



BLACK DIAMOND GROUP LIMITED

Annual Information Form

for the year ended December 31, 2022

March 2, 2023

TABLE OF CONTENTS

	PAGE
GLOSSARY OF TERMS	1
CONVENTIONS	3
NON-GAAP FINANCIAL MEASURES	3
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS	4
CORPORATE STRUCTURE	6
GENERAL DEVELOPMENT OF THE BUSINESS	8
DESCRIPTION OF THE BUSINESS	10
RISK FACTORS	19
DESCRIPTION OF CAPITAL STRUCTURE	27
DIVIDENDS	29
MARKET FOR SECURITIES	29
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER	30
DIRECTORS AND EXECUTIVE OFFICERS	30
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	33
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	33
TRANSFER AGENT AND REGISTRAR	33
MATERIAL CONTRACTS	33
INTERESTS OF EXPERTS	34
AUDIT COMMITTEE INFORMATION	34
ADDITIONAL INFORMATION	36

GLOSSARY OF TERMS

In this Annual Information Form, the following terms shall have the meanings set forth below, unless otherwise indicated.

“**2020 NCIB**” has the meaning ascribed thereto under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2020”;

“**2021 NCIB**” has the meaning ascribed thereto under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2021”;

“**2022 NCIB**” has the meaning ascribed thereto under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2022”;

“**ABCA**” means the *Business Corporations Act* (Alberta), together with any or all regulations promulgated thereunder, as amended from time to time;

“**Amended Rights Plan**” means the amended and restated shareholder protection rights plan of Black Diamond having the terms set forth in the amended and restated shareholder protection rights plan agreement entered into between Black Diamond and Computershare Trust Company of Canada, as rights agent, on May 14, 2018 and as described under “Description of Capital Structure – Shareholder Protection Rights Plan”.

“**Annual Information Form**” means this annual information form;

“**BDI**” means Black Diamond Group Inc., a corporation incorporated pursuant to the ABCA, which is a direct wholly owned subsidiary of the Corporation;

“**Black Diamond**” or the “**Corporation**” means Black Diamond Group Limited, a corporation incorporated pursuant to the ABCA and, unless the context otherwise requires, includes the Corporation’s subsidiaries (including Black Diamond LP, Britco BOXX LP, C.L. Martin, Black Diamond Dene LP, Black Diamond West Moberly LP, Black Diamond Nehiyawak LP, Whitecap Black Diamond LP, LodgeLink, BOXX Modular, Black Diamond Energy Services Inc., MPA Systems and Black Diamond Modular Buildings Pty Ltd) and the Corporation’s business units. References to Black Diamond for the period prior to December 31, 2009 refer to the Fund;

“**Black Diamond Dene LP**” means Black Diamond Dene Limited Partnership, a limited partnership established under the laws of the Province of British Columbia;

“**Black Diamond LP**” means Black Diamond Limited Partnership, a limited partnership established under the laws of the Province of Alberta;

“**Black Diamond Nehiyawak LP**” means Black Diamond Nehiyawak Limited Partnership, a limited partnership established under the laws of the Province of Alberta;

“**Black Diamond West Moberly LP**” means Black Diamond West Moberly Limited Partnership, a limited partnership established under the laws of the Province of British Columbia;

“**Board of Directors**” means the board of directors of the Corporation;

“**BOXX Modular**” means BOXX Modular, Inc. a corporation existing under the laws of the State of Delaware;

“**Britco BOXX LP**” means Britco BOXX Limited Partnership, a limited partnership established under the laws of the Province of Alberta;

“**C.L. Martin**” has the meaning ascribed thereto under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2022”;

“**Code**” has the meaning ascribed thereto under the heading “Description of the Business – Governance Considerations”;

“**Common Shares**” means the common shares of the Corporation;

“**Conversion**” means the reorganization and restructuring of the Fund’s trust structure into the Corporation pursuant to a plan of arrangement pursuant to Section 193 of the ABCA on December 31, 2009;

“**Credit Facility**” means the revolving operating facility of Black Diamond as amended and as described under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2020 and Year Ended December 31, 2022”;

“**Effective Date**” has the meaning ascribed thereto under the heading “Description of Capital Structure – Shareholder Rights Protection Plan”;

“**Fund**” means Black Diamond Income Fund, an unincorporated open-ended trust established under the laws of the Province of Alberta which was reorganized and restructured into the Corporation on December 31, 2009 pursuant to the Conversion;

“**LodgeLink**” has the meaning ascribed thereto under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2020”;

“**Modular Space Solutions**” or “**MSS**” means the Modular Space Solutions business unit of the Corporation effective January 1, 2018, which business unit rents and sells modular workspace equipment and associated services in North America;

“**MPA Systems**” means MPA Systems, LLC, a limited liability corporation existing under the laws of the State of Texas;

“**Northern Frontier**” has the meaning ascribed thereto under the heading “Directors and Executive Officers – Cease Trade Orders, Bankruptcies, Penalties or Sanctions”;

“**OCIF**” has the meaning ascribed thereto under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2020”;

“**Order**” has the meaning ascribed thereto under the heading “Directors and Executive Officers – Cease Trade Orders, Bankruptcies, Penalties or Sanctions”;

“**Original Rights Plan**” means the shareholder protection rights plan of Black Diamond having the terms set forth in the shareholder protection rights plan agreement entered into between Black Diamond and Computershare Trust Company of Canada, as rights agent, on March 4, 2015.

“**Person**” includes an individual, a body corporate, a partnership, a trust, a union, a pension fund, a government and a governmental agency;

“**Preferred Shares**” means preferred shares of the Corporation;

“**Right**” has the meaning ascribed thereto under the heading “Description of Capital Structure – Shareholder Rights Protection Plan”;

“**Schiavi**” means Schiavi Leasing Corporation, formerly a corporation existing under the laws of the State of Delaware;

“**Shareholders**” means the holders of Common Shares from time to time;

“**Spectrum**” has the meaning ascribed thereto under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2020”;

“**Spectrum Acquisition**” has the meaning ascribed thereto under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2020”;

“**subsidiary**” means, in relation to any Person, any body corporate, partnership, joint venture, association or other entity of which more than 50% of the total voting power of shares or units of ownership or beneficial interest entitled to vote in the election of directors (or members of a comparable governing body) is owned or controlled, directly or indirectly, by such Person;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time;

“**TSX**” means the Toronto Stock Exchange;

“**Vanguard**” has the meaning ascribed thereto under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2020”;

“**Vanguard Acquisition**” has the meaning ascribed thereto under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2020”;

“**VAPS**” has the meaning ascribed thereto under the heading “Description of the Business – Business Strategy – Expanded Products and Services”;

“**Whitecap Black Diamond LP**” means Whitecap Black Diamond Limited Partnership, a limited partnership established under the laws of the Province of Saskatchewan; and

“**Workforce Solutions**” or “**WFS**” means the Workforce Solutions business unit of the Corporation effective January 1, 2018, which rents and sells remote workforce accommodations, modular workspace solutions and ancillary equipment and provides associated services in Canada, the United States and Australia.

CONVENTIONS

The Fund completed the Conversion on December 31, 2009, consequently, references to Black Diamond for the period prior to December 31, 2009 refer to the Fund.

Unless otherwise indicated, all dollar amounts set forth in this Annual Information Form are in Canadian dollars.

Unless otherwise specified, information in this Annual Information Form is as at the end of Black Diamond’s most recently completed financial year, being December 31, 2022.

NON-GAAP FINANCIAL MEASURES

Certain financial performance measures (“**Non-GAAP Financial Measures**”) in this Annual Information Form are not recognized financial terms under Canadian generally accepted accounting principles (“**Canadian GAAP**”). For publicly accountable enterprises, such as the Corporation, Canadian GAAP is governed by principles based on International Financial Reporting Standards (IFRS) and interpretations of the international financial reporting interpretations committee. The Corporation uses such financial performance measures to provide shareholders and potential investors with additional measures to evaluate the Corporation’s ability to fund its operations and information regarding its liquidity. In addition, these measures are used by management in its evaluation of performance.

Management believes these Non-GAAP Financial Measures are useful supplemental measures. These Non-GAAP Financial Measures do not have standardized meanings and may not be comparable to similar measures presented by other entities. Specifically, Adjusted EBITDA, Adjusted EBIT, Adjusted EBITDA Margin, Net Debt to Adjusted Leveraged EBITDA, Net Debt, Funds from Operations, Free Cashflow, Gross Profit Margin, Gross Profit, Return on Assets, Net Capital Expenditures, Gross Bookings, and Net Revenue Margin are not measures recognized by Canadian GAAP and do not have standardized meanings prescribed by Canadian GAAP. The Non-GAAP Financial Measures should not be considered in isolation or as a substitute for measures prepared in accordance with Canadian GAAP. The information included under the heading “Non-GAAP Financial Measures” in the Corporation’s management’s discussion and analysis for the year ended December 31, 2022, which may be found on the Corporation’s SEDAR profile located at www.sedar.com, is incorporated by reference herein.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in this Annual Information Form are forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking statements. Such statements represent the Corporation's internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital expenditures, anticipated future debt levels and revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are only predictions. Actual events or results may differ materially. In addition, this Annual Information Form may contain forward-looking statements attributed to third party industry sources.

Forward-looking statements included in this Annual Information Form include, but are not limited to, statements with respect to:

- the expected trend of macroeconomic conditions and their impact on the Corporation's operations;
- the economic life of the Corporation's assets;
- the Corporation's business and operations strategy;
- the Corporation's future growth and profitability;
- the Corporation's anticipated results of operations and performance;
- the Corporation's business prospects and opportunities; and
- realization of the anticipated benefits of acquisitions.

Although the Corporation believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements because the Corporation cannot give assurance that such expectations will prove to be correct. The Corporation cannot guarantee future results, levels of activity, performance, or achievements. Moreover, the Corporation assumes no responsibility for the outcome of the forward-looking statements. Forward-looking statements are based on current expectations, estimates and projections that involve several risks and uncertainties which could cause actual results to differ materially from those anticipated by the Corporation and described in the forward-looking statements. Prospective investors should carefully consider the information contained under the heading "Risk Factors" in this Annual Information Form and all other information included in this Annual Information Form before making investment decisions regarding the Common Shares.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements because of the risk factors set forth below and elsewhere in this Annual Information Form:

- volatility of industry conditions;
- dependence on agreements and contracts;
- competition;
- credit risk;
- information technology systems and cyber security;
- vulnerability to market changes;
- operating risks and insurance;
- weakness in industrial construction and infrastructure developments;
- weakness in natural resource industries;
- access to additional financing;
- dependence on suppliers and manufacturers;
- reliance on key personnel;
- workforce availability;
- market price of Common Shares;
- safety performance;
- expansion into new activities;
- government regulation;

- failure to realize anticipated benefits of acquisitions and dispositions;
- inflationary price pressure and its impact on the economies in which Black Diamond operates;
- environmental liability;
- environmental regulation of the Corporation's customers;
- climate change;
- Indigenous relationships;
- dilution;
- disease outbreaks;
- variations in foreign exchange rates and interest rates;
- foreign operations;
- dependence on operating permits;
- maturity of Credit Facility;
- management of growth;
- litigation;
- potential replacement or reduced use of products and services;
- income taxes;
- conflicts of interest;
- restrictive covenants and leverage; and
- forward-looking information or statements may prove inaccurate.

With respect to forward-looking statements contained in this Annual Information Form, the Corporation has made assumptions regarding, among other things, that counter-parties will perform on contracts entered into with the Corporation; that the Corporation will be able to obtain equity and debt financing on satisfactory terms and civil and industrial construction activity remains substantially in line with current forecasts; that public education enrollment and demographic trends will be in line with current forecasts; that natural resource prices, including, without limitation, oil, natural gas, coal, iron ore and other base metals and other commodities will be substantially in line with current price forecasts; that the Corporation will be able to market its services successfully to current and new customers; that the Corporation will be able to obtain labour and other industry services at reasonable rates; that interest and foreign exchange rates will not vary materially from current levels; and that existing regulatory regimes will continue without material modification. Management has included the above summary of assumptions and risks related to forward-looking statements included in this Annual Information Form to provide readers with a more complete perspective on the Corporation's future operations. Readers are cautioned that these statements may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement.

These forward-looking statements are made as of the date of this Annual Information Form and the Corporation disclaims any intent or obligation to update publicly any forward-looking statements, whether because of new information, future events or results or otherwise, other than as required by applicable securities laws.

