

BLACK DIAMOND GROUP LIMITED

Notice of the Annual and Special Meeting of Shareholders to be held on May 7, 2015

The annual and special meeting of the holders of our common shares will be held at the Sheraton Eau Claire, 255 Barclay Parade S.W., Calgary, Alberta, on Thursday, May 7, 2015, at 3:00 p.m., Calgary time, to:

1. receive and consider our consolidated financial statements for the fiscal year ended December 31, 2014, together with the report of the auditors thereon;
2. fix the number of directors to be elected at the meeting at eight (8);
3. elect eight (8) directors for the ensuing year;
4. appoint auditors for the ensuing year and to authorize our directors to fix their remuneration as such;
5. approve the adoption of a by-law of our company respecting advance notice for the nomination of directors;
6. approve all unallocated options under our company's share option plan;
7. approve the issuance of common shares from treasury pursuant to our company's restricted and performance award incentive plan;
8. approve the adoption of a shareholder protection rights plan of our company; and
9. transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Only shareholders of record at the close of business on March 16, 2015 (the "**Record Date**") are entitled to notice of and to attend the meeting or any adjournment or adjournments thereof and to vote thereat unless after the Record Date a holder of record transfers his or her common shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he or she owns such shares, requests, not later than 10 days before the meeting, that the transferee's name be included in the list of shareholders entitled to vote, in which case such transferee shall be entitled to vote such shares at the meeting.

Registered shareholders may vote in person at the meeting or any adjournment or adjournments thereof, or they may appoint another person (who need not be a shareholder) as their proxy to attend and vote in their place.

Registered shareholders unable to be present at the meeting are requested to date and sign the enclosed form of proxy and return it to Computershare Trust Company of Canada, 8th floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 (Attention: Proxy Department), or deliver it by fax to: 1-866-249-7775. If a shareholder received more than one proxy form because such shareholder owns our common shares registered in different names or addresses, each proxy form should be completed and returned. In order to be valid, proxies must be received by Computershare Trust Company of Canada not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the meeting or any adjournment thereof. Registered shareholders may also vote via the internet at www.investorvote.com. Votes by internet must also be received by the foregoing cut off time. See the information circular – proxy statement accompanying this Notice for further instructions on internet voting.

A management information circular – proxy statement relating to the business to be conducted at the meeting accompanies this Notice.

Dated at Calgary, Alberta this 16th day of March, 2015.

By order of the Board of Directors

(Signed) Trevor Haynes
President and Chief Executive Officer

BLACK DIAMOND GROUP LIMITED

Information Circular – Proxy Statement dated March 16, 2015

For the Annual and Special Meeting of Shareholders to be held on May 7, 2015

PROXIES

Solicitation of Proxies

This information circular – proxy statement is furnished in connection with the solicitation of proxies by or on behalf of our management for use at the annual and special meeting of our shareholders (the "**Meeting**") to be held at the Sheraton Suites Calgary Eau Claire, 255 Barclay Parade S.W., Calgary, Alberta, on Thursday, May 7, 2015, at 3:00 p.m., Calgary time, and any adjournment thereof for the purposes set forth in the accompanying Notice of Annual and Special Meeting.

Only shareholders of record at the close of business on March 16, 2015 are entitled to notice of, and to attend and vote at, the Meeting, unless a shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of such shares and demands that the transferee's name be included on the list of shareholders entitled to vote at the Meeting.

The instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The persons named in the enclosed form of proxy are officers of our company. **As a shareholder, you have the right to appoint a person or company (who need not be a shareholder) to represent you at the Meeting other than the person or persons designated in the form of proxy furnished by us. To exercise this right you should insert the name of the desired representative in the blank space provided on the form of proxy and strike out the other names or submit another appropriate proxy.** In order to be effective, the proxy must be deposited with Computershare Trust Company of Canada, 8th floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 (Attention: Proxy Department), or deliver it by fax to: 1-866-249-7775, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. Registered shareholders may also use the internet at www.investorvote.com to vote their shares. Shareholders will be prompted to enter the control number which is located on the form of proxy. Votes by internet must be received by 3:00 p.m. (Calgary time) on May 5, 2015 or at least forty-eight (48) hours prior to the time of any adjournment of the Meeting. The website may also be used to appoint a proxy holder to attend and vote at the Meeting on the shareholder's behalf and to convey a shareholder's voting instructions.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to you if you do not hold your common shares in your own name. Only proxies deposited by shareholders whose names appear on our records as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in your account statement provided by your broker, then in almost all cases those common shares will not be registered in your name on our records. Such common shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Common shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your common shares. We do not know for whose benefit the common shares registered in the name of CDS & Co. are held. The majority of common shares held in the United States are registered in the name of Cede & Co., the nominee for the Depository Trust Company, which is the United States equivalent of CDS Clearing and Depository Services Inc.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your common shares are voted at the Meeting. Often, the form of proxy supplied by your broker is identical to the

form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc., which mails a scannable voting instruction form in lieu of the form of proxy. You are asked to complete and return the voting instruction form to them by mail or facsimile. Alternately, you can call their toll-free telephone number or access the internet to vote your common shares. They then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of such common shares to be represented at the Meeting. If you receive a voting instruction form from Broadridge Financial Solutions Inc. it cannot be used as a proxy to vote common shares directly at the Meeting as the proxy must be returned to them well in advance of the Meeting in order to have the common shares voted.

Although you may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of your broker (or agent of the broker), you may attend at the Meeting as proxyholder for the registered holder and vote your common shares in that capacity. If you wish to attend the Meeting and indirectly vote your common shares as proxyholder for the registered shareholder, you should enter your own name in the blank space on the form of proxy provided to you and return the document to your broker (or the broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

Revocability of Proxy

You may revoke your proxy at any time prior to a vote. If you or the person to whom you give your proxy attends personally at the Meeting you or such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited at our head office at any time up to and including the last business day before the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

Persons Making the Solicitation

This solicitation is made on behalf of our management. We will bear the costs incurred in the preparation and mailing of the form of proxy, Notice of Annual and Special Meeting and this information circular – proxy statement. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefor.

Exercise of Discretion by Proxy

The common shares represented by proxy in favour of management nominees will be voted on any matter at the Meeting. Where you specify a choice with respect to any matter to be acted upon the common shares will be voted or withheld from voting on any matter in accordance with the specification so made. **If you do not provide instructions your common shares will be voted in favour of the matters to be acted upon as set out herein.** The persons appointed under the form of proxy which we have furnished are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice of Annual and Special Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. At the time of printing this information circular – proxy statement, we know of no such amendment, variation or other matter.

Notice-and-Access

We have elected to use the "notice-and-access" provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") for the Meeting to those of you who do not hold your common shares in your own name. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that we must physically mail to you by allowing our company to post our information circular – proxy statement in respect of the Meeting and related materials online.

We have also elected to use procedures known as 'stratification' in relation to our use of the Notice-and-Access Provisions. Stratification occurs when we, while using the Notice-and-Access Provisions, provide a paper copy of our notice of meeting

and information circular – proxy statement and a paper copy of our consolidated financial statements and related management's discussion and analysis to some of our shareholders. In relation to the Meeting, our registered shareholders will receive a paper copy of each of the notice of the meeting, this information circular – proxy statement dated March 16, 2015, our consolidated financial statements and related management's discussion and analysis and a form of proxy whereas our shareholders who do not hold their common shares in their own name will receive only a Notice-and-Access Notification and a voting instruction form. Furthermore, a paper copy of our consolidated financial statements and related management's discussion in respect of our most recent financial year will be mailed to those shareholders who do not hold common shares in their own name but who have previously requested to receive paper copies of our financial information.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

We are authorized to issue an unlimited number of common shares without nominal or par value for such consideration as may be determined by resolution of our board of directors (our "**Board**"). As at March 16, 2015, there were 41,086,422 common shares issued and outstanding. As a holder of common shares, you are entitled to one vote on a ballot at the Meeting for each common share you own. We are also authorized to issue an unlimited number of preferred shares, issuable in series. Each series is issuable upon the terms and conditions as set by our Board at the time of creation, subject to the class priorities. As at March 16, 2015, there were no preferred shares issued and outstanding.

To the knowledge of our directors and officers, as at March 16, 2015, no person or company beneficially owned, or controlled or directed, directly or indirectly, common shares carrying more than 10% of the votes attached to all of the issued and outstanding common shares.

MATTERS TO BE ACTED UPON AT THE MEETING

Election of Directors

At the Meeting, shareholders will be asked to fix the number of directors to be elected at the Meeting at eight members and to elect eight directors to hold office until the next annual meeting or until their successors are elected or appointed. There are currently nine directors of our company, each of whom retire from office at the Meeting.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at eight members and in favour of the election as directors of the eight nominees hereinafter set forth. The accompanying form of proxy provides for individual voting on directors.

Robert G. Brawn	Marshall L. McRae
Trevor Haynes	David Olsson
Robert J. Herdman	Steven Stein
Minaz Kassam	Robert Wagemakers

If for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless you have specified in your proxy that your common shares are to be withheld from voting on the proposed nominee who does not stand for election.

The following information relating to the nominees as directors is based partly on our records and partly on information received by our company from the nominees and sets forth the names and province and country of residence of all of the persons nominated for election as directors, the periods during which they have served as directors, their principal occupations or employments during the five preceding years and the approximate number of common shares beneficially owned, or controlled or directed, directly or indirectly, by each of them as of March 16, 2015.

**Number of Common Shares
Beneficially Owned, or
Controlled or Directed,
Directly or Indirectly ⁽⁴⁾**

Name, Province and Country of Residence	Director Since ⁽³⁾	Principal Occupation During the Five Preceding Years	
Robert G. Brawn ⁽²⁾ Alberta, Canada	November 11, 2009	President of 1573568 Alberta Ltd. (a private investment company).	105,330
Trevor Haynes Alberta, Canada	October 7, 2009	President and Chief Executive Officer of Black Diamond Group Limited.	2,539,897
Robert J. Herdman ⁽¹⁾⁽²⁾ Alberta, Canada	March 7, 2012	Independent businessman since July 1, 2010 and prior thereto, Partner of PricewaterhouseCoopers LLP (accounting firm).	Nil
Minaz Kassam ⁽¹⁾ Alberta, Canada	November 11, 2009	Managing Partner of Kassam Chartered Accountancy (formerly Kassam and Company Chartered Accountants).	241,370
Marshall L. McRae Alberta, Canada	March 4, 2015	Independent businessman since December 31, 2014; Executive Vice President of Black Diamond Group Limited from October 16, 2013 until December 31, 2014; Interim Executive Vice President and Chief Financial Officer of Black Diamond Group Limited from October 16, 2013 until August 8, 2014 and prior thereto, independent financial and management consultant.	Nil
David Olsson ⁽²⁾ Victoria, Australia	January 1, 2014	Senior China Practice Consultant to King & Wood Mallesons, a law firm, since July 2013 and prior thereto, Senior Partner of King & Wood Mallesons.	Nil
Steven Stein Alberta, Canada	October 7, 2009	President, Logistics of Black Diamond Group Limited since October 22, 2014; Executive Vice President and Chief Operating Officer of Black Diamond Group Limited from January 1, 2012 until October 22, 2014 and prior thereto, Vice President and Chief Operating Officer of Black Diamond Group Limited.	1,079,896
Robert Wagemakers ⁽¹⁾⁽²⁾ Alberta, Canada	November 11, 2009	Independent Businessman since July 31, 2012; Special Consultant to Nabors Drilling, a division of Nabors Canada, from July 31, 2011 to July 30, 2012 and prior thereto, Vice President, Marketing of Nabors Drilling.	648,511

Notes:

- (1) Member of our Audit Committee, which committee is required pursuant to the *Business Corporations Act* (Alberta).
- (2) Member of our Compensation, Nominating and Corporate Governance Committee (our "**Committee**").
- (3) Black Diamond Income Fund (the "**Fund**") was reorganized and restructured into our company on December 31, 2009 (the "**Conversion**"). The Fund was managed by Black Diamond Group Inc. (the "**Manager**") until the Conversion. Prior to the Conversion, Messrs. Brawn, Kassam and Wagemakers were directors of the Manager since June 2006. Messrs. Haynes and Stein are and have been directors of the Manager since June 2006.
- (4) In addition, Messrs. Brawn, Haynes, Herdman, Kassam, McRae, Olsson, Stein and Wagemakers hold options to purchase 46,274, 896,333, 55,000, 81,822, 100,000, 25,000, 418,600 and 46,274 common shares, respectively.
- (5) We do not have an Executive Committee.

Majority Voting for Directors

Our Board has adopted a majority voting policy stipulating that if the votes in favour of the election of a director nominee at a shareholders' meeting represent less than a majority of our common shares voted and withheld, the nominee will submit his resignation promptly after the meeting, for our Compensation, Nominating and Corporate Governance Committee's consideration. Our Committee will make a recommendation to our Board after reviewing the matter, and our Board's decision

to accept or reject the resignation offer will be disclosed to the public within 90 days of the applicable shareholders' meeting. Resignations are expected to be accepted except in situations where extenuating circumstances would warrant the applicable director to continue to serve as a Board member. The nominee will not participate in any committee or Board deliberations on the resignation offer unless there are not at least three directors who did not receive a majority withheld vote. The policy does not apply in circumstances involving contested director elections.

Additional Disclosure Relating to Proposed Directors

Bankruptcies

To our knowledge, except as described below, no proposed director (nor any personal holding company of any of such persons): (a) is, as of the date of this information circular – proxy statement, or has been within the ten years before the date of this information circular – proxy statement, a director or executive officer of any company (including us) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of this information circular – proxy statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Herdman, a director, served as a director of SemBioSys Genetics Inc. ("**SemBioSys**"), a development stage biotechnology company, until May 1, 2012. On June 22, 2012, a secured creditor of SemBioSys was granted an order under the *Bankruptcy and Insolvency Act* (Canada) appointing a receiver to take possession of and deal with specific assets of SemBioSys which had been pledged to that creditor.

Cease Trade Orders

To our knowledge, except as described below, no proposed director (nor any personal holding company of any of such persons) is, as of the date of this information circular – proxy statement, or was within ten years before the date of this information circular – proxy statement, a director, chief executive officer or chief financial officer of any company (including us), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Herdman, a director, served as a director of SemBioSys until May 1, 2012. On May 25, 2012, the Alberta Securities Commission issued a cease trade order against SemBioSys for failure to file the required certification of interim filings for the interim period ended March 31, 2012. The securities commission of each of British Columbia, Manitoba, Ontario and Quebec issued similar orders in respect of the failure to file the certification of interim filings.

Penalties or Sanctions

To our knowledge, no proposed director (nor any personal holding company of any of such persons), has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Appointment of Auditors

At the Meeting, shareholders will be called upon to appoint the firm of Ernst & Young LLP, Chartered Accountants, of Calgary, Alberta, to serve as our auditors until the next annual general meeting of our shareholders and to authorize our directors to fix their remuneration as such. Ernst & Young LLP have been our auditors since incorporation on October 7, 2009 and were the auditors of the Fund since its formation on June 27, 2006.

It is the intention of the management designees, if named as proxy, to vote "FOR" the appointment of Ernst & Young LLP, Chartered Accountants, Calgary, Alberta, as our auditors, to hold office until the next annual meeting of the shareholders and to authorize our directors to fix their remuneration as such.

Our directors recommend that shareholders vote for the appointment of Ernst & Young LLP, Chartered Accountants, Calgary, Alberta, as our auditors, at a remuneration to be fixed by our directors.

The information required by Form 52-110F1 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, including information regarding the fees billed to our company by Ernst & Young LLP, Chartered Accountants, Calgary, Alberta, is contained in our annual information form for the year ended December 31, 2014, under the heading "Audit Committee Information", an electronic copy of which is available on our SEDAR profile at www.sedar.com.

Approval of Advance Notice By-Law

Background

Our Board has approved the adoption of By-law No. 2 relating to the provision of advance notice of nominations of our directors (the "**Advance Notice By-law**"). A summary of the main terms of the Advance Notice By-law is provided below. A complete copy of the Advance Notice By-law is attached as Appendix "A" hereto.

