



# **BLACK DIAMOND**

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**GROUP**

**NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**for the Annual Meeting  
of Shareholders of  
Black Diamond Group Limited  
to be held on May 3, 2022**

March 23, 2022

Dear Fellow Shareholder,

I am pleased to report that 2021 was a very strong year for Black Diamond Group. Our portfolio of specialty rental businesses focused on modular buildings and remote and temporary space solutions, along with our digital marketplace for business-to-business crew travel management continues to deliver high growth and stable recurring cashflows, and a compounding return to shareholders.

This year the Company has prepared a Stakeholder Report, which includes the key highlights for 2021 which can be found here:

<https://www.blackdiamondgroup.com/investor-centre/stakeholder-report/>



We thank you for your continued confidence and trust.

Respectfully, on behalf of the Board and Management,

*(Signed) Trevor Haynes*  
Chairman and Chief Executive Officer

**BLACK DIAMOND GROUP LIMITED****Notice of the Annual Meeting of Shareholders to be held on May 3, 2022**

The annual meeting of the holders of our common shares will be held on Tuesday, May 3, 2022, at 1:30 p.m. Calgary time. Due to the uncertain public health impact of the coronavirus outbreak (COVID-19) and in consideration of the health and safety of our shareholders, team members and the broader community, the meeting will be held in a virtual meeting format only, by way of a live audio-only webcast at <https://meetnow.global/MXTXV9P> to:

1. receive and consider our consolidated financial statements for the fiscal year ended December 31, 2021, together with the report of the auditors thereon;
2. elect eight (8) directors for the ensuing year;
3. appoint auditors for the ensuing year and to authorize our directors to fix their remuneration as such; and
4. transact such other business as may properly come before the meeting or any adjournment thereof.

Only shareholders of record at the close of business on March 24, 2022 (the “**Record Date**”) are entitled to notice of, to participate in the meeting or any adjournment thereof and to vote thereat unless after the Record Date a holder of record transfers his, her or its common shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he, she or it owns such shares, requests, not later than ten (10) days before the meeting, that the transferee’s name be included in the list of shareholders entitled to vote, in which case such transferee shall be entitled to vote such shares at the meeting.

Registered shareholders may participate in and vote at the meeting or any adjournment thereof, or they may appoint another person (who need not be a shareholder) as their proxy to participate in the virtual meeting and vote in their place. If you appoint a non-management proxyholder, please ensure that they participate in the meeting for your vote to count.

**Registered shareholders unable to participate in the meeting are requested to date and sign the enclosed form of proxy and return it to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 (Attention: Proxy Department). If a shareholder received more than one (1) proxy form because such shareholder owns our common shares registered in different names or addresses, each proxy form should be completed and returned. In order to be valid, proxies must be received by Computershare Trust Company of Canada not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the meeting or any adjournment thereof. Registered shareholders may also vote via the internet at [www.investorvote.com](http://www.investorvote.com). Votes by internet must also be received by the foregoing cut off time. The time limit for deposit of proxies may be waived or extended by the chair of the meeting at his or her discretion without notice. See the information circular – proxy statement accompanying this Notice for further instructions on internet voting.**

An information circular – proxy statement relating to the business to be conducted at the meeting and instructions regarding how to participate and vote at the virtual meeting accompanies this Notice.

Dated at Calgary, Alberta this 23<sup>rd</sup> day of March, 2022.

By order of the Board of Directors

*(Signed) Trevor Haynes*  
Chairman and Chief Executive Officer

**BLACK DIAMOND GROUP LIMITED****Information Circular – Proxy Statement  
dated March 23, 2022****For the Annual Meeting  
of Shareholders to be held on May 3, 2022****PROXIES****Solicitation of Proxies**

**This information circular – proxy statement is furnished in connection with the solicitation of proxies by or on behalf of the management of Black Diamond Group Limited (“Black Diamond”, “our Company”, the “Corporation”, “we” and “us”) for use at the annual meeting of holders of common shares (“Common Shares”) of our Company (the “Meeting”) to be held on Tuesday, May 3, 2022, at 1:30 p.m., Calgary time in a virtual meeting format only, by way of live audio-only webcast at <https://meetnow.global/MXTXV9P> and any adjournment thereof for the purposes set forth in the accompanying Notice of Annual Meeting.**

Only shareholders of record at the close of business on March 24, 2022 are entitled to notice of, and to participate in and vote at, the Meeting, unless a shareholder has transferred any Common Shares subsequent to that date and the transferee shareholder, not later than ten (10) days before the Meeting, establishes ownership of such Common Shares and demands that the transferee’s name be included on the list of shareholders entitled to vote at the Meeting.

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

The persons named in the enclosed form of proxy are officers of our Company. **As a shareholder, you have the right to appoint a person or company (who need not be a shareholder) to represent you at the Meeting other than the person or persons designated in the form of proxy furnished by us. To exercise this right you should insert the name of the desired representative in the blank space provided on the form of proxy and strike out the other names or submit another appropriate proxy.** In order to be effective, the proxy must be deposited with Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 (Attention: Proxy Department), not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. Registered shareholders may also use the internet at [www.investorvote.com](http://www.investorvote.com) to vote their shares. Shareholders will be prompted to enter the control number which is located on the form of proxy. Votes by internet must be received by 1:30 p.m. (Calgary time) on April 29, 2022 or at least forty-eight (48) hours prior to the time of any adjournment of the Meeting. The time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion without notice. The website may also be used to appoint a proxy holder to participate in and vote at the Meeting on the shareholder’s behalf and to convey a shareholder’s voting instructions. If you appoint a non-management proxyholder, please ensure that they participate in the Meeting for your vote to count.

**How to Vote:****Registered Shareholders of Common Shares**

If you are a registered shareholder and are unable to personally participate in the Meeting, please exercise your right to vote by proxy. In order to be effective, the proxy must be submitted to our Company’s transfer agent, Computershare Trust Company of Canada (“**Computershare**”), as follows:

1. through the internet at [www.investorvote.com](http://www.investorvote.com); or
2. by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America); or
3. by facsimile to (416) 263-9524 or 1-866-249-7775; or

4. by mail or hand delivery to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1.

Registered shareholders will require the 15-digit control number found on the form of proxy in order to vote through the internet or by telephone.

#### **Advice to Beneficial Holders of Common Shares**

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

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your Common Shares are voted at the Meeting. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to registered shareholders however, its purpose is limited to instructing the registered shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc., which mails a scannable voting instruction form in lieu of the form of proxy. You are asked to complete and return the voting instruction form to them by mail or facsimile. Alternately, you can call their toll-free telephone number or access the internet to vote your Common Shares. They then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of such Common Shares to be represented at the Meeting. If you receive a voting instruction form from Broadridge Financial Solutions Inc. it cannot be used as a proxy to vote Common Shares directly at the Meeting, as the proxy must be returned to Broadridge Financial Solutions Inc. well in advance of the Meeting in order to have the Common Shares voted.

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

Duly appointed proxyholders who log in to the Meeting online will be able to listen and securely vote through a web-based platform, provided that they are connected to the internet and follow the instructions set out in this information circular – proxy statement. Beneficial owners who wish to appoint a proxyholder to represent them at the Meeting must submit their duly completed proxy or voting instruction form as described above AND register the proxyholder with the Company's transfer agent, Computershare, as described below. Registering the proxyholder is an additional step once the beneficial owner has submitted their proxy/voting instruction form. Failure to register the proxyholder (as the person you have designated to participate in the Meeting, who could be yourself or another person) with Computershare will result in that proxyholder not receiving a username to participate in the Meeting.

**To register a proxyholder, a beneficial owner MUST visit <http://www.computershare.com/BlackDiamond> by no later than 1:30 p.m. (Calgary time) on April 29, 2022 and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with a username via email after the deadline for depositing proxies has passed.**

Beneficial owners who have not duly appointed themselves as proxyholder will not be able to participate in the Meeting.

## Revocability of Proxy

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

## Persons Making the Solicitation

**This solicitation is made on behalf of our management.** We will bear the costs incurred in the preparation and mailing of the form of proxy, Notice of Annual Meeting and this information circular – proxy statement. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefor. Intermediaries, such as banks and trust companies, may also reimburse brokers and other persons holding Common Shares in their name or in the name of nominees for their costs incurred in sending proxy material to their principals in order to obtain their proxies.

