

# BLACK DIAMOND GROUP LIMITED

## DIVIDEND REINVESTMENT PLAN

### 1. The Plan

The Dividend Reinvestment Plan (the "Plan") of Black Diamond Group Limited ("Black Diamond") provides a convenient means for eligible holders of common shares of Black Diamond ("Shares") to purchase additional Shares by reinvesting all of their cash dividends.

The declaration and payment of dividends on Black Diamond's Shares is at the discretion of Black Diamond's board of directors (the "Board"). It is the intention of the Board to declare monthly cash dividends. It is expected that future cash dividend payments will be made to shareholders of record as of the close of business on the last business day of each month, for payment on the fifteenth day of the following month, or if such day is not a business day, the immediately following business day.

Under the Plan, Shares will be acquired at 100% of their "Market Price" (as defined below). As these Shares will be treasury Shares purchased directly from Black Diamond, no trading fees or service charges will be payable, except in connection with the transfer of Shares out of the Plan. All other administrative costs of the Plan will be paid by Black Diamond.

Through the reinvestment of cash dividends, Black Diamond will acquire additional capital funds which will be used for general corporate purposes.

### 2. Eligibility

Any beneficial or registered holder of Shares who is a resident of Canada and meets the requirements below is eligible to become a participant in the Plan (a "participant"). Holders who are not residents of Canada may not participate in the Plan. Upon becoming a non-resident of Canada, the Administrator will automatically terminate the holder's participation in the Plan.

### 3. How the Plan Works

A participant may elect to reinvest the cash dividends paid on all of the Shares owned by him or her. The cash dividends, less any applicable withholding tax, paid on all of the Shares owned by the participant including all Shares acquired under the Plan and held for the account of the participant, will be applied automatically on each dividend payment date (an "Investment Date") to purchase additional Shares under the Plan.

Shares purchased under the Plan will be issued from treasury at a price per Share calculated by reference to the volume weighted average of the trading price for the Shares on the relevant stock exchange or marketplace for the five trading days immediately preceding the Investment Date, less a discount, if any, of up to 5%, at Black Diamond's election (the "Market Price"). Black Diamond has set the initial discount at 3%. Black Diamond may, subject to the terms of the Plan, alter or eliminate this discount at any time.

On each Investment Date, Black Diamond will pay to Computershare Trust Company of Canada, the administrator of the Plan, (the "**Administrator**") the cash dividends otherwise payable to a participant in respect of the Shares the participant has elected to include in the Plan. Any amount required under applicable tax laws to be withheld by Black Diamond from cash dividends paid to any participant and remitted to a taxing authority will be withheld and remitted by Black Diamond as required, with the balance being paid to the Administrator for reinvestment on behalf of the participant or dividend to the participant. The cash dividends paid on all of Shares registered in the name of the participant or held by the Administrator for the account of the participant will be used by the Administrator to purchase Shares from Black Diamond for the account of the participant.

Shares purchased under the Plan will be registered in the name of the participant, and the participant's account maintained by the Administrator will be credited with the number of Shares, including fractions computed to six decimal places, equal to the cash dividends paid on the participant's Shares less any applicable withholding tax, divided by the relevant Market Price.

#### **4. How to Enroll**

##### **Registered Shareholders**

An eligible registered shareholder may enroll in the Plan at any time by duly completing an enrollment form and sending it to the Administrator or by enrolling online through the Administrator's self-service portal at [www.investorcentre.com](http://www.investorcentre.com). A copy of the Plan is available through Black Diamond's website, [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com), and can also be obtained from the Administrator at any time at [www.investorcentre.com](http://www.investorcentre.com). Shareholders should not send dividend cheques to the Administrator or Black Diamond.

The enrollment form must be signed by all registered holders of Shares. Also, if a shareholder's total holding is registered in different names (e.g., full name on some Share certificates and initials and surname on other Share certificates), a separate enrollment form must be completed for each different registration name.

A completed enrollment form must be received by the Administrator no later than five business days prior to the applicable record date for any cash dividend in order for that dividend to be reinvested under the Plan.

Once a registered shareholder has enrolled in the Plan, participation will continue until the participant terminates his or her participation (as set forth below) or until the Plan is suspended or terminated.

Any Shares acquired outside of the Plan which are not registered in exactly the same name or manner as Shares enrolled in the Plan will not be automatically enrolled in the Plan. If a participant purchases additional Shares outside the Plan, he or she is advised to contact the Administrator to ensure that all Shares the participant owns are enrolled in the Plan.

