacarreza	Yes
C.W. Patterson	Yes
A.H. Simon	Yes
M.T. Waites	No

The Terms of Reference for the Environment, Health and Safety Committee require that it be comprised of at least three directors, two of whom must be independent and one of whom must be the Chief Executive Officer.

MEETINGS

The Committee met four times during 2010 and achieved 100% attendance at all meetings. All of these meetings were held in person. In addition, at every Committee meeting the independent directors hold sessions without management present.

HIGHLIGHTS

Key areas of focus for the Committee included the following activities for 2010:

Monitor and assess EH&S management systems and policies:

- reviewed Accident Investigation Reporting and Root Cause Analysis consistent with its mandate to audit EH&S systems and performance;
- reviewed lost time injuries, significant near misses and corrective actions. Record consolidated results were achieved in 2010 for Lost Time Injuries and Total Recordable Injury Frequency;
- monitored safety performance and continued focus on risk prevention with near miss reporting and job hazard analysis;
- implemented annual assessment of EH&S systems and performance by internal audit;
- segregated "near miss" reporting between health and safety issues and other issues, i.e. environment, equipment failures etc.;
- reviewed EH&S policies and assessed new policies regarding air travel; 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;
- participated in an on-site safety inspection at the Surrey, B.C. branch during the Board of Directors' visit in December 2010; and
- reviewed and amended the Committee's Terms of Reference and completed the Committee's self-assessment.

External Recognition for Finning's EH&S Performance:

- Finning (Canada) was ranked #1 for safety among Caterpillar dealerships in North America;
- Finning (Canada) was awarded the Caterpillar dealership marketing award for best internal safety communication plan;
- Finning Chile was awarded several Excellence in Safety awards from its clients in 2010, including the Supplier Award in the Safety category for the Mantos Blancos Contract by Anglo American;
- Finning (UK) achieved certification by Achilles for the Global Oil & Gas Industry and Building Confidence Certification for the Construction Industry; and
- Finning (UK)'s leading EH&S performance was recognized with the Engineering Services Sector award by the Royal Society for the Prevention of Accidents.

The Committee is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2010.

PENSION COMMITTEE: MANDATE AND REPORT

MANDATE

The Pension Committee provides assistance to the Board in overseeing Finning's pension plans, including registered pension plans and supplemental pension arrangements. This oversight includes the responsibility to analyze policies and strategies developed by management in the area of pensions and to review Finning's performance with respect to meeting its fiduciary obligations as they relate to Finning's pension plans. Items to be addressed by the Pension Committee include, but are not limited to:

- governance;
- compliance;
- plan design;*
- benefit strategy;*
- investment strategy;
- funding policies;
- ongoing performance of the plans and their investments; and
- selection of certain advisors.

* In conjunction with the Human Resources Committee

COMMITTEE MEMBERSHIP

Name	Independent
J.E.C. Carter, Chair	Yes
D.L. Emerson	Yes
K.M. O'Neill	Yes
A.H. Simon	Yes

MEETINGS

The Pension Committee met three times during 2010 and achieved 100% attendance at all meetings. All of these meetings were in person. In addition, at every Committee meeting the members hold sessions without management present.

HIGHLIGHTS

Key areas of focus for the Committee included the following activities for 2010:

Governance

- annual governance review, including governance structure, processes and Terms of Reference for both the Committee and the Management Pension Committee; and
- completed a Committee self-assessment on its performance.

Compliance

- reviewed Annual Compliance Report confirming compliance of all pension plans with Pension Legislation, the plan documents and related corporate policies.

Pension Strategy

- reviewed Finning's pension philosophy and strategy, together with the Human Resources Committee where compensation matters were involved; and
- considered risk reduction strategies for defined benefit plans, including approval of a plan for the Canadian Defined Benefit ("DB") plans to reduce risk as funded positions improve. Similar de-risking is also underway within the UK DB plan.

Plan Design, in conjunction with the Human Resources Committee

- reviewed plan design with management, considering sustainability of the current plans in the longer term.

Financial Position of Plans

- monitored financial position of pension plans; and
- reviewed and approved funding policy.

Investments

- reviewed investment strategy and policies;
- reviewed investments and fund managers;
- reviewed and approved the replacement of two managers on the Canadian DB plans to modify style and/or mandate;
- reviewed and approved the modification of the Canadian DB plan bond strategy to lengthen duration and better match the interest rate sensitivity of the assets and liabilities; and
- reviewed and approved strategies to lower equity risk exposure in favour of fixed income investments that better match liabilities over time as funded ratios improve.

The Committee is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2010.

SECTION IV – BOARD OF DIRECTORS COMPENSATION

DIRECTOR COMPENSATION

The objectives of Finning's director compensation program focus on the following elements:

- Philosophy and objectives
- Evaluating the program against comparative Canadian companies
- Fees and retainers and equity-based compensation
- Share ownership requirements

Each of these elements is described in more detail below.

PHILOSOPHY AND OBJECTIVES

Finning's main objective in designing the 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 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.

In its effort to align the interests of members of the Board with those of our shareholders, Finning directors are required to meet minimum shareholder guidelines 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 in 2000 as an appropriate form of equity-based compensation intended to provide a competitive long-term incentive aligned with shareholder interests.

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

EVALUATING THE PROGRAM

The Governance Committee reviews directors' compensation annually and makes recommendations to the Board. Director compensation underwent a comprehensive third-party review in May 2008. As a result, increases were made to individual directors' total retainers and to the Audit Committee Chair's retainer to more closely align with market median practice. In addition, the payment of additional fees to the Lead Director was also approved.

In 2010, as part of Finning's annual review and in-lieu of a third-party comprehensive review, director compensation was assessed and reviewed both by management and the Governance Committee for competitiveness against a comparator group similar in nature to the comparator group utilized for executive compensation detailed later on page 43. The Board approved the Corporate Governance Committee's recommendations that no changes be made to the director compensation program in 2010.

FEES AND RETAINERS AND EQUITY-BASED COMPENSATION

Director compensation includes:

- annual retainers 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 DSUs.

The table below shows Finning's 2010 retainers and fee schedule for directors:

Directors' Remuneration	Amount $
Chairman of the Board Annual Retainer(1)	175,000
Lead Director Annual Retainer	60,000
Director Annual Retainer	40,000
Audit Committee Chair Additional Retainer	20,000
Other Committee Chair Additional Retainer	10,000
Audit Committee Member Additional Retainer	6,000
Other Committee Member Additional Retainer	3,000
Board Meeting Fee	1,500
Committee Meeting Fee	1,500
Board Conference Call Meeting Fee	1,000
Committee Conference Call Meeting Fee	1,000
Travel Fee: non-resident city; same continent(2)	1,500
Travel Fee: non-resident city; different continent(2)	3,000

(1) The Chairman of the Board receives a fixed annual retainer and is not eligible for meeting fees or travel allowances.
(2) If a meeting is held at a place other than the city in which a director is resident, he/she receives a travel allowance in recognition of the time required to travel to and from the meeting.

Share-Based Awards – Deferred Share Units

Rather than granting options to directors, Finning currently issues DSUs to external directors pursuant to the terms of a Share Accumulation Plan for External Directors which was approved by shareholders at the annual meeting held April 26, 2000. 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 in the aggregate of $60,000. The Lead Director is granted DSUs having a value, in the aggregate of $80,000 and the non-executive Chairman is granted DSUs having a value, in the aggregate of $105,000.

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 2010, a total of 34,430 DSUs were issued to directors pursuant to the annual award. An additional 11,464 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 7,770 DSUs were granted to present directors during 2010 as payment for notional dividends.

When an eligible director ceases to serve on the Board of Directors, 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 following year they ceased to be a director 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 the directors hold investments in Finning. In support of this belief, Finning has fixed minimum requirements for share ownership by Finning's directors.
These requirements are:

- within two years after their appointment or election to the Board, each director must hold the greater of:
  (a) Common Shares having a value equal to the annual retainer then payable to directors; or
  (b) 4,000 Common Shares.
- within five years after their appointment or election to the Board, each director must hold the greater of:
  (a) Common Shares having a value equal to three times the annual retainer then payable to directors; or
  (b) 10,000 Common Shares.
- for the purposes of these requirements, the value of the Common Shares is defined as the greater of:
  (a) the original amount paid by the director to acquire the Common Shares; and
  (b) the current market value of those shares at the point of measurement.

The Corporate Secretary of Finning annually reviews compliance with the foregoing requirements. The most recent review indicates that all directors are in compliance with these requirements.

The Board of Directors believes that the combination of the Directors' Share Accumulation Plan (DSUs) requiring the holding of notional shares and the Share Ownership requirements to hold Common Shares provide an effective alignment of shareholder and directors' interests.

2010 DIRECTOR COMPENSATION

The following table sets out the value of fees and other compensation paid to non-executive directors of Finning during 2010. For details on compensation paid to Mr. Waites who is an executive director of Finning, refer to Section V – Executive Compensation.