## Exercise of Discretion by Proxy

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

## Notice-and-Access

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

We have also elected to use procedures known as “stratification” in relation to our use of the Notice-and-Access Provisions. Stratification occurs when we, while using the Notice-and-Access Provisions, provide a paper copy of our notice of meeting and information circular – proxy statement and a paper copy of our consolidated financial statements and related management’s discussion and analysis to some of our shareholders. In relation to the Meeting, our registered shareholders will receive a paper copy of each of the notice of the meeting, this information circular – proxy statement dated March 23, 2022, our consolidated financial statements and related management’s discussion and analysis and a form of proxy whereas our shareholders who do not hold their Common Shares in their own name will receive only a Notice-and-Access Notification and a voting instruction form. Furthermore, a paper copy of our consolidated financial statements and related management’s discussion in respect of our most recent financial year will be mailed to those shareholders who do not hold Common Shares in their own name but who have previously requested to receive paper copies of our financial information.

## Participation at the Meeting

The Meeting will be hosted online by way of a live audio-only webcast. **Shareholders will not be able to attend the Meeting in person.** A summary of the information shareholders will need to attend the online Meeting is provided below. The Meeting will be held on Tuesday, May 3, 2022, at 1:30 p.m., Calgary time.

In order to attend the Meeting, shareholders and duly appointed proxyholders can attend the meeting online by going to <https://meetnow.global/MXTXV9P>.

- **Registered Shareholders** and **duly appointed proxyholders** can participate in the meeting by clicking “**Shareholder**” and entering a Control Number or an Invite Code before the start of the meeting.
  - o Registered Shareholders: the 15-digit control number is located on the Form of Proxy or in the email notification you received.
  - o Duly appointed proxyholders: Computershare will provide the proxyholder with an Invite Code after the voting deadline has passed.
- Attending and voting at the meeting will only be available for Registered Shareholders and duly appointed proxyholders.
- **Non-Registered Shareholders** who have not appointed themselves as proxyholders to participate and vote at the meeting may login as a guest, by clicking on “Guest” and complete the online form; however, they will not be able to vote or submit questions.

Shareholders who wish to appoint a third-party proxyholder to represent them at the virtual meeting must submit their Proxy or Voting Instruction Form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their Proxy or Voting Instruction Form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the meeting.

Registered shareholders and duly appointed proxyholders may ask questions at the Meeting and vote by completing a ballot online during the Meeting. If you plan to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting. You should allow ample time to login to the Meeting online and complete the check-in procedures. For any technical difficulties experienced during the check-in process or during the Meeting, please contact our service provider at the following number(s) at local 888-724-2416 or international at +1-781-575-2748 for assistance.

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

We are authorized to issue an unlimited number of Common Shares without nominal or par value for such consideration as may be determined by resolution of our board of directors (our “**Board**”). As at March 23, 2022, there were 60,086,834 Common Shares issued and outstanding. As a holder of Common Shares, you are entitled to one vote on a ballot at the Meeting for each Common Share you own. We are also authorized to issue an unlimited number of preferred shares, issuable in series. Each series is issuable upon the terms and conditions as set by our Board at the time of creation, subject to the class priorities. As at March 23, 2022, there were no preferred shares issued and outstanding.

To the knowledge of our directors and officers, as at March 23, 2022, no person or company beneficially owned, or controlled or directed, directly or indirectly, Common Shares carrying more than 10% of the votes attached to all of the issued and outstanding Common Shares, except as set forth below.

<u>Name</u>	<u>Number of Common Shares Held or Controlled</u>	<u>Percentage of Common Shares Held or Controlled</u>
Edward Hume Kernaghan	8,666,000	14.4%

#### **MATTERS TO BE ACTED UPON AT THE MEETING**

##### **Election of Directors**

At the Meeting, shareholders will be asked to elect eight (8) directors to hold office until the next annual meeting or until their successors are elected or appointed. There are currently eight (8) directors of our Company, each of whom will stand for re-election at the Meeting.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of the election as directors of the eight (8) nominees hereinafter set forth. The accompanying form of proxy provides for individual voting on directors.

Trevor Haynes	Edward H. Kernaghan
Brian Hedges	Leilani Latimer
Robert J. Herdman	Steven Stein
Barbara J. Kelley	Robert Wagemakers

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

The following information relating to the nominees as directors is based partly on our records and partly on information received by our Company from the nominees and sets forth the names and province/state and country of residence of all of the persons nominated for election as directors, the periods during which they have served as directors, their principal occupations or employments during the five (5) preceding years and the approximate number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each of them as of March 23, 2022.

<u>Name, Province/State and Country of Residence</u>	<u>Director Since <sup>(1)</sup></u>	<u>Principal Occupation During the Five Preceding Years</u>	<u>Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly</u>
Trevor Haynes Alberta, Canada	October 7, 2009	Chairman, President and Chief Executive Officer of Black Diamond Group Limited.	4,149,254
Brian Hedges <sup>(4)</sup> Ontario, Canada	March 4, 2021	Mr. Hedges served as 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, 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.	25,000
Robert J. Herdman <sup>(2)</sup> Alberta, Canada	March 7, 2012	Independent businessman since July 1, 2010 and prior thereto, Partner of PricewaterhouseCoopers LLP (accounting firm).	Nil
Barbara J. Kelley <sup>(3)</sup> Colorado, United States	May 3, 2016	Independent businesswoman since May 2015 and prior thereto, Executive Director of the Colorado Department of Regulatory Agencies.	Nil
Edward H. Kernaghan <sup>(2)(4)</sup> Ontario, Canada	March 8, 2018	Executive Vice President at Kernaghan & Partners Ltd. since January 2015.	8,666,000

<u>Name, Province/State and Country of Residence</u>	<u>Director Since <sup>(1)</sup></u>	<u>Principal Occupation During the Five Preceding Years</u>	<u>Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly</u>
Leilani Latimer <sup>(3)</sup> California, United States	March 4, 2021	Chief Commercial & Marketing Officer of Fair Trade, US, (since January 2021), previously as Strategic Advisor of WallKom International Chief Marketing & Commercial Officer of Earlens Corporation and 25 years of experience in various senior management positions with Sabre Inc., including an Independent Director role at Rayont Inc.	Nil
Steven Stein <sup>(2)</sup> Alberta, Canada	October 7, 2009	Independent businessman since September 2019. Director since March 2019 and Consultant for Terra Water Systems Inc. since September 2019. Director of Operations, Purdy & Partners Inc., a private equity fund, from November 2018 to September 2019. President, Logistics of Black Diamond Group Limited from October 22, 2014 until December 31, 2016.	1,017,540
Robert Wagemakers <sup>(3)(4)(5)</sup> Alberta, Canada	November 11, 2009	Independent businessman since July 31, 2013.	648,511

Notes:

- (1) Black Diamond Income Fund (the “**Fund**”) was reorganized and restructured into our Company on December 31, 2009 (the “**Conversion**”). The Fund was managed by Black Diamond Group Inc. (the “**Manager**”) until the Conversion. Prior to the Conversion, Mr. Wagemakers was a director of the Manager since June 2006. Messrs. Haynes and Stein are and have been directors of the Manager since June 2006.
- (2) Member of our Audit Committee.
- (3) Member of our Environmental, Social and Governance and Nominating Committee (“**ESGNC**”).
- (4) Member of our Compensation Committee.
- (5) Mr. Wagemakers is the Lead Director of the Board.

### **Majority Voting for Directors**

Our Board has adopted a majority voting policy stipulating that if the votes in favour of the election of a director nominee at a shareholders’ meeting represent less than a majority of our Common Shares voted and withheld, the nominee will submit his or her resignation immediately after the meeting, for our ESGNC’s consideration. Our ESGNC will make a recommendation to our Board after reviewing the matter, and our Board’s decision to accept or reject the resignation offer will be disclosed to the public, within ninety (90) days of the applicable shareholders’ meeting. Resignations are expected to be accepted except in situations where exceptional circumstances would warrant the applicable director to continue to serve as a Board member. The nominee will not participate in any committee or Board deliberations on the resignation offer. The policy does not apply in circumstances involving contested director elections.