## **Beneficial Owners of Shares**

If a shareholder is a beneficial owner of Shares, he or she should contact his or her broker, investment dealer, financial institution or other nominee who holds his or her Shares to provide instructions regarding his or her participation in the Plan and to inquire about any applicable deadlines that the nominee may impose or be subject to and to confirm what fees, if any, the nominee may charge to enroll all or any portion of such shareholder's Shares in the Plan on his or her behalf or whether the nominee's policies might result in any costs otherwise becoming payable by the shareholder. Beneficial owners should also confirm if any fractional Shares will be provided by the nominee.

If a participant is a beneficial owner whose Shares are registered in the name of CDS Clearing and Depository Services Inc. ("**CDS**") or a name other than the participant's own name, he or she may participate in the Plan by (i) directing his or her broker to electronically transfer all or any number of whole Shares into his or her name directly and then enrolling such Shares in the Plan or (ii) making appropriate arrangements with the broker, investment dealer, financial institution or other nominee who holds the participant's Shares to enroll in the Plan on the participant's behalf, either as a nominee that delivers a completed and executed enrollment form to the Administrator in the manner provided in the Plan, or, if applicable, as a CDS participant through enrollment by CDS.

If a participant is a beneficial owner of Shares and wishes to enroll in the Plan through a CDS participant in respect of his or her Shares registered through CDS, appropriate instructions must be received by CDS from the CDS participant not later than such deadline as may be established by CDS from time to time, in order for the instructions to take effect on the Investment Date to which that dividend record date relates.

CDS participants holding Shares on behalf of beneficial owners of Shares registered through CDS must arrange for CDS to enroll such Shares in the Plan on behalf of such beneficial owners in respect of each dividend payment date.

CDS will provide instructions to the Administrator regarding the extent of its participation in the Plan, on behalf of beneficial owners of Shares, in respect of every Investment Date on which cash dividends otherwise payable to CDS, as shareholder of record, are to be reinvested under the Plan.

## **5. Certain Limitations**

A participant may not transfer the right to participate in the Plan to another person.

Subject to applicable law and regulatory policy, Black Diamond reserves the right to determine, from time to time, a minimum number of Shares that a participant must hold in order to be eligible to participate in, or continue to participate in, the Plan. Without limitation, Black Diamond further reserves the right to refuse participation in the Plan to, or terminate the participation of, any person who, in Black Diamond's sole opinion, is participating in the Plan primarily with a view to arbitrage trading, whose participation in the Plan is part of a scheme to

avoid applicable legal requirements or engage in unlawful behavior or has been artificially accumulating Black Diamond's securities, for the purpose of taking undue advantage of the Plan to Black Diamond's detriment. Black Diamond may also deny the right to participate in the Plan to any person or terminate the participation of any participant in the Plan if Black Diamond deems it advisable under any laws or regulations.

## **6. Statements of Account**

As soon as reasonably practicable after each Investment Date, a statement of account will be mailed to each participant setting out the amount of the relevant cash dividend reinvested, the applicable Market Price, the number of Shares purchased under the Plan on the Investment Date and the total number of Shares, computed to six decimal places, held for the account of the participant under the Plan (or, in the case of CDS participants should contact their intermediary to determine the procedures for requesting current statements ).

The statements are a continuing record of the cost of the Shares purchased under the Plan and should be retained for income tax purposes. In addition, Black Diamond will annually provide each participant with appropriate information for tax reporting purposes.

## **7. Termination of Participation**

A participant may terminate his or her participation in the Plan at any time by completing the termination portion of the voucher located on the reverse of your statement of account and delivering such document signed by the registered holder(s) to the Administrator (or in the case of beneficial owners, by making arrangements to terminate participation through their nominee). Such notice, if actually received by the Administrator no later than five business days prior to the applicable record date, will have effect in respect of the dividend to be made as of such date. If the Administrator receives such notice less than five business days prior to a record date, the termination will not be effective until after the dividend. Upon termination, the Administrator will continue to hold the participant's Shares unless he or she requests a Share certificate for any whole Shares and a cash payment for any fractional Share. The cash payment will be calculated on the basis of the prevailing market price of the Shares on the relevant stock exchange or marketplace on the date the termination is processed. All subsequent dividends will be paid directly to the shareholder. Participation in the Plan may be renewed by registered holders at any time by signing a new enrollment form and returning it to the Administrator.

The termination request will be processed within the Administrator's ordinary service standard, which is generally within ten days from the time the request is received.

## **8. Shares Held Under the Plan**

Shares acquired by a registered holder under the Plan will be maintained in such holder's Plan account (and will be enrolled in the Plan) in non-certificated form, which protects Shares against physical loss, theft or accidental destruction and also provides a convenient way for registered shareholders to keep track of their Shares.

Shares purchased on behalf of beneficial owners of Shares who are participating in the Plan through their broker will be maintained in their broker's Plan account.