Purpose of the Advance Notice By-Law

The purpose of the Advance Notice By-law is to provide our shareholders, our Board and our management with a clear framework for director nominations and to help ensure orderly business at shareholder meetings by effectively preventing director nominations from the floor of a meeting without prior notice or appropriate disclosure. Among other things, the Advance Notice By-law fixes a deadline by which a nominating shareholder must submit director nominations to our company prior to any annual or special meeting of shareholders. It also specifies the information that a nominating shareholder must include in the notice to our company in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

Summary of the Terms of the Advance Notice By-Law

The Advance Notice By-law provides that advance notice must be given to our company in circumstances where nominations of persons for election to our Board are made by shareholders other than pursuant to: (a) a "proposal" made in accordance with Section 136 of the *Business Corporations Act* (Alberta); or (b) a requisition of a meeting made pursuant to Section 142 of the *Business Corporations Act* (Alberta).

The Advance Notice By-law fixes a deadline by which holders of record of our common shares must submit director nominations to our Corporate Secretary prior to any annual or special meeting of shareholders and outlines the specific information that a nominating shareholder must include in the written notice to our Corporate Secretary for an effective nomination to occur. No person nominated by a shareholder will be eligible for election as a director of our company unless nominated in accordance with the provisions of the Advance Notice By-law.

In the case of an annual meeting of shareholders, notice to our Corporate Secretary must be given not less than 30 days prior to the date of the annual meeting, provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be given not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of shareholders (which is not also an annual meeting), notice to our Corporate Secretary must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made. Our Board may, in its sole discretion, waive any requirement of the Advance Notice By-law.

Confirmation and Approval of the Advance Notice By-Law by Shareholders

We are seeking the confirmation of the Advance Notice By-law by the shareholders at the Meeting, as set forth more fully below. Although the adoption of the Advance Notice By-law was effective on approval by our Board, it is subject to shareholder confirmation at the Meeting. If the Advance Notice By-law is confirmed by shareholders at the Meeting, it will continue in effect. If the Advance Notice By-law is rejected by the shareholders at the Meeting, it will cease to be effective and no subsequent resolution of our Board to make, amend or repeal a by-law of our company having substantially the same purpose or effect as the Advance Notice By-law shall be effective until confirmed or confirmed as amended by the shareholders.

Our Board unanimously recommends that shareholders vote "FOR" the resolution confirming the Advance Notice By-Law.

Accordingly, at the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution, substantially in the following form:

BE IT RESOLVED as an ordinary resolution of the shareholders of Black Diamond Group Limited (the "Corporation") that:

1. pursuant to section 102 of the *Business Corporations Act* (Alberta), By-law No. 2 of the Corporation, in the form attached as Appendix "A" to the information circular – proxy statement of the Corporation dated March 16, 2015, is hereby adopted and confirmed as a by-law of the Corporation;
2. any officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation, whether under its corporate seal or otherwise, to execute and deliver all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any of such actions; and
3. notwithstanding the passing of this resolution by the shareholders, the board of directors of the Corporation may revoke this resolution before it is acted upon, without further approval of the shareholders of the Corporation.

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the aggregate votes cast by shareholders who vote in person or by proxy at the Meeting on such resolution. **Unless otherwise directed, it is the intention of the persons designated in the form of proxy accompanying this Information Circular to vote proxies "FOR" the approval of the foregoing resolution.**

Approval of Unallocated Options Under the Share Option Plan

Executive officers, along with our officers, directors, employees, consultants and other service providers are eligible to participate in our company's share option plan (the "**Option Plan**"). Options granted under the Option Plan are intended to align such individual's and shareholder interests by attempting to create a direct link between compensation and shareholder return. Participation in the Option Plan rewards overall corporate performance, as measured through the price of our common shares. In addition, the Option Plan encourages the retention of key executives and enables executives to develop and maintain a significant ownership position in our company. As with many similar-sized companies, share options form an integral component of the total compensation package provided to our executive officers. This results in a significant portion of executive compensation being "at risk" and directly linked to the achievement of business results and long-term value creation.

The Option Plan is described under the heading "Statement of Executive Compensation – Incentive Plans – Share Option Plan" below. When options have been granted, common shares reserved for issuance under an outstanding option are referred to as allocated options. Additional common shares that may be issued pursuant to the Option Plan, but are not subject to current option grants are referred to as unallocated options.

The Option Plan is a "rolling plan" whereby we are entitled to grant options in respect of a maximum number of common shares equal to 10% of our issued and outstanding common shares less the number of common shares which are issuable pursuant to all our other Security Based Compensation Arrangements (as defined in Part VI of the Company Manual of the Toronto Stock Exchange ("**TSX**"). A "rolling plan" allows the number of shares covered by options that have been exercised, to be available for subsequent grants under the Option Plan. Pursuant to the rules of the TSX, every three years, all unallocated options, rights or other entitlements available under the Option Plan must be approved by a majority of our directors and shareholders. The Option Plan was last approved by shareholders on May 2, 2012.

On March 4, 2015, the Option Plan was amended by our Board to reduce the limit on the maximum number of common shares issuable to non-employee directors as a group at any time pursuant to outstanding options from 2% to 1% of the issued and outstanding common shares in an effort to better ensure that the Option Plan conforms to certain published guidelines and recommendations from a certain corporate governance group. The foregoing amendment which was made in accordance with the amendment provision contained in the Option Plan did not require shareholder approval. This amendment was approved by the TSX.

Based on 41,086,422 issued and outstanding common shares at March 16, 2015, the number of options that may be granted under the Option Plan is currently limited to 4,108,642, of which options to purchase 4,021,069 common shares are outstanding, leaving unallocated 87,573 common shares available for future option grants.

Our Board unanimously recommends that shareholders vote "FOR" the approval of all unallocated options under the Option Plan.

At the Meeting, shareholders will be asked to consider and if deemed advisable, to approve an ordinary resolution, substantially in the following form, relating to the approval of unallocated options as described above:

BE IT RESOLVED as an ordinary resolution of the shareholders of Black Diamond Group Limited (the "Corporation") that:

1. all unallocated options, rights or other entitlements available under the Corporation's share option plan are approved and authorized until May 7, 2018; and
2. any officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation, whether under its corporate seal or otherwise, to execute and deliver all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any of such actions.

Our Board unanimously approved all unallocated options, rights or other entitlements available under the Option Plan on March 4, 2015. The foregoing resolution must also be approved by a simple majority of votes cast by shareholders who vote in person or by proxy at the Meeting on such resolution. **Unless otherwise directed, it is the intention of the persons designated in the form of proxy accompanying this Information Circular to vote proxies "FOR" the approval of the foregoing resolution.**

If at the Meeting, shareholders do not approve all unallocated options, rights or other entitlements available under the Option Plan, all currently outstanding options will be unaffected, however we will not issue any further options under the Option Plan and any outstanding options that are thereafter cancelled or expire will not be available for re-grant until such time as shareholder approval is obtained.

If approval is not obtained at the Meeting, we will have to consider alternate forms of performance based compensation, including additional cash bonuses, a share appreciation plan or other means in order to attract and retain qualified personnel.

Approval of the Issuance of Common Shares From Treasury Pursuant to the Restricted and Performance Award Incentive Plan

At the Meeting, shareholders will be asked to consider and, if deemed advisable, approve an ordinary resolution (the "**Incentive Plan Resolution**") authorizing the issuance of common shares from our treasury pursuant to our company's

restricted and performance award incentive plan (the "**Incentive Plan**") pursuant to which our Compensation, Nominating and Corporate Governance Committee may grant Restricted Awards and Performance Awards (collectively "**Incentive Awards**") to directors, officers, employees and other service providers of our company and our affiliates ("**Service Providers**"). A copy of the Incentive Plan is available for review on our website at www.blackdiamondlimited.com and will also be made available upon request by contacting the Vice President, Legal and Corporate Secretary of our company. Terms used in this section but not defined have the same meanings herein as ascribed thereto in the Incentive Plan.

Background

Our Committee met on November 5, 2014, December 2, 2014 and February 20, 2015 to review and consider the establishment of the Incentive Plan to supplement the Option Plan. The Incentive Plan would serve to provide retention incentive for key Service Providers and, like the Option Plan, align the compensation of management and employees of our company with the success of our company and the creation of shareholder value over the term of the Incentive Awards. Our Committee recommended to our Board the establishment of the Incentive Plan to supplement the Option Plan.

In recommending the Incentive Plan, our Committee considered the structure of the Incentive Plan and concluded that it would not encourage senior executives to take inappropriate or excessive risk that may have a material adverse effect on our company. In particular, the Restricted Awards and Performance Awards vest over time which should help mitigate short-term risk-taking potential.

On March 4, 2015, our Board approved the establishment of the Incentive Plan, subject to approval of shareholders as contemplated herein and the TSX.

Overview

The following is a summary of the material features of the Incentive Plan and is subject to the provisions of the Incentive Plan. Shareholders should refer to the full text of the Incentive Plan for the detailed terms thereof.

The principal purposes of the Incentive Plan are to: (i) provide a competitive compensation plan to retain and attract qualified Service Providers that our company and our affiliates require; (ii) promote a proprietary interest in our company by such Service Providers and to encourage such persons to remain in the employ or service of our company and our affiliates and put forth maximum efforts for the success of the business of our company and our affiliates; and (iii) focus management of our company and our affiliates on operating and financial performance and return realized by shareholders.

Incentive-based compensation such as the Incentive Plan is an integral component of compensation for Service Providers. The attraction and retention of qualified Service Providers has been identified as one of the key risks to our long-term strategic growth plan. The Incentive Plan is intended to maintain our competitiveness within the industries in which we operate to facilitate the achievement of increased shareholder value.

The Incentive Plan is administered by our Committee, provided that our Board has the authority to appoint itself or another committee of our Board to administer the Incentive Plan.

Under the terms of the Incentive Plan, any eligible Service Provider may be granted Restricted Awards, Performance Awards or a combination thereof. In determining the Service Providers to whom Incentive Awards may be granted ("**Grantees**"), the number of Incentive Awards and the allocation of the Incentive Awards between Restricted Awards and Performance Awards, our Committee may take into account such factors as it shall determine in its sole discretion, including any one or more of the following factors: (i) compensation data for comparable benchmark positions among the Peer Comparison Group or among other comparison groups; (ii) the duties, responsibilities, position and seniority of the Grantee; (iii) the Corporate Performance Measures for the applicable period compared with internally established performance measures approved by our Committee and/or similar performance measures of members of the Peer Comparison Group or other comparison groups for such period; (iv) the individual contributions and potential contributions of the Grantee to the success of our company; (v) any bonus payments paid or to be paid to the Grantee in respect of his or her individual contributions and potential contributions to the success of our company; (vi) the Fair Market Value or current market price of the common shares at the time of grant of such Incentive Award; and (vii) such other factors as our Committee shall deem relevant in its sole discretion in connection with accomplishing the purposes of the Incentive Plan.

Restricted Awards

Subject to the terms and conditions of the Incentive Plan, Restricted Awards will entitle the holder to a sum (an "**Award Value**") to be paid as to one-third of the Award Value underlying such Restricted Awards on each of the first, second and third anniversaries of the date of grant of such Restricted Awards. In the case of Restricted Awards, the Award Value is calculated at the Payment Date(s) by multiplying the number of Restricted Awards by the Fair Market Value of the common shares. The Fair Market Value is determined on the applicable Payment Date as the volume weighted average trading price of the common shares on the TSX (or other stock exchange on which the common shares may be listed) for the five trading days immediately preceding such date.

Performance Awards

Subject to the terms and conditions of the Incentive Plan, Performance Awards will entitle the holder to the Award Value to be paid as to one-third of the Award Value underlying such Performance Awards on each of the first, second and third anniversaries of the date of grant of such Performance Awards. On each Payment Date, or such other dates as may be determined by our Committee, the holder will be entitled to an amount equal to one-third of the Award Value underlying such Performance Awards multiplied by a Payout Multiplier.

The Payout Multiplier is determined by our Committee based on an assessment of the achievement of the pre-defined Corporate Performance Measures in respect of the applicable period. Corporate Performance Measures may include: Relative Total Shareholder Return; the financial performance or results of our company and our affiliates; key leading and lagging indicators of health, safety and environmental performance of our company and our affiliates; achievement of our company's full year budget targets and the execution of our company's strategic plan as determined by our Committee in its sole discretion; and such additional measures as our Committee, in its sole discretion, shall consider appropriate in the circumstances. The Payout Multiplier for a particular period can be one of 0x (for fourth quartile ranking), 1x (for third quartile ranking), 1.5x (for second quartile ranking) or 2x (for first quartile ranking). Annually, prior to the Payment Date in respect of any Performance Award, our Committee shall assess the performance of our company for the applicable period. Unless otherwise determined by our Committee, for those Performance Awards where the Payment Date is the second or third anniversary of the grant date, the Payout Multiplier will be the arithmetic average of the Payout Multiplier for each of the two or three performance assessment periods, respectively. The calculation of the Payout Multiplier is set out in a table appended to the Incentive Plan.

Change of Control

In the event of a Change of Control of our company, the Payment Date(s) applicable to all outstanding Incentive Awards will be accelerated such that the balance of the Award Value attaching to such Incentive Awards will be paid immediately prior to the date upon which the Change of Control is completed and the Payout Multiplier applicable to any Performance Awards shall be determined by our Committee.

Method of Payment of Award Value

On the applicable Payment Date, our company, at its sole and absolute discretion, shall have the option of settling the Award Value to which the holder of Incentive Awards is entitled in the form of either cash or in common shares which may either be acquired by our company on the stock exchange on which the common shares may be listed from time to time or, subject to approval by the TSX and by shareholders as contemplated herein, issued from the treasury of our company, or some combination thereof.

The Incentive Plan does not contain any provisions for financial assistance by our company in respect of Incentive Awards granted thereunder.

Maximum Dilution and Other Limitations

The Incentive Plan provides that the maximum number of common shares available for issuance from treasury of our company under all Security Based Compensation Arrangements (of which the Option Plan is included), including pursuant to outstanding Incentive Awards, at any time shall not exceed 10% of the number of issued and outstanding common shares. Incentive Awards (or the Award Value thereof) that are cancelled, surrendered, terminated or expired prior to the final Payment

Date or in respect to which our company has not elected to issue common shares from treasury in respect thereof, shall result in such common shares being available to be issued, at the election of our company, in respect of a subsequent grant of Incentive Awards pursuant to the Incentive Plan to the extent of any common shares which were not issued from treasury in respect of such Incentive Award. In addition: (i) the number of common shares that are available to be issued from treasury of our company to insiders at any time, under all Security Based Compensation Arrangements of our company, shall not exceed 10% of the issued and outstanding common shares; (ii) the number of common shares issued to insiders from treasury of our company, within any one year period, under all Security Based Compensation Arrangements of our company, including the Incentive Plan, shall not exceed 10% of the issued and outstanding common shares; and (iii) the number of common shares that are available to be issued from treasury of our company pursuant to outstanding Incentive Awards at any time to Non-Management Directors, together with any common shares issuable pursuant to any other Security Based Compensation Arrangements, in aggregate, will be limited to a maximum of 1% of the issued and outstanding common shares and the value of all Incentive Awards (together with the award value under any other Security Based Compensation Plans) granted to any Non-Management Director during a calendar year, as calculated on the date of grant, shall not exceed \$150,000. The 10% limitations in (i) and (ii) above are prescribed by the rules of the TSX, otherwise insiders participating in the Incentive Plan are not eligible to vote their securities in respect of any shareholder approval related to the Incentive Plan required by the TSX.

The Expiry Date of all Incentive Awards granted pursuant to the Incentive Plan is December 15th of the third calendar year following the calendar year in which the Incentive Award was granted.

Blackout Extension

If a Grantee is prohibited from trading in securities of our company as a result of the imposition by our company of a trading black-out (a "**Black-Out Period**") and the Payment Date of an Incentive Award held by such Grantee falls within a Black-Out Period, then the Payment Date of such Incentive Award shall be extended to a date which is 10 business days following the end of such Black-Out Period, unless such extension would cause the Payment Date to extend beyond the Expiry Date, in which case the Payment Date shall remain on the Expiry Date notwithstanding the Black-Out Period.