### **Advance Notice By-Law**

Our Board adopted By-law No. 2 relating to the provision of advance notice of nominations of our directors (the “**Advance Notice By-law**”), which was approved by our shareholders at the annual and special meeting held on May 7, 2015. The Advance Notice By-law sets forth procedures that must be followed by any shareholder of our Company who intends to nominate any person for election as a director of our Company, other than pursuant to a proposal made in accordance with the *Business Corporations Act* (Alberta), or a requisition of a shareholder meeting made pursuant to the *Business Corporations Act* (Alberta). The Advance Notice By-law stipulates a deadline by which our shareholders must notify our Company of their intention to nominate directors and sets out the information that our shareholders must provide regarding each director nominee and the nominating shareholder in order for the requirements of the Advance Notice By-law to be met. These requirements are intended to provide all shareholders, including those voting by proxy, with the opportunity to evaluate the nominees and vote in an

informed and timely manner regarding said nominees. The Advance Notice By-law also ensures orderly and efficient shareholder meetings by providing a structured and transparent framework for nominating directors. No person nominated by a shareholder will be eligible for election as a director of our Company unless nominated in accordance with the provisions of the Advance Notice By-law. A copy of the Advance Notice By-law is available on our SEDAR profile at [www.sedar.com](http://www.sedar.com).

### ***Additional Disclosure Relating to Proposed Directors***

#### *Bankruptcies*

To our knowledge, except as described below, no proposed director (nor any personal holding company of any of such persons): (a) is, as of the date of this information circular – proxy statement, or has been within the ten (10) years before the date of this information circular – proxy statement, a director or executive officer of any company (including us) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten (10) years before the date of this information circular – proxy statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

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

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

#### *Cease Trade Orders*

To our knowledge, except as described below, no proposed director (nor any personal holding company of any of such persons) is, as of the date of this information circular – proxy statement, or was within ten (10) years before the date of this information circular – proxy statement, a director, chief executive officer or chief financial officer of any company (including us), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than thirty (30) consecutive days (collectively, an “**Order**”), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

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

Mr. Haynes, the Chairman, President and Chief Executive Officer of Black Diamond, served as a director of Northern Frontier until July 12, 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 our knowledge, no proposed director (nor any personal holding company of any of such persons), has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered

into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### Appointment of Auditors

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

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

Unless otherwise directed, it is the intention of the management designees to vote the proxies in favour of an ordinary resolution to appoint the firm of Ernst & Young LLP, Chartered Professional Accountants, to serve as our auditors until the next annual meeting of the shareholders and to authorize our directors to fix their remuneration as such.

The information required by Form 52-110F1 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, including information regarding the fees billed to our Company by Ernst & Young LLP, Chartered Professional Accountants, Calgary, Alberta, is contained in our annual information form for the year ended December 31, 2021, under the heading “Audit Committee Information”, an electronic copy of which is available on our SEDAR profile at [www.sedar.com](http://www.sedar.com).

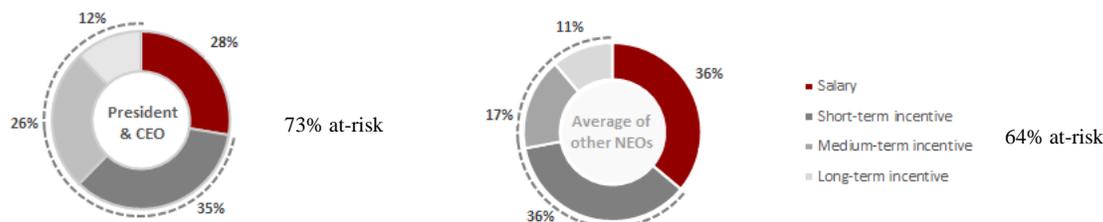
## STATEMENT OF EXECUTIVE COMPENSATION

### Named Executive Officers of the Corporation

The following section of this information circular – proxy statement discusses the Corporation’s approach to the compensation paid to our President and Chief Executive Officer, Executive Vice President and Chief Financial Officer; and the next three most highly compensated executive officers, during the year ended December 31, 2021 whose total compensation was more than \$150,000 (each a “Named Executive Officer” or “NEO” and collectively, the “Named Executive Officers” or “NEOs”).

### Compensation Program Highlights

- **Alignment with Shareholders** – Given the challenging operating environment faced by the Corporation and the industries in which it operates, the base salary of the NEOs has not increased over the last two years, with the exception of a salary increase to our Executive Vice President and Chief Information Officer to reflect the increased scope and responsibility in the role. The Compensation Committee has focused on providing our NEOs with equity-based compensation that will deliver value to NEOs as value is received by the Corporation’s shareholders.
- **Low dilution to shareholders** – While this emphasis on equity-based compensation has increased the *theoretical dilution* to shareholders over the past five (5) years, *actual dilution to shareholders has been low during this time period* as restricted awards (the “**Restricted Awards**”), performance awards (the “**Performance Awards**”) (collectively, referred to as “**Incentive Awards**”) and option grants in 2021 have been partially offset by out of the money or expired options.
- **Pay for Performance** – With the focus on equity-based incentives, the majority of our NEOs’ compensation is at-risk. Approximately 73% of the CEO’s and an average of 64% of the NEO’s total target direct compensation is at-risk, meaning that the majority of executive compensation is performance-dependent and fluctuates with shareholder value.



- **Caps on incentive payouts** – Payouts under the 2021 annual cash bonus plan (the “**Cash Bonus Plan**”) are between 0-150% of the target award. The target award is 125% of salary for our President and CEO and 100% of salary for the remaining NEOs.
- **Share Ownership Requirements** – The Corporation has implemented share ownership requirements for our NEOs (three times annual base salary for our President and CEO and two times annual base salary for the remaining NEOs). Ownership guidelines have also been implemented for the Board of Directors (three times annual retainer).

## Compensation Governance

### Composition of our Compensation Committee

Our Compensation Committee is comprised of Brian Hedges (Chair), Robert Wagemakers and Edward Kernaghan, all of whom are “independent” directors for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. The following table sets forth the relevant skills and experience of each current member of our committee that enables such member to make decisions on the suitability of our compensation policies and practices.

Name	Relevant Skills and Experience
Brian Hedges (Chair)	Mr. Hedges’ skills and experience that enable him to make decisions on the suitability of our compensation policies and practices are derived from extensive experience designing and implementing pay for performance compensation plans for all levels in large decentralized organizations. He has extensive experience with the disclosure and communication of senior compensation plans to all stakeholders.
Robert Wagemakers	Mr. Wagemakers’ skills and experience that enable him to make decisions on the suitability of our compensation policies and practices are derived from more than 40 years’ experience in the oil and natural gas sector, most recently from July 31, 2011 to July 30, 2012 as a Special Consultant to Nabors Drilling, a division of Nabors Canada and from 2001 to July 2011, Vice President, Marketing of Nabors Drilling. Mr. Wagemakers was Vice President, Operations with Command Drilling Corporation from 2000 to 2001; prior thereto, he was President of Partner Rentals Ltd. from 1997 to 2000. Prior thereto, Mr. Wagemakers held various management positions with a number of drilling companies. In 2013, Mr. Wagemakers completed the program offered by the Institute of Corporate Directors and is entitled to use the designation ICD.D.
Edward Kernaghan	Mr. Kernaghan’s skills and experience that enable him to make decisions on the suitability of our compensation policies and practices are derived from his experience as Chair of the Compensation Committee for Waterloo Brewing Company. Mr. Kernaghan has also been a member of the compensation committees for Exco Technologies Limited, Obsidian Energy Ltd., since 2019, and Velan Inc., since 2021.

### Compensation Committee Mandate

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

- to review the compensation philosophy and remuneration policy for our officers and to recommend to our Board changes to improve our ability to recruit, retain and motivate employees;
- to review and recommend to our Board the retainer and fees to be paid to members of our Board;
- to review and approve corporate goals and objectives relevant to the compensation of our President and Chief Executive Officer, evaluate our President and Chief Executive Officer’s performance in light of those corporate goals and objectives, and determine (or make recommendations to our Board with respect to) our President and Chief Executive Officer’s compensation level based on such evaluation;
- to recommend to our Board with respect to non-Chief Executive Officer and director compensation, including to review management’s recommendation for proposed option, share purchase plans and other incentive-

compensation plans and equity-based plans for non-Chief Executive Officer and director compensation and make recommendations in respect thereof to our Board;

- (v) to administer our Company's option plan (the "**Option Plan**"), our Company's restricted and performance award incentive plan (the "**Award Plan**") and other incentive plans approved by our Board in accordance with their terms including recommending (and, if delegated authority thereunder, approving) the grant of options or other incentive securities in accordance with the terms thereof;
- (vi) to determine and recommend for approval by our Board bonuses to be paid to our officers and employees and to establish targets or criteria for the payment of such bonuses, if appropriate;
- (vii) to review the annual disclosure required by applicable securities laws to be made by our Company with respect to compensation including the Compensation Discussion and Analysis required to be included in our information circular – proxy statement and review other executive compensation disclosure before we disclose such information; and
- (viii) to conduct an assessment, at least once a year, of the risks associated with our compensation policies and practices and prepare and submit to our Board annually a report summarizing: (i) the risks identified in such assessment that are reasonably likely to have a material adverse effect on our Company; and (ii) the recommendations of our Compensation Committee to mitigate against any potential items identified in such assessment that may be reasonably expected to lead an executive officer to take inappropriate or excessive risks.