CORPORATE STRUCTURE

Name, Address and Incorporation

Black Diamond Group Limited

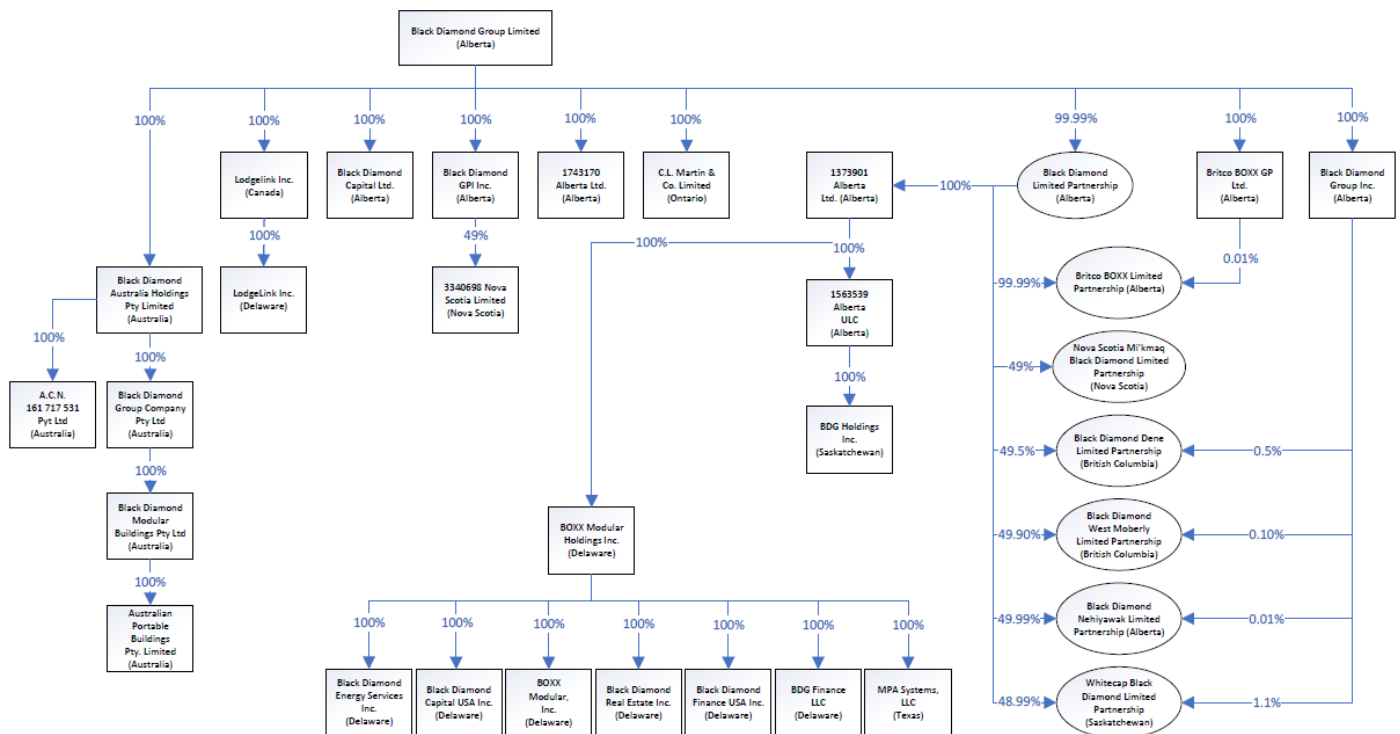
Head Office:
Suite 1000, 440 – 2nd Avenue S.W.
Calgary, Alberta T2P 5E9

Registered Office:
Suite 4600, 525 – 8th Avenue S.W.
Calgary, Alberta T2P 1G1

The Corporation was incorporated pursuant to the ABCA on October 7, 2009. On December 31, 2009, the Corporation and the Fund completed a plan of arrangement pursuant to Section 193 of the ABCA pursuant to which the Fund’s trust structure was reorganized and restructured into the Corporation. On December 31, 2009, pursuant to the plan of arrangement, holders of trust units of the Fund received one Common Share for each trust unit held and the Corporation assumed all the liabilities and obligations of the Fund.

Intercorporate Relationships

The following diagram illustrates the Corporation’s principal operating subsidiaries and partnerships, their respective direct and indirect ownership and their jurisdiction of incorporation, continuance or formation, as the case may be, as at the date of this Annual Information Form.



Limited Partnerships

Black Diamond LP

Black Diamond LP is a limited partnership registered on September 13, 2006 under the *Partnership Act* (Alberta). BDI is the general partner of Black Diamond LP, which is a wholly owned subsidiary of the Corporation.

Black Diamond Dene LP

Black Diamond Dene LP is a limited partnership registered on October 8, 2009 under the *Partnership Act* (British Columbia). BDI, as general partner, and Black Diamond LP and the Fort Nelson First Nation, as limited partners, formed Black Diamond Dene LP through which BDI and the Fort Nelson First Nation work together to provide quality services to resource development as well as other commercial and industrial activity in the Fort Nelson First Nation traditional territory in northeastern British Columbia. Each of Black Diamond LP and the Fort Nelson First Nation own approximately a 50% equity interest in Black Diamond Dene LP.

Black Diamond West Moberly LP

Black Diamond West Moberly LP is a limited partnership registered on October 21, 2010 under the *Partnership Act* (British Columbia). BDI, as general partner, and Black Diamond LP and the West Moberly First Nations, as limited partners, formed Black Diamond West Moberly LP through which BDI and the West Moberly First Nations work together to provide quality services to resource development as well as other commercial and industrial activity in the West Moberly First Nations traditional territory located at the west end of Moberly Lake, British Columbia, approximately 90 kilometres southwest of Fort St. John, British Columbia. Each of Black Diamond LP and the West Moberly First Nations own approximately a 50% equity interest in Black Diamond West Moberly LP.

Black Diamond Nehiyawak LP

Black Diamond Nehiyawak LP is a limited partnership registered on April 2, 2013 under the *Partnership Act* (Alberta). BDI, as general partner, and Black Diamond LP and the Beaver Lake Cree Nation, as limited partners, formed Black Diamond Nehiyawak LP through which BDI and the Beaver Lake Cree Nation, located near Lac La Biche, Alberta, work together to provide quality services to resource development as well as other commercial and industrial activity in the Beaver Lake Cree Nation traditional territory in northeastern Alberta. Each of Black Diamond LP and the Beaver Lake Cree Nation own approximately a 50% equity interest in Black Diamond Nehiyawak LP.

Whitecap Black Diamond LP

Whitecap Black Diamond LP is a limited partnership registered on December 2, 2014 under the *Partnership Act* (Saskatchewan). BDI, as general partner, and Black Diamond LP and the Whitecap Dakota First Nation, as limited partners, formed Whitecap Black Diamond LP through which BDI and Whitecap Dakota First Nation work together to provide services to resource development companies as well as other commercial and industrial activity in the Whitecap Dakota First Nation territory in central Saskatchewan. Each of Black Diamond LP and the Whitecap Dakota First Nation own approximately a 50% equity interest in Whitecap Black Diamond LP.

Britco BOXX LP

Britco BOXX LP is a limited partnership registered on February 13, 2017 under the *Partnership Act* (Alberta). Britco BOXX GP Ltd. is the general partner of Britco BOXX LP, which is a wholly owned subsidiary of the Corporation.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The following is a summary of the significant events in the development of Black Diamond's business over the last three completed financial years.

Year Ended December 31, 2020

On January 13, 2020, the Corporation announced that it obtained approval from the TSX to commence a normal course issuer bid (the "**2020 NCIB**"). Under the 2020 NCIB, the Corporation was authorized to, over a 12-month period commencing on January 15, 2020, purchase in the normal course through the facilities of the TSX or alternate trading systems, up to 4,180,249 Common Shares, such amount representing 10% of the public float of the Common Shares and approximately 7% of the 55,907,555 Common Shares issued and outstanding at the time of announcement. Subject to certain exemption for block purchases, the maximum number of Common Shares that the Corporation could acquire on any one trading day was 8,969 Common Shares, such amount representing 25% of the average daily trading volume of the Common Shares of 35,876 for the six calendar months prior to the start of the 2020 NCIB.

On January 28, 2020, the Corporation announced that it acquired (the "**Spectrum Acquisition**") 100% of Spectrum Building Systems, Inc. and Spectrum Leasing, LLC (together, "**Spectrum**"). Spectrum was a privately-owned supplier of modular buildings and turnkey modular solutions headquartered in Gainesville, Georgia. Spectrum was founded in 2001 and had a strong and well-earned reputation within Georgia and surrounding states. The Spectrum Acquisition included 202 rental fleet assets from single-wide construction-site offices to larger, more customized solutions. The Corporation did not assume long term liabilities or debt obligations, but it did assume a real estate lease for the one operating location in Gainesville, Georgia. The Spectrum Acquisition had an effective date of January 1, 2020.

On October 1, 2020, the Corporation announced that it and Wskijnu'k Mtmo'taquow Agency Ltd, a corporate body wholly owned by the 13 Mi'kmaq communities in Nova Scotia, working in partnership as the Mi'kmaq of Nova Scotia Black Diamond Limited Partnership, received a letter of award from the proponents of the Goldboro LNG Facility, confirming that the Mi'kmaq of Nova Scotia Black Diamond Limited Partnership had been selected to exclusively negotiate the contract, estimated at \$720.0 million, providing for the construction of a lodge and associated amenities during the 4 year construction phase of the Goldboro LNG Facility proposed for Guysborough County, Nova Scotia. On July 2, 2021, the project proponent for the Goldboro LNG Facility announced that, despite making tremendous progress in advancing the Goldboro LNG Project, the proponent was not able to meet all of the key conditions necessary to make a final investment decision.

On November 30, 2020, the Corporation announced that it completed the acquisition of Vanguard Modular Building Systems ("**Vanguard**") through its U.S. subsidiary, BOXX Modular (the "**Vanguard Acquisition**") for US\$58.7 million plus US\$3.0 million of deferred receivables for total purchase price consideration of US\$61.7 million. The purchase price consisted of US\$50.0 million cash, the issuance of US\$8.7 million of preferred shares of BOXX Modular Holdings Inc., and US\$3.0 million of Common Shares. The acquisition of Vanguard increased the size of the Corporation's U.S. MSS platform and added critical scale in the education rentals market. In conjunction with the Vanguard Acquisition, the Corporation expanded its secured asset-based revolving credit facility that it entered into on October 31, 2019 (the "**Credit Facility**") to \$300.0 million from \$200.0 million with an additional uncommitted \$50.0 million accordion. Scotiabank Asset Finance is the administrative agent of the Credit Facility. The borrowing base, or available amount at any given time under the Credit Facility, is based on 85 – 90% of the net orderly liquidation value of eligible rental fleet and qualified receivables, up to \$300.0 million.

On December 16, 2020, the Corporation announced that its wholly owned subsidiary, LodgeLink Inc. ("**LodgeLink**"), had obtained up to \$3.0 million of funding through the Opportunity Calgary Investment Fund ("**OCIF**"), representing an investment into LodgeLink's technology-based operations to transform workforce travel. The OCIF funding was intended to support the creation of approximately 300 tech jobs along with an anticipated equal amount of commercial and administrative positions over the five-year period following the grant date.

Year Ended December 31, 2021

On January 13, 2021, Black Diamond announced that it obtained approval from the TSX to commence a normal course issuer bid (the “**2021 NCIB**”). Under the 2021 NCIB, the Corporation was authorized to, over a 12-month period commencing on January 15, 2021, purchase in the normal course through the facilities of the TSX or alternate trading systems, up to 4,208,716 Common Shares, such amount representing 10% of the public float of the Common Shares and approximately 7% of the 58,252,072 Common Shares issued and outstanding at the time of announcement. Subject to certain exemption for block purchases, the maximum number of Common Shares that the Corporation could acquire on any one trading day was 8,224 Common Shares, such amount representing 25% of the average daily trading volume of the Common Shares of 32,896 for the six calendar months prior to the start of the 2021 NCIB.

The 2020 NCIB terminated on January 14, 2021. During the 2020 NCIB, the Corporation purchased 328,600 Common Shares at a weighted average price of approximately \$1.26 per Common Share through the facilities of the TSX and alternative trading systems. All Common Shares purchased by the Corporation under the 2020 NCIB were cancelled.

On February 16, 2021, Black Diamond announced that WFS had been awarded a contract with approximate total value of \$16.0 million over 26 months in Australia. The contract supports a sizable infrastructure project in central Queensland and includes full turn-key remote accommodations for 250 workers a week as a complement of space rental equipment to service site office requirements.

On March 30, 2021, Black Diamond announced that WFS had been awarded a contract with approximate total value of \$15.0 million over 31 months. The contract includes the transportation, installation and rental of workforce accommodation assets to house up to 610 workers in support of a mining project in eastern Canada.