	2010 Fees Earned						Allocation of Fees Earned		
Director	Annual Cash Retainer ($)	Meeting Fees ($)	Travel Fees & Other ($)	Total Fees & Cash Retainer ($)	Share-based Awards: Annual DSU Grant Cash Equivalent ($)	Total Compensation ($)	Cash ($)	Share-based Awards: DSUs ($)(1)	DSUs % of Total Compensation (%)(2)
R. Bacarreza	50,892	25,500	17,363(3)	93,755	60,000	153,755	93,755	60,000	39
J.E.C. Carter	53,415	27,000	7,500	87,915	60,000	147,915	0	147,915	100
D.L. Emerson	55,308	25,500	1,500	82,308	60,000	142,308	27,000	115,308	81
K.M. O'Neill	65,308	31,500	7,500	104,308	60,000	164,308	52,154	112,154	68
C.W. Patterson(4)	12,250	6,000	3,000	21,250	15,000	36,250	21,250	15,000	41
C.A. Pinette(5)	20,677	12,500	1,500	34,677	22,097	56,774	34,677	22,097	39
J.M. Reid	73,092	27,000	1,500	101,592	72,634	174,226	101,592	72,634	42
A.H. Simon	50,892	27,000	17,363(3)	95,255	60,000	155,255	95,255	60,000	39
B.L. Turner	56,000	30,000	17,363(3)	103,363	60,000	163,363	103,363	60,000	37
D.W.G. Whitehead	175,000	n/a	n/a	175,000	105,000	280,000	175,000	105,000	38
J.M. Willson(5)	26,954	11,000	1,500	39,454	29,462	68,916	0	68,916	100
Total:	**639,788**	**223,000**	**76,089**	**938,877**	**604,193**	**1,543,070**	**704,046**	**839,024**	

(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 grant 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.
(3) Includes non-cash benefit for tax return preparation.
(4) Mr. Patterson was appointed to the Board of Directors on October 1, 2010 and accordingly, his compensation reflects earnings from October 1, 2010 to December 31, 2010.
(5) Messrs. Pinette and Willson retired as directors on May 13, 2010 and accordingly, their compensation reflects earnings from January 1, 2010 to May 13, 2010.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

Finning ceased issuing options to non-executive directors in 2001 and as of December 31, 2010, the only options outstanding are those issued to Mr. Whitehead in his capacity as a senior officer of Finning, prior to his retirement as the President and CEO of Finning in May 2008. DSUs are the only share-based awards issued to non-executive directors.

The following table summarizes all option-based and unvested share-based awards which were held by the non-executive directors described below as of December 31, 2010. No share-based awards were unvested at December 31, 2010.

	Option-based Awards				Share-based Awards	
Director	Number of Securities Unerlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-the-Money Options(1) ($)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share Awards that have not Vested (#)
R. Bacarreza	n/a	n/a	n/a	n/a	n/a	n/a
J.E.C. Carter	n/a	n/a	n/a	n/a	n/a	n/a
D.L. Emerson	n/a	n/a	n/a	n/a	n/a	n/a
K.M. O'Neill	n/a	n/a	n/a	n/a	n/a	n/a
C.W. Patterson	n/a	n/a	n/a	n/a	n/a	n/a
J.M. Reid	n/a	n/a	n/a	n/a	n/a	n/a
A.H. Simon	n/a	n/a	n/a	n/a	n/a	n/a
B.L. Turner	n/a	n/a	n/a	n/a	n/a	n/a
D.W.G. Whitehead	272,000	31.665	April 30, 2011	0	n/a	n/a

(1) The value of unexercised in-the-money options at financial year-end was calculated using a Common Share value of $27.09 which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2010.

DIRECTOR OWNERSHIP

The following two tables set out the number and value of all securities held by the non-executive Directors in Finning.

NUMBER OF SECURITIES HELD

Director	Vested Options (#)	Unvested Options (#)	Total Options (#)	Share-based Awards: DSUs (#)	Common Shares (#)
R. Bacarreza	n/a	n/a	n/a	37,204	29,000
J.E.C. Carter	n/a	n/a	n/a	22,299	10,000
D.L. Emerson	n/a	n/a	n/a	13,492	7,300
K.M. O'Neill	n/a	n/a	n/a	14,762	14,000
C.W. Patterson	n/a	n/a	n/a	628	375
J.M. Reid	n/a	n/a	n/a	16,370	20,000
A.H. Simon	n/a	n/a	n/a	39,180	35,000
B.L. Turner	n/a	n/a	n/a	10,466	10,450
D.W.G. Whitehead(1)	272,000	0	272,000	33,820	170,299

(1) Mr. Whitehead was granted DSUs both in his capacity as a senior officer of Finning and as Chairman of the Board of Directors, and was granted options in his capacity as a senior officer of Finning.

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 Equipty Holdings(1) ($)
R. Bacarreza	n/a	n/a	1,007,862	785,610	1,793,472
J.E.C. Carter	n/a	n/a	604,087	270,900	874,987
D.L. Emerson	n/a	n/a	365,503	197,757	563,260
K.M. O'Neill	n/a	n/a	399,891	379,260	779,151
C.W. Patterson	n/a	n/a	17,021	10,159	27,180
J.M. Reid	n/a	n/a	443,470	541,800	985,270
A.H. Simon	n/a	n/a	1,061,380	948,150	2,009,530
B.L. Turner	n/a	n/a	283,526	283,091	566,617
D.W. G. Whitehead(2)	0	0	916,186	4,613,400	5,529,586

(1) The value of equity holdings was calculated using a Common Share value of $27.09 which was the closing share price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2010.
(2) Mr. Whitehead was granted DSUs both in his capacity as a senior officer of Finning and as Chairman of the Board of Directors.

SECTION V – EXECUTIVE COMPENSATION

2010 COMPENSATION DISCUSSION AND ANALYSIS

The objectives of Finning's executive compensation program are to:

- enable Finning to attract individuals who have the leadership and management skills to drive the future growth and success of Finning;
- 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 Finning and its shareholders; and
- support the health and the well-being of the members of Finning's executive team.

The executive compensation program is driven by a core set of principles embedded in Finning's overall compensation philosophy. While the actual performance targets may vary from year to year, the following principles relating to the program remain constant.

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 to be key drivers of shareholder value.
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, in the sense that an executive does not receive certain compensation amounts until a minimum performance target is achieved.
Senior executives should focus on building the business over a medium and long- term time horizon.	The senior executives' compensation program includes a long-term incentive plan that is focused on accomplishing 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 bonus structure. Also, as part of corporate policy, even if the safety target has been achieved in a given year, the safety component of the bonus structure is not paid out to a senior executive if there has been an employee fatality in his or her area of responsibility.
The bonus structure should be relatively simple and easy to understand.	Only a limited number of clear 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 Human Resources Committee believes that setting clear, easy to measure goals is more likely to have the desired incentive effect on senior executives than goals that are difficult to understand or measure.
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 DECISION-MAKING PROCESS

The total compensation program for senior executives of Finning is comprised of four basic components: (i) base salary; (ii) a cash short-term incentive program; (iii) a long-term incentive program; and (iv) pension, benefits and other perquisites. The Human Resources Committee reviews the various compensation components both individually and in total, on an annual basis, to ensure they align with the overall objectives of the program and general market practices.

As a general guide in fixing the level for each of the four components of compensation, Finning compares its overall compensation structure (as well as each individual component of the structure) with that of its comparator group. The actual mix between each compensation component varies, depending on an executive's level of management responsibility, his or her ability to influence the achievement of short-term and long-term objectives, and general market practices.

In assessing individual executive performance, the Human Resources Committee considers many factors, including, time in role, demonstrated level of leadership competence, oversight of strategic projects and initiatives such as geographic or product expansion, professional development and community involvement. In addition to market comparisons and individual executive performance, the Human Resources Committee, in arriving at its recommendations for executive compensation considers both the short-term and longer term interests of Finning and its shareholders and overall financial measures such as return on equity ("ROE"), share price, free cash flow, and earnings per Common Share. The Human Resources Committee meets in the presence of senior management and with only Committee members present. The Human Resources Committee reviews and approves compensation recommendations made by the Chief Executive Officer for his direct reports and also provides a recommendation with respect to the Chief Executive Officer's compensation, to the full Board of Directors, which makes the final decisions in respect of such matters.

Set out below is a summary of each component with a description of why Finning chooses to use each component and how the amount of each component is determined.

BASE SALARY

The payment of a base salary is used by Finning as the basic method of compensating senior executives and is part of the mechanism used by Finning to provide senior executives with a portion of total compensation that is not "at risk" in the sense that it does not depend on the performance of Finning's business or the achievement of any specific targets or goals. The Human Resources Committee believes the provision of such a 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 Finning's business.

As a general rule, the base salary for each senior executive is established after a review of competitive market data. Typically, the Human Resources Committee seeks to ensure that base salary for each such senior executive is fixed at approximately the market median. However, base salaries may vary above or below the market median depending on the Human Resources Committee's view of individual performance or to ensure internal consistency between senior executive positions.

A description of the comparator group of companies currently used by the Human Resources Committee to establish base salaries and other components of executive compensation is described later in this management proxy circular under the heading "Comparator Group Benchmarking" on page 43.

SHORT-TERM INCENTIVES

Finning uses a cash bonus system to compensate senior executives for their efforts in achieving a series of financial, safety, and individual performance targets. Targets for each senior executive are set annually and are generally based on Finning's Annual Operating Plan ("AOP"). These targets consist of metrics relating to both overall corporate performance and where applicable, the performance of business units for which each executive has responsibility. The targets, at both the Corporate and business unit levels, are intended to be challenging to achieve, and are set at the end of the previous fiscal year. At the business unit level, targets are of a similar level of challenge relative to one another.

This component of Finning's total compensation package is clearly "at risk" in the sense that, for each target established, an executive does not receive any cash payment until a minimum performance threshold is achieved. Thereafter, payments increase for performance that exceeds those thresholds up to a maximum amount determined by the Human Resources Committee in advance. The Human Resources Committee believes that these short-term incentive bonuses assist with attracting and retaining senior executives (given the potential for significant amounts being paid if all targets are achieved or exceeded) while at the same time motivating those executives to use their best efforts to drive the short-term performance of Finning's business in a manner that benefits both Finning and its shareholders.