The Compensation Committee is required to be comprised of at least three (3) of our directors or such greater number as our Board may determine from time to time. All members of our Compensation Committee are required to be independent as such term is defined for purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

#### **Review of Risks Associated with Compensation Policies and Practices**

As described herein, our Company's executive compensation program is administered by our Compensation Committee. In carrying out its mandate, the Compensation Committee reviewed our Company's elements of compensation to identify any risks arising from our Company's compensation policies and practices that could reasonably be expected to have a material adverse effect on our Company as well as the practices used to mitigate any such issues. The Compensation Committee concluded that the compensation program and policies of our Company does not encourage our executive officers to take inappropriate or excessive risks. This assessment was based on a number of considerations including, without limitation, the following:

- (i) the compensation program of our Company attempts to achieve a balance between cash and equity compensation which are based both on individual and corporate performance, both financial and non-financial and the overall compensation program is market-based and aligned with our Company's business plan and long-term strategies;
- (ii) the Company's compensation policies and practices are generally uniform throughout the organization and there are no significant differences in compensation structure among our executive officers;
- (iii) the compensation package for executive officers consists of fixed (base salary and perquisites) and variable elements (cash bonus, options and Incentive Awards) which are designed to balance our short term goals and our long-term interests and are aimed at creating sustainable value for our shareholders;
- (iv) the performance elements of the Cash Bonus Plan for our executive officers are linked to the achievement of our business goals and are reviewed and approved annually by the Compensation Committee;
- (v) in exercising its discretion granting options and Incentive Awards, our Compensation Committee or our Board reviews individual and corporate performance taking into account the long-term interests of our Company;

- (vi) options are generally granted annually and vest over a three (3) year period, with 1/3 of the options vesting on the first anniversary date and 1/3 each year thereafter, which further mitigates any short-term risk-taking potential;
- (vii) we anticipate that Incentive Awards will be granted annually and will vest over a period of time, which further mitigates any short-term risk-taking potential; and
- (viii) the results of annual performance assessments of individual contributions of executive officers are reviewed and considered in awarding bonuses under the Cash Bonus Plan and future compensation.

### Short Sales, Puts, Calls and Options

Our Anti-Hedging Policy provides that our directors, officers and all of our employees, shall not knowingly sell, directly or indirectly, a security of our Company if such person selling such security does not own or has not fully paid for the security to be sold. In addition, the Anti-Hedging Policy provides that our directors, officers and employees shall not, directly or indirectly, engage in short selling in Common Shares or purchase financial instruments (including, for greater certainty, puts, options, calls, prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a change in the market value of Common Shares or other securities of our Company held by the person. For the purposes of our Anti-Hedging Policy, short selling does not include a sale of Common Shares not currently owned so long as the seller owns an immediately exercisable option to acquire the number of Common Shares sold, and the sale and exercise is conducted in accordance with our Company's approved procedures for the exercise of options under our official equity compensation plans such as the Option Plan.

### Mandatory Equity Ownership Requirements

In April 2018, our Company adopted a policy (the “**Mandatory Equity Ownership Policy**”) pursuant to which directors and certain senior officers of the Corporation are required to own a significant number of Common Shares or Common Share equivalents in order to further align their interests with those of our Company's shareholders. For our NEOs, mandatory ownership of Common Shares or Restricted Awards must achieve and maintain a value of two to three times each NEO's respective base annual salary. Our NEOs have five (5) years from the date of inception of the policy, or upon becoming a NEO, to achieve this minimum level of equity ownership. The value held shall be determined each year, based on the greater of the initial acquisition cost of the Common Shares and/or Incentive Awards and the then market price of the Common Shares on the Toronto Stock Exchange (the “**TSX**”). Options do not count toward the equity ownership requirement of the NEOs. The Common Shares, Incentive Awards or similar Common Share equivalents of the Corporation held to comply with the equity ownership requirement shall not be the object of specific monetization procedures or other hedging procedures to reduce or offset a decrease in the market value of his or her holding, either directly or indirectly.

Additional details of the policy and of our NEOs' progress around ownership guidelines as of March 23, 2022 are presented below.

<u>Position</u>	<u>Name</u>	<u># of Common Shares</u>	<u># of Incentive Awards</u>	<u>Ownership Requirement (Multiple of Salary)</u>	<u>Current Market Value <sup>(1)</sup></u>	<u>Meets Share Ownership Requirement <sup>(2)</sup></u>
Chairman, President and Chief Executive Officer	Trevor Haynes	4,149,254	134,310	3x	\$21,417,820	Yes
Executive Vice President and Chief Financial Officer	Toby LaBrie	246,374	63,611	2x	\$1,549,925	Yes
Executive Vice President and Chief Operating Officer, Workforce Solutions	Mike Ridley	116,593	64,986	2x	\$907,895	Yes

Position	Name	# of Common Shares	# of Incentive Awards	Ownership Requirement (Multiple of Salary)	Current Market Value <sup>(1)</sup>	Meets Share Ownership Requirement <sup>(2)</sup>
Executive Vice President and Chief Operating Officer, Modular Space Solutions	Edward (Ted) Redmond	257,483	81,145	2x	\$1,693,140	Yes
Executive Vice President and Chief Information Officer	Patrick Melanson	116,073	62,235	2x	\$891,540	Yes

Notes:

- (1) Calculated based on the closing price of the Common Shares on the TSX on March 23, 2022, which was \$5.00 per Common Share.  
(2) Any current NEO that does not meet the requirements of the Mandatory Equity Ownership Policy has until the later of April 2023 or 5 years from the date of appointment as an NEO to comply.

## COMPENSATION DISCUSSION AND ANALYSIS

### Objectives and Principles of Executive Compensation Program

The objectives of our executive compensation program are threefold, namely: (i) pay for performance in terms of aligning compensation in the short and long-term to the successful implementation of our strategic plans and annual objectives; (ii) align the interests of management with shareholders over the long-term via the use of equity-based incentives; and (iii) enable our Company to attract and retain highly qualified and experienced individuals to serve as executive officers.

Flowing from the Compensation Committee's pay-for-performance philosophy, salaries are generally positioned near the median levels of the competitive market while variable compensation opportunity (short-, medium- and long-term incentives) is structured to allow executives to receive above-market total compensation for superior operational and financial performance and sustained shareholder value creation. Our Compensation Committee also recognizes that the Company's executive compensation program must be sufficiently flexible in order to adapt to unexpected developments in the industries in which we operate and the impact of internal and market related occurrences from time to time.

### Performance highlights for 2021

Priorities	Actions
Grow MSS	<ul style="list-style-type: none"> <li>A significant part of the 2021 plan was the successful integration of Vanguard into Black Diamond to realize the significant long-term benefits of combination. And, continue to organically grow fleets in other existing MSS regions at a moderated pace.</li> </ul>
Scale LodgeLink	<ul style="list-style-type: none"> <li>Continued rapid growth in booking volumes by gaining market share in the U.S. as well as hotel bookings across growing North American footprint. Focused on the customer, value proposition and core offering. Realized the benefits of the foundations built in years prior with further automation and use of technology to remove duplication between customer's activities, property owner's activities and internal administrative functions.</li> </ul>
Unlock WFS Operating Leverage	<ul style="list-style-type: none"> <li>Pursued diversification efforts to improve the utilization on existing WFS fleet in North America. In Australia, continued to leverage the success of our market strategies in recent years by maintaining relatively high utilization and modestly growing in the education market.</li> </ul>
Operational Excellence	<ul style="list-style-type: none"> <li>Continued to progress operational excellence initiatives to institutionalize best practices for procuring, maintaining, protecting and deploying our fleet of assets.</li> </ul>
Customer Centricity	<ul style="list-style-type: none"> <li>Maintained focus on our customers and providing best-in-class service. Continued to refine and upgrade Salesforce tools to better track and optimize customer engagements.</li> </ul>

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Employee Engagement

- Continued to focus on improved culture of leadership and transparent communication leading to further enhance employee engagement through continued leadership training, company-wide communications efforts and further emphasis on career path development and career management.
- 

## Compensation Benchmarking

In order to attract and retain the highly qualified and experienced individuals required to achieve our Company's goals, Black Diamond needs to ensure that its executive compensation programs are market competitive. Our Compensation Committee uses a benchmarking group that includes comparable companies Black Diamond competes with for talent and business.