On November 2, 2021, Black Diamond reinstated a quarterly dividend of \$0.0125 per Common Share, or \$0.05 per Common Share on an annualized basis. The Corporation declared a special dividend in the amount of \$0.0125 per Common Share, which was paid on or about November 30, 2021 to shareholders of record on November 15, 2021. A fourth quarter dividend of \$0.0125 was also declared and was paid on or about January 14, 2022 to shareholders of record on December 31, 2021.

On December 17, 2021, Black Diamond announced the renewal of its Credit Facility, extending the maturity date thereunder from October 31, 2023 to October 31, 2026. The size of the Credit Facility remained unchanged at \$300.0 million, with an uncommitted accordion of \$50.0 million. All other major terms of the Credit Facility, including financial covenants, were carried forward and not materially affected by the renewal.

On December 31, 2021, Vanguard and Schiavi were merged into BOXX Modular.

Year Ended December 31, 2022

The 2021 NCIB terminated on January 14, 2022. During the 2021 NCIB, the Corporation purchased 69,260 Common Shares at a weighted average price of approximately \$3.61 per Common Share through the facilities of the TSX and alternative trading systems. All Common Shares purchased by the Corporation under the 2021 NCIB were cancelled.

On March 3, 2022, the Corporation declared a first quarter 2022 dividend on its Common Shares of \$0.015 per Common Share payable on April 15, 2022 to Shareholders of record on March 31, 2022.

On March 10, 2022, Black Diamond announced that it obtained approval from the TSX to commence a normal course issuer bid (the “**2022 NCIB**”). Under the 2022 NCIB, the Corporation is authorized to, over a 12-month period which commenced on March 14, 2022, purchase in the normal course through the facilities of the TSX or alternate trading systems, up to 4,324,520 Common Shares, such amount representing 10% of the public float of the Common Shares and approximately 7% of the 59,366,430 Common Shares issued and outstanding at the time of announcement. Subject to certain exemptions for block purchases, the maximum number of Common Shares that the Corporation can acquire on any one trading day is 15,574 Common Shares, such amount representing 25% of the average daily trading volume of the Common Shares of 62,294 for the six calendar months prior to the start of the 2022 NCIB. As of the date hereof, the Corporation has acquired 551,600 common shares pursuant to the 2022 NCIB, which will expire on March 13, 2023 or on such earlier date as the Corporation may complete its purchases pursuant to the notice of intention filed with the TSX in respect of the NCIB.

On May 2, 2022, Black Diamond announced that it had acquired all of the operating assets of Cambrian Trailer Rentals Ltd. consisting of a fleet of 150 rental units and associated rental agreements.

On May 4, 2022, Black Diamond declared a second quarter 2022 dividend on its Common Shares of \$0.015 per Common Share payable on or about July 15, 2022 to Shareholders of record on June 30, 2022. On August 4, 2022, Black Diamond declared a third quarter 2022 dividend on its Common Shares of \$0.015 per Common Share payable on or about October 15, 2022 to Shareholders of record on September 30, 2022.

On October 31, 2022, Black Diamond announced the closing of its acquisition of C.L. Martin & Co. Limited (“**C.L. Martin**”), a modular building rental company in Ontario with 1,851 units primarily focused on the education and government sector. The purchase price for C.L. Martin was \$54.4 million, including the assumption of debt. Black Diamond also agreed to fund approximately \$4 million of C.L. Martin’s remaining 2022 growth capex for customers that have signed long term contracts. The Credit Facility was drawn upon to fund a majority of the purchase price.

On November 3, 2022, the Board of Directors approved an increase of 33% to Black Diamond’s annual dividend per share payout from \$0.06 to \$0.08. Black Diamond also declared a fourth quarter 2022 dividend on its Common Shares of \$0.02 per Common Share paid on or about January 15, 2023 to Shareholders of record on December 31, 2022.

On December 23, 2022, Black Diamond reached an agreement with its lenders to increase the size of the Credit Facility by way of an amended and restated credit agreement from a maximum \$300.0 million to a maximum \$325.0 million revolving line (maintaining the uncommitted accordion of \$50.0 million). The borrowing base, or available amount at any given time under the Credit Facility, is based on 85 – 90% of the Net Orderly Liquidation Value of eligible rental fleet and qualified receivables plus certain other qualifying assets, up to \$325.0 million.

Recent Developments

On March 2, 2023, the Company declared a first quarter dividend of \$0.02 payable on or about April 15, 2023 to shareholders of record on March 31, 2023.

Significant Acquisitions

The Corporation did not complete any significant acquisitions during its most recently completed financial year for which disclosure is required under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

DESCRIPTION OF THE BUSINESS

General

Black Diamond is a specialty rentals and industrial services company with two operating business units - Modular Space Solutions (MSS) and Workforce Solutions (WFS). We operate in Canada, the United States and Australia. MSS, through its principal brands, BOXX Modular, Britco, MPA Systems, Schiavi and CL Martin, owns a large rental fleet of modular buildings of various types and sizes. Its network of local branches rent, sell, service, and provide ancillary products and services to a diverse customer base in the construction, industrial, education, financial, and government sectors. WFS owns a large rental fleet of modular accommodation assets of various types and sizes. Its regional operating terminals rent, sell, service, and provide ancillary products and services including turnkey operated camps to a wide array of customers in the resource, infrastructure, construction, disaster recovery, and education sectors. The WFS business unit also includes the Corporation’s wholly owned subsidiary, LodgeLink, which operates a digital marketplace for business-to-business crew accommodation, travel, and logistics services in North America.

Black Diamond operates its two complementary business units in strategic locations across Canada, the United States and Australia as shown in the maps below:



Business Units

The businesses of, and services provided by, each of Black Diamond's two complementary business units are described below.

Modular Space Solutions (MSS)

MSS is a provider of modular buildings in Canada and the United States. This business unit has grown both organically through the procurement of new manufactured rental equipment and non-rental service offerings, and through the acquisition of existing fleet equipment. As at December 31, 2022, the MSS rental fleet consisted of 11,173 units of which 6,922 were in Canada and 4,251 in the United States. Operating from branch offices in Langley, Nanaimo, Kelowna and Prince George, British Columbia; Edmonton and Calgary, Alberta; Regina, Saskatchewan; Toronto, Kitchener, Waterloo and Ottawa, Ontario; Montréal, Quebec; Moncton, New Brunswick; Los Angeles, California; Dallas and Houston, Texas; Philadelphia, Pennsylvania; Charlotte and Raleigh, North Carolina; Atlanta, Georgia; Oxford, Maine and Danvers, Massachusetts, this business unit provides high quality, cost effective modular space solutions to a diversified client base which includes general contractors, education providers, construction trades, real estate developers, manufacturers, commercial businesses, financial institutions, government agencies and various companies involved in the resource industry. The products include "single wide" office units, lavatories, storage units, large multi-unit office complexes, classroom facilities, banking facilities, health care facilities, high security modular buildings, custom manufactured modular facilities and blast resistant structures. These products offer customers flexible and expedient solutions to meet their temporary and permanent workspace and storage needs. To provide customers with turnkey solutions, this business unit offers construction and project management services and, ancillary rental items such

as furniture and office equipment. These are referred to as value added products and services (“VAPS”). In addition to rental, this business unit offers both new and used units for sale and provides delivery, installation, project management, disaster recovery facility program as well as ancillary products and services.

The MSS rental buildings consist of wood or steel framed structures mounted on either chassis with axles and running gear or on steel channel skids, and contain materials which are typical of conventional buildings, such as plywood sheathing, gypsum board, wood paneling, vinyl flooring, metal siding, and rubber membrane roofing. These units are typically equipped with heating and air conditioning, electrical panels and circuitry, plumbing as required, windows, doors, and hardware. These units are intended to be flexible by allowing for reconfiguration of interior partitions, the addition or removal of washrooms, and in the case of complexes, to be connected to form larger and more versatile space configurations. Management specifies newly manufactured equipment in such a way as to reasonably extend the rental life of the asset through durability, versatility, and desirability. As a result, management is of the view that these units, if properly maintained, will continue to work at market rates in excess of 25 years.

Workforce Solutions (WFS)

WFS provides workforce accommodation solutions and ancillary rental and services. This includes the rental of accommodation assets, surface equipment and provision of full turnkey lodging, and travel management logistics through LodgeLink. WFS’ primary service offerings are asset rental, lodging and travel management logistics. To support the core rental business, WFS also offers associated services such as installation, transportation and dismantling, and the sale of new and used fleet assets.

WFS rental fleet for the year ended December 31, 2022 consisted of 6,694 units of which 5,038 units were in Canada, 449 units were in the United States and 1,207 units in Australia. WFS also operates LodgeLink, a digital marketplace for business-to-business crew accommodations, travel and logistics in North America.

Large Format Workforce Accommodations

WFS provides workforce accommodations and associated services throughout Canada and certain regions of the United States to a client base which includes oil and natural gas exploration and development companies, mineral and metals mining and processing companies, large catering and food services providers, engineering and construction companies, drillers, general contractors, pipeline constructors, disaster recovery and municipal and provincial governments. WFS’ products include relocatable dormitories, kitchen/diner complexes, recreation facilities and supporting utility assets which offer customers flexible and expedient solutions to accommodating their workforce in remote locations where local accommodation infrastructure is either insufficient or non-existent. In addition to workforce accommodation rental units, this business unit offers both new and used units for sale and provides delivery, installation, project management and ancillary products and services.

The WFS typical workforce accommodation rental equipment (units) consists of wood framed structures mounted on steel I-beam skids, and contains materials which are typical of conventional buildings, such as plywood sheathing, gypsum board, vinyl flooring, metal siding, and rubber membrane roofing. These units are typically equipped with heating and air conditioning, electrical panels and circuitry, plumbing as required, windows, doors and hardware. The units are generally fully furnished with bedroom, recreation amenities and/or cooking equipment. Management of the Corporation is careful to specify new manufactured equipment in such a way as to reasonably extend the rental life of the asset through durability, versatility and desirability. Management is of the view that these units, if properly maintained, will continue to work at market rates for an extended period.

WFS also provides turnkey lodging services, remote facility management and sophisticated supply chain management services to customers to improve efficiency of remote accommodation facilities.

Small Format Workforce Accommodation and Industrial Services

WFS also provides the rental of industrial surface equipment and small format rapid deployment accommodation equipment along with full installation and maintenance services from operating locations in Fort St. John, British Columbia; Grande Prairie, Alberta; Midland and Fort Worth, Texas. The business can be separated into the following two product types:

Staff Quarters and Rapid Deployment Camps (RDC): are single and multi-unit complexes which are highly mobile and durable and which, when fully assembled, create a single building to house, feed and provide living amenities to work crews and support staff. These accommodation units relocate often and typically work on day rates which provide volatility to revenue streams. This segment also includes self-contained living quarters and single unit sleepers. Freestanding fleet units typically work on day rates and have a variety of applications both within and outside of the resources sectors.

Industrial Equipment Rentals: consists of various types of industrial rental equipment used in general and industrial construction and natural resource sectors. This includes equipment specific to various sizes of tanks, fluids management and transfer equipment, light towers, matting, power generation, industrial heaters and various related types of equipment.

Australia

WFS rents and sells remote workforce accommodations across the continent and modular space solutions such as classrooms for the education sector and provides associated services in or near the major centres of Sydney, Brisbane and Perth. The rental fleet assets are similar to assets which the Corporation operates in North America except that they are all steel framed and cementitious board construction rather than wood frame and gypsum board and are well-positioned in both the urban and resource-rich regions of Australia. WFS' diverse customer base in Australia includes natural resource companies, building and construction companies, commercial and general industrial companies, public and private education and government. These customers are primarily located in the States of Queensland, Western Australia, New South Wales and Victoria.

LodgeLink

LodgeLink is focused on innovative technology-enabled workforce travel services. LodgeLink aggregates available hotels and lodges in an online platform and allows customers to book and manage all aspects of crew travel and accommodations through its proprietary software platform. The LodgeLink business is focused on applying technology to remove inefficiency from the travel management process for work crews. The platform has been tailor-made around the unique needs of work crews and saves corporate customers time and money searching for accommodation, managing reservations, and provides consolidated invoicing, virtual payment processing and powerful reporting to better manage crew travel. In October 2019, LodgeLink acquired a travel agency to provide flights and other travel services to our corporate customers. As at December 31, 2022, LodgeLink had capacity of 996,865 rooms across 10,248 listed properties and over 753 corporate customers that have signed a master services agreement to use LodgeLink. In 2022, the marketplace handled 356,328 room nights sold.