The table below summarizes the payments normally available under this program under various scenarios as described:

Role	Target Bonus (% of Salary)	Potential Payout Range (% of Salary)
CEO	60%	0%–120%
Other Named Executive Officers (NEOs)	45%	0%–90%

The targets are generally intended to confer value which places Finning's compensation at around the 50th to 60th percentile when compared to the short-term incentives provided by its comparator companies.

In 2010, the metrics used by Finning under its short-term incentive plan were:

Metric	Corporate Target[1]	2010 Actual Results	CEO Bonus Weighting – Corporate	CFO Bonus Weighting – Corporate	All other NEOs Bonus Weighting – Corporate	All other NEOs Bonus Weighting – Business Unit
Normalized Earnings Per Share ("EPS")[2]	$0.94	$1.15	35.8%	33.3%	8.3%	25%[6]
Free Cash Flow ("FCF")[3]	$239 million	$265 million	17.9%	20.0%	5%	15%[7]
Normalized ROE	12%	12.06%	17.1%	20.0%	5%	15%[8]
Safety[4]	0.24	0.16	12.5%	15.6%	3.9%	11.7%[9]
Personal Goals[5]	Required to achieve personal goals determined at the beginning of the fiscal year.	See Pay-for Performance Results on page 46	16.7%	11.1%	11.1%	
TOTAL			100.0%	100.0%	100.0%	

(1) Targets have been adjusted for Hewden to include the planned impact on individual targets up to the date of sale.
(2) Target was established for Normalized EPS. Normalized EPS is defined as EPS adjusted for certain income and expense items deemed by the Human Resources Committee and management as not reflective of the underlying performance of Finning's ongoing operations and removed from the reported results prepared in accordance with Canadian GAAP. In 2010, these items mainly consisted of costs associated with the implementation of a new IT system for Finning's global operations, the impairment of an investment and a long-lived asset, acquisition and restructuring costs as well as incremental finance costs incurred on the repurchase of a portion of Finning's Eurobond Notes.
(3) FCF is defined as cash flow provided by operating activities after net capital expenditures.
(4) Safety target is defined as the number of lost time injuries per 200,000 exposure hours worked by employees.
(5) For the Chief Executive Officer, all such goals are approved by the Board of Directors upon the recommendation of the Human Resources Committee. For all other named executive officers, such goals are established by the Chief Executive Officer to ensure they are clearly aligned with overall corporate priorities and objectives.
(6) Targets are established for Normalized EBIT in the business unit. Normalized EBIT is defined as earnings before interest and taxes adjusted for certain income and expense items, as discussed in footnote (2) above.
(7) Targets are established for FCF generated by the business unit.
(8) Targets are established for ORBIT in the business unit. ORBIT is a return on asset calculation: calculated as 12 month rolling normalized EBIT / 12 month average net assets (excluding cash).
(9) Targets are established for safety performance in the business unit, based on the number of lost time injuries per 200,000 exposure hours worked by employees.

These targets were chosen by the Human Resources Committee based on the core set of principles embedded in Finning's overall compensation philosophy.

The Human Resources Committee's view is that the targets used by Finning for the 2010 year reflect an appropriate mix of targets for short-term incentive compensation, which are sufficient to properly focus Finning's senior executives on areas believed by the Human Resources Committee and the Board of Directors to be important in driving the success and growth of Finning's business in the near term.

More detail on the short-term incentive payments made for the 2010 fiscal year to the Chief Executive Officer and certain other named executive officers, including a description of which targets were achieved or not during the year, is set out later in this management proxy circular, under the heading "Pay-for-Performance Results for 2010" on page 46.

LONG-TERM INCENTIVES

The long-term incentive plan is designed to retain high performing executives and to encourage those senior executives to:

- drive the medium and longer term growth of Finning's business; and
- align their interests and objectives with those of Finning's shareholders.

The current long-term incentive plan includes Performance Share Units (PSUs) and Stock Options equally weighted.

In determining the size of the long-term incentive grant to each executive, the Human Resources Committee considers the executive's level of management responsibility, external market competitiveness and business unit performance. In addition, the grant levels are impacted by Finning's ROE for the previous fiscal year. For example, where ROE is in the range of 10%-15%, the Human Resources Committee has generally attempted to fix the value of options granted to compensate senior executives at around the 50th percentile when compared to long-term compensation amounts paid in comparator group companies. Finning has calculated comparator group data by taking 2/3 of the value based on the previous year's market data and 1/3 of the value based on market data from two years prior. This method has been used in determining the grant value to smooth the data and to lessen any extraordinary spikes in market data. The size of the previous year's grant has not been a factor applied in determining the current year's grant.

As part of the review of Finning's executive compensation plan design in 2010, the Human Resources Committee has determined that future grant levels will no longer vary based on prior year ROE performance. To align with market practice, grant levels will target the 50th percentile and may vary based on individual performance. ROE will still be used to determine the vesting of PSUs and therefore, will continue to influence the ultimate value received through long-term incentives.

Specifics on the number of PSUs and options granted to each of the Chief Executive Officer and certain other named executive officers are set out later in this management proxy circular under the heading "Long-Term Incentive Plan Awards" on page 54.

Performance Share Unit Plan
The PSU plan is a performance-based incentive plan that creates strong alignment between shareholders and executive compensation, as each unit's value is tied to share price and performance conditions for vesting (which are described in more detail below). Where vesting conditions are achieved, Finning will, for each vested PSU, make a cash payment equal to the value of Finning's Common Shares at the time of vesting.

For 2010, all PSUs granted had a notional grant price of $17.43 and contain vesting conditions that are based on Finning's average ROE (normalized) performance for the three-year period ending December 31, 2012. Those conditions are set out below:

Average ROE for 3 Year Period	Vesting Schedule
Achievement of <12% ROE	0% of the grant vests
Achievement of 12% ROE	25% of the grant vests
Achievement of 14% ROE	100% of the grant vests
Achievement of 17% ROE or above	150% of the grant vests

In order for any PSUs granted in 2010 to vest, the ROE average over the three-year period ending December 31, 2012 must be at least 12%. If the three-year average is less than 12%, no PSUs will vest, no payment will be made and the PSUs will expire. In addition, vesting for performance within the range between any two thresholds is determined on a linear basis. For the year ended December 31, 2010, Finning's normalized ROE was 12.06%.

In accordance with the PSU plan, there were no PSUs eligible for payment or vesting in 2010.

Stock Option Plan
Stock Options also enable Finning to strengthen the link between shareholder and company interests with that of executives over a longer term time horizon. The exercise price of each option is set at the market value of Finning's shares at the time of grant. Accordingly, the total value of the options (and, therefore, the benefit potentially received by each executive) increases as Finning's stock price increases.

However, the options only become exercisable by the executives in accordance with a specified time-vesting schedule, thereby providing an incentive for executives to remain with Finning and take steps to build Finning's business in a manner that increases Finning's stock price over time. The Human Resources Committee believes such option grants provide a valuable mechanism to attract and retain senior executives (given the potential for significant amounts to be realized if Finning's stock price does increase over time) while at the same time motivating those executives to use their best efforts to drive the longer-term performance of Finning's business in a manner that benefits both Finning and its shareholders.

All options are granted under, and governed by the terms of, Finning's existing 2005 Stock Option Plan for Senior Executives (the "Option Plan"). Options granted under the Option Plan have a seven year term and vest in three equal annual instalments beginning on the first anniversary of the grant date. For more details on the terms of the Option Plan, see Schedule A to this management proxy circular.

Deferred Share Unit Plan
Finning discontinued the practice of granting DSUs to senior executives in 2006 for market competitiveness reasons. A small number of current executives hold vested DSUs.

DSUs track the value of Finning's Common Shares, but do not entitle the holder to receive Common Shares from treasury. All previously granted DSUs are now fully vested, based on historical share price performance criteria. Vested DSUs can only be converted into a cash payment or shares upon termination of employment or retirement from Finning.

PENSION, BENEFITS AND OTHER PERQUISITES
Finning provides a series of market competitive pension and benefit programs to its senior executives. These include: (i) defined benefit pension plans historically, with new executives joining defined contribution pension plans since January 1, 2010, (ii) executive supplementary income plans, (iii) health and dental coverage for employees and dependants; (iv) death and disability benefits; and (v) an employee share purchase plan (the "ESPP").

Under the terms of the ESPP, Finning provides a partial match, up to 2% of base salary for contributions made by employees into a fund which 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 market competitive perquisites to its senior executives. These include: (i) car allowances; (ii) club dues; (iii) tax consultation reimbursement; and (iv) 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 its 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 Human Resources Committee reviews the terms regularly and benchmarks them against similar plans offered by Finning's comparator group companies. The Human Resources Committee's intention is generally to fix the value of the benefits conferred by these programs at around the 50th percentile when compared to similar plans and programs offered by comparator group companies.

The value of all benefits conferred under such plans and programs to the Chief Executive Officer and certain named executive officers in 2010 is described later in the Summary Compensation Table. In addition, significant additional disclosure relating to Finning's pension plans and supplementary income plans is contained under the heading "Pension Plan Disclosure", which can be found on page 56.

CLAWBACK POLICY

If a restatement of Finning's financial statements is necessary because of the Chief Executive Officer'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 him for the period covered by the restated financial statements, then he will be required to repay all or some of the incentive compensation paid to him in the prior 24-month period.