Black Diamond's benchmarking group is determined using the following criteria:

- **Industry:** companies providing modular facilities, workforce accommodation and lodging, rentals and related services;
- **Ownership:** public companies listed on a North American stock exchange;
- **Operating Geography:** companies that operate in multiple jurisdictions, including international operations; and
- **Size:** companies of comparable size, but the group also includes a balanced mix of companies that are both larger and smaller than Black Diamond that meet the other criteria.

By reviewing the comparable executive compensation programs and compensation levels at these companies, our Compensation Committee is well positioned to make informed decisions about compensation practices, programs and levels for our executive officers, and to attract and retain highly qualified and experienced individuals to serve as the executive officers required to achieve our Company's goals.

### Benchmarking Group

#### **Canadian Comparators**

Badger Infrastructure Solutions Ltd.  
Wajax Corporation  
Tecsys Inc.  
Dexterra Group Inc.  
Pason Systems Inc.  
K-Bro Linen Inc.  
Bird Construction Inc.  
IBI Group Inc.  
Exco Technologies Limited

#### **U.S. Comparators**

VSE Corporation  
Atlas Technical Consultants Inc.  
Target Hospitality Corp.  
Civeo Corporation  
Transcat Inc.  
Charah Solutions, Inc.  
CECO Environmental Corp.  
Orion Group Holdings, Inc.  
United Rentals Inc.  
WillScot Mobile Mini Holdings Corp.  
McGrath RentCorp

In 2021 the Compensation Committee engaged Southlea Group Limited Partnership ("**Southlea**"), an independent advisor, to provide guidance on compensation matters to review whether Black Diamond's programs are appropriate, market competitive and continue to meet intended goals. Advisory services include:

- recommending a compensation benchmarking group;
- assessing the competitiveness of annual target/actual total direct compensation for the President & CEO and the other NEOs to the benchmarking group and providing recommendations for consideration; and
- conducting a review of Black Diamond's board of director compensation structure, including design and pay levels and providing a summary of findings and recommendations for consideration.

While the Compensation Committee considered the information and recommendations from Southlea, it had full responsibility for its own decisions, which captured all relevant factors and considerations. The Compensation Committee adopted Southlea's

recommendation regarding a new benchmarking group and took into consideration the market competitive data provided for NEOs and Directors in determining compensation for 2022. No other compensation consultants or advisors were retained in 2021.

The Compensation Committee reviewed and approved the terms of engagement with Southlea. The terms specified the work to be completed in 2021, Southlea’s responsibilities and its fees. Management can also retain Southlea on compensation matters from time to time or for prescribed compensation services. The Compensation Committee chair must, however, approve all services that are not standard in nature, considering whether or not the work would compromise Southlea’s independence.

The following table provides a breakdown of services provided by and fees paid to Southlea in 2021.

<b>Nature of Work</b>	<b>Approximate fees in 2020 (\$)</b>	<b>Approximate fees in 2021 (\$)</b>
Executive compensation related fees <sup>(1)</sup>	-	37,500
All other fees	-	-
<b>Total</b>	<b>-</b>	<b>\$37,500</b>

(1) Includes all fees related to executive and director compensation associated with the President & CEO, NEOs and Board of Directors.

### Elements of Our Executive Compensation Program

Our Company offers a total compensation package to our NEOs that is both aligned with our compensation philosophy and with competitive market practise. In 2021, the Compensation Committee and Board of Directors approved a revision to the short-term incentive plan to be more aligned with industry compensation practises. Target awards remained unchanged and actual awards continued to be based on the achievement of corporate, business units, and individual objectives, however based on corporate financial results, actual bonus payments can range from 0%-150% of bonus target awards rather than being capped at 100%.

<b>Compensation Element</b>	<b>Form</b>	<b>Purpose of Element</b>	<b>Determination</b>
Base Salary	Cash	Forms a baseline level of compensation for role fulfillment commensurate with the experience, skills and market demand for the executive role and/or incumbent.	Salaries have historically been determined from analysis of similar positions within Black Diamond’s benchmarking group, the advice of our independent consultant, and each individual’s level of experience in the role, individual performance and level of responsibility. Actual salary levels are set in reference to our Company’s compensation philosophy and relative to the emphasis on other compensation program elements. Our Company’s philosophy has been to pay salaries near the median levels of the peer group.
Cash Bonus Plan	Cash	To recognize short-term (typically annual) efforts and milestone achievement that are designed to link the achievement of personal and annual performance objectives to enhanced shareholder value.	Annual bonus opportunity for each NEO is set based both with reference to competitive benchmarking group incentive opportunities, the seniority of the NEO’s position and his or her industry experience. Actual bonus payments can range from 0%-150% of bonus target awards. Each NEO’s annual performance is measured against corporate, business unit and individual performance objectives, the weighting of each being dependent upon his or her role in the organization and relative influence over corporate performance objectives. For additional information, see <i>Short-Term Incentive Compensation – Annual Cash Bonus</i> below.
Restricted and Performance Award Incentive Plan	Common Shares	Provides for the grant of Restricted Awards and Performance Awards designed to motivate executives to create and grow sustainable shareholder total return over successive three (3) year performance cycles.	Restricted Award and Performance Award grants are determined in reference to competitive practise and are granted at such levels that total compensation can achieve above-market levels provided that our Company’s share price achieves superior returns. Incentive Awards are typically awarded annually or as otherwise determined by the Compensation Committee. Performance Awards vest upon the achievement and maintenance of certain

Compensation Element	Form	Purpose of Element	Determination
			performance criteria over a three (3) year period, whereas Restricted Awards vest automatically over a three (3) year period.  The Compensation Committee has established performance criteria with respect to Performance Awards that were granted in 2019 and 2020. These criteria are based on the achievement of Adjusted EBITDA <sup>1</sup> targets versus plan and, based on the terms of the Award Plan, results against these criteria for 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> quartile performance result in vesting multipliers of 200%, 150%, 100% and 0%. Vesting multipliers are applied to each of the vesting years in the straight-line annual 3-year vesting of the Performance Awards granted.
Option Plan	Common Shares	Designed to motivate executives to create and grow sustainable shareholder return over long-term performance periods and to facilitate key employee retention.	Option award levels are determined in reference to competitive practise and are granted at such levels that total compensation can achieve above-market levels provided that our Company's share price achieves superior returns. The Compensation Committee sets the term of options, which cannot exceed five (5) years and generally fixes the vesting terms of options such that 1/3 of options granted will vest on each of the first, second and third anniversaries of the grant date or other such vesting schedule that the Compensation Committee chooses.

### **Base Salary**

Annual base salaries remained the same for our NEOs in 2021, with the exception of Mr. Melanson who received a base salary increase to better align his positioning relative to the competitive market and with his roles and responsibilities.

Executive	Base salary at January 1, 2021	April 1, 2021 Increase %	Base salary at April 1, 2021
Trevor Haynes	\$550,000	0%	\$550,000
Toby LaBrie	\$300,000	0%	\$300,000
Mike Ridley	\$325,000	0%	\$325,000
Edward (Ted) Redmond	\$360,000	0%	\$360,000
Patrick Melanson	\$280,000	3%	\$287,000

### **Short-Term Incentive Compensation – Annual Cash Bonuses**

Our short-term incentive compensation awards under the Cash Bonus Plan (“STIP”) are designed to be a comprehensive analysis of corporate, business unit and individual performance, as determined by our Compensation Committee.

- **Corporate performance.** Corporate performance is based on a three objective company-wide performance metrics that are designed to drive achievement of near-term business priorities and financial results for the organization. The maximum corporate payout percentage is 100%.
- **Business unit performance.** Business unit performance is assessed relative to a scorecard of metrics and targets established for each business and its senior management team, as applicable to those objectives relating to the business unit. Maximum business unit payout percentage is 100%.
- **Individual performance.** Individual performance metrics for each of our NEOs are established to align with the financial, strategic and operational priorities related to each executive’s portfolio and their contributions to the overall

<sup>1</sup> Adjusted EBITDA is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section of the Company's Management's Discussion and Analysis for the year ended December 31, 2021 (the "MD&A"), which is available on the Company's profile at [www.sedar.com](http://www.sedar.com) and incorporated by reference herein, for more information on each specified financial measure.

organization in order to recognize and differentiate individual actions and contributions in final pay decisions. Maximum individual payout percentage is 100%.