Revenues Generated by Categories of Principal Services

The following sets forth the percentages of total consolidated revenues generated from each of Black Diamond's principal business units for the applicable periods:

Business Unit	Year Ended December 31, 2022	Year Ended December 31, 2021
MSS	53%	51%
WFS	47%	49%

Business Strategy

Black Diamond's current business strategy is summarized as follows:

Rental Rate and Utilization. Black Diamond's rental business has three key drivers: capital cost of rental assets; utilization; and average rental rate. Black Diamond's ability to maintain or increase revenue streams from existing assets depends on its ability to keep the units rented at as high a rental rate as the Corporation can obtain. To accomplish this, the Corporation must maintain a high-quality fleet in good condition; be able to provide a variety of sizes and types of units to satisfy the varied

requirements of Black Diamond's diverse customer base; and develop strong long-term relationships with its primary customer base through service, responsiveness and reliability.

Fleet Growth and Fleet Mix Optimization. Black Diamond intends to continue to grow its MSS rental fleet. The Corporation expects to accomplish this through a combination of procurement of new manufactured units built to its specifications and by acquisition of existing units and existing fleets.

Geographic Expansion. Black Diamond intends to continue to expand its principal operating business units geographically through the establishment of additional branches and the acquisition of additional fleet assets. This may include locations outside of North America and Australia.

Increased VAPS offerings. Black Diamond intends to grow its MSS VAPS offerings and penetration to increase its share of wallet from each customer on a site or project.

Expanded Products and Services. Black Diamond plans to offer a wider variety of modular structures and ancillary equipment to its customers. The Corporation also plans to offer more turnkey solutions to customers by providing additional site services, hospitality services, ancillary rental options, and associated rental equipment. This may include support units and operated remote lodging facilities.

Sales of New and Custom Modular Buildings. Custom sales involve the purchase of new units to customer specifications from our broad network of third-party manufacturers. The Corporation will provide project management services including design work, procurement, installation, delivery, and other associated services. The Corporation does not purchase new custom units for resale unless it has already obtained a commitment from the customer.

Sale of Fleet Assets. Black Diamond selectively markets its fleet of assets to customers primarily on a rental basis. However, occasionally the customer has preference for ownership when they have a longer-term need for the asset. In these circumstances, Black Diamond sells assets out of its fleet in the ordinary course of servicing its customers. This is a profitable business line for Black Diamond and helps the Corporation replenish its fleet with newer assets to maintain a relatively newer average age of the fleet.

Grow LodgeLink. LodgeLink intends to grow by increasing the supply, demand, geography, and liquidity of its marketplace. Over time, LodgeLink intends to continue adding ancillary services and functionality to complement existing services and provide its customers increased efficiencies.

Develop New Markets. Black Diamond intends to target additional industry sectors for the rental of both accommodation and workspace units and for its growing business-to-business digital crew travel and accommodation marketplace (LodgeLink). There are numerous other industries that utilize the products and services offered by Black Diamond, including construction and infrastructure.

Acquisitions. Black Diamond plans to continue its strategy of targeting acquisitions of businesses where those businesses complement the existing business and are accretive to Shareholders.

Capital Management. Black Diamond manages its capital structure within guidelines approved by the Board of Directors of the Corporation and adjusts in light of changes in economic conditions, planned requirements, and the requirements of financial covenants. Black Diamond considers its capital structure to include shareholders' equity, short- and long-term credit facilities, and working capital. Black Diamond can adjust its capital structure by issuing or repurchasing equity or issuing or repaying debt, selling assets to reduce debt, controlling the amount it returns to shareholders through dividends or share buybacks and making adjustments to its capital expenditure program. The only restriction Black Diamond has on its capital is in respect of certain financial covenants contained in the Credit Facility.

Product Suppliers

Black Diamond relies on manufacturers for the supply of new equipment for its rental fleets. The Corporation maintains strong relationships with key manufacturers and a number of the mid-sized and small-scale suppliers. The Corporation expects to

continue to secure sufficient manufacturing space to meet customer demand throughout 2023. See “Risk Factors – Dependence on Suppliers”.

Employees

As at December 31, 2022, Black Diamond had a total of 427 permanent employees of which 80 were hourly paid personnel.

Sales, Distribution and Marketing

Black Diamond markets its rental assets, custom sales and ancillary products and services through in-house sales personnel, its website, social media, web campaigns and its digital marketplace.

Customers

Black Diamond’s customers include general contractors; engineering procurement construction companies; financial institutions; health care providers; education institutions; energy and mineral exploration and production companies; pipeline constructors; food services providers (caterers); construction sub-trades; industrial companies; drilling contractors; military agencies; utilities companies; oilfield services companies; as well as manufacturers. During the year ended December 31, 2022, the Corporation had one customer who contributed equal or greater than 10% of the Corporation’s consolidated revenue.

From the Corporation’s experience to date, its customers’ preferences for its products and services include the following:

- quality and newness of equipment;
- cleanliness of equipment when it arrives on site;
- availability of equipment;
- variety of layouts and amenities to best suit their project needs;
- relationship with strategic Indigenous partnerships;
- responsiveness to their needs;
- delivery time, distance and cost; and
- solutions that enhance logistics planning, ease of booking and productivity of customers’ internal processes.

Pricing of Products and Services

Black Diamond’s products and services are priced in a number of ways. Workforce accommodation and modular space solutions are typically priced on longer-term monthly rates while industrial equipment rentals tend to be priced off of day rates. Contract rates for workforce accommodation, modular space solutions and industrial equipment rental products are set based on industry factors such as availability of equipment and length of guaranteed minimum term.

Competitive Conditions

The industries and businesses in which Black Diamond operates are highly competitive and in order to be successful, Black Diamond must provide services that meet the specific needs of its clients at competitive prices. The principal competitive factors in the markets in which Black Diamond operates are service quality and availability, reliability and effectiveness of equipment used to perform its services, technical knowledge, strategic partnerships and experience and reputation for safety and value. Competitors offer similar services in all geographic regions in which Black Diamond operates. See “Risk Factors – Competition”.

WFS’s success is connected, in part, to the general health of the natural resources sectors in Canada, the United States and Australia. Accordingly, in addition to the various federal, provincial, state and municipal regulations to which the Corporation adheres in its ongoing operations, it is also sensitive to the industry conditions relating to the natural resources sector, including land tenure, exploration, development, production, refining, transportation and marketing imposed by legislation enacted by various levels of government. See “Risk Factors – Volatility of Industry Conditions” and “Risk Factors – Government Regulation”.

Indigenous Relationships

Black Diamond recognizes how important Indigenous business relationships in many of the key markets in which it operates. Black Diamond recognizes the obligations and requirements laid out in the various land claims in the areas where it conducts its business and, with respect to its businesses, Black Diamond is of the view that Indigenous rights and land claims are to be respected and the Indigenous people are to be given opportunities to participate and benefit from the activity on their traditional lands. As such, one of Black Diamond's objectives is to maximize where possible the amount of local and Indigenous participation in its operations. Black Diamond employs community relations management professionals who work closely with all of Black Diamond's Indigenous partnerships and the communities in which they operate. See "Risk Factors – Indigenous Relationships".

Environmental Considerations

The use of modular structures both for accommodation and general space needs is generally more sustainable than traditional construction processes given the opportunity to reuse and recycle assets throughout their useful life. A typical modular structure lasts 20 to 30 years and will generally be used on multiple different project sites throughout its lifetime. At the end of its useful life, a structure (which is comprised mostly of wood) is sent for disposition which typically results in the asset being mulched and turned into reusable materials.

The Canadian, United States and Australian natural resource industries are regulated by a number of federal, provincial and state governmental bodies and agencies under a variety of complex federal, provincial and state legislation that sets forth numerous prohibitions and requirements with respect to planning and approval processes related to land use, sustainable resource management, water use, waste management, responsibility for the release of presumed hazardous materials, protection of wildlife and the environment and the health and safety of workers. Legislation provides for restrictions and prohibitions on the transport of dangerous goods and the release or emission of various substances, including substances used and produced in association with certain oil and natural gas and mining industry operations. The legislation addresses various permits, drilling, access road construction, camp construction, well and mine completion, installation of surface equipment, air monitoring, water use, surface and ground water monitoring in connection with these activities, waste management and access to remote or environmentally sensitive areas.

The operations of the Corporation are subject to a variety of federal, provincial, state and local laws, regulations, and guidelines, including various environmental and health and safety statutes and regulations governing health and safety, requirements for its products, the conduct of operations, the protection of the environment, the operation of equipment and the handling and disposal of substances used in its operations, or that may otherwise be present on or in the lands the Corporation owns or occupies. Such legislation also generally imposes potential liability on past and present owners or occupants of property where contamination has occurred without regard to whether such owner or occupant played a role in the original contaminating event. The Corporation believes that it, and each of its subsidiaries, is currently in compliance with such laws and regulations. The Corporation expends financial and managerial resources to ensure such compliance and will continue to do so in the future. Such laws or regulations are subject to change. Accordingly, it is impossible for the Corporation to predict the cost or impact of such laws and regulations on the Corporation's future operations. See "Risk Factors – Environmental Liability" and "Risk Factors – Government Regulation".

Black Diamond provides a framework to identify, assess, mitigate, and monitor environmental risks under its Environmental Management Plan (the "EMP"). The EMP sets forth requirements for implementation of an effective environmental management program throughout all of Black Diamond's operations. The goal is to lead the way by exemplifying responsible use of resources and to conduct operations in a manner aimed at achieving and maintaining compliance with all environmental rules and regulations.

Social, Health & Safety Considerations

The safety and well-being of the Corporation's employees, partners, customers and vendors is of the highest importance and priority.

We strive to eliminate all workplace incidents, occupational illnesses, and unregulated environmental releases from our operations through the following actions:

- Comply with all applicable health, safety and environmental regulations;
- Go beyond HS&E regulations when it makes good business sense to do so;
- Remain committed to working in a spirit of consultation and cooperation with the workers to provide safe working conditions that ensure the physical health and safety as well as the psychological health and social wellbeing of its employees and contracted workers;
- Monitor arrangements to implement health, safety and environmental performance;
- Pursue continuous improvement of its health, safety and environmental performance; and
- Periodically report on its health, safety and environmental progress

Black Diamond expects all employees, contractors and sub-contractors to meet their responsibilities for protecting themselves and their coworkers. The specific requirements given in the Corporation's HS&E Manual apply globally as a condition of employment for all employees and any contractor doing work for or on behalf of Black Diamond entities, business units and subsidiary organizations where Black Diamond has a controlling interest. It is our goal to maintain safe working conditions for other employers, self-employed persons, visitors and external work parties that may be present at our locations or who may be affected by our work activities, as is reasonably practicable.

We recognize that the responsibilities for health and safety are shared:

- The employer accepts the responsibility for leadership of the health and safety program, for its effectiveness and improvement, and for providing the safeguards required to ensure safe work conditions as is the worker's right
- Supervisors are responsible for developing the proper attitudes toward health and safety in themselves and in those they supervise, and for ensuring that all operations are performed with the utmost regard for the health and safety of all personnel involved
- Employees, contractors and sub-contractors are responsible for wholehearted, genuine cooperation with all aspects of the health and safety program, including compliance with all rules and regulations, and for continually practicing health and safety while performing their duties

Performance results will be evaluated, in part, against these requirements and the findings from periodic management audits and local regulations.

The Corporation's Total Recordable Injury Frequency ("TRIF") in 2022 was 0.51, compared to 0.35 and 0.56 in 2020 and 2021 respectively. The Corporation's Loss Time Injury Frequency was zero in 2022, 2021 and 2020.

	2022	2021	2020
Fatality Rate	0	0	0
TRIF	0.51	0.56	0.35
Number of Recordable Incidents of Non-Compliance with environmental permits, standards or regulations	0	0	0

Black Diamond has four equity-based partnerships with First Nations across western Canada designed to drive economic benefits within the communities in which we operate. The Corporation's Indigenous policy is aligned with the Truth and Reconciliation Commission & UN Declaration on the Rights of Indigenous People. Since inception, Black Diamond's partnerships have disbursed over \$34 million in the form of royalties and/or distributions to our First Nations equity partners. Black Diamond also has a commitment to aboriginal procurement through the Canadian Council for Aboriginal Business.

Black Diamond is also committed to fostering diversity in its employee base, including gender diversity.

	2020				2021				2022			
	Female	Male	Female %	Male %	Female	Male	Female %	Male %	Female	Male	Female %	Male %
Executive (EVP & VP)	1	12	8%	92%	1	13	7%	93%	1	15	6%	94%
Senior Management	4	16	20%	80%	5	14	26%	74%	7	14	33%	67%
Management	12	33	27%	73%	17	25	40%	60%	19	43	34%	66%
Non-Management	118	153	44%	56%	125	176	42%	58%	141	187	43%	57%
TOTAL	135	214	39%	61%	148	228	39%	61%	168	259	39%	61%

Notes:

- (1) Data effective as of December 31, 2022.
- (2) Data includes permanent-full time and permanent-part time employees and leave of absences.
- (3) Data excludes all invoicing consultants, temporary contractors and agency workers.