COMPARATOR GROUP BENCHMARKING

In conducting its executive compensation review, Finning, with input from the Human Resources Committee, selects a comparator group of companies for purposes of benchmarking Finning's compensation structure and ensuring that the value of the compensation provided is appropriate when compared to the amounts paid by members of its comparator group. The comparator group chosen contains companies that are generally: (i) of comparable size (in terms of revenue and employees) to Finning; (ii) operate in similar industries (e.g. heavy equipment, mining, construction, forestry); and (iii) are major Canadian companies with global operations and are publicly listed independently or through their parent organization. The most recent group included the 22 companies described below:

Canadian Comparator Group	Core Industry Group
ArcelorMittal	Metal Product
Barrick Gold Inc.	Mining
Canadian Pacific Railway Ltd.	Transportation
Canadian Tire Corp.	Retail
Canfor Corporation	Forest Product
Churchill Corp.	Construction & Materials
Enbridge Inc.	Pipeline & Utilities
Goldcorp Inc.	Mining
Kinross Gold Corp.	Mining
Methanex Corp.	Gas
Nexen Inc.	Oil & Gas
Russel Metals Inc.	Metal Product
Sherritt International Corp.	Mining / Energy
Suncor Energy Inc.	Oil & Gas
Teck Resources Ltd.	Mining
Tembec Inc.	Forest Product
Tolko Industries Ltd.	Forest Product
Toromont Industries Ltd.	Machinery and Construction
Vale Canada	Mining
Wajax Income Fund	Machinery
West Fraser Timber Co Ltd.	Forest Product
Xstrata Canada	Mining

In addition, in consultation with the Hay Group, Finning selects separate groups of comparator group companies to use for certain local benchmarking purposes relating to some components of compensation for senior executives responsible for overseeing Finning's operations in certain foreign jurisdictions. For the United Kingdom, a group of 25 companies was developed and in South America (Chile), a total of 29 companies were identified. Set out below is a table describing the companies used in the comparator group for Finning's United Kingdom Operations and the South American Operations:

UK Comparator Group	South America (Chile) Comparator Group
Alstom Power	Anglo American (Chile)
Areva T&D UK	Antofagasta Minerals
BHP Billiton International Services	Barrick Gold – Campania Minera Zaldivar
BHP Billiton Petroleum	Barrick Gold of Chile
BOC UK Gases	BHP Billiton – Cerro Colorado
Balfour Beatty	BHP Billiton – Escondida
Caterpillar Articulated Trucks	BHP Billiton – Pampa Norte
Caterpillar UK	BHP Billiton – Santiago
Centrica	BHP Billiton – Spence
Corus	Cerro Bayo (Cour)
Costain Group	Codelco Casa Matriz
FG Wilson Engineering	Codelco Division Ventanas
Lafarge Cement UK PLC	Codelco El Salvador
Marathon Oil	Codelco Norte
Murco Petroleum	Collahuasi
National Grid	El Abra
Perkins Engines Company	El Tesoro
Pilkington Group	Freeport Corporativo
RWE npower	Freeport McMoRan
Rolls-Royce	Freeport McMoRan – Minera Candelaria
Schlumberger Oilfield UK	Kinross Corporativo
Scottish & Southern Energy	Kinross Gold Corporation – La Coipa
Total UK	Kinross Maricunga
Xstrata PLC	Minera Meridian – El Penon
Tarmac	Minera Michilla
	Newmont Mining Corporation – Chile
	Rio Tinto Mining & Exploration Ltd. – Chile
	Xstrata – Chile
	Xstrata – Lomas Bayas

SHARE OWNERSHIP REQUIREMENTS FOR SENIOR EXECUTIVES

Finning strongly encourages share ownership by its executives. It believes that the interests of shareholders and executives are better aligned when its executives directly hold investments in Finning and has established minimum requirements for share ownership by its senior executives. Shareholdings are defined as the total of Common Shares and vested DSUs owned by the executive. Stock Options and PSUs are not included in the definition of shareholdings for the purposes of this requirement. Based on the terms of the requirements, the shareholdings are valued at the greater of the market price at the point of measurement or at the price paid to initially acquire those shareholdings. The requirements are:

- the Chief Executive Officer is required to hold, at a minimum, Common Shares and vested DSUs of Finning with a value equal to three times his or her annual salary within five years after the later of: (i) June 1, 2006 (when the guidelines were first implemented); or (ii) the date of his or her appointment to that position;
- senior executives are required to hold, at a minimum, Common Shares and vested DSUs of Finning with a value equal to one and a half times his or her annual salary by the same deadline; and
- in addition, all senior executives are required to hold at least 50% of the value in the form of Common Shares by the deadline. The balance of the value may be held in vested DSUs.

The table below summarizes the number of Common Shares and qualifying DSUs held by the named executive officers as of December 31, 2010.

Name	Ownership Multiple of Salary	Number of DSUs Held that Count Towards Ownership[1]	Number of Common Shares Held	Value of Shareholdings for Ownership Requirements[2] ($)	% of Requirement Achieved	Meets Guidelines
Michael T. Waites	3 x	11,232	68,468	2,159,073	90%	No – has until May 5, 2013
David S. Smith	1.5 x	–	18,563	502,872	82%	No – has until February 1, 2014
Juan Carlos Villegas	1.5 x	13,585	16,544	816,206	111%	Yes
David E. Parker	1.5 x	11,074	46,559	1,561,283	260%	Yes
Andrew S. Fraser	1.5 x	9,551	2,355	322,547	62%	No – has until October 31, 2011

(1) Specifies only qualifying DSUs based on the rule that a maximum of 50% of the required value may be held in the form of DSUs.
(2) The Value of Shareholdings was calculated using the greater of the Common Share value of $27.09 which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2010 or the price paid to acquire the holdings.

Finning's Senior Vice President, Human Resources and the Corporate Secretary of Finning annually review compliance with the foregoing requirements. In addition, the Human Resources Committee reviews ownership levels on an annual basis. As of December 31, 2010, although five years have not yet elapsed since the original implementation of the Guidelines, the Human Resources Committee is satisfied that all senior executives have taken sufficient steps towards complying with the Guidelines.

PAY AT RISK

A key principle of Finning's program is to ensure that a significant portion of the senior executives' compensation should be at risk. The chart below shows, by named executive officers, the amount of pay at risk as a percent of total direct compensation. Total direct compensation includes base salary, short-term incentive (cash), and long-term incentives (PSUs and stock options). Target is based on a 50th percentile valuation, as provided from comparator group data.

		Pay at Risk			
		Short-term Incentives	Long-term Incentives		
Name	Salary	Bonus (at Target)	PSUs (at Target)	Stock Options (at Target)	**Target Total Pay at Risk**
Michael T. Waites	32%	20%	24%	24%	**68%**
David S. Smith	44%	20%	18%	18%	**56%**
Juan Carlos Villegas	44%	20%	18%	18%	**56%**
David E. Parker	44%	20%	18%	18%	**56%**
Andrew S. Fraser	41%	19%	20%	20%	**59%**

PAY-FOR-PERFORMANCE RESULTS FOR 2010

During the 2010 fiscal year, the total compensation paid to its senior executives placed Finning at approximately the 46th percentile relative to its comparator group. The table below sets out, for each such senior executive, the weighting of each target category, the target bonus as a percentage of base salary, and the actual bonus paid as a percentage of base salary to each senior executive under the short-term incentive plan. For more information on the total value of all compensation paid during 2010 to the Chief Executive Officer and certain named executive officers, see the Summary Compensation Table on page 53.

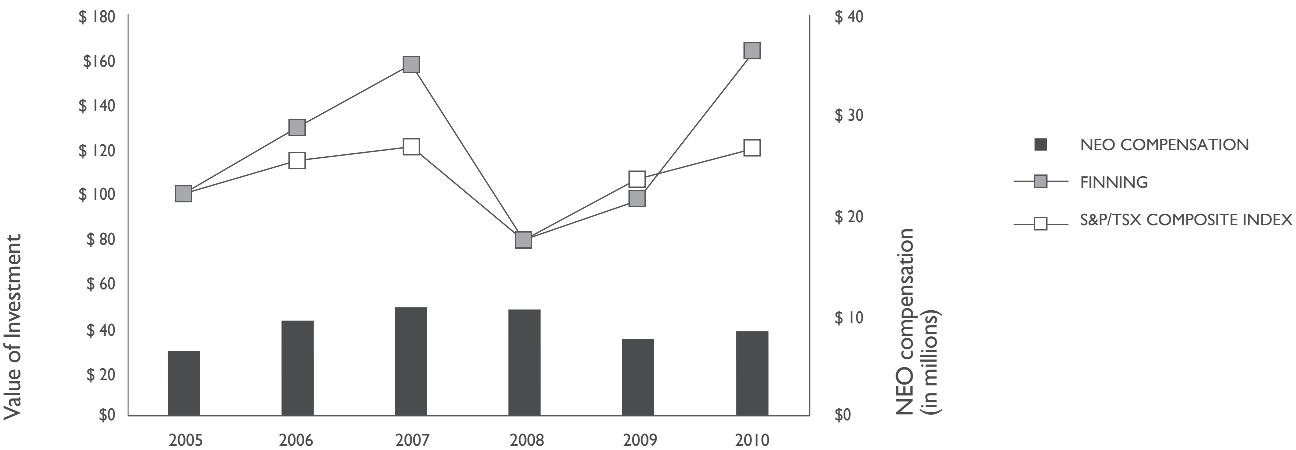
Name of Executive and Target Category	Weighting (% of total bonus)	Target Bonus (% of base salary)	Actual Bonus (% of base salary)
Michael T. Waites, *President and Chief Executive Officer*			
EPS	35.8	21.5	43.0
FCF	17.9	10.8	15.3
ROE	17.1	10.2	10.4
Safety	12.5	7.5	10.0
Personal	16.7	10.0	18.0
Total	**100.0**	**60.0**	**96.7**
David S. Smith, *Executive Vice President and Chief Financial Officer*			
EPS	33.3	15.0	30.0
FCF	20.0	9.0	12.8
ROE	20.0	9.0	9.2
Safety	15.6	7.0	9.3
Personal	11.1	5.0	8.0
Total	**100.0**	**45.0**	**69.3**
Juan Carlos Villegas, *President, Finning South America*			
EPS	8.4	3.8	7.5
FCF	5.0	2.2	3.2
ROE	5.0	2.2	2.3
Safety	3.9	1.7	2.3
EBIT (Business Unit)	24.9	11.2	18.3
FCF (Business Unit)	15.0	6.8	13.1
ORBIT (Business Unit)	15.0	6.8	0.0
Safety (Business Unit)	11.7	5.3	10.5
Personal	11.1	5.0	9.0
Total	**100.0**	**45.0**	**66.2**
David E. Parker, *President, Finning (Canada)*			
EPS	8.4	3.8	7.5
FCF	5.0	2.2	3.2
ROE	5.0	2.2	2.3
Safety	3.9	1.7	2.3
EBIT (Business Unit)	24.9	11.2	22.5
FCF (Business Unit)	15.0	6.8	12.4
ORBIT (Business Unit)	15.0	6.8	2.4
Safety (Business Unit)	11.7	5.3	9.3
Personal	11.1	5.0	7.5
Total	**100.0**	**45.0**	**69.4**
Andrew S. Fraser(1)**,** *Executive Vice President, Power Systems and Global Business Development*			
EPS	18.9	8.5	16.9
FCF	11.2	5.0	7.2
ROE	11.2	5.0	5.2
Safety	8.7	3.9	5.3
EBIT (Business Unit)	14.5	6.5	9.4
FCF (Business Unit)	8.8	4.0	5.6
ORBIT (Business Unit)	8.8	4.0	1.8
Safety (Business Unit)	6.8	3.1	1.1
Personal	11.1	5.0	7.5
Total	**100.0**	**45.0**	**60.0**