#### **9. Withdrawal of Plan Shares**

A registered holder may, at any time, obtain Share certificates for any number of whole Shares held for the participant's account under the Plan without terminating their participation in the Plan by duly completing the withdrawal portion of the voucher located on the reverse of the Participant's statement and sending it to the Administrator. In no event will Share certificates be issued for fractional Shares. Certificates for Shares acquired under the Plan will not be issued to participants unless specifically requested.

Shares held for the account of a participant under the Plan may not be pledged. Consequently, prior to pledging Shares, a registered holder must request a Share certificate be issued.

Accounts under the Plan are maintained in the names in which the Shares of the participants were registered at the time they enrolled in the Plan. Consequently, Share certificates will be similarly registered when issued.

#### **10. Withdrawal of Shares Held Under the Plan**

A registered shareholder may choose to withdraw Shares from their Plan account and sell them through a broker of their choice. In this case the holder may request a Share certificate for his or her Shares held under the Plan from the Administrator prior to the sale. Beneficial owners of Shares who are participating in the Plan through their broker should contact their broker to sell their Shares.

#### **11. Voting of Shares Held Under the Plan**

Whole Shares held for the account of a participant under the Plan on any record date for a vote of shareholders (as with Shares not subject to the Plan) may be voted by the participant, either in person or by proxy. Shares for which instructions are not received will not be voted. Fractional Shares may not be voted.

#### **12. Share Dividends and Share Splits**

Share dividends declared on the Shares and any Shares resulting from the subdivision of the Shares will be credited to the account of the participant based on whole and fractional Shares held for the account of the participant under the Plan.

#### **13. Rights Offering**

If Black Diamond makes available to holders of Shares of record any right to subscribe for additional Shares or other securities, rights certificates in respect of the number of whole Shares then held for the account of the participant under the Plan will be forwarded to each participant. Where practicable, rights in respect of fractional Shares held for the account of a participant will

be sold by the Administrator for the participant's account and the net proceeds forwarded to the participant.

#### **14. Death of a Participant**

Participation in the Plan will not be affected by a participant's death and participation will remain effective until it is terminated in accordance with the provisions of the Plan.

Where the Administrator has received satisfactory evidence of the death of a Registered Participant from such Participant's duly appointed legal representative and written instructions to terminate such Participant's participation in the Plan, a Share certificate for the Participant's whole Shares and a cheque representing payment for any fractional Share held by the Administrator under the Plan will be issued in the name of the deceased participant or in the name of the estate of the deceased participant, as requested. Proof of the legal representative's authority to act must accompany the evidence of death. The Share certificate and applicable cash payment will be sent to the estate of the deceased Participant.

#### **15. Amendment, Suspension or Termination of the Plan**

Subject to any required regulatory or stock exchange approval, Black Diamond reserves the right to amend, modify, suspend or terminate the Plan at any time, but such actions shall have no retroactive effect that would prejudice a participant's interests. The Administrator will notify participants in writing of any modifications made to the Plan that in Black Diamond's opinion may materially prejudice participants. Generally, no notice will be given to participants regarding any amendments to the Plan intended to cure, correct or rectify any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions.

If the Plan is suspended or terminated by Black Diamond, the Administrator will continue to hold the participant's Shares in non-certificated form unless he or she requests a Share certificate for any whole Shares and a cash payment for any fractional Share based upon the prevailing market price of the Shares on the relevant stock exchange or marketplace on the trading day immediately preceding the effective date of termination or suspension of the Plan.

If the Plan is suspended or terminated by Black Diamond, no investment will be made under the Plan on any subsequent Investment Date. Dividends that are paid after the effective date of any suspension or termination of the Plan will be remitted by Black Diamond or the Administrator, as the case may be, directly to each participant.

#### **16. Income Tax Considerations Relating to the Plan**

THE FOLLOWING SUMMARY OF CERTAIN CANADIAN FEDERAL INCOME TAX CONSEQUENCES OF PARTICIPATION IN THE PLAN FOR CANADIAN RESIDENT PARTICIPANTS IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO BE LEGAL OR TAX ADVICE TO ANY PARTICULAR PARTICIPANT. THE FOLLOWING SUMMARY DOES NOT ADDRESS THE CANADIAN FEDERAL INCOME TAX CONSEQUENCES OF PARTICIPATION IN THE PLAN BY PARTICIPANTS WHO ARE

NOT RESIDENT IN CANADA. IT IS THE RESPONSIBILITY OF ALL PARTICIPANTS IN THE PLAN TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES OF PARTICIPATION IN THE PLAN IN THEIR PARTICULAR CIRCUMSTANCES.