**Corporate Payout Ratio.** Regardless of the level of achievement of the performance metrics outlined above, cash bonuses are only payable if a threshold level of the Corporation’s earnings before interest and tax or Adjusted EBIT (before profit incentives)<sup>2</sup> (Adjusted EBIT for this payout ratio is calculated as Adjusted EBIT before expenses related to profit incentives) is achieved with respect to the applicable bonus year. The overall bonus payable is adjusted by the payout ratio (“Corporate Payout Ratio”) calculated on actual Adjusted EBIT (before profit incentives) financial results as outlined in the table below. The maximum short-term incentive award paid cannot exceed 150% of the NEO’s applicable target short-term incentive award.

$$\begin{matrix} \text{NEO} \\ \text{target award} \\ (\$) \end{matrix} \times \begin{matrix} \text{Corporate} \\ \text{Payout Ratio} \\ (100\% \text{ Weighted}) \end{matrix} \times \left[ \begin{matrix} \text{Corporate} \\ \text{payout} \\ \text{percentage} \\ \times \\ \text{weighting} \end{matrix} + \begin{matrix} \text{Business Unit} \\ \text{payout} \\ \text{percentage} \\ \times \\ \text{weighting} \end{matrix} + \begin{matrix} \text{Individual} \\ \text{payout} \\ \text{percentage} \\ \times \\ \text{weighting} \end{matrix} \right] = \begin{matrix} \text{Short-term} \\ \text{incentive} \\ \text{award} (\$) \end{matrix}$$

For 2021, each NEO’s target short-term incentive award and corresponding weighting of corporate, business unit and individual performance metrics were as follows:

Executive	2020 target STIP (% of base salary)	2021 target STIP (% of base salary)	2021 Target STIP <sup>(1)</sup>	Corporate Payout Ratio (Weighting)	Performance Measure Weighting		
					Corporate	Business Unit	Individual
Trevor Haynes	125%	125%	\$687,500	100%	25%	Nil	75%
Toby LaBrie	100%	100%	\$300,000	100%	25%	10%	65%
Mike Ridley	100%	100%	\$325,000	100%	20%	40%	40%
Edward (Ted) Redmond	100%	100%	\$360,000	100%	20%	40%	40%
Patrick Melanson	100%	100%	\$287,000	100%	20%	10%	70%

(1) 2021 target STIP awards are based on base salary earned in 2021.

### Corporate payout ratio and corporate performance metrics

The corporate payout ratio and corporate performance metrics are reviewed annually to select measures that align with our strategy and are appropriate for measuring annual performance. The same corporate component metrics and goals apply to each NEO. In 2021, an Adjusted EBIT (before profit incentives)<sup>2</sup> was used to determine the Corporate Payout Ratio while Return on Gross Assets<sup>2</sup>, Diluted Earnings per Share (“EPS”), and Selling, General, and Administrative Expenses before profit incentives as a percentage of Gross Profit<sup>2</sup> (“SGA% of GP”) equally weighted for the corporate performance metrics. The **threshold** for each corporate performance metric must be achieved in order to meet that portion of the corporate performance metric and maximum performance multiplier for the corporate performance measure is 1x.

The Compensation Committee believes the use of Adjusted EBIT (before profit incentives), Return on Gross Assets, EPS, and SGA% of GP are appropriate measures of financial performance for the Corporation. Focusing management on these metrics will enhance transparency and achievement of the Corporation’s goals with respect to profitability, efficiency of capital, and cost efficiency, which combine to provide a strong value proposition for shareholders.

For the purposes of the Corporation’s 2021 STIP awards, the Adjusted EBIT (before profit incentives) was determined to be \$35,355 and resulted in a performance multiplier of 1.47x for the Corporate Payout Ratio.

<sup>2</sup> Adjusted EBIT (before profit incentives) is a non-GAAP financial measures and Return on Gross Assets and SG&A% of GP are a non-GAAP ratios. Refer to the "Financial Non-GAAP Measures" section herein, for more information on each specified financial measure.

2021 Corporate Payout Ratio metric						2021 RESULT	
	<Threshold 0.0x	Threshold 0.5x	Target 1.0x	Maximum 1.5x	Actual	Corporate Payout Ratio Multiplier	
Adjusted EBIT (before profit incentives) (\$000) <sup>3</sup>	<\$19,231	\$19,231	\$24,038	\$36,058	\$35,355	1.47x	

All targets for the corporate performance metrics in 2021 were achieved. Therefore, the corporate payout percentage of 100% was applied to the overall 2021 STIP award calculation. The maximum performance multiplier for each metric is 1.0x.

2021 Corporate Financial metrics	Weighting	2021 RESULTS		
		Target 1.0x	Actual Result	Corporate Multiplier
Diluted Earnings per Share	1/3	\$0.11	\$0.34	1.0x
Return on Gross Assets <sup>3</sup>	1/3	6.7%	8.3%	1.0x
SG&A% of GP <sup>3</sup>	1/3	44.4%	36.8%	1.0x
Consolidated Corporate Financial Result				1.0x

### Business unit and individual performance

In the first quarter of 2021, the Compensation Committee established individual performance objectives for Mr. Haynes, taking into consideration the Corporation's financial and strategic annual and long-term strategic priorities. For our other NEOs, Mr. Haynes established their business unit and individual performance objectives for 2021 at the start of the year, based on strategic and operational priorities related to each executive's portfolio and other factors.

Executive	Business Unit	Business Unit and Individual Metric Description
Trevor Haynes	NA	<ul style="list-style-type: none"> <li>Financial, operating, safety and commercial measures to attain short- and long-term strategy</li> </ul>
Toby LaBrie	Corporate (reporting departments)	<ul style="list-style-type: none"> <li>Non-financial project initiatives for the combined enterprise</li> <li>Financial (Corporate cost efficiency)</li> </ul>
Ted Redmond	Modular Space Solutions	<ul style="list-style-type: none"> <li>Financial, operating, safety and commercial measures for the Modular Space Solutions business unit</li> <li>Financial (Return on Gross Assets and Adjusted EBIT (before profit incentives))</li> </ul>
Mike Ridley	Workforce Solutions	<ul style="list-style-type: none"> <li>Financial, operating, safety and commercial measures for the Workforce Solutions business unit</li> <li>Financial (Return on Gross Asset and Adjusted EBIT (before profit incentives))</li> </ul>
Patrick Melanson	LodgeLink (50%)	<ul style="list-style-type: none"> <li>Financial, operating, and commercial measures for the LodgeLink business unit</li> <li>Financial (Gross Booking Revenue and Capacity Growth)</li> </ul>
	Information Technology (50%)	<ul style="list-style-type: none"> <li>Non-financial Information technology project initiatives</li> <li>Financial (Corporate cost efficiency)</li> </ul>

### Short-term incentive award calculations

Black Diamond delivered strong results in 2021 driven by solid operating performance across the business despite the negative impacts of COVID-19. This exceptional execution against Black Diamond's business strategies resulted in performance

<sup>3</sup> Adjusted EBIT (before profit incentives) is a non-GAAP financial measures and Return on Gross Assets and SG&A% of GP are a non-GAAP ratios. Refer to the "Financial Non-GAAP Measures" section herein, for more information on each specified financial measure.

outcomes exceeding the 2021 financial targets. Awards were calculated based on the formula defined by the plan and no discretion was used by the Compensation Committee to adjust the awards once they were calculated.