(1) Mr. Fraser repatriated to Canada as Executive Vice President, Power Systems and Global Business Development in August 2010. His 2010 bonus reflects 7/12 based on his role as Managing Director, Finning Group (UK) and 5/12 based on his role as Executive Vice President, Power Systems and Global Business Development.

COMPARATIVE SHAREHOLDER RETURN

PERFORMANCE GRAPH

The following graph compares the yearly percentage change in Finning's cumulative total shareholder return on its Common Shares with the cumulative total return of the S&P/TSX Composite Index, assuming the re-investment of dividends, for the last five financial years. This graph also includes a bar chart showing the compensation paid to our NEOs during the same period.



		2005		2006		2007		2008		2009		2010
Finning	$	100	$	131	$	159	$	80	$	97	$	162
S&P/TSX Composite Index	$	100	$	115	$	123	$	80	$	104	$	119
NEO Compensation	$ (mil)	6.4	$	8.9	$	10.4	$	10.0	$	7.6	$	8.0

The compound annual growth rate of our total shareholder return for the five year period ending December 31, 2010 was 10%. By comparison, the compound annual growth rate of NEO compensation over this same period was 4%. The table above describes how total NEO compensation has varied each year with Finning's share price. NEO compensation was determined by including the top five NEOs for each fiscal year, as disclosed in previous management proxy circulars. NEO compensation includes salaries, bonuses, compensation value of long-term incentives, compensatory value of pension and all other compensation. The most significant portion of executive pay is delivered through incentive compensation, primarily long-term incentives. The ultimate value that may be realized from long-term incentives is linked to Finning's share price or other key measures such as ROE that indirectly impact our share price, and therefore aligned to total shareholder return.

STATEMENT OF EXECUTIVE COMPENSATION

NAMED EXECUTIVE OFFICERS

Our 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.

MICHAEL T. WAITES – PRESIDENT & CHIEF EXECUTIVE OFFICER, VANCOUVER, BRITISH COLUMBIA, CANADA
Age: 57

Mr. Waites is President and Chief Executive Officer of Finning. From May 2006 to May 2008, he was Executive Vice President and Chief Financial Officer of Finning.

Prior to joining Finning in May 2006, Mr. Waites was Executive Vice President and Chief Financial Officer at Canadian Pacific Railway since July 2000, and also Chief Executive Officer U.S. Network of Canadian Pacific Railway from March 2003. Previously, he was Vice President and Chief Financial Officer at Chevron Canada Resources. He also served as a member of the Board of Directors of Finning International Inc. for three years prior to his appointment as Executive Vice President and Chief Financial Officer. Mr. Waites is a member and past Chair of the Shawnigan Lake School Board of Governors.

Mr. Waites holds a B.A. (Hons.) in Economics from the University of Calgary, an MBA from Saint Mary's College of California, and a Masters of Arts, Graduate Studies in Economics, from the University of Calgary. He has also completed the Executive Program at The University of Michigan Business School.

Total Shareholdings

	Number	Value
2010	79,700	$ 2,159,073
2009	65,117	$ 1,086,151
2008	50,719	$ 722,745

Share Ownership Guideline

Minimum Ownership Requirement Multiple	Amount	Eligible Holdings(1)	% Guidelines Achieved	Meets Guidelines
3 x salary	$ 2,400,000	$2,159,073	90%	No – has until May 5, 2013

Total Compensation

Three-Year Look-Back	2010 ($)	2009 ($)	2008 ($)
Base Salary	800,000	800,000	690,194
Short-Term Incentive	774,000	432,000	250,000
Long-Term Incentive (PSUs)(2)	589,550	614,458	n/a
Long-Term Incentive (Stock Options)(3)	589,550	715,836	2,414,833
Pension Value(4)	420,000	355,000	691,000
All Other Compensation	55,304	49,913	55,027
Total Compensation	3,228,404	2,967,207	4,101,054

(1) Includes only qualifying DSUs based on the rule that a maximum of 50% of the required value may be held in the form of DSUs, valued at the greater of the Common Share value of $27.09 which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2010 or the price paid.

(2) This represents the PSUs valued as of their grant date. As of December 31, 2010, no PSUs have vested. They have been valued using an expanded Binomial Valuation Model, including factors such as Finning's historical ROE performance and share price volatility.

(3) The stock options granted have been valued using the Binomial Valuation Model. For 2010, the present value of stock options at the date of grant was 33.6% of the exercise price; for 2009 it was 32.3% and for 2008 it was 27.8%.

(4) Represents the current pension service costs during 2008, 2009, and 2010 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 in this management proxy circular.

DAVID S. SMITH – EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER,
WEST VANCOUVER, BRITISH COLUMBIA, CANADA
Age: 52

Mr. Smith was appointed Executive Vice President and Chief Financial Officer for Finning effective February 2, 2009.

Prior to joining Finning, Mr. Smith was Chief Financial Officer of Ballard Power Systems Inc. beginning in December 2002. Prior to this appointment, Mr. Smith acted as Ballard's Vice President, Controller from October 2000. Prior to joining Ballard, Mr. Smith spent 16 years with Placer Dome Inc. in various senior positions, including Vice President, Corporate Relations, Vice President, Business Development, and as regional Vice President and Chief Financial Officer in the United States, Chile, and Canada.

Mr. Smith is a Certified Public Accountant and holds a Bachelor of Science, Business Administration, from California State University, Sacramento. In 2009 he was accredited through the Institute of Corporate Directors/Rotman School of Management Director's Education Program.

Total Shareholdings

	Number	Value
2010	18,563	$ 502,872
2009	11,310	$ 188,651
2008	n/a	n/a

Share Ownership Guideline

Minimum Ownership Requirement Multiple	Amount	Eligible Holdings[(1)]	% Guidelines Achieved	Meets Guidelines
1.5 x salary	$ 612,000	$ 502,872	82%	No – has until February 1, 2014

Total Compensation

Three-Year Look-Back	2010 ($)	2009 ($)	2008 ($)
Base Salary	405,908	361,539	n/a
Short-Term Incentive	282,786	177,833	n/a
Long-Term Incentive (PSUs)[(2)]	160,105	195,590	n/a
Long-Term Incentive (Stock Options)[(3)]	160,105	227,876	n/a
Pension Value[(4)]	115,000	65,000	n/a
All Other Compensation	38,136	136,259	n/a
Total Compensation	1,162,040	1,164,097	n/a

(1) Valued at the greater of the Common Share value of $27.09 which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2010 or the price paid.
(2) This represents the PSUs valued as of their grant date. As of December 31, 2010, no PSUs have vested. They have been valued using an expanded Binomial Valuation Model, including factors such as Finning's historical ROE performance and share price volatility.
(3) The stock options granted have been valued using the Binomial Valuation Model. For 2010, the present value of stock options at the date of grant was 33.6% of the exercise price; and for 2009 it was 32.3%.
(4) Represents the current pension service costs during 2009 and 2010 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 in this management proxy circular.

JUAN CARLOS VILLEGAS – PRESIDENT, FINNING SOUTH AMERICA,
SANTIAGO, CHILE
Age: 56

Mr. Villegas was appointed Finning's President, South America, with overall responsibility for Finning's operations in Chile, Argentina, Bolivia and Uruguay effective August 1, 2006.

Mr. Villegas joined Finning in 1998 as Vice President, Operations for Chile. He was subsequently promoted to the role of Vice President, Mining for South America, and in June 2005 he was promoted to the role of Vice President, Power Systems for Canada. Mr. Villegas has over 16 years of experience in progressively senior roles with the Cummins and Komatsu dealer in Chile, Argentina, Peru and Bolivia. Prior to joining Finning, Mr. Villegas held various executive management positions with the Cummins and Komatsu dealer, 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.