	2020	2020 %	2021	2021 %	2022	2022 %
Total Voluntary Turnover	17	5.6%	53	15.1%	68	17.5%

See “Risk Factors – Safety Performance” and “Risk Factors – Disease Outbreaks” and “Risk Factors – Government Regulation”.

Governance Considerations

Every employee of the Corporation is, upon hire and on an annual basis, required to review and sign off on the Corporation’s Code of Business Conduct and Ethics policies (the “**Code**”). The Code reflects the Corporation’s commitment to a culture of honesty integrity and accountability and outlines the basic principles and policies with which all directors, officers and employees are expected to comply.

The Corporation is committed to high standards of openness, integrity, and accountability. The integrity of the financial and other information of the Corporation is vital as it guides the decisions of the Board of Directors and is relied upon by our shareholders, financial markets, and other stakeholders. For these reasons, the Corporation cultivates an environment where individuals can confidentially and anonymously report complaints and concerns regarding accounting, internal audit controls or other audit matters, bribery, the health and safety of the general public, employees and contractors, and the protection of the environment, without fear of victimization, discrimination or disadvantage. Our Whistleblower Program was established for all employees, management, officers, directors, contractors, and consultants of Black Diamond and encourages and facilitates the reporting of complaints and concerns to the Chair of the Audit Committee, Mr. Robert Herdman.

The Corporation’s Board of Directors is comprised of eight members, seven of which are independent. Each of the Corporation’s Compensation Committee, Environmental, Social and Governance and Nominating Committee and Audit Committee are comprised entirely of independent directors.

The Corporation has not sustained any monetary losses as a result of legal proceedings associated with charges of bribery, corruption and/or anticompetitive practices.

Foreign Operations

Black Diamond has a significant portion of its operations in the United States and in Australia. The United States and Australia operations are conducted through indirect subsidiaries of Black Diamond and are consolidated into the Corporation's quarterly and annual financial statements. The Corporation does not operate or do any business or have any backlog in countries that rank among the lowest 20 countries in Transparency International's Corruption Perception Index. See "Risk Factors – Foreign Operations" and "Risk Factors – Foreign Currency Exchange Risk".

Intangible Property

The Corporation's customer relationships have value to the Corporation as there are substantial long-term contracts and relationships in place, and the Corporation estimates that a significant amount of future revenue will be derived from the existing customer base. Where the value of identifiable intangible assets has been included in the financial statements of the Corporation, they are amortized on a straight-line basis over their estimated useful lives. These intangible assets include: customer relationships; non-compete agreements; trademarks; and LodgeLink software development costs.

Bankruptcy and Similar Procedures

There have been no bankruptcy, receivership or similar proceedings against the Corporation or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by the Corporation or any of its subsidiaries, within the three most recently completed financial years or proposed during the current financial year.

RISK FACTORS

Investors should carefully consider the risk factors set out below and consider all other information contained herein and in the Corporation's other public filings before making an investment decision. The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all the risks associated with the Corporation's business. If any of the following risks or other risks occur, the Corporation's business, financial condition, results of operations and cash flows could be adversely impacted in a material way.

Volatility of Industry Conditions

The demand, pricing and terms for the Corporation's products and services largely depend upon the level of industry activity for general construction, infrastructure development, public spending and natural resource exploration and development and the level of workforce and crew travel activity related to such industries. This includes commercial construction companies and real estate developers, infrastructure developers, education sectors, natural resource exploration and development companies. Industry conditions are influenced by numerous factors over which the Corporation has no control, including: the demand and need for new construction and infrastructure projects, the level of natural resource prices; expectations about future natural resource prices; demand for and supply of oil and natural resources; weather conditions; political, military, demand for in-person education; regulatory and economic conditions; impacts from travel disruptions and restrictions; and the ability of natural resource companies to raise equity capital or debt financing for exploration and development work.

Dependence on Agreements and Contracts

The operations of the Corporation depend on execution and performance under written contracts with its customers that are generally cancellable only for non-performance. The key factors which determine whether a client continues to use the Corporation are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, reputation for safety and competitive price. There can be no assurance that the Corporation's relationship with its customers will continue, and a significant reduction or total loss of the business from these customers, if not offset by sales to new or existing customers, could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

The operations of the Corporation also depend on the execution and performance under written contracts with the Corporation's vendors and subcontractors. The failure of the Corporation's vendors and subcontractors to execute and perform under these contracts could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Competition

The modular space solutions, workforce accommodation solutions and ancillary equipment rentals industries in which the Corporation operates are highly competitive. To be successful, the Corporation must provide equipment and services that meet the specific needs of its clients at competitive prices. The principal competitive factors in the markets in which the Corporation operates are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, and reputation for safety and price. The Corporation competes with international and regional competitors, several of which are significantly larger than the Corporation. These competitors offer similar services in all of the geographic regions in which the Corporation operates. As a result of competition, the Corporation may be unable to continue to provide its present services, to provide such services at historical operating margins or to acquire additional business opportunities, which could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Reduced levels of activity in the workforce accommodation, ancillary equipment rentals, workforce crew travel and temporary workspace industries can intensify competition and result in lower revenue to the Corporation. Natural resources extraction companies which are directly affected by fluctuation in commodities prices and capital development cycles, government, regulations, mining industries and governmental regulation, could affect the Corporation's ability to generate revenue and earnings.

Credit Risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers and partners in the form of outstanding accounts. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The carrying amount of accounts receivable reflects management's assessment of the credit risk associated with the Corporation's customers. The Corporation generally grants unsecured credit to its customers. The allowance for doubtful accounts and past due receivables is reviewed by management on an ongoing basis. Accounts receivable are considered for impairment after taking into consideration the customer's payment history, their credit worthiness, the current economic environment in which the customer operates and the customer's establishment within its industry. Failure to accurately estimate the amount of bad debts of the Corporation or failure to collect accounts receivable on a timely basis, in full or in part, could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Information Technology Systems and Cyber Security

The Corporation depends upon the reliability and security of our information technology systems in the normal course of operations. The Corporation depends on various information systems and processes for purposes of financial reporting and accounting, data storage, payment card industry compliance, virtual credit card payments, processing of customer transactions and communications with its employees and third parties. Black Diamond is subject to a variety of information technology and systems risks as part of our regular operations including virus, cyber-attack, security breach and destruction or interruption of its information technology systems. Although the Corporation has controls and security measures in place that are designed to mitigate these risks, a breach of these measures could occur and result in a loss of material and confidential information, breach of privacy laws and a disruption to its business activities. The outcome of such a breach cannot be predicted with certainty and could have a material effect on the operations of the Corporation. Black Diamond's Chief Information Officer has a skilled and diverse team that maintains and improves the Corporation's information security programs. The Chief Information Officer and Chief Financial officer report to the Audit Committee on an annual and quarterly basis on Black Diamond's information technology systems and cyber security matters.

Vulnerability to Market Changes

Fixed costs, including costs associated with operating expenses, leases, labour costs and depreciation account for a significant portion of the Corporation's costs and expenses. As a result, reduced productivity resulting from reduced demand, equipment failure, weather or other factors could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Operating Risks and Insurance

The operations of the Corporation are subject to hazards inherent in the workforce accommodation, temporary workspace and rental industries, such as equipment defects, malfunction and failures, and natural disasters which could result in fires, vehicle accidents, damage to facilities, risk to the health of occupants, business interruption and damage to or destruction of property, equipment and the environment. These risks could expose the Corporation to substantial liability for personal injury, wrongful death, property damage, pollution, and other environmental damages. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators.

Although the Corporation has obtained insurance against certain of the risks to which it is exposed, such insurance is subject to coverage limits and no assurance can be given that such insurance will be adequate to cover the Corporation's liabilities. In addition, there can be no assurance that the Corporation will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits maintained by the Corporation, or a claim at a time when it is not able to obtain liability insurance, could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Weakness in Industrial Construction and Infrastructure Developments

A reduction in public spending, increased interest rates and a reduction in economic activity could result in reduced levels of activity industrial construction and infrastructure developments which could result in lower revenue to the Corporation. Any prolonged substantial reduction in such activity could reduce the demand for certain of the Corporation's products and services which could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Weakness in Natural Resource Industries

Depressed natural resources commodity prices could result in reduced levels of activity in the natural resources industries which may intensify competition and result in lower revenue to the Corporation. Any prolonged substantial reduction in commodity prices will reduce activity levels in these industries and change the economic feasibility of industry development projects, resulting in reduced demand for certain of the Corporation's products and services which could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows. In addition, commodity price volatility may in the future affect the Corporation's ability to obtain equity or debt financing on acceptable terms.

Access to Additional Financing

The Corporation may find it necessary in the future to obtain additional debt or equity financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. Uncertain levels of near-term industry activity coupled with global economic volatility exposes the Corporation to the risk that additional financing will not be available to the Corporation when needed, on terms acceptable to the Corporation or at all. The Corporation's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit the Corporation's growth and could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flow.

Where additional financing is raised by the issuance of Common Shares or securities convertible into Common Shares, control of the Corporation may change and Shareholders may suffer dilution to their investment. The Corporation's activities may also be financed partially or wholly with debt, which may increase the Corporation's debt levels above industry standards. The level

of the Corporation's indebtedness from time to time could impair the Corporation's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Dependence on Suppliers and Manufacturers

The Corporation sources its equipment, equipment parts and third-party services from a variety of suppliers and manufacturers, most of whom are located in Canada, the United States and Australia. Should any suppliers or manufacturers be unable to provide the necessary equipment, line time, parts or services or otherwise fail to deliver products in the quantities required, any resulting delays in the provision of products and services or in the time required to find new suppliers could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows. As a result of the interruptions of supply and international trade due to the pandemic, many of the parts and materials as well as labour for our suppliers and manufacturers is restricting delivery by delay. This is viewed as a near term risk only but may impact financial benefits and slow growth of our rental fleets and turnkey sales reserved in MSS.

Reliance on Key Personnel

The Corporation's success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows. The Corporation does not have any key person insurance in effect for the Corporation. The contributions of the existing management team to the immediate and near-term operations of the Corporation are likely to be of central importance. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation.

Workforce Availability

The Corporation's ability to provide reliable and quality services is dependent on its ability to hire and retain a dedicated and quality pool of employees. The competition for qualified personnel in the industries in which the Corporation operates is intense and there can be no assurance that the Corporation will be able to continue to attract and retain all personnel necessary for the development and operation of its business. In periods of higher activity, it may become more difficult to find and retain qualified employees which could limit growth, increase operating costs or have other material adverse effects on the Corporation's operations.

Market Price of Common Shares

The trading price of securities of issuers in the businesses of the Corporation is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of the issuers involved. Factors unrelated to the Corporation's performance could include macroeconomic developments nationally, within North America or globally, domestic and global commodity prices or current perceptions of the attractiveness of particular industries. Similarly, the market price of the Common Shares could be subject to significant fluctuations in response to variations in the Corporation's operating results, financial condition, liquidity and other internal factors. Accordingly, the price at which the Common Shares will trade cannot be accurately predicted.

Safety Performance

Standards for the prevention of incidents in the industries in which the Corporation operates are governed by service company safety policies and procedures, accepted industry safety practices, customer specific safety requirements and health and safety legislation. Many customers consider safety performance a key factor in selecting workforce accommodation, temporary workspace and ancillary equipment and service providers. Deterioration of the Corporation's safety performance could result in a decline in the demand for the Corporation's products and services and could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Expansion into New Activities

The operations and expertise of the Corporation's management are currently focused primarily on and temporary workspace industries logistics management as well as the workforce accommodation, ancillary equipment rentals. In the future, the Corporation may acquire or move into new industry related activities, may acquire different industry related assets, and as a

result may face unexpected risks or alternatively, significantly increase the Corporation's exposure to one or more existing risk factors, which may in turn result in the Corporation's business, financial condition, results of operations and cash flows being adversely affected.

Government Regulation

The Corporation's operations are subject to numerous laws as well as building and occupancy codes and regulations, industry regulations and guidelines, many of which are related to health and safety, the conduct of operations, requirements for its equipment, transportation and the environment. Some of the laws, regulations and guidelines that apply to the Corporation's operations also authorize the recovery of natural resource damages by the government, injunctive relief, and the imposition of stop, control, remediation and abandonment orders. While management believes that its businesses will be operated in accordance with applicable laws, the Corporation will remain subject to a varied and complex body of laws and regulations that both public officials and private individuals may seek to enforce. The costs arising from compliance with such laws, regulations and guidelines may be material to the Corporation.