Early Termination Events

Unless otherwise determined by our Committee or unless otherwise provided in an Incentive Award Agreement pertaining to a particular Incentive Award or any written employment or consulting agreement governing a Grantee's role as a Service Provider, the following provisions shall apply in the event that a Grantee ceases to be a Service Provider:

- (a) **Death** - If a Grantee ceases to be a Service Provider as a result of the Grantee's death, the Payment Date(s) for all Incentive Awards awarded to such Grantee under any outstanding Incentive Award Agreements shall be accelerated to the Cessation Date, the heirs or successors of the Grantee shall be entitled to receive payment with respect to the Incentive Awards held by the Grantee at the time of death and the Payout Multiplier to be applied to any Performance Awards held by the Grantee at the time of death shall be determined by our Committee.
- (b) **Termination for Cause** - If a Grantee ceases to be a Service Provider as a result of termination for cause, effective as of the Cessation Date all outstanding Incentive Award Agreements under which Incentive Awards have been made to such Grantee, whether Restricted Awards or Performance Awards, in respect of which the Award Value thereof for which the Payment Date shall not have occurred on or before the Cessation Date shall be immediately terminated and all rights to receive payments thereunder shall be forfeited by the Grantee.
- (c) **Voluntary Resignation** - If a Grantee ceases to be a Service Provider as a result of a voluntary resignation, effective as of the Cessation Date, all outstanding Incentive Award Agreements under which Incentive Awards have been made to such Grantee, whether Restricted Awards or Performance Awards, in respect of which the Award Value thereof for which the Payment Date shall not have occurred on or before the Cessation Date shall be immediately terminated and all rights to receive payments thereunder shall be forfeited by the Grantee.
- (d) **Other Termination** - If a Grantee ceases to be a Service Provider for any reason other than as provided for in (a), (b) and (c) above, effective as of the Cessation Date, all outstanding Incentive Award Agreements under which Incentive Awards have been made to such Grantee, whether Restricted Awards or Performance Awards, in respect of which the Award Value thereof for which the Payment Date shall not have occurred on or before the Cessation Date shall be terminated and all rights to receive payment thereunder shall be forfeited by the Grantee.

- (e) Extension of Expiration Period – Subject to Section 10 of the Incentive Plan, our Committee may, in its sole discretion, determine that the dates for termination of the Incentive Award Agreements or Incentive Awards set forth in (a), (b), (c) and (d) above shall be extended, provided such extension shall not be past the Expiry Date.

Non-Transferability

Except in the case of death, the right to receive payment pursuant to an Incentive Award granted to a Service Provider is held only by such Service Provider personally. Except as otherwise provided in the Incentive Plan, no assignment, sale, transfer, pledge or charge of an Incentive Award, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Incentive Award whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Incentive Award shall terminate and be of no further force or effect.

Amendment Provisions

Our Committee may not, without the approval of shareholders of our company, make any amendments to:

- (a) increase the percentage of common shares reserved for issuance pursuant to Incentive Awards in excess of the limit prescribed in Section 5(a) of the Incentive Plan;
- (b) increase the maximum limit on the number of common shares that may be issued from treasury to insiders pursuant to Sections 5(b) or (c) of the Incentive Plan;
- (c) increase the maximum number of common shares that may be issued from treasury to Non-Management Directors pursuant to Section 5(d) of the Incentive Plan;
- (d) extend the Payment Date of any Incentive Awards issued under the Incentive Plan beyond the latest Payment Date specified in the Incentive Award Agreement (other than as permitted by the terms and conditions of the Incentive Plan) or extend the term beyond the original Expiry Date;
- (e) permit a Grantee to transfer or assign Incentive Awards to a new beneficial holder other than for estate settlement purposes; and
- (f) change the amendment provisions of the Incentive Plan.

Except as restricted by the foregoing, our Committee may amend or discontinue the Incentive Plan or Incentive Awards granted thereunder at any time without shareholder approval provided that any amendment to the Incentive Plan that requires approval of any stock exchange on which the common shares are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Incentive Plan or Incentive Awards granted pursuant to the Plan may be made without the consent of the Grantee, if it adversely alters or impairs any Incentive Awards previously granted to such Grantee under the Incentive Plan.

Stock Exchange and Shareholder Approval Requirements

Notwithstanding anything provided in the Incentive Plan, the issuance of any common shares by our company from treasury in respect of the Award Value in respect of any Restricted Awards or Performance Awards granted thereunder is subject to and may not be made unless approved by the TSX and approved by shareholders in accordance with the requirements of the TSX. Specifically, prior to receipt of such approval, our company is only permitted to pay the Award Value in respect of any Incentive Award in cash or by the delivery of common shares acquired by our company on the TSX. As the Incentive Plan is a "rolling plan", shareholder approval to the grant of Incentive Awards pursuant to which common shares may be issued from treasury is required every three years.

In the event that the Incentive Plan is not approved by shareholders at the Meeting, our company may consider the provision of other compensation to our Service Providers in the form of cash or by other arrangements as may be determined appropriate by

our Board. In such connection, our Board may determine to adopt the Incentive Plan but limit the payment of the Award Value thereunder to cash or common shares acquired on the stock exchange, but not issue any common shares from treasury thereunder.

Our Board unanimously recommends that shareholders vote "FOR" the Incentive Plan Resolution.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass the Incentive Plan Resolution, substantially in the following form:

BE IT RESOLVED as an ordinary resolution of the shareholders of Black Diamond Group Limited (the "Corporation") that:

1. the issuance of common shares from treasury pursuant to incentive awards granted until May 7, 2018 pursuant to the Restricted and Performance Award Incentive Plan of the Corporation, substantially in the form described in the Information Circular – Proxy Statement of the Corporation dated March 16, 2015, be and the same is hereby authorized and approved; and
2. any officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation, whether under its corporate seal or otherwise, to execute and deliver all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any of such actions.

In order for the Incentive Plan Resolution to be passed, it must be approved by a simple majority of the aggregate votes cast by shareholders who vote in person or by proxy at the Meeting on such resolution. **Unless otherwise directed, it is the intention of the persons designated in the form of proxy accompanying this Information Circular to vote proxies "FOR" the approval of the Incentive Plan Resolution.**

Approval of Shareholder Protection Rights Plan

Background

On March 4, 2015, our Board approved the adoption of a Shareholder Protection Rights Plan (the "**Rights Plan**"). The Rights Plan is currently effective, but is subject to approval by the shareholders at the Meeting. Shareholders will be asked to consider and, if deemed advisable, to approve the Rights Plan and the issuance of all Rights (as defined below) issued pursuant to the Rights Plan. Subject to the approval of the Rights Plan at the Meeting, the Rights Plan has a term of three years and will expire at the close of the annual meeting of our company in 2018, unless it is reconfirmed at such meeting or it is otherwise terminated in accordance with its terms. Approval of the Rights Plan by shareholders is required by the TSX. The Rights Plan is similar to plans adopted recently by several other Canadian issuers and approved by their securityholders. A copy of the shareholder protection rights plan agreement dated as of March 4, 2015 between our company and Computershare Trust Company of Canada, which gives effect to the Rights Plan (the "**Rights Agreement**"), is available on SEDAR at www.sedar.com and will also be made available upon request by contacting the Vice President, Legal and Corporate Secretary of our company.

Objectives of the Rights Plan

The fundamental objectives of the Rights Plan are to ensure, to the extent possible, that all shareholders are treated equally and fairly in connection with a take-over offer or bid for our company and to ensure that our Board is provided with sufficient time to evaluate unsolicited take-over bids and to explore and develop alternatives to maximize shareholder value.

The Rights Plan encourages a potential acquirer who makes a take-over bid to proceed either by way of a "**Permitted Bid**" (as described below), which generally requires a take-over bid to satisfy certain minimum standards designed to promote fairness, or with the concurrence of our directors. If a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by our directors, the Rights Plan provides that holders of common shares of our company, other than the acquiror, will be able to purchase additional common shares at a significant discount to the market price, thus exposing the person acquiring common shares to substantial dilution of its holdings.

Currently, our directors are not aware of any pending or threatened take-over bid for our company.

In adopting the Rights Plan, our directors considered the existing legislative framework governing take-over bids in Canada. Our directors believe such legislation currently does not provide sufficient time to permit shareholders to consider a take-over bid and make a reasoned and unhurried decision with respect to a take-over bid or give our directors sufficient time to develop alternatives for maximizing shareholder value. Shareholders also may feel compelled to tender to a take-over bid even if the shareholder considers such bid to be inadequate out of a concern that failing to tender may result in a shareholder being left with illiquid or minority-discounted common shares. This is particularly so in the case of a partial bid for less than all the common shares where the bidder wishes to obtain a control position but does not wish to acquire all of the common shares. Finally, while existing securities legislation has addressed many concerns related to unequal treatment of securityholders, there remains the possibility that effective control of a company may be acquired pursuant to private agreements in which a small group of securityholders disposes of securities at a premium to market price, which premium is not shared with the other securityholders.

It is not the intention of our directors in recommending the confirmation and ratification of the Rights Plan to either secure the continuance of our directors or management or to preclude a take-over bid for control of our company. The Rights Plan provides that shareholders could tender to take-over bids as long as they meet the Permitted Bid criteria. Furthermore, even in the context of a take-over bid that does not meet the Permitted Bid criteria, our directors are always bound by their fiduciary duty to consider any take-over bid for our company and consider whether or not they should waive the application of the Rights Plan in respect of such bid. In discharging such responsibility, our directors will be obligated to act honestly and in good faith and in the best interests of our company.

A number of decisions rendered by the Canadian securities regulators relating to rights plans have concluded that a board of directors faced with an unsolicited take-over bid will not be permitted to maintain a rights plan indefinitely to prevent the successful completion of the bid, but only for so long as the board is actively seeking alternatives to the bid and there is a reasonable possibility that, given additional time, a value maximizing alternative will be developed. The Rights Plan does not preclude any shareholder from utilizing the proxy rules to promote a change in our Board, the management or direction of our company, and has no effect on the rights of holders of the common shares to requisition a meeting of shareholders in accordance with applicable rules.

In recent years, unsolicited take-over bids have been made for a number of Canadian public companies, many of which had rights plans. Our directors believe this demonstrates that the existence of a rights plan does not prevent the making of an unsolicited take-over bid. Further, in a number of these cases, a change of control ultimately occurred at a price in excess of the original bid price. There can be no assurance, however, that the Rights Plan would serve to bring about a similar result.

The Rights Plan has not interfered and is not expected to interfere with the day-to-day operations of our company. The continuation of the existing outstanding Rights and the issuance of additional Rights in the future will not in any way alter the financial condition of our company, impede our business plans, or alter our financial statements. In addition, the Rights Plan is initially not dilutive. However, if a "Flip-in Event" (as described below) occurs and the Rights separate from the common shares as described below, reported earnings per common share and reported cash flow per common share on a fully-diluted or non-diluted basis may be affected. In addition, holders of Rights not exercising their Rights after a Flip-in Event may suffer substantial dilution.

Summary of the Rights Plan

The following is a summary of the principal terms of the Rights Plan, which summary is qualified by and is subject to the full terms and conditions of the Rights Plan. A copy of the Rights Plan is available on SEDAR at www.sedar.com and from the Vice President, Legal and Corporate Secretary of our company upon written request. Capitalized terms used in this section, but not defined, will have the meaning ascribed thereto in the Rights Plan.

Issue of Rights

Pursuant to the Rights Plan, effective March 4, 2015, one right ("**Right**") to purchase a common share was issued and is attached to each outstanding common share. One Right will also be issued and attach to each Common Share issued thereafter, subject to the limitations set forth in the Rights Plan.

Acquiring Person

An "**Acquiring Person**" is a person that beneficially owns 20 percent or more of the outstanding common shares and any other shares of capital stock or voting interests of our company entitled to vote generally in the election of all directors (collectively, the "**Voting Shares**"). An Acquiring Person does not, however, include: (i) our company or any Subsidiary of our company; or (ii) an underwriter or members of a banking or selling group that becomes the beneficial owner of 20 percent or more of the Voting Shares in connection with a distribution of securities pursuant to a prospectus or by way of private placement; or (iii) any person that becomes the beneficial owner of 20 percent or more of the outstanding Voting Shares as a result of certain exempt transactions.

These exempt transactions include where any person becomes the beneficial owner of 20 percent or more of the Voting Shares as a result of, among other things: (i) an acquisition or redemption by our company or a subsidiary of our company of Voting Shares which, by reducing the number of Voting Shares outstanding or which may be voted, increases the proportionate number of Voting Shares beneficially owned by any person; (ii) acquisitions pursuant to a Permitted Bid or Competing Permitted Bid (as described below); (iii) a share acquisition to which the application of the Rights Plan has been waived by our directors; and (iv) an acquisition of Voting Shares as a result of: an acquisition pursuant to a dividend reinvestment plan; a stock dividend, a stock split or other event pursuant to which a person becomes beneficial owner of Voting Shares on the same pro rata basis as all other holders of Voting Shares; the acquisition or exercise by such person of rights to purchase Voting Shares distributed to such person in the course of a distribution to all holders of Voting Shares pursuant to a rights offering or pursuant to a prospectus; or a distribution of Voting Shares or securities convertible into or exchangeable for Voting Shares (and the conversion or exchange of such convertible or exchangeable securities), made pursuant to a prospectus or a distribution by way of a private placement (each being a "**Pro Rata Acquisition**").

Also excluded from the definition of Acquiring Person is a person (a "**Grandfathered Person**") who is the beneficial owner of 20 percent or more of the outstanding Voting Shares on the date of implementation of the Rights Plan; provided further, however, that this exemption shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the date of implementation of the Rights Plan, become the beneficial owner of more than 1.0 percent of the number of Voting Shares then outstanding in addition to those Voting Shares already held by such person, other than through an acquisition pursuant to a Permitted Bid, Competing Permitted Bid, Exempt Acquisition, Pro Rata Acquisition or the issuance or exercise of stock options granted by our company.

A beneficial owner includes an owner of securities entitling the owner to become an owner of a Voting Share, including conversion or exchange rights or rights to purchase.

Rights Exercise Privilege

The Rights will separate from the Common Shares to which they are attached and will become exercisable at the close of business (the "**Separation Time**") on the 10th trading day after the earliest of (a) the first date (the "**Stock Acquisition Date**") of public announcement that a person and/or others associated or affiliated with such person, or acting in concert with such person, have become an Acquiring Person; (b) the date of commencement of, or first public announcement of the intent of any person to commence a take-over bid, other than a Permitted Bid or a Competing Permitted Bid; or (c) such later date as our directors may determine. Subject to adjustment as provided in the Rights Plan, each Right will entitle the holder to purchase one Common Share at a price (the "**Exercise Price**") equal to \$100.00. At any time prior to the Rights becoming exercisable, our directors may waive the operation of the Rights Plan with respect to certain events before they occur.

A transaction in which a person becomes an Acquiring Person is referred to as a "**Flip-in Event**". Any Rights held by an Acquiring Person on or after the earlier of the Separation Time or the Stock Acquisition Date, will become void upon the occurrence of a Flip-in Event. After the close of business on the 10th business day after the first public announcement of the occurrence of a Flip-in Event, each Right (other than those held by the Acquiring Person) will entitle the holder to purchase, for the Exercise Price, that number of Common Shares having an aggregate market price (based on the prevailing market price at the time of the consummation or occurrence of the Flip-in Event) equal to twice the Exercise Price.

Impact Once Rights Plan is Triggered

Upon a Flip-in Event occurring and the Rights separating from the attached common shares, reported earnings per common share on a fully diluted or non-diluted basis may be affected. Holders of Rights who do not exercise their Rights upon the occurrence of a Flip-in Event may suffer substantial dilution.

By permitting holders of Rights other than an Acquiring Person to acquire common shares at a discount to market value, the Rights may cause substantial dilution to a person or group that acquires 20 percent or more of the Voting Shares other than by way of a Permitted Bid or other than in circumstances where the Rights are redeemed or our directors waive the application of the Rights Plan.

Certificates and Transferability

Before the Separation Time, certificates for common shares will also evidence one Right for each common share represented by the certificate. Certificates issued on or after March 4, 2015 will also bear a legend to this effect. Rights are also attached to common shares outstanding on March 4, 2015, although certificates issued before such date do not bear such a legend.

Prior to the Separation Time, Rights will not be transferable separately from the attached common shares. From and after the Separation Time, the Rights will be evidenced by Rights certificates, which will be transferable and traded separately from the common shares. Shareholders will receive no other proof of or document of ownership of the Right.

Permitted Bids

The Rights Plan is not triggered if an offer to acquire common shares would allow sufficient time for the shareholders to consider and react to the offer and would allow shareholders to decide to tender or not tender without the concern that they will be left with illiquid common shares should they not tender.

A "Permitted Bid" is a take-over bid where the bid is made by way of a take-over bid circular and: (i) is made to all holders of Voting Shares, other than the offeror, for all of the Voting Shares held by those holders; and (ii) the bid does not permit Voting Shares tendered pursuant to the bid to be taken up prior to the 60th day following the bid and only if, at such time, more than 50 percent of the Voting Shares held by shareholders other than the bidder, its associates and affiliates, and Persons acting jointly or in concert with the bidder (the "**Independent Shareholders**") have been tendered pursuant to the take-over bid and not withdrawn.