Each NEO's calculated STIP award is as follows:

Executive	Consolidated Corporate			+	Business Unit			+	Individual			=	Performance Measure Overall Multiplier
	Multiplier	x	Weight		Multiplier	x	Weight		Multiplier	x	Weight		
Trevor Haynes	1.0	x	25%	+	NA	x	NA	+	0.868	x	75%	=	0.90100x
Toby LaBrie	1.0	x	25%	+	1.0	x	10%	+	0.873	x	65%	=	0.91745x
Ted Redmond	1.0	x	20%	+	1.0	x	40%	+	0.930	x	40%	=	0.97200x
Mike Ridley	1.0	x	20%	+	1.0	x	40%	+	0.884	x	40%	=	0.95360x
Patrick Melanson	1.0	x	20%	+	0.75	x	10%	+	0.759	x	70%	=	0.80630x

Executive	2021 Target STIP	x	Corporate Payout Ratio		x	Performance Measure Overall		=	2021 Calculated STIP award (\$)
			multiplier			multiplier			
Trevor Haynes	\$687,500	x	1.47		x	0.90100x		=	\$910,573
Toby LaBrie	\$300,000	x	1.47		x	0.91745x		=	\$404,595
Ted Redmond	\$360,000	x	1.47		x	0.97200x		=	\$514,382
Mike Ridley	\$325,000	x	1.47		x	0.95360x		=	\$455,582
Patrick Melanson	\$287,000	x	1.47		x	0.80630x		=	\$340,170

### **Medium- and Long-Term Incentive Compensation**

#### *Stock Options*

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

Options are normally recommended by management and approved by the Compensation Committee or our Board upon the commencement of an individual's employment with our Company based on the level of responsibility within our Company. Our Company's current policy is that additional option grants are made on an annual basis to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within our Company and to ensure that one of the primary purposes of the options, namely retention of the executives, is being maintained. In considering annual grants, the Compensation Committee and our Board has flexibility in the determination of the size of the award and takes into account all relevant circumstances, including the number of options and/or Incentive Awards held by such individual, the exercise price and implied value of the options and Incentive Awards, the term remaining on such incentives and the total number of Common Shares reserved for issuance under the Option Plan and the Award Plan on a combined basis. The size of the annual option award to individual executives is determined by considering individual performance, level of responsibility, authority and overall importance to our Company and the degree to which each executive's potential and contribution are considered critical to the long-term success of our Company. Options are priced at the five (5) day volume weighted average trading price of the Common Shares immediately preceding the date of grant. The current standard policy of our Board is that options have a five (5) year term and vest at a rate of one-third on each of the first, second and third anniversaries of the date of grant subject to accelerated vesting at the discretion of our Board or a committee of our Board appointed from time to time to administer the Option Plan. See "Incentive Plans – Share Option Plan" for a description of the detailed terms of the Option Plan.

## *Incentive Awards*

Executive officers, along with our officers, employees and other service providers are eligible to participate in the Award Plan which provides for the grant of Restricted Awards and Performance Awards. Currently, Incentive Awards are only granted to executives of the Corporation. Our Board, upon the recommendation of the Compensation, Nominating and Corporate Governance Committee at the time, adopted the Award Plan in March 2015 to supplement the Option Plan. The Compensation, Nominating and Corporate Governance Committee recommendation was based on the belief that there was a need for our Company to establish an incentive arrangement with a stronger retention component than the Option Plan. The Award Plan serves to provide retention incentive for officers, employees and other service providers of our Company and, like the Option Plan, aligns the compensation of management and employees of our Company with the success of our Company and the creation of shareholder value over the term of the incentive awards. In recommending the Award Plan, the Compensation, Nominating and Corporate Governance Committee considered the structure of the Award Plan and concluded that it would not encourage senior executives to take inappropriate or excessive risks that may have a material adverse effect on our Company. In particular, the Incentive Awards vest over time which should help mitigate short-term risk-taking potential.

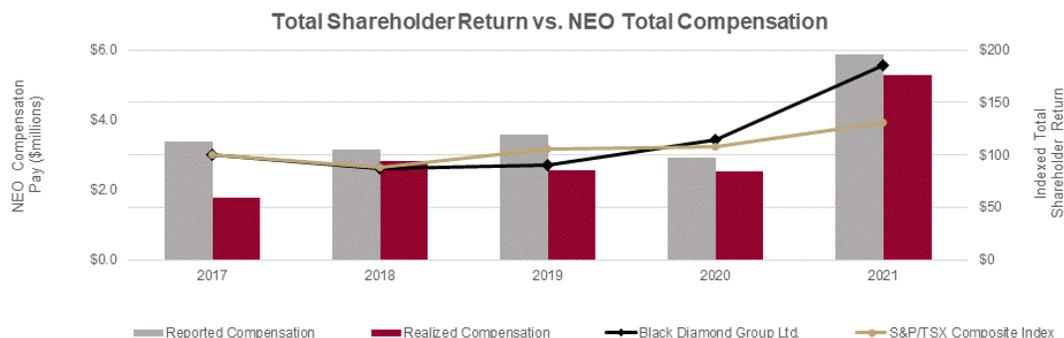
We commenced the grant of Incentive Awards under the Award Plan in March 2016, thereby providing significant retention value to our Company. We anticipate that Incentive Awards will normally be recommended by management and approved by our Compensation Committee or our Board upon the commencement of an individual's employment with our Company based on the level of responsibility within our Company. Our current policy is that additional grants will be made on an annual basis to ensure that the number of Incentive Awards granted to any particular individual is commensurate with the individual's level of ongoing responsibility within our Company. In considering additional grants, our Compensation Committee and our Board have flexibility in the determination of the size and mix of the Incentive Awards and will assess all relevant circumstances, including the number of options and/or Incentive Awards held by such individual, the implied value of the options and Incentive Awards, the term remaining on such incentives and the total number of Common Shares reserved for issuance under the Option Plan and the Award Plan on a combined basis. The size of the annual Incentive Award grant to individual executives will be determined by applying a percentage that is measured across market sectors and similar sized companies in relation to the individual level of responsibility, authority and overall importance to our Company and the degree to which each executive's potential and contribution are considered critical to the long-term success of our Company. See "Incentive Plans – Restricted and Performance Award Incentive Plan" for a description of the detailed terms of the Award Plan.

### **Other Executive Benefits**

In addition to salary, cash bonus and participating in the Option Plan and Award Plan, the NEOs participate in certain health and wellness benefits that are also available to the other employees of our Company. Certain NEOs, as a function of their roles, are also eligible to receive vehicle and parking allowances. We do not have a pension plan or similar benefit program.

### **Performance Graph**

The following graph compares the cumulative total shareholder return for \$100 invested in the Common Shares for the period from December 31, 2016 to December 31, 2021, as measured by the closing price of the Common Shares at the end of each year with the cumulative total return on each of the S&P/TSX Composite Index and the S&P/TSX Composite Oil & Gas Equipment and Services Index, assuming the reinvestment of dividends, where applicable, for the same period. Also superimposed on the performance chart below is our NEOs' aggregate total compensation over the same five-year period, for the purposes of comparing compensation to performance.



### Comparison of Cumulative Total Return <sup>(1)</sup>

	2017	2018	2019	2020	2021
S&P/TSX Composite Index	\$100	\$88	\$105	\$108	\$131
BDI-TSX Share Price	\$2.39	\$2.09	\$2.15	\$2.72	\$4.43
Black Diamond Group Limited	\$100	\$87	\$90	\$114	\$185

Note:

(1) Assuming an investment of \$100 on December 31, 2017.

Note when viewing the chart above that:

- Reported Compensation for each year represents the aggregate of the total compensation for the NEOs as presented in the Summary Compensation Table for each year, inclusive of the grant date fair value of options and Incentive Awards.
- By comparison, Realizable Compensation (the sum of salary, cash bonus actually paid in each year and the value of options and Incentive Awards as of December 31, 2021) represents the compensation actually paid or realized by the NEOs in respect of each year.
- The discrepancy between Reported Compensation and Realized Compensation in each year reflects the underwater status of options in each year and includes the greatly reduced value of Incentive Awards from 2015 onwards. The high percentage of at-risk compensation for our NEOs, of which options and Incentive Awards are a major component, allow our Company to compensate its NEOs such that value actually received is ultimately in alignment with shareholder fortunes.

### Summary Compensation Table

The following table sets forth information concerning the compensation during each of our three (3) most recently completed fiscal years paid to our NEOs.