Total Shareholdings

	Number	Value
2010	62,582	$ 1,695,346
2009	50,427	$ 841,122
2008	46,041	$ 656,084

Share Ownership Guideline

Minimum Ownership Requirement Multiple	Amount	Eligible Holdings(1)	% Guidelines Achieved	Meets Guidelines
1.5 x salary	$ 736,058	$ 816,206	111%	Yes

Total Compensation

Three-Year Look-Back	2010 ($)	2009 ($)	2008 ($)
Base Salary(2)	474,206	454,622	437,968
Short-Term Incentive(2)	324,334	263,499	150,184
Long-Term Incentive (PSUs)(3)	200,131	195,590	n/a
Long-Term Incentive (Stock Options)(4)	200,131	227,876	762,410
Pension Value(5)	n/a	n/a	n/a
All Other Compensation(6)	268,345	73,760	96,675
Total Compensation	1,467,147	1,215,347	1,447,237

(1) Includes only qualifying DSUs based on the rule that a maximum of 50% of the required value may be held in the form of DSUs, valued at the greater of the Common Share value of $27.09 which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2010 or the price paid.
(2) Amounts have been converted from Chilean pesos based on the following average annual exchange rates: 2010: 1 CLP= 0.002022 CAD. 2009: 1 CLP = 0.002043 CAD. 2008: 1 CLP = 0.002057 CAD.
(3) This represents the PSUs valued as of their grant date. As of December 31, 2010, no PSUs have vested. They have been valued using an expanded Binomial Valuation Model, including factors such as Finning's historical ROE performance and share price volatility.
(4) The stock options granted have been valued using the Binomial Valuation Model. For 2010, the present value of stock options at the date of grant was 33.6% of the exercise price; for 2009 it was 32.3% and for 2008 it was 27.8%.
(5) Finning South America is not a designated employer participating under any pension plan of Finning.
(6) In 2010, Mr. Villegas received $142,344 towards a "Depositos Convenidos" or "Agreed Deposit" arrangement. Since Mr. Villegas does not participate in any of Finning's pension plans, the Agreed Deposit arrangement is intended to assist Mr. Villegas in respect of his retirement savings.

DAVID E. PARKER – PRESIDENT, FINNING (CANADA),
ST. ALBERT, ALBERTA, CANADA
Age: 55

Mr. Parker was appointed President, Finning (Canada), for Finning in June 2008.

Mr. Parker started his career with Finning in 1998 and later was promoted to Vice President & Controller. He assumed operational responsibilities in 2001 when he was appointed Vice President, Customer Support Services. In 2005, he was appointed Group Vice President where he had responsibility for Mining, Product Support Strategy and Operations, as well as Information Technology. In 2006, he was appointed Senior Vice President. Prior to joining Finning, Mr. Parker held senior positions with EPCOR Utilities Inc.

Mr. Parker holds a Bachelor of Commerce degree from the University of Alberta as well as a Chartered Accountant designation.

Total Shareholdings

	Number	Value
2010	96,776	$ 2,621,662
2009	56,822	$ 947,790
2008	52,778	$ 752,086

Share Ownership Guideline

Minimum Ownership Requirement Multiple	Amount	Eligible Holdings(1)	% Guidelines Achieved	Meets Guidelines
1.5 x salary	$ 600,000	$ 1,561,283	260%	Yes

Total Compensation

Three-Year Look-Back	2010 ($)	2009 ($)	2008 ($)
Base Salary	395,037	400,000	336,480
Short-Term Incentive	277,535	191,120	43,720
Long-Term Incentive (PSUs)(2)	160,105	195,590	n/a
Long-Term Incentive (Stock Options)(3)	160,105	227,876	283,360
Pension Value(4)	84,000	99,000	547,000
All Other Compensation	31,717	29,367	29,956
Total Compensation	1,108,499	1,142,953	1,240,516

(1) Includes only qualifying DSUs based on the rule that a maximum of 50% of the required value may be held in the form of DSUs, valued at the greater of the Common Share value of $27.09 which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2010 or the price paid.

(2) This represents the PSUs valued as of their grant date. As of December 31, 2010, no PSUs have vested. They have been valued using an expanded Binomial Valuation Model, including factors such as Finning's historical ROE performance and share price volatility.

(3) The stock options granted have been valued using the Binomial Valuation Model. For 2010, the present value of stock options at the date of grant was 33.6% of the exercise price; for 2009 it was 32.3% and for 2008 it was 27.8%.

(4) Represents the current pension service costs during 2008, 2009, and 2010 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 in this management proxy circular.

ANDREW S. FRASER – EXECUTIVE VICE PRESIDENT, POWER SYSTEMS AND GLOBAL BUSINESS DEVELOPMENT,
NORTH VANCOUVER, BRITISH COLUMBIA, CANADA
Age: 50

Mr. Fraser was appointed Executive Vice President, Power Systems and Global Business Development for Finning effective August 1, 2010. Prior to that, he was Managing Director, Finning Group (UK) from 2006, where he had overall responsibility for Finning's operations in the U.K. including Hewden, the largest equipment rental business in the U.K.

Mr. Fraser joined Finning in 1979 and held numerous positions during his tenure in Canada. He was appointed Branch Manager, Sparwood in 1994, General Manager, Used Equipment in 1998, and Vice President, Redistribution for Finning (Canada) in 2000. In 2001 Mr. Fraser was promoted to Vice President, Operations and Customer Relations and in 2003 he was appointed Vice President, Sales and Marketing for Finning (Canada). In 2005, Mr. Fraser was appointed to the position of Group Vice President, Finning (Canada).

Mr. Fraser holds a B.A. in economics and an MBA from Royal Roads University.

Total Shareholdings

	Number	Value
2010	52,572	$ 1,424,175
2009	50,513	$ 842,556
2008	48,836	$ 695,913

Share Ownership Guideline

Minimum Ownership Requirement Multiple	Amount	Eligible Holdings(1)	% Guidelines Achieved	Meets Guidelines
1.5 x salary	$ 517,500	$ 322,547	62%	No - has until October 31, 2011

Total Compensation

Three-Year Look-Back	2010 ($)	2009 ($)	2008 ($)
Base Salary(2)	331,533	368,543	406,072
Short-Term Incentive(2)	201,995	169,088	90,919
Long-Term Incentive (PSUs)(3)	160,105	195,590	n/a
Long-Term Incentive (Stock Options)(4)	160,105	227,876	554,480
Pension Value(5)	10,000	48,000	111,000
All Other Compensation	148,845	103,508	119,871
Total Compensation	1,012,583	1,112,605	1,282,342

(1) Includes only qualifying DSUs based on the rule that a maximum of 50% of the required value may be held in the form of DSUs, valued at the greater of the Common Share value of $27.09 which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2010 or the price paid.
(2) Amounts have been converted from Pounds Sterling based on the following average exchange rates: 2010: 1 GBP = 1.5918. 2009: 1 GBP = 1.7804 CAD. 2008: 1 GBP = 1.9617 CAD.
(3) This represents the PSUs valued as of their grant date. As of December 31, 2010, no PSUs have vested. They have been valued using an expanded Binomial Valuation Model, including factors such as Finning's historical ROE performance and share price volatility.
(4) The stock options granted have been valued using the Binomial Valuation Model. For 2010, the present value of stock options at the date of grant was 33.6% of the exercise price; for 2009 it was 32.3% and for 2008 it was 27.8%.
(5) Represents the current pension service costs during 2008, 2009, and 2010 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 in this management proxy circular.

SUMMARY COMPENSATION TABLE

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

Name and Principal Position	Year	Salary ($)	Share Awards(1) ($)	Option Awards(2) ($)	Non-Equity Incentive Plan Compensation ($)		Pension Value(3) ($)	All Other Compensation(4) ($)	Total Compensation ($)
					Annual Incentive Plans	Long-Term Incentive Plans			
Michael T. Waites,	2010	800,000	589,550	589,550	774,000	n/a	420,000	55,304	3,228,404
President and	2009	800,000	614,458	715,836	432,000	n/a	355,000	49,913	2,967,207
Chief Executive Officer	2008	690,194	n/a	2,414,833	250,000	n/a	691,000	55,027	4,101,054
David S. Smith,	2010	405,908	160,105	160,105	282,786	n/a	115,000	38,136	1,162,040
Executive Vice President	2009	361,539	195,590	227,876	177,833	n/a	65,000	136,259	1,164,097
and Chief Financial Officer	2008	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Juan Carlos Villegas(5),	2010	474,206	200,131	200,131	324,334	n/a	n/a	268,345	1,467,147
President, Finning	2009	454,622	195,590	227,876	263,499	n/a	n/a	73,760	1,215,347
South America	2008	437,968	n/a	762,410	150,184	n/a	n/a	96,675	1,447,237
David E. Parker,	2010	395,037	160,105	160,105	277,535	n/a	84,000	31,717	1,108,499
President, Finning	2009	400,000	195,590	227,876	191,120	n/a	99,000	29,367	1,142,953
(Canada)	2008	336,480	n/a	283,360	43,720	n/a	547,000	29,956	1,240,516
Andrew S. Fraser(6),	2010	331,533	160,105	160,105	201,995	n/a	10,000	148,845	1,012,583
Executive Vice President,	2009	368,543	195,590	227,876	169,088	n/a	48,000	103,508	1,112,605
Power Systems and Global Business Development	2008	406,072	n/a	554,480	90,919	n/a	111,000	119,871	1,282,342

(1) This refers to the grant of PSUs which were first introduced in 2009. They have been valued using an expanded Binomial Valuation Model, including factors such as Finning's historical ROE performance and share price volatility.