A Permitted Bid is not required to be approved by our directors and such bids may be made directly to shareholders. Acquisitions of Voting Shares made pursuant to a Permitted Bid or a Competing Permitted Bid do not give rise to a Flip-in Event.

Waiver and Redemption

Our directors may, before the occurrence of a Flip-in Event that would occur as a result of a take-over bid to all holders of Voting Shares made under a circular prepared in accordance with applicable securities laws (a "**Take-over Bid Flip-in Event**"), waive the application of the Rights Plan to such Take-over Bid Flip-in Event. In such event, our directors shall be deemed to also have waived the application of the Rights Plan to any other Take-over Bid Flip-in Event prior to the expiry thereof.

Subject to the prior consent of the shareholders as set forth in the Rights Plan, our directors may also, before the occurrence of a Flip-in Event that is not a Take-over Bid Flip-in Event, waive the application of the Rights Plan to such Flip-in Event.

Our directors may also waive the application of the Rights Plan to an inadvertent Flip-in Event, on the condition that the person who became an Acquiring Person in the Flip-in Event reduces its Beneficial Ownership of Voting Shares such that it is not an Acquiring Person within 10 days of the determination of our directors (or any earlier or later time specified by our directors).

Until the occurrence of a Flip-in Event, our directors may elect to redeem all but not less than all of the then outstanding Rights at \$0.00001 per Right. In the event that a person acquires Voting Shares pursuant to a Permitted Bid, a Competing Permitted

Bid or pursuant to a transaction for which our directors have waived the application of the Rights Plan, then our directors shall, immediately upon the consummation of such acquisition, without further formality, be deemed to have elected to redeem the Rights at the redemption price.

Supplement and Amendments

Before the confirmation of the Rights Plan by shareholders, our company may, without the approval of holders of Voting Shares or Rights, amend, supplement, vary, delete or rescind the Rights Plan in order to make any changes that our directors, acting in good faith, may deem necessary or desirable.

Following shareholder confirmation of the Rights Plan, our company may, without the approval of the holders of Common Shares or Rights, make amendments: (i) to correct clerical or typographical errors, (ii) to maintain the validity of the Rights Plan as a result of any change in applicable legislation, regulations or rules thereunder, and (iii) as otherwise specifically contemplated therein. Any amendment referred to in (ii) must, if made before the Separation Time, be submitted for approval to the holders of Voting Shares at the next meeting of shareholders and, if made after the Separation Time, must be submitted to the holders of Rights for approval.

At any time before the Separation Time, our company may, with prior consent of the shareholders, amend, vary or rescind any of the provisions of the Rights Plan or the Rights, whether or not such action would materially adversely affect the interests of the Rights generally.

At any time after the Separation Time, our company may, with prior consent of the holders of Rights, amend, vary or rescind any of the provisions of the Rights Plan or the Rights, whether or not such action would materially adversely affect the interests of the Rights generally.

Confirmation

The Rights Plan must be confirmed by shareholders who vote in respect of such confirmation at the Meeting. Thereafter, the Rights Plan must be reconfirmed at every third annual meeting of shareholders of our company. If the Rights Plan is not approved at any such meeting of shareholders, including the Meeting, the Rights Plan and all outstanding Rights will terminate and be void and of no further force and effect.

Voting Requirements

The TSX requires that shareholder approval of the Rights Plan be obtained as a condition to the listing of the Rights on such stock exchange. The Rights Plan must be confirmed by the vote of the holders of a majority of the common shares voting at the Meeting and, if applicable, the holders of a majority of the common shares voting at the Meeting after excluding the votes of any Grandfathered Person. Our company is not aware of any Grandfathered Person whose votes must be excluded in accordance with the foregoing.

Our Board unanimously recommends that shareholders vote "FOR" the resolution ratifying and confirming the Rights Plan and any Rights issued pursuant thereto.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution, substantially in the following form:

BE IT RESOLVED as an ordinary resolution of the shareholders of Black Diamond Group Limited (the "Corporation") that:

1. the Rights Plan as set forth in the Shareholder Protection Rights Plan Agreement dated as of March 4, 2015 between the Corporation and Computershare Trust Company of Canada, and the issuance of the Rights issued pursuant to such Rights Plan, are hereby approved, confirmed and ratified; and
2. any officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation, whether under its corporate seal or otherwise, to execute and deliver all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement this resolution and the matters

authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any of such actions.

Unless otherwise directed, it is the intention of the persons designated in the form of proxy accompanying this Information Circular to vote proxies "FOR" the approval of the foregoing resolution.

COMPENSATION GOVERNANCE

Composition of our Compensation, Nominating and Corporate Governance Committee

Our Compensation, Nominating and Corporate Governance Committee is comprised of David Olsson (Chair), Robert G. Brawn, Robert J. Herdman and Robert Wagemakers, all of whom are "independent" directors for the purposes of National Instrument 58-101 – *Corporate Governance Guidelines*. The following table sets forth the relevant skills and experience of each member of our committee that enables such member to make decisions on the suitability of our compensation policies and practices.

Name	Relevant Skills and Experience
David Olsson (Chair)	Mr. Olsson's skills and experience that enable him to make decisions on the suitability of our compensation policies and practices are derived from more than 30 years' experience in the areas of international capital markets, cross-border investments, and financing of resources and infrastructure projects. Most recently a senior partner of King & Wood Mallesons, an international law firm, and now a senior China Practice Consultant to the firm, Mr. Olsson has held a variety of management positions within King & Wood Mallesons, including roles as national head of the banking and finance team, partner-in-charge of Melbourne, Hong Kong and Beijing offices, and Managing Partner of the Australian operations. Mr. Olsson holds a Bachelor of Laws degree from the Australian National University.
Robert G. Brawn	Mr. Brawn's skills and experience that enable him to make decisions on the suitability of our compensation policies and practices are derived from Mr. Brawn's experience as a director and compensation committee member of numerous publicly listed entities. Mr. Brawn received a Bachelor of Science, Engineering from the University of Alberta in 1958.
Robert J. Herdman	Mr. Herdman's skills and experience that enable him to make decisions on the suitability of our compensation policies and practices are derived from more than 20 years' experience as a senior audit partner with PricewaterhouseCoopers LLP (a public accounting firm). Mr. Herdman is a Chartered Accountant and is Fellow of the Institute of Chartered Accountants. Mr. Herdman received a Bachelor of Education degree from the University of Calgary.
Robert Wagemakers	Mr. Wagemakers skills and experience that enable him to make decisions on the suitability of our compensation policies and practices are derived from more than 39 years' experience in the oil and natural gas sector, most recently from July 31, 2011 to July 30, 2012 as a Special Consultant to Nabors Drilling, a division of Nabors Canada and from 2001 to July 2011, Vice President, Marketing of Nabors Drilling. Mr. Wagemakers was Vice President, Operations with Command Drilling Corporation from 2000 to 2001; prior thereto, he was President of Partner Rentals Ltd. from 1997 to 2000. Prior thereto, Mr. Wagemakers held various management positions with a number of drilling companies. In 2013, Mr. Wagemakers completed the program offered by the Institute of Corporate Directors and is entitled to use the designation ICD.D.

Mandate and Terms of Reference of our Compensation, Nominating and Corporate Governance Committee

Our Board has adopted a mandate for our Compensation, Nominating and Corporate Governance Committee which has, as part of its mandate, the responsibility for reviewing matters relating to the human resource policies and compensation of our directors, officers and employees in the context of our budget and business plan. Without limiting the generality of the foregoing, our Committee has the following duties:

- (i) to review the compensation philosophy and remuneration policy for our officers and to recommend to our Board changes to improve our ability to recruit, retain and motivate employees;

- (ii) to review and recommend to our Board the retainer and fees to be paid to members of our Board;
- (iii) to review and approve corporate goals and objectives relevant to the compensation of our President and Chief Executive Officer, evaluate our President and Chief Executive Officer's performance in light of those corporate goals and objectives, and determine (or make recommendations to our Board with respect to) our President and Chief Executive Officer's compensation level based on such evaluation;
- (iv) to recommend to our Board with respect to non-Chief Executive Officer officer and director compensation including to review management's recommendation for proposed share option, share purchase plans and other incentive-compensation plans and equity-based plans for non-Chief Executive Officer officer and director compensation and make recommendations in respect thereof to our Board;
- (v) to administer the share option plan and other incentive plans approved by our Board in accordance with their terms including recommending (and, if delegated authority thereunder, approving) the grant of share options or other incentive securities in accordance with the terms thereof;
- (vi) to determine and recommend for approval of our Board bonuses to be paid to our officers and employees and to establish targets or criteria for the payment of such bonuses, if appropriate;
- (vii) to review the annual disclosure required by applicable securities laws to be made by our company with respect to compensation including the Compensation Discussion and Analysis required to be included in our information circular – proxy statement and review other executive compensation disclosure before we disclose such information; and
- (viii) to conduct an assessment, at least once a year, of the risks associated with our compensation policies and practices and prepare and submit to our Board annually a report summarizing: (i) the risks identified in such assessment that are reasonably likely to have a material adverse effect on our company; and (ii) the recommendations of our Committee to mitigate against any potential items identified in such assessment that may be reasonably expected to lead an executive officer to take inappropriate or excessive risks.

Our Committee is required to be comprised of at least three of our directors or such greater number as our Board may determine from time to time. All members of our Committee are required to be independent as such term is defined for purposes of National Instrument 58-101. Our Board is from time to time to designate one of the members of our Committee to be the Chair of our Committee. Pursuant to the Mandate and Terms of Reference of our Committee, meetings of our Committee are to take place at least one time per year and at such other times as the Chair of our Committee may determine.

Compensation Consultant or Advisor

In June 2014, our company retained Lane Caputo Compensation Inc. (the "**Consultant**"), an independent external consulting company, to assist our company and our Compensation, Nominating and Corporate Governance Committee in reviewing the competitiveness of our company's compensation program for our employees, executive officers and non-management directors. The Consultant's mandate was to review comparative industry compensation data including the executive and non-management directors' compensation plans of competitor companies for benchmarking compensation and advise our company and our Committee on emerging trends and developments in compensation. Prior to this, in our previous two completed financial years, our company did not retain any consultants or advisors to assist our Board or our Committee in determining the compensation of our executive officers or non-management directors of our company. Our company paid \$98,000 in fees to the Consultant for the professional services rendered to our company in 2014.

During our two previously completed financial years, our company participated in and utilized compensation data from the independent "Mercer Total Compensation Survey (Energy Services Sector)". Our company also participated in and utilized PSAC's Total Compensation Survey which enabled our company to do comparative compensation analysis for positions at and below the General Manager level in our company.

COMPENSATION DISCUSSION AND ANALYSIS

Our executive compensation program is administered by our Compensation, Nominating and Corporate Governance Committee. Our President and Chief Executive Officer is responsible for making recommendations to our Committee with respect to compensation for our executive officers. In making such recommendations, our President and Chief Executive Officer analyzes a number of factors including industry compensation data, corporate performance and individual executive officer performance. In assessing the performance of individual executive officers, consideration is given to objective factors such as level of responsibility, experience and expertise, as well as subjective factors such as leadership and performance in such executive officer's specific role with our company.

Our President and Chief Executive Officer then makes recommendations to our Committee with respect to the various elements of compensation to be awarded to each executive officer. Our President and Chief Executive Officer also presents his analysis of our performance and individual executive officer performance to our Committee.

Upon the receipt of such recommendations, our Committee reviews the data and information provided and determines whether to accept the recommendations or make any changes. Discussions, both formal and informal, may ensue between both our Committee and our Board and our President and Chief Executive Officer with respect to the recommendations and adjustments may be made prior to final approval by our Board.

Recommendations for executive compensation are then made by our Committee to our Board for approval. As our President and Chief Executive Officer is also a member of our Board, our Board meets in the absence of our President and Chief Executive Officer and the other non-independent members of our Board to discuss the recommendations made by our Committee for executive compensation.

Objectives and Principles of Executive Compensation Program

The objectives of our executive compensation program are twofold, namely: (i) to enable our company to attract and retain highly qualified and experienced individuals to serve as executive officers (including our Named Executive Officers); and (ii) to align the compensation levels available to our executive officers to the successful implementation of our strategic plans and annual objectives. Our executive compensation program is designed to reward our executive officers where they have contributed to our success and growth.

A significant component of our compensation program is based on a "pay-for-performance" philosophy which supports our commitment to delivering strong performance for our shareholders. Our compensation policies are designed to attract, recruit and retain individuals of high calibre to serve as our officers, to motivate their performance in order to achieve our strategic objectives and to align the interests of executive officers with the long-term interests of our shareholders and enhancement in share value. Compensation of all executive officers, including our President and Chief Executive Officer, is based on the underlying philosophy that such compensation should be competitive with other corporations against whom we compete for executive talent and should be reflective of the experience, performance and contribution of the individuals involved and our overall performance. Our Committee also recognizes that the executive compensation program must be sufficiently flexible in order to adapt to unexpected developments in the industries in which we operate and the impact of internal and market related occurrences from time to time.

Compensation and Market Position

During the first quarter of 2014, management and our Committee referred to the independent "Mercer Total Compensation Survey (Energy Services Sector)" (the "**Mercer Survey**") when determining executive compensation, including the assessment of the competitiveness of our compensation practices.

At the time of establishment of 2014 base salaries and the 2014 cash bonus plan for our Named Executive Officers (as defined below in "Statement of Executive Compensation"), information provided by the Mercer Survey was in respect of 2013 compensation practices.

The competitiveness of our Named Executive Officers' compensation is assessed based on total compensation defined as the aggregate of salary, bonuses and long-term incentives valued as of the time of grant. During 2014, it was our philosophy to

target base salaries in the range of the 50th to 75th percentile of the market data referred to in the Mercer Survey with the potential for our Named Executive Officers' total compensation to increase depending on both individual and corporate performance.

Elements of Our Executive Compensation Program

Our executive compensation program is comprised of three principal components: (i) base salary and perquisites, (ii) short-term incentive compensation comprised of annual cash bonuses, and (iii) long-term incentive compensation comprised of share options. Together, these components are designed to achieve the following key objectives:

- aligning the compensation framework so as to promote and support our company's overall business strategy and long term strategic plans and objectives;
- to provide market competitive compensation that is significantly performance based by ensuring that a significant portion of annual (cash bonuses) and long-term (share options) incentive compensation is tied to corporate performance and share performance and, therefore, is at risk (not guaranteed) and variable year over year;
- to provide incentives which encourage superior corporate performance and retention of highly skilled and talented employees; and
- to align executive compensation, particularly by awarding long-term incentive compensation in the form of share options with share performance and therefore shareholders' interests.

The aggregate value of these principal components and related benefits is used as a basis for assessing the overall competitiveness of our company's compensation package. The fixed element of compensation provides a competitive base of secure compensation required to attract and retain executive talent. The variable performance based, or "at risk" compensation, is designed to encourage both short-term and long-term performance of our company. At more senior levels of the organization, a significant portion of compensation eligible to be paid is variable performance based compensation which places a greater emphasis on rewarding executives for their individual contributions, business results of our company and long-term value creation for shareholders. Awarding a significant portion of long-term incentive compensation in the form of options provides, through the value of the common shares, a direct link with shareholder return.

Each element of our executive compensation program is described in more detail below.

Base Salaries and Other Perquisites

The base salary component of our executive compensation program is intended to provide a fixed level of competitive pay that reflects each executive officer's primary duties and responsibilities and the level of skills and experience required to successfully perform the role. The payment of base salaries is a fundamental component of our compensation program and serves to attract and retain highly qualified executives.

Salaries of our executive officers, including that of our President and Chief Executive Officer, are reviewed annually by our Committee based upon a review of corporate and personal performance and individual levels of responsibility. Salaries for executive officers are not determined based on specific benchmarks, performance goals or a specific formula. The base salaries for the financial year ended December 31, 2014, were set to be competitive with industry levels and our Committee had regard to the contributions made by the executive officers. Base salaries for 2014 were set in the range of the 50th to 75th percentile of the market data referred to in the Mercer Survey.

In addition, we also provide certain perquisites and other benefits to our executive officers which are generally typical of those provided by our peers in the industries in which we operate including life and disability insurance and extended health and dental coverage.