Any regulatory changes that impose additional operating or environmental restrictions or requirements on the Corporation or its customers could adversely affect the Corporation through increased operating costs and potential decreased demand for the Corporation's products and services. The trend in environmental regulation has been to impose more restrictions and limitations on activities that may impact the environment, including the generation and disposal of wastes, the use and handling of chemical substances and water use and management. Laws, regulations or treaties concerning climate change, greenhouse gas emissions or other environmental matters may have an adverse impact on the demand for oil and natural gas and minerals, which could have a material adverse effect on the Corporation.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

The Corporation considers acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner and the Corporation's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Corporation. The integration of acquired businesses may require substantial management effort, time and resources diverting management's focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, non-core assets may be periodically disposed of so the Corporation can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Corporation, if disposed of, may realize less than their carrying value on the financial statements of the Corporation.

Inflationary Price Pressure

The Corporation does not believe that inflation has had a material effect on its business, financial condition or results of operations to date; however, if operation, materials or labour costs were to continue to be subject to significant inflationary pressures, the Corporation may not be able to fully offset such higher costs through corresponding increases to rental rates or sale prices. The Corporation's inability to adequately control costs or to acquire fleet assets, materials or skilled labour necessary to our operations for the expected price, on the expected timeline, or at all, could have a material adverse effect on our financial condition, results of operations and cash flows.

Environmental Liability

The Corporation is subject to the operating risks inherent in the industries in which the Corporation operates, including environmental damage. The Corporation has established programs to address compliance with current environmental standards and monitors its practices concerning the handling of environmentally hazardous materials. However, there can be no assurance that the Corporation's procedures will prevent environmental damage from occurring from spills of materials handled by the Corporation or that such damage has not already occurred. On occasion, substantial liabilities to third parties may be incurred. The Corporation may have the benefit of insurance maintained by it or a contractor; however, the Corporation may become liable for damages against which it cannot adequately insure or against which it may elect not to insure because of high costs or other reasons.

Environmental Regulation of the Corporation's Customers

Federal and regional governments where the Corporation does business have been working through or have proposed various forms of regulation and legislation focused on climate change and greenhouse gas emissions. Future federal legislation, together with regional emission reduction requirements may require the reduction of emissions or emissions intensity from the Corporation's customers' operations and facilities. A number of the Corporation's customers are involved in the oil and natural gas exploration and development industry, with specific focus on oil sands related projects. Focus and scrutiny has recently intensified on oil sands development, which could lead to incremental environmental regulation or legislation.

Potential changes in requirements may result in increased operating costs and capital expenditures for oil and natural gas and mining industry participants, thereby delaying or decreasing the demand for the Corporation's products and services.

Management of the Corporation is unable to predict the impact of potential emissions targets and it is possible that changes could adversely affect the Corporation's business, financial condition, results of operations and cash flows.

Climate Change

There is growing concern from members of the scientific community and the general public that an increase in global average temperatures due to emissions of greenhouse gases and other human activities have or will cause significant changes in weather patterns and increase the frequency and severity of climate stress events. Climate change, including the impact of global warming, may create physical and financial risk. Physical risks from climate change may include an increase in sea level and changes in weather conditions, such as an increase in intense precipitation and extreme heat events, as well as tropical and non-tropical storms.

The Corporation operates in locations that may be susceptible to climate stress events or adverse localized effects of climate change, such as sea-level rise and increased storm frequency or intensity. The occurrence of one or more natural disasters, such as hurricanes, fires, floods, and earthquakes (whether or not caused by climate change), could cause considerable damage to its equipment, buildings and facilities, disrupt operations and negatively impact the Corporation's financial performance. To the extent these events result in significant damage to any of the Corporation's equipment or buildings, its operations and financial performance could be adversely affected. In addition, these events could result in significant expenses to restore or remediate equipment, buildings or facilities, increases in fuel (or other energy) prices or a fuel shortage, increases in the costs of insurance if they result in significant loss of property or other insurable damage, and the introduction of or increases in climate change taxes such as provincial or federal carbon taxes or cap and trade taxes.

Indigenous Relationships

A component of Black Diamond's business strategy is based on developing and maintaining positive relationships with the Indigenous people and communities in the areas where Black Diamond operates. These relationships are important to Black Diamond's operations and customers who desire to work on traditional Indigenous lands. The inability to develop and maintain relationships and to be in compliance with local requirements could adversely affect Black Diamond's business, financial condition, results of operations and cash flows.

Dilution

The Corporation may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Corporation which may be dilutive.

Disease Outbreaks

Black Diamond has continued to adapt to the impacts of COVID-19 on its business, with the health and safety of employees, customers and communities as its highest priority. Since the global outbreak of COVID-19 declared by the World Health Organization in early 2020, Black Diamond successfully navigated the challenges that it presented and continued to drive its business, however, a risk of this nature may still have a material adverse impact on the Corporation's business, results of operations and financial condition. The continued outbreak of COVID-19 or another local, regional, national or international outbreak of a contagious disease, including COVID-19, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu,

or any other similar illness could result in: a general or acute decline in economic activity in the regions the Corporation and its subsidiaries hold assets, a decrease in the willingness of the general population to travel, staff shortages, reduced tenant traffic, mobility restrictions and other quarantine measures, supply shortages, increased government regulation, and the quarantine of or outbreak in one or more of the Corporation's lodges, facilities or accommodations booked through LodgeLink. Contagion in the Corporation's facilities or any market in which the Corporation operates could negatively impact the Corporation's occupancy rates or its reputation. All of these occurrences may have a material adverse effect on the business, financial condition and results of operations of the Corporation and/or its subsidiaries.

Variations in Foreign Exchange Rates and Interest Rates

The Corporation is exposed to foreign currency fluctuations as certain revenues, expenses and working capital derived from its foreign operations are denominated in United States dollars and Australian dollars. As such, the Corporation's United States and Australian subsidiaries are subject to translation gains and losses on consolidation. Realized foreign exchange gains and losses are included in net earnings while unrealized foreign exchange gains and losses arising on the translation of the assets, liabilities, revenues and expenses of the Corporation's foreign operations are included in other comprehensive income.

An increase in interest rates could result in a significant increase in the amount the Corporation pays to service debt, resulting in a reduced amount available to fund its business activities, which could negatively impact the market price of the Common Shares of the Corporation and could also decrease credit worthiness of certain customers and suppliers.

To the extent that the Corporation engages in risk management activities related to foreign exchange rates and interest rates, there is a credit risk associated with counterparties with which the Corporation may contract.

Foreign Operations

Some of the Corporation's current operations and related assets are in the United States and Australia. In addition, the Corporation's growth plans may contemplate establishing operations in additional foreign countries, including countries where the political and economic systems may be less stable than those in Canada, the United States and Australia. Risks of foreign operations include, but are not necessarily limited to, changes of laws affecting foreign ownership, government participation, taxation, royalties, duties, rates of exchange, inflation, repatriation of earnings, social unrest, acts of terrorism and uncertain political and economic conditions resulting in unfavourable government actions such as unfavourable legislation or regulation. While the impact of these factors cannot be accurately predicted, if any of the risks materialize, they could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Dependence on Operating Permits

In most cases, permits issued by government agencies are required to set up and operate remote workforce accommodations. The issuance of permits is dependent upon water and waste treatment alternatives available, road traffic volumes and fire conditions in forested areas. Failure of the Corporation or the Corporation's customers to receive or renew permits could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Maturity of Credit Facility

The Corporation currently has the Credit Facility available, which will mature on October 31, 2026. There can be no assurance that the Corporation will be able to renegotiate or renew its Credit Facility in the amount it requires or on terms acceptable to it. Any failure of the Corporation to repay or refinance all or any portion of the Credit Facility on its maturity date on acceptable terms could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flow. There is no assurance that the Corporation will be able to refinance the Credit Facility on its maturity date on acceptable terms, or on any basis.

Management of Growth

The Corporation may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal

with this growth may have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Litigation

In the normal course of the Corporation's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Corporation and as a result, could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Potential Replacement or Reduced Use of Products and Services

Certain of the Corporation's equipment or systems may become obsolete or experience a decrease in demand through the introduction of competing products that are lower in cost, exhibit enhanced performance characteristics or are determined by the market to be preferable for environmental or other reasons. The Corporation expends substantial effort to keep current with the changing market for workforce accommodation, ancillary equipment rental and temporary workspace solutions which it provides and technological and regulatory changes. If the Corporation is unable to keep current it could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Income Taxes

Income tax provisions, including current and future income tax assets and liabilities in the Corporation's consolidated financial statements, and income tax filing positions require estimates and interpretations of federal, provincial, state and other taxing authorities' income tax rules and regulations, and judgments as to their interpretation and application of the Corporation's specific situation. In addition, there can be no assurance that the federal, provincial, state or other tax agencies will agree with the Corporation's tax filing positions or will not change their administrative practices to the detriment of the Corporation or its shareholders and creditors. While the Corporation believes that its tax filing positions are supportable under applicable law, a number of the Corporation's tax filing positions may be the subject of review by taxation authorities. Therefore, it is possible that additional taxes could be payable by the Corporation and the ultimate value of the Corporation's tax assets and liabilities could change in the future and that such additional taxes and changes to such accounts could be materially adverse to the Corporation.

Conflicts of Interest

The directors and officers of the Corporation may also be directors or officers of other companies which operate in the same industries as that of the Corporation and situations may arise where they are in a conflict of interest with the Corporation. Conflicts of interest, if any, will be subject to and governed by procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA. See "Directors and Executive Officers – Conflicts of Interest".

Restrictive Covenants and Leverage

The Credit Facility contains certain covenants that limit the discretion of management of the Corporation with respect to certain business matters. These covenants place restrictions on, among other things, the ability of the Corporation to create liens or other encumbrances, to pay dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the Credit Facility contains a financial covenant that requires the Corporation to meet certain financial ratios under certain circumstances. A failure to comply with the obligations in the Credit Facility could result in a default which, if not cured or waived, would permit acceleration of the relevant indebtedness. If the indebtedness under the Credit Facility was to be accelerated, there can be no assurance that the assets of the Corporation would be sufficient to repay in full that indebtedness.

The ability of the Corporation to make other payments or advances is subject to applicable laws and contractual restrictions in the instruments governing any indebtedness of the Corporation (including the Credit Facility). The degree to which the Corporation is leveraged could have important consequences for Shareholders including: (i) the Corporation's ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; (ii) all or part of the Corporation's cash flow from operations may be dedicated to the payment of the principal of and interest on the Corporation's indebtedness, thereby reducing funds available for future operations; (iii) the Corporation's borrowings are at variable rates of interest, which exposes the Corporation to the risk of increased interest rates; and (iv) the Corporation may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures. These factors could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Forward-Looking Information May Prove Inaccurate

Shareholders and prospective investors are cautioned not to place undue reliance on the Corporation's forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found under the heading "Cautionary Statement Regarding Forward-Looking Statements" of this Annual Information Form.

DESCRIPTION OF CAPITAL STRUCTURE

Share Capital Structure

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, each having the rights, privileges, restrictions and conditions described below.

Common Shares

Holders of Common Shares are entitled to notice of, to attend and to one (1) vote per share held at any meeting of Shareholders (other than meetings of a class or series of shares of the Corporation other than the Common Shares as such). Holders of Common Shares are entitled to receive dividends as and when declared by the Board of Directors on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of dividends. Holders of Common Shares are entitled in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of return of capital on dissolution, to share ratably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of return of capital, in such assets of the Corporation as are available for distribution.

Preferred Shares

Subject to the filing of Articles of Amendment in accordance with the ABCA, the Board of Directors may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board of Directors. Subject to the filing of Articles of Amendment in accordance with the ABCA, the Board of Directors may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a distribution, the extent, if any, of further participation on a distribution, voting rights, if any, and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any. Holders of each series of Preferred Shares are entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares from time to time with respect to the

payment of dividends, to be paid rateably with holders of each other series of Preferred Shares, the amount of accumulated dividends, if any, specified as being payable preferentially to the holders of such series. In the event of a distribution, holders of each series of Preferred Shares are entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares from time to time with respect to payment on a distribution, to be paid rateably with holders of each series of Preferred Shares the amount, if any, specified as being payable preferentially to the holders of such series on a distribution.

Shareholder Protection Rights Plan

Effective March 4, 2015 (the “**Effective Date**”), the Corporation adopted the Original Rights Plan which Shareholders approved at the annual and special meeting of Shareholders held on May 7, 2015. On March 6, 2018, the Board of Directors approved the adoption of the Amended Rights Plan, which Shareholders approved at the annual and special meeting of Shareholders held on May 14, 2018. On March 4, 2021, the Board of Directors approved the continuation of the Amended Rights Plan, which Shareholders approved at the annual and special meeting of Shareholders held on April 27, 2021.