(2) Option awards granted are based on financial performance from the prior year and the grant price is the fair market value on the day prior to the grant day. The stock options granted have been valued using the Binomial Valuation Model and are "theoretical values" derived at a point in time and will be different than the value upon exercise. For 2010, the present value of stock options at the date of grant was 33.6% of the exercise price; for 2009 it was 32.3% and for 2008 it was 27.8%.

(3) This refers to compensatory amounts that include the current pension service costs during 2010 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.

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

(5) Under the "All Other Compensation" column, in 2010, Mr. Villegas received $142,344 towards a "Depositos Convenidos" or "Agreed Deposit" arrangement. Since Mr. Villegas does not participate in any of Finning's pension plans, the Agreed Deposit arrangement is intended to assist Mr. Villegas in respect of his retirement savings. Mr. Villegas also received a car allowance of $39,593. Amounts have been converted from Chilean pesos based on the following average annual exchange rates: 2010: 1 CLP = 0.002022 CAD. 2009: 1 CLP = 0.002043 CAD. 2008: 1 CLP = 0.002057 CAD.

(6) Under the "All Other Compensation" column, in 2010, Mr. Fraser received a number of allowances as part of his expatriate assignment in the U.K., including a housing allowance and various expatriate assignment benefits. Mr. Fraser repatriated to Canada as Executive Vice President, Power Systems and Global Business Development in August 2010 and received $76,875 for relocation benefits. Amounts have been converted from Pounds Sterling based on the following average exchange rates: 2010: 1 GBP = 1.5918. 2009: 1 GBP = 1.7804 CAD. 2008: 1 GBP = 1.9617 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 which were held by each of the NEOs described below as of December 31, 2010.

	Option-based Awards					Share-based Awards	
Name	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 that have not Vested ((#)	Market or Payout Value of Shares Awards at target that have not Vested ($)(2)
Michael T. Waites	100,640	May 20/10	17.430	May 20/17	972,182	42,280	1,145,365
	151,240	May 22/09	14.640	May 22/16	1,882,938	52,464	1,421,250
	291,700	May 16/08	29.830	May 16/15	–	–	–
	65,600	May 16/07	31.665	May 16/14	–	–	–
	449,000	May 16/06	19.750	May 16/13	3,295,660	–	–
David S. Smith	27,330	May 20/10	17.430	May 20/17	264,008	11,480	310,993
	48,145	May 22/09	14.640	May 22/16	599,405	16,700	452,403
Juan Carlos Villegas	34,160	May 20/10	17.430	May 20/17	329,986	14,350	388,742
	48,145	May 22/09	14.640	May 22/16	599,405	16,700	452,403
	92,100	May 16/08	29.830	May 16/15	–	–	–
	72,000	May 16/07	31.665	May 16/14	–	–	–
	4,800	May 11/05	16.220	May 11/12	52,176	–	–
David E. Parker	27,330	May 20/10	17.430	May 20/17	264,008	11,480	310,993
	48,145	May 22/09	14.640	May 22/16	599,405	16,700	452,403
	34,200	May 16/08	29.830	May 16/15	–	–	–
	33,800	May 16/07	31.665	May 16/14	–	–	–
	30,000	May 16/06	19.750	May 16/13	220,200	–	–
	13,600	May 11/05	16.220	May 11/12	147,832	–	–
	8,200	April 28/04	14.690	April 28/11	101,680	–	–
Andrew S. Fraser	27,330	May 20/10	17.430	May 20/17	264,008	11,480	310,993
	32,097	May 22/09	14.640	May 22/16	399,608	16,700	452,403
	67,000	May 16/08	29.830	May 16/15	–	–	–
	72,000	May 16/07	31.665	May 16/14	–	–	–

(1) The Value of Unexercised In-the-Money Options at Financial Year-End was calculated using a Common Share value of $27.09 which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2010.

(2) The Value of PSUs at Financial Year-End was calculated using a Common Share value of $27.09 which was the closing trading price of Finning's Common Shares on the Toronto Stock Exchange on December 31, 2010. PSUs must meet performance vesting conditions in order to vest. None were vested at December 31, 2010.

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, 2010, for each of the individuals described below. This table also captures all non-equity incentive plan compensation earned during the year.

Name	Option awards – Value During the Year on Vesting(1) ($)	Realized Gains on Option Exercises ($)	Share Awards – Value During the Year on Vesting ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)
Michael T. Waites	159,305	-	-	774,000
David S. Smith	50,712	-	-	282,786
Juan Carlos Villegas	50,712	223,720	-	324,334(2)
David E. Parker	50,712	965,046	-	277,535
Andrew S. Fraser	50,712	243,536	-	201,995(3)

(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 "-".

(2) Converted from Chilean Pesos based on average 2010 exchange rate (1 CLP = .002022 CAD).

(3) Converted from Pounds Sterling based on average 2010 exchange rate (1 GBP = 1.5918 CAD).

TERMINATION AND CHANGE OF CONTROL BENEFITS

In the event of a change in control, including whereby Finning is acquired by another entity in a merger or similar transaction, Finning's Stock Option Plan and PSU Plan contain certain provisions providing accelerated vesting of stock options or PSUs. Such provisions for stock options are described in more detail under the Schedule A "Stock Option Plan" and similar provisions exist for PSUs in Finning's Performance Share Unit Plan for Executives.

In the event of termination as a result of a change of control, the terms as specified in the NEO's employment agreement relating to termination would also be invoked. Set out below is a summary of the termination provisions applicable to any of the NEOs pursuant to the terms of either outstanding employment agreements or the plans which govern each portion of such NEO's compensation.

Michael Waites

Under the terms of Mr. Waites' employment agreement, if he is terminated without cause by Finning, Mr. Waites is entitled to receive a lump sum payment equal to the aggregate of: (a) 12 months base salary; (b) an amount equal to his current target short-term incentive payment; (c) an amount equal to the value of his current target long-term incentive payment; and (d) an additional one months' base salary for every completed year of service. Currently, the total value of this compensation package is approximately $3,270,967.

David Smith

Under the terms of Mr. Smith's employment agreement, if he is terminated without cause by Finning, Mr. Smith is entitled to receive a lump sum payment equal to the aggregate of: (a) 12 months base salary and (b) an amount equal to his current target short-term incentive payment. Currently, the total value of this compensation package is approximately $591,600.

PENSION PLAN DISCLOSURE

During 2010, the NEOs who are Canadian nationals were covered by a Canadian registered defined benefit pension plan entitled the Finning International Inc. Retirement Plan (Executive Group) (the "Plan") and an executive supplementary income plan (the "SIP"). Since 1999, participation in these plans has been restricted to executives at the level of vice-president or above. Participants are not required to make any contributions to either the Plan or the SIP. The SIP is generally intended to 'top up' an executive's pension that is capped under the Plan due to statutory limits. Any exceptions to this are noted below.

Commencing January 1, 2010, the Plan and the SIP were closed to new entrants. New executives at the level of vice-president and above will participate in a defined contribution pension plan. Contributions to executives under the new defined contribution pension plan are at a rate of 12% of base salary plus bonus under the Short Term Incentive Program, 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 an unfunded supplemental accumulation plan.

The total combined amount of pension payable to an executive under the Plan and the SIP is determined as 2% of a participant's final average earnings multiplied by the total number of years of credited service. The total pension is capped at 70% of a participant's final average earnings, essentially capping service at 35 years. Final average earnings are defined as the average annual pensionable earnings (130% of base salary under the SIP) during the 36 consecutive months within the last 10 consecutive years of employment in which such earnings were the highest. Short-term and long-term incentive payout amounts are not included in the final average earnings. Pensions are reduced at a rate of 3% per year before age 60, for retirement after age 55.

In addition to the above, a 2-1/2 year service bonus component was part of the SIP pension calculation for retirement at age 60 for any member who joined the SIP prior to August 2, 2004. The service bonus grades from 0 to 2-1/2 years for retirement between ages 55 and 60, and grades back to 0 for retirement between ages 60 and 65, unless such continued employment beyond age 60 is at the request of Finning. This service bonus component is no longer provided to new participants after August 2, 2004.

In very limited circumstances, additional supplemental benefits have been provided under the SIP. Among the current NEOs, only Mr. Waites is entitled to an additional supplement to his pension payable from the SIP as described below.

The number of credited years of service at December 31, 2010, the estimated annual pension benefits payable, and the estimated value of the accrued obligation at the end of both 2009 and 2010 (including a broad reconciliation over the year) for each of Finning's NEOs are provided in the following table:

Name (a)	No. of Years Credited Service (#) (b)	Annual Benefits Payable ($) (c)		Accrued Obligation at Start Year ($) (d)	Compensatory[1] ($) (e)	Non-Compensatory[1] ($) (f)	Accrued Obligation at Year End ($) (g)
		At year end (c1)	At age 65 (c2)				
Michael T. Waites [2]	4.7	92,600	407,300	1,828,000	420,000	316,000	2,564,000
David S. Smith	1.8	19,200	150,300	99,000	115,000	37,000	251,000
Juan Carlos Villegas [3]	n/a	n/a	n/a	n/a	n/a	n/a	n/a
David E. Parker [4]	12.3	121,500	254,800	1,629,000	84,000	264,000	1,977,000
Andrew S. Fraser [4]	11.5	107,500	260,100	1,200,000	10,000	234,000	1,444,000

(1) Compensatory amounts shown include the current service cost during 2010 as well as the impact of pay increases since the previous year's calculation. 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 2010 changed from those used for 2009, to conform to accounting standards set out by the Canadian Institute of Chartered Accountants, resulting in the increased obligations shown in this table. The key assumption change that resulted in the Non-Compensatory increases was the corporate bond yield discount rate, which decreased over the year.