Short-Term Incentive Compensation – Annual Cash Bonuses

Our Committee recommends to the independent members of our Board for consideration and approval of an annual bonus amount for all employees and specific bonus amounts for executive officers (including our Named Executive Officers). Our Committee, in consultation with our President and Chief Executive Officer, established the terms of our cash bonus plans for the financial year ended December 31, 2014 for our executive officers, including the cash bonus plan for fiscal 2014 for our

Named Executive Officers (excluding our President and Chief Executive Officer) (the "**Cash Bonus Plan**"). Pursuant to the terms of the Cash Bonus Plan, certain components and metrics were established that were reflective of the key operating and financial metrics that had a significant impact on achieving our business plan for fiscal 2014 and were aligned to the creation of shareholder value. Pursuant to the Cash Bonus Plan, the bonus was based on actual results compared to the components that were established and approved by the independent members of our Board upon the recommendation of our Committee in March 2015. The maximum bonus payable was 100% of the actual 2014 base salary for Messrs. Lambert, McRae, Stein, Cleland and Klukas.

The \$390,000 cash bonus (and the components of such cash bonus) paid to Trevor Haynes, our President and Chief Executive Officer, for fiscal 2014 was determined by our Committee having regard to the metrics of the Cash Bonus Plan and approved by the independent members of our Board upon the recommendation of our Committee.

Set forth below is a table which provides the breakdown of the aggregate cash bonuses paid for fiscal 2014 pursuant to the Cash Bonus Plan to Messrs. Lambert, McRae, Stein, Cleland and Klukas, as well as the breakdown of the aggregate cash bonus paid for fiscal 2014 to Trevor Haynes, all Named Executive Officers in the table under "Statement of Executive Compensation – Summary Compensation Table".

Name	Components of 2014 Cash Bonus						Total Cash Bonus for Fiscal 2014
	Financial Results ⁽⁴⁾	Business Unit Sales, General and Administrative Expense Cap ⁽⁵⁾	Health and Safety ⁽⁶⁾	Corporate Business Unit Key Objectives ⁽⁷⁾	Business Unit Financial Targets ⁽⁸⁾	Discretionary ⁽⁹⁾	
Trevor Haynes ⁽¹⁾	\$52,000	\$Nil	\$156,000	\$110,760	N/A	\$71,240	\$390,000
Michael R. Lambert ⁽²⁾	\$27,160	\$Nil	N/A	\$58,259	N/A	\$61,172	\$146,591
Marshall L. McRae ⁽³⁾	\$39,232	\$Nil	N/A	\$84,151	N/A	\$94,250	\$217,633
Steven Stein	\$29,970	\$45,000	\$67,500	\$48,214	\$72,000	\$61,200	\$323,884
Troy C. Cleland	\$11,156	\$Nil	\$50,250	\$40,714	\$Nil	\$40,200	\$142,320
Harry H. Klukas	\$11,322	\$Nil	\$51,000	\$36,429	\$Nil	\$23,800	\$122,551

Notes:

- (1) The \$390,000 cash bonus (and the components of such cash bonus) paid to Trevor Haynes, our President and Chief Executive Officer, for fiscal 2014 was determined by our Committee having regard to the metrics of the Cash Bonus Plan and approved by the independent members of our Board upon the recommendation of our Committee.
- (2) Mr. Lambert was appointed Executive Vice President and Chief Financial Officer of our company on August 8, 2014.
- (3) Mr. McRae ceased to be Interim Chief Financial Officer of our company on August 8, 2014 and an Executive Vice President of our company on December 31, 2014.
- (4) This 10% to 12% component of the bonus was payable in respect of financial results, provided our consolidated business achieved the consolidated financial targets for Weighted Average Cost of Capital ("WACC"), Return on Average Capital Employed ("ROACE") and Return on Assets ("ROA"). WACC is a ratio that estimates the cost of financing our assets and operations weighted by the sources of financing. The simple WACC as used by our company is calculated by using the simple after tax cost of debt and the simple cost of equity and averaging these using the pro rata amount of debt and equity employed by us. ROACE is a ratio that shows profitability compared to investments made in new capital. It is calculated by dividing net income before interest and taxes by the average debt plus equity for the year. ROA is used to measure the efficiency of non-current assets. It is calculated as EBITDA divided by non-current assets.
- (5) This 10% component of the bonus was payable if the sales, general and administrative expense cap for the respective business unit was met.
- (6) This 10% to 15% component of the bonus was payable in respect of health and safety metrics which are used by our company to incentivize our divisional personnel and executives that have an impact on the performance and adherence to our safety protocols to achieve pre-determined standards.
- (7) This 15% to 25% component of the bonus was payable if our company met or exceeded the 2014 key objectives for our company.
- (8) This 20% to 35% component of the bonus was payable in respect of business unit financial results if our company met or exceeded the 2014 target for the applicable business unit. The financial targets were weighted and included all or a combination of revenue, ROA, EBITDA and daily sales outstanding.
- (9) This 20% to 25% component of the bonus was discretionary and was awarded to the Named Executive Officers in the table for achieving non-financial objectives including leadership, effectiveness, commitment, the results of individual performance reviews and the results of the executive team effectiveness survey completed anonymously by our senior executives.

Long-Term Incentive Compensation – Share Options

Executive officers, along with our officers, directors, employees, consultants and other service providers are eligible to participate in the Option Plan. Options granted under the Option Plan are intended to align such individual's and shareholder

interests by attempting to create a direct link between compensation and shareholder return. Participation in the Option Plan rewards overall corporate performance, as measured through the price of our common shares. In addition, the Option Plan encourages the retention of key executives and enables executives to develop and maintain a significant ownership position in our company. As with many similar-sized companies, share options form an integral component of the total compensation package provided to our executive officers. This results in a significant portion of executive compensation being "at risk" and directly linked to the achievement of business results and long-term value creation.

Options are normally recommended by management and approved by our Committee or our Board upon the commencement of an individual's employment with our company based on the level of responsibility within our company. Our company's current policy is that additional option grants are made on an annual basis to ensure that the number of share options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within our company and to ensure that one of the primary purposes of the share options, namely retention of the executives, is being maintained. In considering annual grants, our Committee and our Board has flexibility in the determination of the size of the award and takes into account all relevant circumstances, including the number of share options held by such individual, the exercise price and implied value of the share options, the term remaining on those share options and the total number of common shares reserved for issuance under the Option Plan. The size of the annual option award to individual executives is determined by considering individual performance, level of responsibility, authority and overall importance to our company and the degree to which each executive's potential and contribution are considered critical to the long term success of our company. Options are priced at the five-day volume weighted average trading price of the common shares immediately preceding the date of grant. The current policy of our Board is that options have a five year term and vest at a rate of one-third on each of the first, second and third anniversaries of the date of grant subject to accelerated vesting at the discretion of our Board or a committee of our Board appointed from time to time to administer the Option Plan. See "Statement of Executive Compensation – Incentive Plans – Share Option Plan" for a description of the detailed terms of the Option Plan.

Review of Risks Associated with Compensation Policies and Practices

As described herein, our company's executive compensation program is administered by our Committee. In carrying out its mandate, our Committee reviewed our company's elements of compensation to identify any risks arising from our company's compensation policies and practices that could reasonably be expected to have a material adverse effect on our company as well as the practices used to mitigate any such issues. Our Committee concluded that the compensation program and policies of our company does not encourage our executive officers to take inappropriate or excessive risks. This assessment was based on a number of considerations including, without limitation, the following: (i) the compensation program of our company attempts to achieve a balance between cash and equity compensation which are based both on individual and corporate performance, both financial and non-financial and the overall compensation program is market based and aligned with our company's business plan and long term strategies; (ii) our company's compensation policies and practices are generally uniform throughout the organization and there are no significant differences in compensation structure among our executive officers; (iii) the compensation package for executive officers consists of fixed (base salary and perquisites) and variable elements (cash bonus and options) which are designed to balance our short term goals and our long-term interests and are aimed at creating sustainable value for our shareholders; (iv) the performance elements of our annual cash bonus plan for our executive officers are linked to the achievement of our business goals and are reviewed and approved annually by our Committee; (v) in exercising its discretion granting options, our Committee or our Board reviews individual and corporate performance taking into account the long-term interests of our company; (vi) options granted under the Option Plan generally vest over a three year period which further mitigates any short-term risk taking potential; and (vii) the results of annual performance assessments of individual contributions of executive officers' are reviewed and considered in awarding future compensation.

Short Sales, Puts, Calls and Options

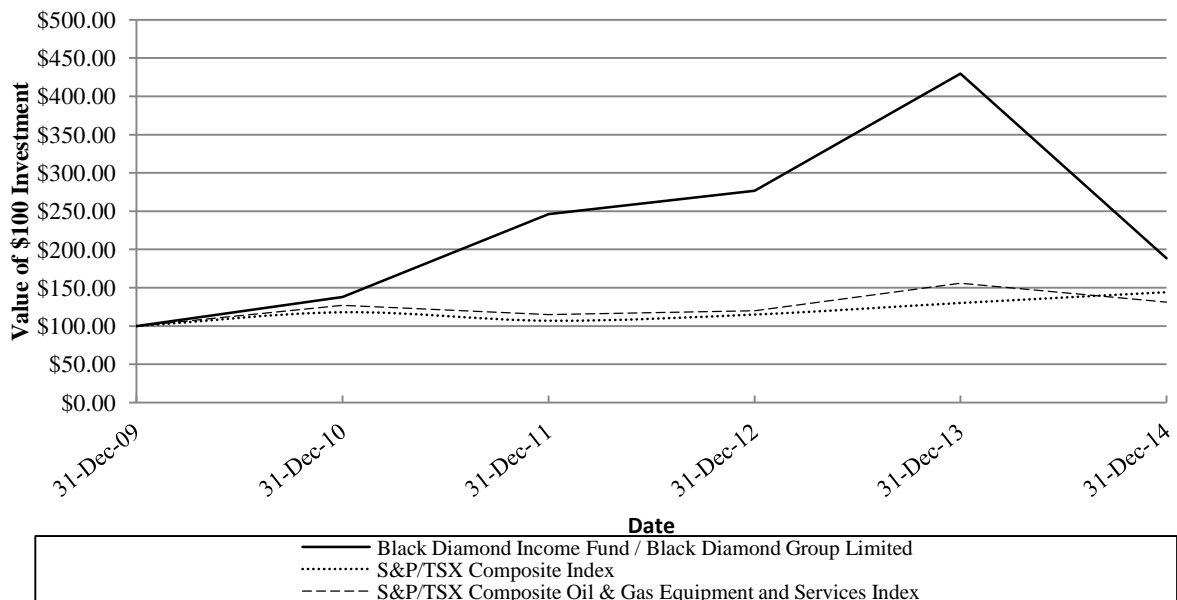
Our Disclosure, Confidentiality and Trading Policy provides that our directors, officers and all of our employees, shall not knowingly sell, directly or indirectly, a security of our company if such person selling such security does not own or has not fully paid for the security to be sold. In addition, the Disclosure, Confidentiality and Trading Policy provides that our directors, officers and employees shall not, directly or indirectly, buy or sell a call or put in respect of a security of our company. Notwithstanding these prohibitions, our directors, officers and employees may sell a security which such person does not own if such person owns another security convertible into the security sold or an option or right to acquire the security sold and, within 10 days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the security so associated to the purchaser; or (ii) transfers the convertible security, option or right, if transferable to the purchaser.

Summary

Our company's compensation policies have allowed us to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing shareholder value. Our Committee has reviewed the compensation regime and is satisfied that the current levels of total compensation are reflective of competitive market practices, align pay for performance with the interests of shareholders and support our company's objective to attract, retain and motivate highly capable executive talent. Through the compensation program described above, a meaningful portion of the compensation for all employees, including executives, is based on corporate performance, as well as industry-competitive pay practices. Our Committee and our Board will continue to review compensation policies to ensure that they are competitive within our industries and consistent with the performance of our company.

Performance Graph

The following graph compares the cumulative total securityholder return for \$100 invested in the trust units of the Fund and the common shares, as applicable, for the period from December 31, 2009 to December 31, 2014, as measured by the closing price of the trust units prior to January 6, 2010, and the common shares following January 6, 2010, at the end of each year with the cumulative total return on each of the S&P/TSX Composite Index and the S&P/TSX Composite Oil & Gas Equipment and Services Index, assuming the reinvestment of dividends, where applicable, for the same period.



Comparison of Cumulative Total Return ⁽¹⁾

	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
Black Diamond Income Fund/Black Diamond Group Limited	\$100.00	\$137.92	\$246.33	\$276.62	\$429.62	\$188.58
S&P/TSX Composite Index	\$100.00	\$118.00	\$107.00	\$115.00	\$130.00	\$144.00
S&P/TSX Composite Oil & Gas Equipment and Services Index	\$100.00	\$127.00	\$115.00	\$120.00	\$156.00	\$131.00

Notes:

- (1) Assuming an investment of \$100 on December 31, 2009.
- (2) We completed the split of all of the issued and outstanding common shares on a two-for-one basis as at the close of business on August 25, 2011 (the "Share Split").

Compensation levels for our Named Executive Officers over the period indicated above are generally consistent with the trend of total return on investment charted for our entity in the performance graph, reflecting the higher proportion of "at risk" compensation for our Named Executive Officers in the form of option grants, with the value of such options being directly affected by changes in the Unit/common share price. However, as described under "Compensation Discussion and Analysis", base salaries are not determined on benchmarks, performance goals or specific formula but are set to be competitive with industry levels and the payment of cash bonuses in respect of fiscal 2012, 2013 and 2014 was based on the determination that various of our operational and other objectives were met, the results of which may not have been reflected in the share price. In addition, the trading price of the common shares may be affected by various factors not related to our results such as changes in general economic conditions. Accordingly, it is difficult to specifically correlate total compensation to the trends shown in the above performance graph.

STATEMENT OF EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information concerning the compensation during each of our three most recently completed fiscal years paid to our Chief Executive Officer and Chief Financial Officer and each of our three other most highly compensated executive officers, other than our Chief Executive Officer and Chief Financial Officer, for the year ended December 31, 2014 whose total compensation was more than \$150,000 (collectively, our "Named Executive Officers").

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽³⁾ (\$)	Non-equity annual incentive plan compensation		Pension value (\$)	All other compensation ⁽⁵⁾ (\$)	Total compensation (\$)
					Annual incentive plans ⁽⁴⁾ (\$)	Long-term incentive plans (\$)			
Trevor Haynes President and Chief Executive Officer	2014	780,000	Nil	990,039	390,000	Nil	Nil	-	2,160,039
	2013	720,000	Nil	429,484	500,000	Nil	Nil	-	1,649,484
	2012	573,750	Nil	1,159,499	450,000	Nil	Nil	-	1,939,082
Michael R. Lambert Executive Vice President and Chief Financial Officer	2014 ⁽¹⁾	180,618	Nil	921,988	146,591	Nil	Nil	-	1,249,197
Marshall L. McRae Interim Executive Vice President and Chief Financial Officer	2014 ⁽²⁾	390,000	Nil	99,004	217,633	Nil	Nil	-	706,637
	2013 ⁽²⁾	81,250	Nil	443,153	Nil	Nil	Nil	-	524,403
Steven Stein President, Logistics	2014	450,000	Nil	660,026	323,884	Nil	Nil	-	1,433,910
	2013	435,000	Nil	280,816	266,438	Nil	Nil	-	982,254
	2012	378,749	Nil	542,198	275,000	Nil	Nil	-	1,095,531
Troy C. Cleland Executive Vice President and Chief Operating Officer, Structures	2014	380,000	Nil	660,026	142,320	Nil	Nil	-	1,182,346
	2013	280,000	Nil	165,186	192,500	Nil	Nil	-	637,686
	2012	200,000	Nil	301,613	127,200	Nil	Nil	-	628,813
Harry H. Klukas Executive Vice President, International	2014	340,000	Nil	495,019	122,551	Nil	Nil	-	957,570
	2013	330,000	Nil	165,186	210,375	Nil	Nil	-	705,561
	2012	267,000	Nil	393,351	245,750	Nil	Nil	-	832,950

Notes:

- (1) Mr. Lambert was appointed Executive Vice President and Chief Financial Officer of our company on August 8, 2014.
- (2) Mr. McRae was appointed Interim Executive Vice President and Chief Financial Officer of our company on October 16, 2013 and ceased to be Interim Chief Financial Officer of our company on August 8, 2014 and an Executive Vice President of our company on December 31, 2014.
- (3) Refers to options granted under the Option Plan. See "Incentive Plans – Share Option Plan". Based on the grant date fair value of the applicable awards. The fair value of the options granted annually is obtained by multiplying the number of options granted by their value established according to the Black Scholes model. This value is the same as the fair value established in accordance with generally accepted accounting

principles which was determined using the following assumptions: dividend yields of 2.60% to 5.11%; expected average volatilities of 29% to 30%; average risk-free rates of interest of 1.02% to 1.09%; and an expected life of option of three years. The fair value of option grants have been determined using the same methodology and values used in determining the option value for our financial statements as we believe it represents the best estimate of fair value of the options at the time of the grant.