The objectives of the Amended Rights Plan are to attempt to prevent “creeping take-over bids” and the acquisition of control by a third party without paying an appropriate control premium or without a fair sharing of any control premium among all Shareholders. The Amended Rights Plan encourages a potential acquirer who makes a take-over bid to proceed either by way of a “Permitted Bid” (as defined in the Amended Rights Plan), which generally requires a take-over bid to satisfy certain minimum standards designed to promote fairness, or with the concurrence of the Board of Directors. If a take-over bid fails to meet these minimum standards, the Amended Rights Plan provides that holders of Common Shares, other than the acquirer, will be able to purchase additional Common Shares at a significant discount to market, thus exposing the acquirer to substantial dilution of its holdings. The Amended Rights Plan is not intended to prevent a take-over of Black Diamond, to secure the continuance of the Corporation’s management or directors in their respective offices or to deter fair offers.

Pursuant to the Amended Rights Plan, one right (“**Right**”) was issued and attached to each outstanding Common Share and one Right is also issued and attached to each Common Share issued after the Effective Date. If a person, or a group acting jointly or in concert, acquires (other than pursuant to an exemption available under the Amended Rights Plan including by way of a Permitted Bid (as defined in the Amended Rights Plan)) beneficial ownership of 20% or more of the outstanding voting shares of Black Diamond, Rights (other than those held by such acquiring person) will permit the holder to purchase that number of Common Shares having an aggregate market price (determined in accordance with the Amended Rights Plan) equal to two times the exercise price of the Rights for an amount in cash equal to the exercise price. The exercise price of the Rights is \$100.00 per Right.

A copy of the Amended Rights Plan is available on the Corporation’s SEDAR profile located at www.sedar.com.

Long Term Debt Structure

Secured Asset-Based Revolving Credit Facility

On November 30, 2020, Black Diamond reached an agreement with its lenders to expand its Credit Facility by way of an amended and restated credit agreement to a maximum \$300.0 million revolving line. On December 17, 2021, Black Diamond reached an agreement with its lenders to renew its Credit Facility to extend the maturity date thereunder from October 31, 2023 to October 31, 2026. On December 23, 2022, Black Diamond reached an agreement with its lenders to increase the size of the Credit Facility by way of an amended and restated credit agreement from a maximum \$300.0 million to a maximum \$325.0 million revolving line. The borrowing base, or available amount at any given time under the Credit Facility, is based on 85 – 90% of the Net Orderly Liquidation Value of eligible rental fleet and qualified receivables plus certain other qualifying assets, up to \$325.0 million. Under the Credit Facility, Black Diamond will be required to maintain a Fixed Charge Coverage Ratio of 1.1 to 1; however, this covenant is only tested in certain circumstances, such as when draws under the Credit Facility exceed 90% of the borrowing base. The Credit Facility is collateralized by a general security agreement from Black Diamond, a guarantee and general security agreement from each of its material subsidiaries and a pledge of the equity interests owned by Black Diamond in such material subsidiaries.

A copy of the credit agreement documenting the Credit Facility is available on the Corporation’s SEDAR profile located at www.sedar.com.

Bank term loans

The loans which were assumed as part of the business combination on October 31, 2022 have fixed interest rates ranging from 3.05% - 3.79%, mature between June 2025 and December 2026, and are secured by equipment specific to the term loan.

DIVIDENDS

On November 2, 2021, the Board of Directors approved the reinstatement of a previously suspended quarterly dividend of \$0.0125 per Common Share, or \$0.05 per Common Share on an annualized basis. The Corporation paid a special dividend in the amount of \$0.0125 per Common Share on November 30, 2021, and declared and paid a dividend of \$0.0125 per Common Share for the fourth quarter of 2021. In 2022, the Corporation declared and paid a dividend of \$0.015 per Common Share for each of the first three quarters of 2022, and declared and paid a dividend of \$0.02 per Common Share for the fourth quarter of 2022. The Corporation has not declared or paid any other dividends in the three most recently completed financial years.

The Corporation is under no obligation to declare or pay dividends on the Common Shares. Payment of any future dividends will be at the discretion of the Board of Directors, after considering a number of factors, including fluctuations in the Corporation's earnings, capital expenditure requirements, debt service requirements, operating costs, foreign exchange rates and the satisfaction of the liquidity and solvency tests imposed by the Corporation's lenders and applicable corporate law for the declaration and payment of dividends.

Pursuant to the Credit Facility, the Corporation is restricted from paying dividends to its Shareholders if: (a) a default or event of default under the Credit Facility has occurred or would result from the making of such dividends; (b) less than 15% of maximum amount available under the Credit Facility is available for draw at the time of making such dividend; or (c) the Corporation has a fixed charge coverage ratio greater than 1.1 to 1.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the symbol "BDI". The following table sets forth the high and low sales prices (which are not necessarily the closing prices) and the trading volumes for the Common Shares on the TSX as reported by the TSX for each month of Black Diamond's most recently completed financial year.

Period	Price Range (\$)		Trading Volume
	High	Low	
2022			
January	4.82	4.10	169,1577
February	4.85	4.14	1,999,200
March	5.23	4.15	3,131,964
April	5.00	4.30	910,483
May	4.56	3.83	1,063,637
June	4.52	3.58	730,351
July	3.86	3.10	530,586
August	4.35	3.64	647,622
September	4.17	3.74	472,201
October	4.48	3.59	390,835
November	5.20	4.25	536,939
December	4.91	4.47	787,873

Prior Issuance of Outstanding Unlisted Securities

During the year ended December 31, 2022, the only securities that Black Diamond issued, which class of securities are outstanding but are not listed or quoted on a marketplace were: (i) options to purchase 726,623 Common Shares at an exercise price of \$4.36 per Common Share, granted on March 14, 2022; and (ii) 159,586 restricted awards granted under the

Corporation's restricted and performance award incentive plan at a deemed price of \$4.36 per award, granted on March 14, 2022.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the Corporation's knowledge, none of the securities of the Corporation are held in escrow or are subject to a contractual restriction on transfer as at the date hereof.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table sets forth certain information in respect of the Corporation's directors and executive officers as of December 31, 2022:

<u>Name, Province/State and Country of Residence</u>	<u>Position(s) with the Corporation ⁽¹⁾</u>	<u>Principal Occupation During the Five Preceding Years</u>
Trevor Haynes Alberta, Canada	Chairman, President and Chief Executive Officer and a Director	President and Chief Executive Officer of the Corporation.
Toby LaBrie Alberta, Canada	Executive Vice President and Chief Financial Officer	Executive Vice President and Chief Financial Officer of the Corporation since March 3, 2016; from October 21, 2015 until March 3, 2016, Senior Vice President, Finance of the Corporation; from October 21, 2014 until October 21, 2015, Vice President, Finance, Structures Business Unit of the Corporation; from January 1, 2012 until October 21, 2014, Vice President, Finance and Controller of the Corporation; and prior thereto, Controller of the Corporation.
Edward (Ted) J. Redmond Alberta, Canada	Executive Vice President and Chief Operating Officer, Modular Space Solutions	Executive Vice President and Chief Operating Officer, MSS of the Corporation since October 1, 2019. President and Chief Executive Officer of ZCL Composites Inc. from September 2018 to April 2019; prior thereto, President and Chief Executive Officer of NCSG Crane & Heavy Haul Corp. from August 2010 to September 2018.
Mike Ridley Alberta, Canada	Executive Vice President and Chief Operating Officer, Workforce Solutions	Executive Vice President, and Chief Operating Officer, WFS of the Corporation since September 2017; President of Civeo, from May 2015 until September 2016; President of Britco Structures, from 1997 until May 2015.
Patrick Melanson Alberta, Canada	Executive Vice President and Chief Information Officer	Executive Vice President, Shared Services and CIO since July 20, 2017; CTO of LodgeLink since April 2021; Vice President and Chief Information Officer of the Corporation since January 25, 2016; from February 3, 2014 until January 25, 2016, Vice President, Information Technology of the Corporation.

Name, Province/State and Country of Residence	Position(s) with the Corporation ⁽¹⁾	Principal Occupation During the Five Preceding Years
Brian Hedges ⁽³⁾ Ontario, Canada	Director	President and CEO of Russel Metals Inc. from 2009 until his retirement in 2019 and is currently on the Board of Directors of Russel Metals (since 2009). Prior to being appointed as the President and CEO of Russel Metals, Mr. Hedges was the Executive Vice President and COO from 2008 to 2009. Prior to that, he was the Executive Vice President and CFO from 1994 to 2007.
Robert J. Herdman ⁽²⁾ Alberta, Canada	Director	Independent businessman since July 1, 2010 and prior thereto, Partner of PricewaterhouseCoopers LLP (accounting firm).
Edward H. Kernaghan ⁽²⁾⁽³⁾ Ontario, Canada	Director	Executive Vice President, Kernaghan & Partners Ltd. since January 2015.
Barbara J. Kelley ⁽⁴⁾ Colorado, United States	Director	Independent businesswoman since May 2015 and prior thereto, Executive Director of the Colorado Department of Regulatory Agencies.
Leilani Latimer ⁽⁴⁾ California, United States	Director	Chief Commercial & Marketing Officer of Fair Trade, US, (since January 2021), previously as Strategic Advisor of WellKom International, Chief Marketing & Commercial Officer of Earlens Corporation and 25 years of experience in various senior management positions with Sabre Inc. Ms. Latimer previously served as an Independent Director at Rayont Inc.
Steven Stein ⁽²⁾ Alberta, Canada	Director	President & Director of Remote Power Corp since January 1, 2021. Director of Terra Water Systems, Inc. prior to September 2019. Director of Operations, Purdy & Partners Inc., a private equity fund, from November 2018 to September 2019.
Robert Wagemakers ⁽³⁾⁽⁴⁾ Alberta, Canada	Lead Director	Independent businessman since July 31, 2012.

Notes:

- (1) All of the directors of the Corporation have been appointed to hold office until the next annual general meeting of Shareholders or until their successor is duly elected or appointed, unless their office is earlier vacated. Messrs. Haynes and Stein have been directors of the Corporation since October 7, 2009, Mr. Wagemakers has been a director of the Corporation since November 11, 2009, Mr. Herdman has been a director of the Corporation since March 7, 2012, Ms. Kelley has been a director of the Corporation since May 3, 2016, Mr. Kernaghan has been a director of the Corporation since March 8, 2018, Ms. Latimer has been a director of the Corporation since March 4, 2021 and Mr. Hedges has been a director of the Corporation since March 4, 2021. Prior to the Conversion, Mr. Wagemakers was a director of BDI, the former administrator of the Fund, since June 2006. Messrs. Haynes and Stein have been directors of BDI since June 2006.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Environmental, Social and Governance and Nominating Committee.

(5) The Corporation does not have an executive committee.

As at the date of this Annual Information Form, the executive officers and directors of the Corporation, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 15,387,813 Common Shares, being approximately 26.0% of the outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Bankruptcies

To the knowledge of Black Diamond, except as described below, no director or executive officer of Black Diamond (nor any personal holding company of any of such persons) or shareholder holding a sufficient number of securities of Black Diamond to affect materially the control of Black Diamond: (a) is, as of the date of this Annual Information Form, or has been within the ten years before the date of this Annual Information Form, a director or executive officer of any company (including Black Diamond) 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 Annual Information Form, 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 director, executive officer or shareholder.

Mr. Haynes, the Chairman, President and Chief Executive Officer, served as a director of Northern Frontier Services Corp. (“**Northern Frontier**”), an industrial and environmental services company, until July 12, 2016. Mr. Redmond served as a director of Northern Frontier until May 2016. On July 14, 2016, a secured creditor of Northern Frontier Services Corp. was granted an order under the *Bankruptcy and Insolvency Act* (Canada) appointing a receiver to take possession of all of Northern Frontier Services Corp.’s current and future assets.

Cease Trade Orders

To the knowledge of Black Diamond, except as described below, no director or executive officer of Black Diamond (nor any personal holding company of any of such persons) is, as of the date of this Annual Information Form, or was within ten years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including Black Diamond), 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 director or executive officer 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 director or executive officer 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. Haynes, the Chairman, President and Chief Executive Officer, served as a director of Northern Frontier until July 12, 2016. Mr. Redmond served as Director of Northern Frontier until May 2016. On September 6, 2016, the Alberta Securities Commission issued a cease trade order against Northern Frontier for failure to file the required periodic disclosure and certification of interim filings for the interim period ended June 30, 2016.