#### Certain Canadian Federal Income Tax Considerations

The following is a summary of certain Canadian federal income tax considerations relevant to participation in the Plan by a participant who, for purposes of the *Income Tax Act* (Canada) (the "Tax Act") and at all relevant times, is or is deemed to be resident in Canada, holds their Shares as capital property, deals at arm's length and is not affiliated with Black Diamond and has cash dividends paid on Shares reinvested under the Plan.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and the regulations which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and the current published administrative and assessing policies and practices of the Canada Revenue Agency (the "CRA"). This summary does not otherwise take into account or anticipate any changes in the law or in the administrative or assessing policies and practices of the CRA, is not exhaustive of all possible Canadian federal income tax considerations and does not take into account or anticipate any provincial, territorial or foreign tax considerations which may be applicable to any particular participant.

This summary does not apply to a participant: (i) that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a "financial institution"; (ii) that is a "specified financial institution"; (iii) an interest in which is a "tax shelter investment"; (iv) that reports its "Canadian tax results" in a currency other than Canadian currency; or (v) that enters into, with respect to their Shares, a "derivative forward agreement", as each of those terms is defined in the Tax Act.

All cash dividends paid on Shares that are reinvested on behalf of a participant will generally be subject to the tax treatment normally applicable to taxable dividends (including "eligible dividends" as defined in the Tax Act) from "taxable Canadian corporations", as defined in the Tax Act. For example, in the case of a participant who is an individual, such dividends will be subject to the normal gross-up and dividend tax credit rules or, in the case of a participant who is a private corporation or one of certain other corporations, a refundable tax will apply to the amount of the dividend. Other taxes could apply depending on the circumstances of the participant.

A participant will not realize any taxable income when the participant receives certificates for whole Shares credited to the Participant's account, whether upon the participant's request, upon termination of participation or upon suspension or termination of the Plan.

The cost to a participant of Shares acquired under the Plan will be the Market Price being the price paid for such shares by the participant. For the purpose of computing the adjusted cost

base of such shares to the participant, the cost of such shares will be averaged with the adjusted cost base of all Shares held by the participant as capital property.

A participant may realize a capital gain or capital loss on the disposition of Shares acquired through the Plan, including in circumstances where a Participant receives a cash payment for any fraction of a Shares.

## **17. Administration**

The Administrator will act as administrator of the Plan for Black Diamond. The Administrator along with its designated affiliates and other agents will maintain an account for each participant and perform certain services for the Plan. The Administrator will keep all records necessary for the administration of the Plan.

Black Diamond reserves the right to interpret and regulate the Plan as it deems necessary or desirable.

Unless the context requires otherwise, words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include feminine and neuter genders and vice versa, and works importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

## **18. Liability of Black Diamond and the Administrator**

Black Diamond and the Administrator, in administering the Plan, are not liable for any act or omission to act, including, without limitation, any claims of liability: (a) with respect to receipt or non-receipt of any payment, form or other writing purported to have been sent to Black Diamond or the Administrator; (b) actions taken as a result of inaccurate and incomplete information or instructions; (c) in respect of any decision to amend, suspend, terminate or replace the Plan in accordance with the terms hereof; (d) in respect of the involuntary termination of a participant's participation in the Plan in the circumstances described herein; (e) with respect to the prices at which Shares are purchased for a participant's account and the times such purchases are made; or (f) in respect of income taxes or other liabilities payable by any participant or beneficial owner in connection with their participation in the Plan.

Participants should recognize that neither Black Diamond nor the Administrator can assure profit or protect against a loss on Shares acquired or sold under the Plan.

Both Black Diamond and the Administrator shall have the right to reject any request regarding enrollment in, withdrawal from or termination of, the Plan if such request is not received in proper form. Any such request will be deemed to be invalid until any irregularities have been resolved to Black Diamond's satisfaction and/or the Administrator's satisfaction. Neither Black Diamond nor the Administrator is under any obligation to notify any shareholder of an invalid request.

## **19. Governing Law**

The Plan shall be governed and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

## **20. Notices**

All notices required to be given under the plan will be mailed to participants at the address shown on the records of the Administrator or at the most recent address furnished by the participants .

Notices and inquiries to the Administrator are to be sent to:

Computershare Trust Company of Canada  
100 University Avenue, 8th Floor, North Tower  
Toronto Ontario  
M5J 2Y1

Or the National Contact Center at  
North America: 1-800-564-6253  
Outside of North America: 514-982-7555  
Or by visiting <http://www.Investorcentre.com/service>

Notices to Black Diamond are to be sent to:

Black Diamond Group Limited at  
1000-440 2nd Avenue SW  
Calgary, Alberta  
T2P 5E9  
Attention: Investor Relations Specialist

Or by calling: 587-233-7462

## **21. Effective Date**

The effective date of the Plan is December 21, 2016.