- (4) The amounts set forth in the column are the cash bonuses earned by the Named Executive Officers in the fiscal year.
 (5) The value of perquisites received by each of our Named Executive Officers, including property or other personal benefits provided to our Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of our Named Executive Officer's total salary for the financial year.

Incentive Plan Awards

Outstanding Option-based and Share-based Awards

The following table sets forth all option-based awards and share-based awards outstanding for each of our Named Executive Officers as at December 31, 2014.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Trevor Haynes	150,000	33.27	March 21, 2019	Nil	Nil	Nil	Nil
	130,000	20.98	March 22, 2018	Nil			
	133,333	19.94	April 5, 2017	Nil			
	200,000	20.61	March 22, 2017	Nil			
	173,000	12.97	March 25, 2016	Nil			
Michael R. Lambert	200,000	28.04	August 21, 2019	Nil	Nil	Nil	Nil
Marshall L. McRae	15,000	33.27	March 21, 2019	Nil	Nil	Nil	Nil
	85,000	27.43	November 15, 2018	Nil			
Steven Stein	100,000	33.27	March 21, 2019	Nil	Nil	Nil	Nil
	85,000	20.98	March 22, 2018	Nil			
	33,600	19.94	April 5, 2017	Nil			
	125,000	20.61	March 22, 2017	Nil			
Troy C. Cleland	100,000	33.27	March 21, 2019	Nil	Nil	Nil	Nil
	50,000	20.98	March 22, 2018	Nil			
	13,333	20.61	March 22, 2017	Nil			
Harry H. Klukas	75,000	33.27	March 21, 2019	Nil	Nil	Nil	Nil
	50,000	20.98	March 22, 2018	Nil			
	25,000	19.94	April 5, 2017	Nil			
	90,000	20.61	March 22, 2017	Nil			
	130,000	12.97	March 25, 2016	Nil			

Note:

- (1) Calculated based on the closing price of the common shares on the TSX on December 31, 2014, which was \$12.74 per share, less the exercise price of the options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested during the year ended December 31, 2014, and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014, for each Named Executive Officer.

Name	Option-based awards – Value of options vested during the year (as at vesting date) ⁽¹⁾	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year ⁽²⁾
	(\$)	(\$)	(\$)
Trevor Haynes	3,749,964	Nil	390,000
Michael R. Lambert	Nil	Nil	146,591
Marshall L. McRae	Nil	Nil	217,633
Steven Stein	2,072,606	Nil	323,884
Troy C. Cleland	1,010,545	Nil	142,329
Harry H. Klukas	1,710,098	Nil	122,551

Notes:

- (1) Calculated based on the difference between the closing price of the common shares on the TSX on the vesting date and the exercise price of the options as at the vesting date.
- (2) The amounts set forth in the column are the cash bonuses earned by our Named Executive Officers in fiscal 2014.

Pension Plan Benefits

We do not have a pension plan or similar benefit program.

Termination and Change of Control Benefits

We have entered into executive employment agreements with each of Trevor Haynes, Michael R. Lambert, Steven Stein, Troy C. Cleland and Harry H. Klukas. The executive employment agreements of all executives continue indefinitely until terminated in accordance with the terms thereof. The executive officers are entitled to participate in and receive all rights and benefits under our group benefit plans, and certain other benefits and perquisites generally available to our employees and executive officers. All such group benefits and perquisites cease as of the last day of employment, regardless of why employment ends.

The executive employment agreements and the employment of the executive officers can be terminated at any time by our company for just cause (in which case there are no payments other than accrued vacation, earned salary and reimbursement of expenses) and without just cause. If the employment of Messrs. Haynes, Lambert, Stein or Klukas is terminated without just cause the executives are entitled to accrued salary and vacation, and in addition Messrs. Haynes, Stein and Klukas are entitled to an amount equal to the average of cash bonuses, if any, paid in the two calendar years immediately prior to the termination date and prorated for the time the executive officer was employed during the calendar year up to the termination date, and in the case of Mr. Lambert an amount equal to the average of the percentage of actual cash bonuses paid in the preceding two years to Senior Vice Presidents and more senior officers of the Corporation versus potential cash bonuses for such individuals during such years multiplied by the maximum cash bonus payable to Mr. Lambert pursuant to our company's cash bonus plan and prorated for the time Mr. Lambert was employed during the calendar year up to the termination date. In addition, each executive shall be paid a retiring allowance of two times their annual salary and the average of the cash bonuses, if any, paid in the two calendar years immediately prior to the termination date (in the case of Mr. Lambert the average bonus is calculated on the same basis as the bonus payable up to the termination date, but not prorated), and, in addition, the executive officers receive an amount equal to 30% of their annual salary to compensate for the loss of benefits and perquisites. If the employment of Mr. Cleland is terminated without cause (or, if Mr. Cleland elects to leave his employment following a constructive dismissal), Mr. Cleland is, in addition to accrued salary and vacation, entitled to a retiring allowance equal to one-twelfth of his total compensation (the sum of annual base salary, 2.86 percent of annual base salary for loss of benefits and perquisites, and average bonuses paid to him during the prior two calendar years), plus an additional one-twelfth total compensation for each full year of employment after January 1, 2005. In the event of a change of control (as defined in the executive employment agreements) of our company, each of Messrs. Haynes, Lambert, Stein and Klukas has an election within three months to terminate their employment and, provided that they do not remain with our company as an employee, director or consultant,

receive a retiring allowance calculated on the same basis as if employment had been terminated by our company without just cause. If such executive officers so elect in the three months following a change of control, they must, if requested by our company, stay on for up to an additional sixty days at their existing compensation package to assist in the transition of management. Mr. Cleland does not have an election to leave our company following a change of control and receive a payment associated therewith. Any retiring allowances paid to the executive officers (regardless of whether before or after a change of control) are less required withholdings. Messrs. Haynes, Lambert, Stein, Cleland and Klukas must sign a full and final release, and if they are on our Board must resign if requested to do so.

All of our executive officers have confidentiality obligations after their employment ceases. Messrs. Haynes, Lambert, Stein, Cleland and Klukas for one year after their last day of employment cannot, directly or indirectly, entice away any of our employees or consultants.

Upon termination of the employment of Messrs. Haynes, Lambert, Stein, Cleland and Klukas, there is no automatic acceleration of, or any other benefit relating to, any share options which may as at such date be held by Messrs. Haynes, Lambert, Stein, Cleland and Klukas, but the share options are required to be exercised within a specified period of time upon such individual ceasing to be a service provider. Pursuant to the Option Plan, our Board may, at its discretion, accelerate the vesting of share options.

Where the executive employment agreements are terminated other than for just cause, or in the event that Messrs. Haynes, Lambert, Stein and Klukas elect to terminate their agreements following a change of control, the payments, as calculated at December 31, 2014, are as follows: Trevor Haynes \$2,684,000, Michael R. Lambert \$1,293,682, Steven Stein \$1,625,322, Troy C. Cleland \$1,208,820 and Harry H. Klukas \$1,114,896.

Incentive Plans

Share Option Plan

Our shareholders approved the Option Plan at the annual and special meeting of shareholders held on May 2, 2012. A copy of the Option Plan is accessible on the SEDAR website at www.sedar.com.

The Option Plan permits the granting of options to our and our subsidiaries' officers, directors, employees, consultants and other service providers. The Option Plan is intended to afford persons who provide services to our company an opportunity to obtain a proprietary interest in our company by permitting them to purchase common shares and to aid in attracting as well as retaining and encouraging the continued involvement of such persons with our company. The Option Plan is administered by our Committee, provided that our Board has the authority to appoint itself or another committee of our Board to administer the Option Plan.

Pursuant to the Option Plan:

- (a) the maximum number of common shares issuable on exercise of options outstanding at any time shall be limited to 10% of the issued and outstanding common shares less the number of common shares which are issuable pursuant to all other Security Based Compensation Arrangements (as defined in Part VI of the Company Manual of the TSX);
- (b) the number of common shares issuable to insiders, at any time, under all Security Based Compensation Arrangements, including the Option Plan, shall not exceed 10% of the issued and outstanding common shares;
- (c) the number of common shares issued to insiders, within any one year period, under all Security Based Compensation Arrangements, including the Option Plan, shall not exceed 10% of the issued and outstanding common shares;
- (d) the maximum number of common shares issuable to our directors, as a group, who are not officers or employees of us, or our subsidiaries, at any time pursuant to outstanding options shall be limited to 1% of the issued and outstanding common shares; and
- (e) the value of options granted to any one of our directors who is not an officer or employee of us, or our subsidiaries, during a calendar year as calculated on the date of grant, shall not exceed \$100,000.

Any increase in the issued and outstanding common shares (whether as a result of the exercise of options or otherwise) will result in an increase in the number of common shares that may be issued on exercise of options outstanding at any time and any decrease in the number of options will, upon exercise, make new grants available under the Option Plan. Options that are cancelled, surrendered, terminated or expire prior to the exercise of all or a portion thereof shall result in the common shares that were reserved for issuance thereunder being available for a subsequent grant of options pursuant to the Option Plan to the extent of any common shares issuable thereunder that are not issued under such cancelled, surrendered, terminated or expired options.

Options will have a term not to exceed five years and, subject to the terms of the Option Plan, will vest in such manner as determined by our Committee. In the absence of any determination by our Committee to the contrary, options will vest and be exercisable as to one-third of the number of options granted on each of the first, second and third anniversaries of the date of grant, subject to the acceleration of vesting in the discretion of our Committee. Options granted under the Option Plan are non-assignable. If the normal expiry date of any options falls within any Black-Out Period or within seven (7) business days following the end of any Black-Out Period (the "**Black-Out Options**"), then the expiry date of such Black-Out Options shall, without any further action, be extended to the date that is seven (7) business days following the end of such Black-Out Period. A "**Black-Out Period**" means the period of time when, pursuant to any of our policies, none of our securities may be traded by certain persons as designated by us, including any holder of an option.

The exercise price of any options granted under the Option Plan will be determined by our Committee at the time of grant, provided that the exercise price shall not be less than the volume weighted average trading price of the common shares on the TSX (or other stock exchange on which the common shares may be listed) for the five consecutive trading days immediately preceding the date of grant.

Upon the death of an optionee, options terminate on the date determined by our Committee which may not be more than 12 months from the date of death. If an optionee shall no longer be a director or officer of or be in the employ of, or a consultant or other service provider to, either our company or a subsidiary of our company (other than by reason of death), their options terminate on the expiry of a period not in excess of six months as determined by our Committee at the time of grant, following the date that the optionee ceases to be a director or officer, or an employee or a consultant or other service provider, either to our company or a subsidiary of our company and in the absence of any determination to the contrary, will be 60 days following the termination date. The number of common shares that an optionee (or his or her heirs or successors) is entitled to purchase until such date of termination shall be the number of common shares which the optionee was entitled to purchase on the date that the optionee ceased to be an officer, director, employee, consultant or other service provider, as the case may be.

The Option Plan provides optionees with an election, if permitted by our Committee, for a cashless exercise ("**Cashless Exercise**") of an optionee's vested and exercisable options. If an optionee elects a Cashless Exercise the optionee shall surrender its options in exchange for the issuance by our company of that number of common shares equal to the number determined by dividing the difference between the Market Price per share as defined in the Option Plan (calculated as at the date of exercise) and the exercise price of such option by the Market Price per share (calculated as at the date of exercise). In addition, the Option Plan also provides that an optionee has the right to make an offer (the "**Surrender Offer**") to our company to surrender any of the options held by such person for an amount (not to exceed the fair market value) specified therein by the optionee and we may, but are not obligated to, accept the Surrender Offer, subject to any regulatory approval required.

The Option Plan provides that in the case of a merger, amalgamation or certain other transactions or a take-over bid approved by our Board, we have the right to satisfy any obligations to an optionee in respect of any unexercised options by paying to the optionee a cash amount equal to the difference between the exercise price of all unexercised options held and the fair market value of the securities which the optionee would have been entitled to receive on exercise thereof.

Without the prior approval of our shareholders, as may be required by an applicable stock exchange, our Committee may not make any amendment to the Option Plan or options granted thereunder to (i) increase the percentage of common shares issuable on exercise of outstanding options at any time, (ii) reduce the exercise price of any outstanding options or in respect of the cancellation or re-issue of options, (iii) extend the term of any outstanding option beyond the original expiry date of such option unless such extension is due to a Black-Out Period being in effect, (iv) increase the maximum limit on the number of securities that may be issued to insiders, (v) amend the limits on grants of options to non-management directors; (vi) change participants eligible to receive options under the Option Plan to permit the introduction or re-introduction of non-management directors on a discretionary basis; (vii) permit an optionee to transfer or assign options to a new beneficial holder, other than for estate settlement purposes, or (viii) amend the restrictions on amendments that are provided in the Option Plan. Subject to

the restrictions set out above, our Committee may amend or discontinue the Option Plan and options granted thereunder without shareholder approval including, without limitation, amendments of a "housekeeping nature"; amendments in respect of vesting or the period of exercise following the death of an optionee or the termination date of an optionee provided any amendment to the Option Plan that requires approval of any stock exchange on which the common shares are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Option Plan or options granted pursuant to the Option Plan may be made without the consent of the optionee, if it adversely alters or impairs any option previously granted to such optionee.

The current balance of options to acquire 4,021,069 common shares represents approximately 9.8% of our currently outstanding common shares. As at March 16, 2015, there are 87,573 common shares remaining available for issuance under the Option Plan, calculated as 10% of the currently outstanding 41,086,422 common shares, less the outstanding options. All options currently outstanding under the Option Plan expire five years from the date of the grant and generally vest over three years commencing one year after the date of grant subject to accelerated vesting in the discretion of our Committee.

Long Term Incentive Plan

We have established a long-term incentive plan ("**LTIP**") for the benefit of our officers, directors and employees. The purpose of the LTIP is to provide eligible participants with compensation opportunities that will enhance our ability to attract, retain and motivate personnel and reward officers, directors and key employees for significant performance and associated per common share cash flow growth of us. Pursuant to the LTIP, we will set aside a pool of funds based upon the amount, if any, by which our per common share distributions exceed certain per common share distributable cash threshold amounts. A trustee will then purchase common shares in the market with this pool of funds and will hold the common shares until such time as ownership vests in each participant. Our Compensation, Nominating and Corporate Governance Committee administers the LTIP. Our Board or our Committee has the power to, among other things, determine: (i) those individuals who will participate in the LTIP; (ii) the level of participation of each participant; and (iii) the time or times when ownership of the common shares will vest for each participant.

Our Board has determined that only our non-officer employees or our affiliates non-officer employees who do not participate in the Option Plan are entitled to participate in the LTIP. Common shares purchased for the benefit of these participants will vest as to one-third thereof over a period of three years.

For fiscal 2014, our Board, upon the recommendation of our Committee, approved the establishment of a pool of funds to fund the LTIP determined in accordance with the table below.

Performance Metric	Funds Paid to LTIP Plan Trustee
If we fail to reach 85% of our budgeted EBITDA target	\$Nil
If we achieve EBITDA between 85% and 105% of our target	\$750,000
If we achieve EBITDA between 105% and 120% of our target	\$1,250,000
If we achieve EBITDA greater than 120% of our target	\$1,750,000

In March 2015, our Board, upon the recommendation of our Committee, approved the \$nil funding of the LTIP pool for fiscal 2014 in accordance with the foregoing LTIP pool which was approved in March 2014.

Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under the Option Plan, which is our only equity compensation plan that provides for the issuance of common shares from treasury, as at December 31, 2014.

Plan Category	Number of securities to be issued upon exercise of outstanding options as at December 31, 2014	Weighted-average exercise price of outstanding options as at December 31, 2014	Number of securities remaining available for future issuance under equity compensation plans as at December 31, 2014
Equity compensation plans approved by securityholders ⁽¹⁾	3,277,735 common shares	\$24.09 per common share	830,907 common shares ⁽²⁾
Equity compensation plans not approved by securityholders	Nil	Not applicable	Nil
Total	3,277,735 common shares		830,907 common shares

Notes:

- (1) Our shareholders approved the Option Plan at the annual and special meeting of shareholders held on May 2, 2012.
(2) Calculated as 10% of the issued and outstanding common shares as at December 31, 2014, less the then outstanding options.