Penalties or Sanctions

To the knowledge of Black Diamond, no director or executive officer of Black Diamond (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of Black Diamond to affect materially the control of Black Diamond, 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 investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of Black Diamond. In particular, certain of the directors and officers of the Corporation are involved in managerial or director positions with other companies whose operations may, from time to time, be in direct competition with those of Black Diamond or with entities who may, from time to time, provide financing to, or make equity investments in, competitors of Black Diamond or supply services to the Corporation. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. See “Risk Factors – Conflicts of Interest”. The ABCA requires a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Corporation is not a party to any legal proceeding nor was it a party to, nor is or was any of its property the subject of any legal proceeding, during the financial year ended December 31, 2022, nor is the Corporation aware of any such contemplated legal proceedings, which involve a claim for damages, exclusive of interest and costs, that may exceed 10% of the current assets of the Corporation.

Regulatory Actions

During the financial year ended December 31, 2022, there were no (i) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority; (ii) any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision, or (iii) settlement agreements the Corporation entered into before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of any director or executive officer of the Corporation, any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Corporation’s outstanding voting securities, or any associate or affiliate of any of the foregoing persons or companies, in any transaction within the three most recently completed financial years or during the current financial year which has materially affected or is reasonably expected to materially affect the Corporation, other than as disclosed elsewhere in this Annual Information Form.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Common Shares is Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta and Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business (unless otherwise required by applicable securities requirements to be disclosed), there were no material contracts entered into by the Corporation or its subsidiaries during the most recently completed financial year, or before the most recently completed financial year that are still in effect other than the Amended Rights Plan referred to under the description “Description of Capital Structure – Shareholder Protection Rights Plan” and the Credit Facility referred to under the description “Description of Capital Structure – Long Term Debt Structure – Secured Asset-Based Revolving Credit Facility”.

INTERESTS OF EXPERTS

Name of Expert

The only person or company who is named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Corporation during, or relating to, the Corporation's most recently completed financial year, and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company, is Ernst & Young LLP, Chartered Professional Accountants, the Corporation's independent auditors.

Interests of Expert

Neither Ernst & Young LLP, Chartered Professional Accountants, nor any partner or employee of Ernst & Young LLP, Chartered Professional Accountants, is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

Ernst & Young LLP, Chartered Professional Accountants, is independent of the Corporation in accordance with the Chartered Professional Accountants of Alberta Rules of Professional Conduct.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate and Terms of Reference

The Mandate and Terms of Reference of the Audit Committee of the Board of Directors is attached hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee of the Corporation is comprised of Robert J. Herdman (Chair), Edward H. Kernaghan and Steven Stein as of December 31, 2022.

The following table sets out an assessment of each Audit Committee member's independence, financial literacy and relevant educational background and experience supporting such financial literacy.

Name and Municipality of Residence	Independent	Financially Literate	Relevant Education and Experience
Robert J. Herdman (Chair) Calgary, Alberta	Yes	Yes	Mr. Herdman's education and experience relevant to the performance of his responsibilities as an Audit Committee member are derived from his in excess of 20 years' experience as a senior audit partner with PricewaterhouseCoopers LLP (a public accounting firm) during which time Mr. Herdman had extensive dealings with audit committees and boards of large public companies, extensive exposure to the regulatory and compliance environment in Canada and the United States. Since retirement, Mr. Herdman has acted as chair of the audit committee for numerous public companies. Mr. Herdman holds the CPA, CA, FCA and FCPA designations. Mr. Herdman received a Bachelor of Education degree from the University of Calgary.
Edward H. Kernaghan Toronto, Ontario	Yes	Yes	Mr. Kernaghan's experience relevant to the performance of his responsibilities as an Audit Committee member are derived from his experience as the Executive Vice

Name and Municipality of Residence	Independent	Financially Literate	Relevant Education and Experience
Steven Stein Calgary, Alberta	Yes	Yes	<p>President of Kernaghan & Partners Ltd. Mr. Kernaghan is also the President of Principia Research Inc. (a research and investment holding company) and President of Kernwood Limited (a family holding company). Mr. Kernaghan has been a director of the following public entities: Exco Technologies Limited since 2009, Obsidian Energy Ltd. since January 2018 and Velan Inc. since 2021. Mr. Kernaghan previously served as a director on the following public company boards: Waterloo Brewing Ltd., PFB Corporation, Wellco Energy Services Inc., Collicutt Energy Services Ltd., Boralex Inc, and Peak Energy Services Limited. Mr. Kernaghan is a graduate of the University of Toronto with a Master of Sciences. Mr. Kernaghan's financial background and his role in other corporations has provided him with a level of experience necessary to effectively read and understand the breadth and complexity of accounting issues that can reasonably be expected to be raised by the Corporation's financial statements.</p>
			<p>Mr. Stein's experience relevant to the performance of his responsibilities as an Audit Committee member are derived from his many years of experience as an officer and director (including audit committee member) of public and private companies. He was a founding shareholder and an officer of the Corporation and has been a director since October 2009. From 1990 to 2005, Mr. Stein was actively involved in the operations and was a founder of one of the predecessor companies of the Outland Group – one of Canada's largest logistics and workforce camp businesses. Mr. Stein holds a bachelor's degree from Queens University and is a graduate of the Institute of Corporate Directors. Mr. Stein's financial background and his role in other corporations has provided him with a level of experience necessary to effectively read and understand the breadth and complexity of accounting issues that can reasonably be expected to be raised by the Corporation's financial statements.</p>

Pre-Approval of Policies and Procedures

Under the Mandate and Terms of Reference of the Audit Committee, the Audit Committee is required to review and pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member report to the Audit Committee at the next scheduled meeting such pre-approval and the member comply with such other procedures as may be established by the Audit Committee from time to time.

The Audit Committee has determined that in order to ensure the continued independence of the auditors, only limited non-audit related services will be provided to the Corporation by Ernst & Young LLP, Chartered Professional Accountants, and in such case, only with the prior approval of the Audit Committee.

Audit Service Fees

The Audit Committee has reviewed the nature and amount of non-audit services provided by Ernst & Young LLP, Chartered Professional Accountants, to the Corporation to ensure auditor independence. The following table provides information about the fees billed to Black Diamond and its subsidiaries for professional services rendered by Ernst & Young LLP, Chartered Professional Accountants, Black Diamond's external auditor, in each of the last two fiscal years.

Nature of Services	Aggregate Fees Billed	
	Year Ended December 31, 2022	Year Ended December 31, 2021
Audit Fees ⁽¹⁾	\$479,000	\$370,400
Audit-Related Fees ⁽²⁾	\$19,800	\$41,000
Tax Fees ⁽³⁾	\$29,317	\$75,592
All Other Fees ⁽⁴⁾	\$1,775	\$3,250
Total	\$529,892	\$490,242

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

ADDITIONAL INFORMATION

Additional information relating to Black Diamond may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Black Diamond's securities and securities authorized for issuance under equity compensation plans will be contained in Black Diamond's information circular – proxy statement relating to the Corporation's annual meeting of Shareholders to be held on May 2, 2023.

Additional information is also provided in Black Diamond's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2022, which documents may be found on the Corporation's SEDAR profile located at www.sedar.com.

SCHEDULE “A”

AUDIT COMMITTEE

MANDATE AND TERMS OF REFERENCE

Role and Objective

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Black Diamond Group Limited (“**Black Diamond**” or the “**Corporation**”) to which the Board has delegated its responsibility for the oversight of the following:

1. nature and scope of the annual audit;
2. the oversight of management’s reporting on internal accounting standards and practices;
3. the review of financial information, accounting systems and procedures; and
4. financial reporting and financial statements,

and has charged the Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee are as follows:

1. to assist directors of Black Diamond in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of Black Diamond and related matters;
2. to facilitate communication between directors and the external auditors;
3. to consider the external auditor’s independence;
4. to consider the credibility and objectivity of financial reports; and
5. to preserve the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and the external auditors.

Membership of Committee

1. The Committee will be comprised of at least three (3) directors of Black Diamond or such greater number as the Board may determine from time to time and all members of the Committee shall be “independent” (as such term is used in National Instrument 52-110 – Audit Committees (“**NI 52-110**”)) unless the Board determines that the exemption contained in NI 52-110 is available and determines to rely thereon.
2. The Board may from time to time designate one of the members of the Committee to be the Chair of the Committee.
3. All of the members of the Committee must be “financially literate” (as defined in NI 52-110) unless the Board determines that an exemption under NI 52-110 from such requirement in respect of any particular member is available and determines to rely thereon in accordance with the provisions of NI 52-110.

Mandate and Responsibilities of Committee

It is the responsibility of the Committee to:

1. Oversee the work of the external auditors, including the resolution of any disagreements between management and the external auditors regarding financial reporting.
2. Satisfy itself on behalf of the Board with respect to Black Diamond's internal control systems.
3. Review the annual and interim financial statements of Black Diamond and related management's discussion and analysis ("MD&A") prior to their submission to the Board for approval. The process should include but not be limited to:
 - reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
 - reviewing significant accruals, reserves or other estimates such as the goodwill impairment evaluation;
 - reviewing accounting treatment of unusual or non-recurring transactions;
 - ascertaining compliance with covenants under loan agreements;
 - reviewing disclosure requirements for commitments and contingencies;
 - reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - reviewing unresolved differences between management and the external auditors;
 - monitoring the effectiveness of the financial reporting environment; and
 - obtaining explanations of significant variances with comparative reporting periods.
4. Review the financial statements, prospectuses and other offering documents, MD&A, annual information forms ("AIF") and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of Black Diamond's disclosure of all other financial information and will periodically assess the accuracy of those procedures.
5. Review and approve the disclosure of audit committee information required to be included in the AIF of the Corporation prior to its filing with regulatory authorities.
6. With respect to the appointment of the external auditors by the Board:
 - recommend to the Board the external auditors to be nominated;
 - recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors will report directly to the Committee;
 - on an annual basis, assess the reasonableness of the audit fee;
 - on an annual basis, conduct an assessment of the external auditor's performance;
 - on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with the Corporation to determine the auditors' independence;
 - when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and

- review and pre-approve any non-audit services to be provided to Black Diamond or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Committee from time to time.
7. Review with the external auditors (and internal auditor if one is appointed by Black Diamond) their assessment of the internal controls of Black Diamond, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee will also review annually with the external auditors their plan for their audit and consider the impact of business risks of the Corporation on the audit plan. The Committee will monitor the execution of the audit plan, with emphasis on the more complex and risky areas of the audit. Upon completion of the audit, the Committee will review annually with the external auditors their findings report upon the consolidated financial statements of Black Diamond and its subsidiaries and the Committee will evaluate the audit findings contained in the audit report.
 8. Review with the external auditors on an annual basis the Canadian Public Accountability Board's ("CPAB") public inspection results report and, in a year when the Corporation's file is inspected by CPAB, the Committee will also review with the external auditors the inspection findings contained in such report.
 9. Review risk management policies and procedures of Black Diamond (i.e. hedging, cyber and information security, litigation and insurance) and consider the impact of business risks on the audit plan.
 10. Establish a procedure for:
 - the receipt, retention and treatment of complaints received by Black Diamond regarding accounting, internal accounting controls or auditing matters; and
 - the confidential, anonymous submission by employees of Black Diamond of concerns regarding questionable accounting or auditing matters.
 11. Review and approve Black Diamond's hiring policies regarding partners and employees and former partners and employees of the present and former external auditors of Black Diamond.
 12. Complete a comprehensive review of the external audit firm on a periodic basis, once every five years at minimum, which comprehensive review will generally include an evaluation of the following:
 - trends in the audit firm's performance, industry expertise and professional skepticism;
 - the quality control environment of the audit firm, including safeguards against independent threats;
 - the quality of thought, leadership and transparency of communications on any controversial matters;
 - the results of annual assessments, how the firm has responded to those assessments and how the firm handled any partner rotations during the period; and
 - the quality of the engagement team.

The Committee has authority to communicate directly with the internal auditors (if any) and the external auditors of the Corporation. The external auditors shall be required to report directly to the Committee. The Committee will also have the authority to investigate any financial activity of Black Diamond. All employees of Black Diamond are to cooperate as requested by the Committee.

The Committee may also retain persons having special expertise and/or obtain independent professional advice to assist in filling their responsibilities at such compensation as established by the Committee and at the expense of Black Diamond without any further approval of the Board.

Meetings and Administrative Matters

1. At all meetings of the Committee every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting will be entitled to a second or casting vote.
2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee will be taken. The Chief Financial Officer will attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chairman.
5. The Committee will meet with the external auditor at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditor and the Committee consider appropriate.
6. Agendas will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
7. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.
8. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
9. The Committee may retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.
10. Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as two members remain on the Committee. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.
11. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Lead Director of the Board by the Committee Chair.