(2) Mr. Waites will accrue an additional year of credited service for each year of service from his hire date (May 1, 2006) to April 30 in the year he attains age 60, conditional upon his remaining with Finning for at least six years (until April 30, 2012). His Credited Service shown in column (b) and applied in column (c1) includes his service with Finning to date. However, the Annual Benefits Payable at age 65, as shown in column (c2), include an additional seven years of service that will be granted should his employment continue as above.

(3) Mr. Villegas does not participate in the Plan or the SIP, as Finning South America is not a designated employer participating under the Plan or the SIP or any other Finning pension plan.

(4) Mr. Parker and Mr. Fraser joined the SIP prior to August 2, 2004, and therefore are entitled to an additional 2-1/2 years of Credited Service if they remain with Finning until age 60. This service is included in current Credited Service as shown in column (b) only to the extent the individual is currently eligible. The Annual Benefits Payable at age 65, as shown in column (c2), include the additional 2-1/2 years, on the assumption that the individuals remain with Finning beyond age 60 at Finning's request.

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 Finning for an indemnifiable loss against the directors and officers and $500,000 for any securities claims against the directors and officers.

APPROVAL OF THIS CIRCULAR

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

Dated as of March 17, 2011.

J. Gail Sexsmith
Corporate Secretary

SCHEDULE A
FINNING INTERNATIONAL INC.
2005 STOCK OPTION PLAN

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 17, 2011:

(a) 5,410,217 options were issued and outstanding under the Option Plan (representing 3.15% of the total number of issued and outstanding shares as of such date);

(b) 1,658,535 Common Shares (representing 0.97% of the total number of issued and outstanding shares as of such date) remain available for future issuance under the Option Plan; and

(c) 401,248 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 22, 2010 to March 17, 2011, under our 2005 Stock Option Plan.

	As at March 22, 2010		Activity			As at March 17, 2011	
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	222,080	0.13%			179,168	401,248	0.23%
Options granted and outstanding	5,619,998	3.29%	548,990[(1)]	(579,603)	(179,168)	5,410,217	3.15%
Options available for future grants	1,627,922	0.95%	(548,990)	579,603		1,658,535	0.97%
Total:	7,470,000	4.37%				7,470,000	4.35%

(1) Options granted to senior executives on May 20, 2010 represent 0.32% of the issued and outstanding Common Shares of Finning, as at March 17, 2011.

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.

	PRACTICE	FINNING
1.	**Board of Directors**	
(a)	Disclose the identity of directors who are independent.	All directors of Finning are independent, other than Michael T. Waites and Douglas W.G. Whitehead.
(b)	Disclose the identity of directors who are not independent, and describe the basis for that determination.	Douglas W.G. Whitehead is the former President and Chief Executive Officer of Finning and Michael T. Waites is the current President and Chief Executive Officer of Finning. Mr. Whitehead and Mr. Waites are the only directors who are not independent of management. Mr. Whitehead will no longer be deemed "non-independent" after May 6, 2011, having exceeded the three year time limitation since retirement as an officer of Finning in the role of President and CEO.
(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.	8 of the 10 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 once outside of the presence of members of management. It also meets in camera without Michael T. Waites and Douglas W.G. Whitehead. In addition, where matters directly involving Michael T. Waites (such as compensation issues) are being discussed, Michael T. Waites 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 Chairman of the Board, Douglas W. G. Whitehead, is not independent. The Chairman's role and responsibilities are described in the "Terms of Reference for the Chair", which are posted on Finning's website. The Board has appointed John M. Reid as Lead Director. Mr. Reid is independent. The Lead Director's roles and responsibilities are described in the "Terms of Reference for the Lead Director", which are posted on Finning's website.
(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 20.
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 C.
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 Chairman of the Board and the chair for each of the committees. In addition, the Board has also developed a written position description for the Lead Director.

	PRACTICE	FINNING
(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 previous year.
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 Continuing Education" on page 24.
	(ii) the nature and operation of the issuer's business.	A full description of these measures is contained under the heading "Orientation and Continuing Education" on page 24.
(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 Continuing Education" on page 24.
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 web site 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 reports violations of the Code and any actions it has taken 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 violations of the Code in 2010 with respect to any directors or executive officers.
(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 the 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 whistleblower telephone hotline has been established globally, as well as on-line reporting, which is available on Finning's website.
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 23 for further details on the Director Nomination process and Skills Matrix.

	PRACTICE	FINNING
(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 31.
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 35 and in the executive compensation discussion and analysis starting on page 39.
(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 29.
(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 31. The Corporate Governance Committee last retained Consultants in 2008 to assist in determining compensation for Finning's independent directors.
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, an Environment, Health and Safety Committee and a Pension Committee. The mandates of these committees are described on pages 31, 32 and 33, 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 the responsibility for conducting an annual performance evaluation of the Board, each of its Board committees, the Chairman and each individual director. The process involves, among other things, asking each director to complete detailed evaluation questionnaires. Ultimately, the Committee makes recommendations to the full Board regarding any changes and improvements it determines to be necessary. Details on assessments undertaken in 2010 are described on page 24.

SCHEDULE C
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 Finning consistent with its fiduciary responsibility to the 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 Finning, 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. Nominees for director are initially considered and recommended by the Corporate Governance Committee of the Board, approved by the entire Board and elected annually by the shareholders of Finning.

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 will be as 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 Finning, 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; and
vi) assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities.

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 other senior officers, and that the CEO and other senior officers create a culture of integrity throughout the organization;
v) for acting upon the advice of the CEO, and the recommendation of the Human Resources Committee, for approving the appointment and remuneration of all corporate officers; and
vi) for ensuring that plans have been made for management succession including appointing, training and monitoring senior management.

C. Monitoring and Acting

The Board has the responsibility:

i) for monitoring Finning's progress towards its 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 Finning'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 Finning's internal control and information technology systems.

D. Strategy Determination

The Board has the responsibility:

i) for adopting a strategic planning process;
ii) for approving, at least annually, a strategic plan that takes into account, among other things, the opportunities and risks of the business; and
iii) 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 Finning is operated;

ii) for adopting a written Code of Business Conduct and Ethics and a Code of Ethics for Senior Executive and Financial Management;

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

iv) for ensuring systems are in place which are designed to ensure that Finning 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 Finning'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 Finning.

G. Reporting to Stakeholders

i) The Board has the responsibility to adopt a communications policy for Finning.

ii) The Board has the responsibility to direct management:

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

   b) to ensure that the financial performance of Finning 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 Finning;

   e) to report annually to shareholders on its stewardship for the preceding year (the Annual Report); and

   f) to ensure that Finning 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, and documents and records have been properly prepared, approved and maintained.

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

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

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

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 Finning'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 Finning;

   f) the payment of a commission to any person in consideration of the purchase or agreement to purchase shares of Finning from Finning 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 Finning; and

   j) the adoption, amendment or repeal of By-Laws of Finning.

SCHEDULE D

FINNING INTERNATIONAL INC.
MAJORITY VOTING POLICY

In 2006, the Board, in the belief that each director of Finning should carry the confidence and support of its shareholders, unanimously adopted and agreed to implement a majority voting policy. Any future nominees for election to the board will be asked to agree to comply with this policy before they are nominated for election, or otherwise appointed, to the Board.

The form of proxy for use at any meeting of Finning's shareholders where directors are to be elected will enable shareholders to either: (a) vote in favour; or (b) withhold their shares from being voted in respect of each nominee separately. At the meeting, the Chair will call for a vote by ballot and the scrutineer of the meeting will record, with respect to each nominee, the total number of shares voted in favour and the total number of shares withheld from voting. If, with respect to any nominee, the total number of shares withheld exceeds the total number of shares voted in favour of the nominee, then such nominee shall be considered not to have received the support of shareholders even though duly elected as a matter of corporate law.

Any nominee who is considered under the above test not to have the support of the shareholders will forthwith offer to submit his or her resignation to the Board if requested by the Board to do so.

Upon receipt of such offer, the Corporate Governance Committee shall consider the matter and, as soon as possible, make a recommendation to the full Board of Directors regarding whether or not such offer to resign should be accepted. In the absence of extraordinary circumstances, the Board expects the Corporate Governance Committee will recommend accepting such offer to resign.

After considering the recommendation of the Corporate Governance Committee, the Board of Directors shall decide whether or not to accept the offer to resign. If the Board decides to accept such offer, the nominee will immediately provide his or her formal resignation to the Board, and such resignation will be deemed to take effect immediately. In any event, Finning shall, not later than 90 days after the shareholders' meeting, issue a press release which either confirms that the nominee has formally resigned or provides an explanation for why the Board has refused to accept the nominee's resignation offer. The director tendering his or her offer to resign will not participate in any meeting of the Corporate Governance Committee or Board which considers the offer to resign.

Subject to any restrictions or requirements contained in applicable corporate law or Finning's constating documents, the board may: (a) leave a resulting vacancy unfilled until the next annual meeting; (b) appoint a replacement director whom the board considers merits the confidence of the shareholders; or (c) call a special meeting of shareholders to elect a replacement director nominated by management.

This policy does not apply in respect of any contested shareholders' meeting. For purposes hereof, a contested meeting is any meeting of shareholders where proxy material is circulated in support of one or more director nominees who are not part of a slate of director nominees supported by the existing board of directors.

This policy shall apply to all shareholder meetings which occur after May 10, 2006.

2011 MANAGEMENT
PROXY CIRCULAR

FINNING INTERNATIONAL INC.

FINNING®

www.finning.com