DIRECTOR COMPENSATION

Our Compensation, Nominating and Corporate Governance Committee annually conducts a review of directors' compensation for board and committee service and recommends changes to our Board where appropriate. Our Board considers and approves the adequacy and form of the compensation of directors upon recommendation of our Committee and ensures the compensation realistically reflects the responsibilities and time involved in being an effective director.

For the purpose of conducting its 2014 annual review of directors' compensation, our Committee, among other things, referred to various governance reports on current trends in directors' compensation and compensation data for directors of reporting issuers of comparative size to us. The compensation philosophy for directors is similar to that for Named Executive Officers in that compensation includes a base retainer, meeting fees, and participation under the Option Plan, the benefit of which is tied to shareholder return.

During the year ended December 31, 2014, our non-management directors were each paid an annual retainer in the amount of \$35,000 and a fee of \$1,500 per meeting of our Board or any committee of our Board in which they participated. The Chairman of our Audit Committee was paid an additional annual retainer in the amount of \$5,000. In addition, the directors were reimbursed for their reasonable expenses incurred in carrying out their duties as directors. The directors were entitled to participate in the Option Plan. The Option Plan restricts the maximum number of common shares issuable to our directors, as a group, who are not officers or employees of us, or our subsidiaries, at any time pursuant to outstanding options to 1% of the issued and outstanding common shares and the value of options granted to any one of our directors who is not an officer or employee of us, or our subsidiaries, during a calendar year as calculated on the date of grant, to \$100,000. During the fiscal year ended December 31, 2014, the non-management directors were granted options to purchase an aggregate of 90,000 common shares at an exercise price of \$33.27 per share. As at December 31, 2014, non-management directors held options to purchase an aggregate of 268,192 common shares exercisable at exercise prices of \$12.97 to \$33.27 per common share.

Directors' Summary Compensation Table

The following table sets forth information concerning the compensation paid to our directors, other than directors who are also Named Executive Officers listed in the Summary Compensation Table below under "Statement of Executive Compensation", for the year ended December 31, 2014.

Name	Fees earned	Share-based awards	Option-based awards ⁽²⁾	Non-equity incentive plan compensation	Pension value	All other compensation	Total ⁽³⁾
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Robert G. Brawn	48,500	Nil	99,004	Nil	Nil	Nil	147,504
David E. Butler	45,500	Nil	99,004	Nil	Nil	Nil	144,504
Robert J. Herdman	54,500	Nil	99,004	Nil	Nil	Nil	153,503
Minaz Kassam	54,000	Nil	99,004	Nil	Nil	Nil	153,004
David Olsson	60,500 ⁽¹⁾	Nil	99,004	Nil	Nil	Nil	159,504
Robert Wagemakers	54,500	Nil	99,004	Nil	Nil	Nil	153,504

Notes:

- (1) Includes \$15,000 of fees which we paid Mr. Olsson for serving as a director of our subsidiaries, Black Diamond Group International Ltd. and Black Diamond Australia Holdings Pty Limited.
- (2) Refers to options granted under the Option Plan. See "Incentive Plans – Share Option Plan". Based on the grant date fair value of the applicable awards. The fair value of the options granted annually is obtained by multiplying the number of options granted by their value established according to the Black Scholes model. This value is the same as the fair value established in accordance with generally accepted accounting principles which was determined using the following assumptions: dividend yield of 2.60%; expected average volatility of 31%; average risk-free rate of interest of 1.02%; and an expected life of option of three years. The fair value of option grants have been determined using the same methodology and values used in determining the option value for our financial statements as we believe it represents the best estimate of fair value of the options at the time of the grant.
- (3) In addition, our directors were reimbursed for transportation and other expenses incurred for attendance at Board and committee meetings and for their reasonable expenses incurred in carrying out their duties as directors.
- (4) Marshall L. McRae is not included in the table as he was appointed a director of our company on March 4, 2015. Compensation information for Trevor Haynes, Marshall L. McRae and Steven Stein, directors of our company, who were each Named Executive Officers in fiscal 2014 is contained in "Statement of Executive Compensation".

Directors' Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth the aggregate option-based awards and share-based awards outstanding for each of our directors, other than directors who were also Named Executive Officers, as at December 31, 2014.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Robert G. Brawn	15,000 10,000 6,274 5,000	33.27 20.98 19.94 20.61	March 21, 2019 March 22, 2018 April 5, 2017 March 22, 2017	Nil Nil Nil Nil	Nil	Nil	Nil
David E. Butler	15,000 15,000 18,822 15,000	33.27 20.98 19.94 20.61	March 21, 2019 March 22, 2018 April 5, 2017 March 22, 2017	Nil Nil Nil Nil	Nil	Nil	Nil
Robert J. Herdman	15,000 15,000 15,000	33.27 20.98 20.61	March 21, 2019 March 22, 2018 March 22, 2017	Nil Nil Nil	Nil	Nil	Nil
Minaz Kassam	15,000 15,000 18,822 15,000 8,000	33.27 20.98 19.94 20.61 12.97	March 21, 2019 March 22, 2018 April 5, 2017 March 22, 2017 March 25, 2016	Nil Nil Nil Nil Nil	Nil	Nil	Nil
David Olsson	15,000	33.27	March 21, 2019	Nil	Nil	Nil	Nil
Robert Wagemakers	15,000 10,000 6,274 5,000	33.27 20.98 19.94 20.61	March 21, 2019 March 22, 2018 April 5, 2017 March 22, 2017	Nil Nil Nil Nil	Nil	Nil	Nil

Notes:

- (1) Calculated based on the closing price of the common shares on the TSX on December 31, 2014, which was \$12.74 per share, less the exercise price of the options.
- (2) The numbers in the table have been adjusted to account for the Share Split.
- (3) Marshall L. McRae is not included in the table as he was appointed a director of our company on March 4, 2015.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested for each of our directors, other than directors who were also Named Executive Officers, during the year ended December 31, 2014 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014.

Name	Option-based awards – Value vested during the year (as at vesting date)	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
Robert G. Brawn	401,091	Nil	Nil
David E. Butler	401,091	Nil	Nil
Robert J. Herdman	138,050	Nil	Nil
Minaz Kassam	401,091	Nil	Nil
David Olsson	Nil	Nil	Nil
Robert Wagemakers	401,091	Nil	Nil

Note:

- (1) Calculated based on the difference between the closing price of the common shares on the TSX on the vesting date and the exercise price of the options on the vesting date.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 entitled "Disclosure of Corporate Governance Practices" ("**NI 58-101**") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSX also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for our company is that contained in Form 58-101F1 which is attached to NI 58-101 ("**Form 58-101F1 Disclosure**").

Set out below is a description of our current corporate governance practices, relative to the Form 58-101F1 Disclosure (which is set out below in bold).

1. Board of Directors

(a) Disclose the identity of directors who are independent.

Our Board has determined that our following five (5) directors are independent (for purposes of NI 58-101):

Robert G. Brawn
 Robert J. Herdman
 Minaz Kassam
 David Olsson
 Robert Wagemakers

- (b) **Disclose the identity of directors who are not independent, and describe the basis for that determination.**

Our Board has determined that four members of our Board are not independent. Our Board has determined that Trevor Haynes is not independent as Mr. Haynes is our President and Chief Executive Officer, Marshall L. McRae is not independent as Mr. McRae was an Executive Vice President of our company until December 31, 2014, and Steven Stein is not independent as Mr. Stein is President, Logistics of our company. Our Board has also determined that David E. Butler is not independent as Mr. Butler is the father-in-law of Messrs. Haynes and Stein and deemed not to be independent for the purposes of NI 58-101. Mr. Butler is retiring and not standing for re-election at the Meeting.

- (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 judgement in carrying out its responsibilities.**

Our Board has determined that a majority (five of the nine) of our 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.**

Our following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Name of Other Issuer
Trevor Haynes	Northern Frontier Services Corp.
Robert J. Herdman	Blackline GPS Corp. Chinook Energy Inc. Sunshine Oilsands Ltd.
Marshall L. McRae	Athabasca Oil Corporation Gibson Energy Inc.

- (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.**

Our independent directors regularly meet for a portion of each Board meeting without non-independent directors and management participation, and have met in camera five times since the beginning of the fiscal year ended December 31, 2014.

- (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.**

David E. Butler, the Non-executive Chairman of our Board, is not an independent director as Mr. Butler is the father-in-law of Trevor Haynes and Steven Stein, executive officers, and deemed not to be independent for the purposes of NI 58-101. Mr. Butler is retiring and not standing for re-election at the Meeting. Following Mr. Butler's retirement, Trevor Haynes will assume the role of Chairman of our Board. Robert G. Brawn, an independent member of our Board, has been appointed as Lead Director of our Board. Our Board has developed a position description for the Lead Director which provides that the Lead Director of our Board will have the following duties and responsibilities:

- (i) The Lead Director will provide input to the Chairman of our Board on preparation of agendas for meetings of our Board.
 - (ii) The Lead Director shall be entitled to convene meetings of our Board with the concurrence of at least one other Director.
 - (iii) The Lead Director, in the absence of the Chairman, shall preside at meetings of our Board.
 - (iv) The Lead Director shall assist the Chairman to endeavour to ensure Board leadership responsibilities are conducted in a manner that will ensure that our Board is able to function independently of management. The Lead Director shall consider, and allow for, when appropriate, a meeting of all independent directors, so that Board meetings can take place without management being present.
 - (v) The Lead Director shall endeavour to ensure reasonable procedures are in place for directors to engage outside advisors at our expense in appropriate circumstances.
 - (vi) With respect to meetings of directors, it is the duty of the Lead Director, when conducting a meeting, to enforce the by-laws, and rules of procedure. These duties include:
 - (A) ensuring that the meeting is duly constituted;
 - (B) ensure the meeting provides for reasonable accommodation;
 - (C) confirming the admissibility of all persons at the meeting;
 - (D) preserving order and the control of the meeting; and
 - (E) to ascertain the sense of the meeting by a vote on all questions properly brought before the meeting.
 - (vii) The Lead Director shall meet annually with each director to obtain insight as to where they believe our Board and its committees could be operating more effectively.
 - (viii) When required the Lead Director shall also liaise with our Corporate Secretary to ensure that a proper notice and agenda has been disseminated, and that appropriate accommodations have been made for the specific Board meeting.
 - (ix) The Lead Director shall be the primary contact for stakeholders who wish to contact independent directors.
- (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 our directors for board meetings and committee meetings held since January 1, 2014, is as follows:

<u>Name of Director</u>	<u>Attendance Record</u>
Trevor Haynes	6/6 Board Meetings ⁽²⁾
Steven Stein	6/6 Board Meetings
Robert G. Brawn	6/6 Board Meetings 5/5 Compensation, Nominating and Corporate Governance Committee Meetings
David E. Butler	6/6 Board Meetings
Robert J. Herdman	6/6 Board Meetings

Name of Director	Attendance Record
	5/5 Audit Committee Meetings 5/5 Compensation, Nominating and Corporate Governance Committee Meetings
Minaz Kassam	6/6 Board Meetings 5/5 Audit Committee Meetings
Marshall L. McRae ⁽¹⁾	1/1 Board Meeting
David Olsson	5/6 Board Meetings 1/1 Compensation, Nominating and Corporate Governance Committee Meeting ⁽³⁾
Robert Wagemakers	6/6 Board Meetings 5/5 Audit Committee Meetings 5/5 Compensation, Nominating and Corporate Governance Committee Meetings

Notes:

- (1) Mr. McRae was appointed a director of our company on March 4, 2015.
- (2) Represents the number of Board meetings which Mr. Haynes attended as a director. Mr. Haynes has also attended numerous other committee meetings, in full or in part, as a management invitee.
- (3) Mr. Olsson was appointed to our Committee on December 18, 2014.

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 mandate of our Board is attached as Appendix "B" hereto.

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.**

Our Board has developed written position descriptions for the Non-executive Chairman of our Board as well as the Chairman of each of our Board committees, being the Audit Committee and the Compensation, Nominating and Corporate Governance Committee.

- (b) **Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and the CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.**

Our Board, with input from our President and Chief Executive Officer has developed a written position description for our President and Chief Executive Officer.

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**
 - (ii) **the nature and operation of the issuer's business.**

Upon joining our Board, management will provide a new director with access to all of our background documents, including all corporate records, by-laws, corporate policies, organization structure, prior board and committee minutes, copies of the mandate of each of our Board and our committees, and relevant position descriptions. In addition, management will make a presentation to new directors regarding the nature and operations of our business.

- (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.**

No formal continuing education program currently exists for our directors; however, we encourage our directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and have agreed to pay the cost of such courses and seminars. Each of our directors has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director. Individual directors are encouraged to identify their continuing education needs through a variety of means, including discussions with management and at Board and committee meetings.

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:**

- (i) **disclose how a person or company may obtain a copy of the code;**

Our Board has adopted a Code of Business Conduct and Ethics applicable to our directors, officers and employees. A copy of the Code of Business Conduct and Ethics is available for review under our profile on SEDAR at www.sedar.com.

- (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**

Our Board monitors compliance with the Code of Business Conduct and Ethics by requiring each of our senior officers to affirm in writing on an annual basis their agreement to abide by the Code of Business Conduct and Ethics, as to their ethical conduct and in respect of any conflicts of interest. To the extent that our management is unable to make a determination as to whether a breach of the Code has taken place, our Board will review any alleged breach of the Code to determine whether a breach has occurred. Any waiver of the Code for executive officers or directors will be made only by our Board or a committee of our Board. In addition, our Compensation, Nominating and Corporate Governance Committee has, as part of its mandate, the responsibility for reviewing management's monitoring of our compliance with the Code of Business Conduct and Ethics.

- (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 have been no material change reports filed since the beginning of the year ended December 31, 2014, that pertain to any conduct of a director or executive officer that constitutes a departure from the Code of Business Conduct and Ethics.

- (b) **Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.**

In accordance with the *Business Corporations Act* (Alberta), directors who are a party to or are a director or an officer of a person who is a party to a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. Our Code of Business Conduct and Ethics provides that activities that could give rise to conflicts of interest are prohibited unless specifically approved in advance by our Board; provided that the foregoing shall not apply to our directors who act as directors of other public or private companies who shall comply with the provisions of the *Business Corporations Act* (Alberta) in respect thereof and shall advise the Lead Director of our Board of the holding of such directorships. Our Code of Business Conduct and Ethics provides that any potential conflicts of interest must be reported immediately to senior management, our Board or the Lead Director of our Board, as appropriate.

- (c) **Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.**

Our Audit Committee has adopted a "Whistleblower Program" which provides our employees, management, officers, directors, contractors, consultants and our committee members with the ability to report, on a confidential and anonymous basis, any complaints and concerns regarding accounting, internal auditing controls or auditing matters, including, but not limited to, unethical and unlawful accounting and auditing policies, practices or procedures, fraudulent or misleading financial information and instances of corporate fraud. Our Board believes that providing a forum for such individuals to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct within us.

6. **Nomination of Directors**

- (a) **Describe the process by which the board identifies new candidates for board nomination.**

Our Board has delegated responsibility to our Compensation, Nominating and Corporate Governance Committee to recommend to our Board suitable candidates as nominees for election or appointment as directors. The committee usually canvases all members of our Board for their input prior to making a recommendation to our Board. In identifying new candidates for Board nomination, our committee considers, among other things:

- (i) the competencies and skills that our Board considers to be necessary for our Board, as a whole, to possess;
- (ii) the competencies and skills that our Board considers each existing director to possess;
- (iii) the competencies and skills each new nominee will bring to the boardroom; and
- (iv) whether or not each new nominee can devote sufficient time and resources to his duties as a member of our Board.

- (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.**

Our Board has appointed a Compensation, Nominating and Corporate Governance Committee whose members are David Olsson (Chairman), Robert G. Brawn, Robert J. Herdman and Robert Wagemakers, each of whom has been determined to be independent.

- (c) **If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.**

Our Compensation, Nominating and Corporate Governance Committee has, as part of its mandate, the responsibility for recommending suitable candidates as nominees for election or appointment as directors, and recommending the criteria governing the overall composition of our Board and governing the desirable individual characteristics for directors.

Pursuant to the mandate of our Committee, the committee is to be comprised of at least three (3) of our directors and all of such members shall be independent. Our Board is from time to time to designate one of the members of the committee to be the Chair of the committee. At present, the Chairman of our Committee is David Olsson.

Our Committee meets at least one time per year and at such other times as the Chairman of the committee determines.

7. **Compensation**

- (a) **Describe the process by which the board determines the compensation for the issuer's directors and officers.**

See the disclosure under the heading "Director Compensation" for the process by which the compensation for our directors is determined. See the disclosure under the heading "Compensation Discussion and Analysis" for the process by which the compensation for our officers is determined.

- (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.**

Our Board has appointed a Compensation, Nominating and Corporate Governance Committee whose members are David Olsson (Chairman), Robert G. Brawn, Robert J. Herdman and Robert Wagemakers, each of whom has been determined to be independent.

- (c) **If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.**

See the disclosure under the heading "Compensation Governance – Mandate and Terms of Reference of our Compensation, Nominating and Corporate Governance Committee" for a description of the responsibilities, powers and operations of our Committee.

- (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 June 2014, our company retained Lane Caputo Compensation Inc. (the "**Consultant**"), an independent external consulting company, to assist our company and the Compensation Committee in reviewing the competitiveness of our company's compensation program for our employees, executive officers and non-management directors. The Consultant's mandate was to review comparative industry compensation data including the executive and non-management directors' compensation plans of competitor companies for benchmarking compensation and advise our company and our Compensation, Nominating and Corporate Governance Committee on emerging trends and developments in compensation.

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.

Our Board has created a Compensation, Nominating and Corporate Governance Committee which, as part of its mandate, has the responsibility for developing our approach to matters concerning corporate governance and, from time to time, shall review and make recommendations to our Board as to such matters. Without the limiting the generality of the foregoing, our Committee has the following corporate governance duties:

- (i) to annually review the mandates of our Board and its committees and recommend to our Board such amendments to those mandates as the committee believes are necessary or desirable;
- (ii) to consider and, if thought fit, approve requests from directors or committees of directors of the engagement of special advisors from time to time;
- (iii) to prepare and recommend to our Board annually a statement of corporate governance practices to be included in our annual report or information circular as required by all of the stock exchanges on which our shares are listed and any other regulatory authority;
- (iv) to make recommendations to our Board as to which directors should be classified as "independent directors", "related" directors or "unrelated" directors pursuant to any such report or circular;
- (v) to review on a periodic basis the composition of our Board and ensure that an appropriate number of independent directors sit on our Board, analyzing the needs of our Board and recommending nominees who meet such needs;
- (vi) to assess, at least annually, the effectiveness of our Board as a whole, the committees of our Board and the contribution of individual directors (including the competencies and skills that each individual director is expected to bring to our Board), including considering the appropriate size of our Board;
- (vii) to act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of our Board or individual members of our Board;
- (viii) to develop and recommend to our Board for approval and periodically review structures and procedures designed to ensure that our Board can function effectively and independently of management;
- (ix) to make recommendations to our Board regarding appointments of corporate officers and senior management;

- (x) to review annually the committee's mandate and terms of reference;
- (xi) to review and consider the engagement, at our expense, of professional and other advisors by any individual director when so requested by any such director;
- (xii) to establish, review and update periodically a code of business conduct and ethics and ensure that management has established a system to monitor compliance with the code; and
- (xiii) to review management's monitoring of our compliance with the code of business conduct and ethics.

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.

As part of its mandate, our Compensation, Nominating and Corporate Governance Committee is responsible for assessing, at least annually, the effectiveness of our Board as a whole, the committees of our Board and the contribution of individual directors (including the competencies and skills that each individual director is expected to bring to our Board), including considering the appropriate size of our Board. The Corporate Secretary, on behalf of the Chairman of our Committee, circulates a detailed questionnaire addressed to each director, in his capacity as director and, as the case may be, as a member of one or more of the committees of our Board, aimed at obtaining their views on the effectiveness of our Board and its committees and contribution of its members. The results of the questionnaires are compiled by the Chairman of our Committee, who then shares the results with the members of our Board at a meeting of our Board where any and all issues are discussed. Our Board takes appropriate action based upon the results of the review process.

10. Director Term Limits and Other Mechanisms of Board Renewal

Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

Our Board has not adopted term limits for the directors on our Board. Our Board does not believe that fixed term limits are in the best interest of our company as our Board believes that it is critical that our directors understand our industries and our business and this requires a certain length of tenure on our Board. Long-term directors accumulate extensive company knowledge while new directors bring new experience and perspectives to our Board. It is important to achieve an appropriate balance of both to ensure the effectiveness of our Board. Our Compensation, Nominating and Corporate Governance Committee considers both the term of service of individual directors, the average term of our Board as a whole and turnover of directors over prior three years when proposing a slate of nominees. Our Committee considers the benefits of regular renewal in the context of the needs of our Board at the time and the benefits of the institutional knowledge of our Board members. Our Board has adopted a Board Diversity and Term Policy in which the foregoing is set forth. A copy of our Board Diversity and Term Policy is available on our website at www.blackdiamondlimited.com.

11. Policies Regarding the Representation of Women on the Board

- (a) **Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.**

Our Board has not adopted a written policy relating to the identification and nomination of women directors. Our Board believes that Board nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of our Board at the time. Our company is

committed to a meritocracy and believes that considering a broad group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve the business objectives of our company, without reference to their age, gender, race, ethnicity or religion, is in the best interests of our company and all of our stakeholders. Our Board recognizes benefits of diversity within our Board but will not compromise the principles of a meritocracy by imposing quotas or targets. Our Board has adopted a Board Diversity and Term Policy in which the foregoing is set forth.

Our Compensation, Nominating and Corporate Governance Committee has established a "skills matrix" outlining the skills and experience which they believe are required by the members of our Board. This skills matrix will be reviewed annually by our Committee and updated as necessary. Our Committee will also annually review the skills and experience of the current directors of our company. Our Committee will also assess the knowledge of all nominees to our Board to ensure general compliance of the composition of our Board with the skills matrix, ensure that an appropriate number of independent directors sit on our Board, analyze any needs of our Board and recommend potential nominees who meet such needs of our Board. Our Committee is authorized under its mandate and terms of reference to retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities.

- (b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:**
- (i) a short summary of its objectives and key provisions,**
 - (ii) the measures taken to ensure that the policy has been effectively implemented,**
 - (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and**
 - (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.**

Not applicable.

12. Consideration of the Representation of Women in the Director Identification and Selection Process

Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.

See the response to 11(a) above.

13. Consideration Given to the Representation of Women in Executive Officer Appointments

Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

See the response to 11(a) above which our Board believes equally applies to executive officer positions with our company.

14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

- (a) **Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so. For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.**

See the response to 11(a) above.

- (b) **Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.**

See the response to 11(a) above which our Board believes equally applies to executive officer positions with our company.

- (c) **If the issuer has adopted a target referred to in either (b) or (c), disclose:**

- (i) **the target, and**
 (ii) **the annual and cumulative progress of the issuer in achieving the target.**

Not applicable.

15. Number of Women on the Board and in Executive Officer Positions

- (a) **Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.**

None of the directors on our Board are women.

- (b) **Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.**

One of our company's executive officers is a woman representing approximately 7% of the executive officers of our company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our directors, proposed nominees for election as directors, executive officers, employees or former executive officers, directors or employees of our company or our subsidiaries, or any associate of any such director, proposed nominee for director, executive officer or employee is, or has been at any time since the beginning of our most recently completed financial year, indebted to our company or any of our subsidiaries in respect of any indebtedness that is still outstanding, nor, at any time since the beginning of our most recently completed financial year has any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by our company or any of our subsidiaries, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of our directors or executive officers, any shareholder who beneficially owned, or controlled or directed, directly or indirectly, more than 10% of the outstanding common shares, or any other Informed Person (as defined in National Instrument 51-102) or any known associate or affiliate of such persons, in any transaction since the commencement of our last completed financial year or in any proposed transaction that has materially affected or would materially affect our company or any of our subsidiaries, except as disclosed elsewhere in this information circular – proxy statement.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Our management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer at any time since the beginning of our last financial year, of any proposed nominee for election as a director, or of any associates or affiliates of any of the foregoing persons, in any matter to be acted on at the Meeting other than the election of directors.

OTHER MATTERS

Our management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual and Special Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

ADDITIONAL INFORMATION

Additional financial information regarding our business is contained in our audited consolidated financial statements and management's discussion and analysis for the fiscal year ended December 31, 2014.

Additional information regarding our business including the materials listed in the preceding paragraph may be found on SEDAR at www.sedar.com. Our securityholders may contact our company to request a copy of our consolidated financial statements and management's discussion and analysis at:

Black Diamond Group Limited
Suite 2000, 715 – 5th Avenue S.W.
Calgary, Alberta T2P 2X6

Phone: (403) 206-4740
Facsimile: (403) 264-9281

APPENDIX "A"

BY-LAW NO. 2

ADVANCE NOTICE BY-LAW

(Adopted by the Board of Directors with immediate effect on March 4, 2015)

BLACK DIAMOND GROUP LIMITED (the "Corporation")

INTRODUCTION

The Corporation is committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The purpose of this Advance Notice By-law (this "**By-Law**") is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. This By-Law fixes a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the Corporation that this By-Law is in the best interests of the Corporation, its shareholders and other stakeholders. This By-Law will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

NOMINATIONS OF DIRECTORS

1. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the "**Board**") may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors:
 - (a) by or at the direction of the Board, including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders of the Corporation pursuant to a "proposal" made in accordance with section 136(1) of the *Business Corporations Act* (Alberta) (the "**Act**"), or a requisition of the shareholders made in accordance with section 142(1) of the Act; or
 - (c) by any person (a "**Nominating Shareholder**") who: (i) at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this By-Law and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation; and (ii) complies with the notice procedures set forth below in this By-Law.
2. In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.
3. To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:

- (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
4. To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth:
- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the principal occupation, business or employment of the person for the most recent five years, and the name and principal business of any company in which any such employment is carried on; (iii) the citizenship of such person; (iv) the number of securities of each class or series of securities in the capital of the Corporation which are owned beneficially or of record by the person or under the control or direction, directly or indirectly, of the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (v) such person's written consent to being named in the notice as a nominee and to serving as a director of the Corporation if elected; and (vi) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
 - (b) as to the Nominating Shareholder giving the notice: (i) the name and address of such Nominating Shareholder, as they appear on the securities register of the Corporation; (ii) the number of securities of each class or series of securities of the Corporation owned of record and beneficially by, or under the control or direction of, directly or indirectly, such Nominating Shareholder; (iii) full particulars regarding any agreement, arrangement or understanding with respect to the nomination between or among such Nominating Shareholder, any of their respective affiliates or associates, and any others acting jointly or in concert with any of the foregoing, including the nominee; (iv) full particulars regarding any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the notice by, or on behalf of, such Nominating Shareholder, whether or not such instrument or right shall be subject to settlement in underlying securities of the Corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such Nominating Shareholder with respect to securities of the Corporation; (v) full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct or control the voting of any securities of the Corporation; and (vi) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information and documents as may reasonably be required by the Corporation to (i) determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence and/or qualifications, or lack thereof, of such proposed nominee, or (ii) satisfy the requirements of applicable stock exchange rules.

In addition, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this By-Law; provided, however, that nothing in this By-Law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
6. For purposes of this By-Law:
 - (a) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - (b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
7. Notwithstanding any other provision of this By-Law, notice given to the Corporate Secretary of the Corporation pursuant to this By-Law may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the principal executive offices of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.
8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this By-Law.
9. This By-Law was approved and adopted by the Board on March 4, 2015 (the "**Effective Date**") and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date. Notwithstanding the foregoing, if this By-Law is not approved by ordinary resolution of shareholders of the Corporation present in person or voting by proxy at the next meeting of those shareholders validly held following the Effective Date, then this By-Law shall terminate and be void and of no further force and effect following the termination of such meeting of shareholders.
10. This By-Law shall be interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in that province.

APPENDIX "B"

BLACK DIAMOND GROUP LIMITED

MANDATE OF THE BOARD OF DIRECTORS

GENERAL

The Board of Directors (the "**Board**") of Black Diamond Group Limited ("**Black Diamond**" or the "**Corporation**") is responsible for the stewardship of the Corporation. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of Black Diamond. In general terms, the Board will:

- in consultation with the Chief Executive Officer of the Corporation (the "**CEO**"), define the principal objectives of Black Diamond;
- oversee the management of the business and affairs of Black Diamond with the goal of achieving Black Diamond's principal objectives as developed in association with the CEO;
- discharge the duties imposed on the Board by applicable laws; and
- for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

SPECIFIC

Executive Team Responsibility

- Appoint the CEO and senior officers, approve their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value.
- In conjunction with the CEO, develop a clear mandate for the CEO, which includes a delineation of management's responsibilities.
- Ensure that a process is established as required that adequately provides for succession planning, including the appointing, training and monitoring of senior management.
- Establish limits of authority delegated to management.

Operational Effectiveness and Financial Reporting

- Annual review and adoption of a strategic planning process and approval of the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the business.
- Establish or cause to be established systems to identify the principal risks to the Corporation and that the best practical procedures are in place to monitor and mitigate the risks.
- Establish or cause to be established processes to address applicable regulatory, corporate, securities and other compliance matters.
- Establish or cause to be established policies pertaining to environment, health and safety and ascertain that policies and procedures are in place to minimize environmental, occupational health and safety and other risks to asset value and mitigate damage to or deterioration of asset value.

- Establish or cause to be established an adequate system of internal controls.
- Establish or cause to be established due diligence processes and appropriate controls with respect to applicable certification requirements regarding the Corporation's financial and other disclosure.
- Review and approve the Corporation's financial statements and oversee the Corporation's compliance with applicable audit, accounting and reporting requirements.
- Approve annual operating and capital budgets.
- Approve the dividend policy.
- Review and consider for approval all amendments or departures proposed by management from established strategy, capital and operating budgets.
- Review operating and financial performance results relative to established strategy, budgets and objectives.

Integrity/Corporate Conduct

- Establish a communications policy or policies to ensure that a system for corporate communications to all stakeholders exists, including processes for consistent, transparent, regular and timely public disclosure, and to facilitate feedback from stakeholders.
- Approve a Code of Business Conduct and Ethics for directors, officers and employees and monitor compliance with the Code and consider the approval of any waivers of the Code for officers and directors.
- To the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers of the Corporation and that the CEO and other executive officers create a culture of integrity throughout the Corporation.

Board Process/Effectiveness

- Attempt to ensure that Board materials are distributed to directors in advance of regularly scheduled meetings to allow for sufficient review of the materials prior to the meeting. Directors are expected to attend all meetings and review Board materials prior to meetings.
- Engage in the process of determining Board member qualifications with the Compensation, Nominating and Corporate Governance Committee including ensuring that a majority of directors qualify as independent directors pursuant to National Instrument 58-101 – Disclosure of Corporate Governance Practices (as implemented by the Canadian Securities Administrators and as amended from time to time) and that the appropriate number of independent directors are on each committee of the Board as required under applicable securities rules and requirements.
- Approve the nomination of directors.
- Provide a comprehensive orientation to each new director and provide continuing education as required.
- Establish an appropriate system of corporate governance including practices to ensure the Board functions independently of management.
- Develop a clear position description for the Chairman and the Lead Director of the Board.
- Establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members.

- Establish committees, approve their respective mandates and the limits of authority delegated to each committee and develop clear position descriptions for the Chair of each committee.
- Review and re-assess the adequacy of the mandate of the committees of the Board on a regular basis, but not less frequently than on an annual basis.
- Review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.

Each member of the Board is expected to understand the nature and operations of the Corporation's business, and have an awareness of the political, economic and social trends prevailing in all countries or regions in which the Corporation operates, or is contemplating potential operations.

Independent directors shall meet regularly without non-independent directors and management participation.

The Board may retain persons having special expertise and may obtain independent professional advice to assist it in fulfilling its responsibilities at the expense of the Corporation, as determined by the Board.

In addition to the above, adherence to all other Board responsibilities as set forth in the Corporation's By-Laws, applicable policies and practices and other statutory and regulatory obligations, such as issuance of securities, etc., is expected.

DELEGATION

- The Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board.
- Subject to terms of the Disclosure, Confidentiality and Trading Policy and other policies and procedures of the Corporation, the Lead Director of the Board will act as a liaison between stakeholders of the Corporation and the Board (including independent members of the Board).