Name and principal position	Year	Salary	Share-based awards <sup>(1)</sup>	Option-based awards <sup>(2)</sup>	Non-equity incentive plan compensation			All other compensation <sup>(5)</sup>	Total compensation
					Annual incentive plans <sup>(3)(7)</sup>	Long-term incentive plans <sup>(4)</sup>	Pension value		
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Trevor Haynes	2021	550,000	178,621	319,740	910,573	Nil	Nil	-	1,958,934
President and Chief Executive Officer <sup>(6)</sup>	2020 <sup>(7)</sup>	550,000	138,802	100,440	152,539	Nil	Nil	-	941,781
	2019 <sup>(7)</sup>	578,247	314,195	265,325	165,688	Nil	Nil	-	1,323,455

Name and principal position	Year	Salary	Share-based awards <sup>(1)</sup>	Option-based awards <sup>(2)</sup>	Non-equity incentive plan compensation			All other compensation <sup>(5)</sup>	Total compensation
					Annual incentive plans <sup>(3)(7)</sup>	Long-term incentive plans <sup>(4)</sup>	Pension value		
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Toby LaBrie	2021	300,000	99,234	135,780	404,595	Nil	Nil	-	939,609
Executive Vice President and Chief Financial Officer	2020 <sup>(7)</sup>	300,000	77,112	39,060	58,125	Nil	Nil	-	474,297
	2019 <sup>(7)</sup>	292,506	144,056	88,556	57,700	Nil	Nil	-	582,818
Mike Ridley	2021	325,000	99,234	135,780	455,582	Nil	Nil	-	1,015,596
Executive Vice President, Chief Operating Officer, Workforce Solutions	2020 <sup>(7)</sup>	325,000	77,112	39,060	54,600	Nil	Nil	-	495,772
	2019 <sup>(7)</sup>	325,000	130,280	73,510	51,025	Nil	Nil	-	579,815
Edward (Ted) Redmond,	2021	360,000	99,234	135,780	514,382	Nil	Nil	-	1,109,396
Executive Vice President and Chief Operating Officer, Modular Space Solutions	2020 <sup>(7)</sup>	360,000	77,112	39,060	73,800	Nil	Nil	-	549,972
	2019 <sup>(7)</sup>	90,000	71,043	106,895	31,250	Nil	Nil	-	299,188
Patrick Melanson	2021	287,000	99,234	135,780	340,170	Nil	Nil	-	862,184
Executive Vice President and Chief Information Officer	2020 <sup>(7)</sup>	285,257	77,112	39,060	62,064	Nil	Nil	-	463,493
	2019 <sup>(7)</sup>	272,510	131,542	74,881	54,250	Nil	Nil	-	533,183

Notes:

- (1) Refers to the value of the Incentive Awards granted under the Award Plan. See “Incentive Plans – Restricted and Performance Award Incentive Plan”. In the case of Restricted Awards and Performance Awards, the award value is calculated at the grant date(s) by multiplying the number of Restricted Awards and Performance Awards by the fair market value of the Common Shares. The fair market value is determined on the applicable grant date as the volume weighted average trading price of the Common Shares on the TSX (or other stock exchange on which the Common Shares may be listed) for the five (5) trading days immediately preceding such date.
- (2) Refers to options granted under the Option Plan. See “Incentive Plans – Share Option Plan”. Based on the grant date fair value of the applicable awards. The fair value of the options granted annually is obtained by multiplying the number of options granted by their value established according to the Black Scholes model. This value is the same as the fair value established in accordance with generally accepted accounting principles which was determined using the following assumptions for 2019: dividend yields of nil; expected average volatility of 55% to 62%; average risk-free rate of interest of 1.38% to 1.65%; and an expected life of option of three (3) years; the following assumptions for 2020: dividend yields of nil; expected average volatility 59%; average risk-free rate of interest of 0.59% to 0.61%; and an expected life of option of three (3) years. Black Scholes Values calculated based on the above variables equated to \$0.86 in 2019, \$0.62 in 2020, and \$1.46 in 2021. The fair value of option grants has been determined using the same methodology and values used in determining the option value for our financial statements as we believe it represents the best estimate of fair value of the options at the time of the grant.
- (3) The amounts set forth in the column are the cash bonuses earned by the Named Executive Officers in the respective performance year but paid in March of the following year.
- (4) Messrs. Haynes, LaBrie and Melanson have been granted awards under a Share Appreciation Rights Plan for LodgeLink Inc. These awards were granted in 2019 with vesting five (5) years from their respective grant dates. Based on the specifics of the awards and the associated performance of LodgeLink, to date they have been valued at \$Nil.
- (5) The value of perquisites received by each of our Named Executive Officers, including property or other personal benefits provided to our Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of each Named Executive Officer’s total salary for the financial year.
- (6) Mr. Haynes does not receive any compensation for serving as a member of the Board.
- (7) Compensation for years 2020 and 2019 have been restated from prior information circulars to reflect the annual incentive plan payout based on the performance year rather than the year in which the bonus payment was made.

## Incentive Plan Awards

### Outstanding Option-based and Share-based Awards

The following table sets forth all option-based awards and share-based awards outstanding for each of our Named Executive Officers as at December 31, 2021.

Name	Option-based Awards				Share-based Awards <sup>(2)</sup>		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(3)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(4)</sup> (\$)
Trevor Haynes	219,000	3.31	March 17, 2026	245,762			
	108,000	1.29	March 16, 2025	339,638			
	293,046	1.96	March 14, 2024	724,234			
	108,000	2.53	March 15, 2023	205,740			
	75,000	1.74	August 14, 2022	201,750			
	140,000	3.60	March 21, 2022	116,200			
	943,046			1,833,324	162,444	719,627	Nil
Toby LaBrie	93,000	3.31	March 17, 2026	104,365			
	63,000	1.29	March 16, 2025	198,122			
	96,877	1.96	March 14, 2024	239,422			
	63,000	2.53	March 15, 2023	120,015			
	75,000	1.74	August 14, 2022	201,750			
	77,900	3.60	March 21, 2022	64,657			
	468,777			928,331	90,246	399,790	Nil
Mike Ridley	93,000	3.31	March 17, 2026	104,365			
	63,000	1.29	March 16, 2025	198,122			
	79,292	1.96	March 14, 2024	195,962			
	63,000	2.53	March 15, 2023	120,015			
	102,500	1.91	September 12, 2022	258,300			
	400,792			876,764	90,246	399,790	Nil
Edward (Ted) Redmond	93,000	3.31	March 17, 2026	104,365			
	63,000	1.29	March 16, 2025	198,122			
	120,000	1.78	October 1, 2024	319,200			
	276,000			621,687	83,562	370,180	Nil
Patrick Melanson	93,000	3.31	March 17, 2026	104,365			
	63,000	1.29	March 16, 2025	198,122			
	80,904	1.96	March 14, 2024	239,422			
	63,000	2.53	March 15, 2023	120,015			
	75,000	1.74	August 14, 2022	201,750			
	31,000	3.60	March 21, 2022	64,657			
	405,904			849,928	90,246	399,790	Nil

#### Notes:

- (1) Calculated based on the closing price of the Common Shares on the TSX on December 31, 2021, which was \$4.43 per share, less the exercise price of the options.
- (2) All share-based awards in the above table are Incentive Awards and include awards that have accrued due to the declaration of dividends by our Company.
- (3) For Restricted Awards and Performance Awards, calculated based on the closing trading price of the Common Shares on the TSX on December 31, 2021, which was \$4.43 per share, multiplied by the number of notional Common Shares underlying such Restricted Awards and Performance Awards. All Incentive Awards are paid out upon vesting and as such there are no outstanding Incentive Awards that have vested.

### ***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table sets forth the value of option-based awards and share-based awards which vested and exercised during the year ended December 31, 2021, and the value of non-equity incentive plan compensation earned during the year ended December 31, 2021, for each Named Executive Officer.

Name	Option-based awards – Value of Options vested during the year (as at vesting date) <sup>(1)</sup>	Share-based awards – Value vested during the year <sup>(2)</sup>	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
Trevor Haynes	213,516	178,621	910,573
Toby LaBrie	88,751	99,234	404,595
Mike Ridley	88,751	99,234	455,582
Edward (Ted) Redmond	127,303	99,234	514,382
Patrick Melanson	88,751	99,234	340,170

Notes:

- (1) Calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the options as at the vesting date.
- (2) Calculated based on the Restricted Awards that vested during the year ended December 31, 2021 based on the volume weighted average trading price of the Common Shares on the TSX for the five (5) trading days immediately preceding each applicable vesting date. The Performance Awards that vested during the year ended December 31, 2021 did not have a positive payout multiplier which resulted in nil value to the holders thereof.

### **Termination and Change of Control Benefits**

We have entered into executive employment agreements with each of Messrs. Haynes, LaBrie, Ridley, Redmond and Melanson. The executive employment agreements of all executives continue indefinitely until terminated in accordance with the terms thereof. The executive officers are entitled to participate in and receive all rights and benefits under our group benefit plans, and certain other benefits and perquisites as generally available to all of our employees. All such group benefits and perquisites cease on the last day of the month of termination unless extended for specific purposes on an individual basis.

The executive employment agreements and the employment of the executive officers can be terminated at any time by our Company for just cause (in which case there are no payments other than accrued vacation, earned salary and reimbursement of expenses) and without just cause. Where the executive employment agreements are terminated without just cause, or in the event that Messrs. Haynes, LaBrie and Redmond elect to terminate their agreements following a change of control, the payments, as calculated at December 31, 2021, are equal to the termination amounts set out in the table below.

Name	Total Compensation <sup>(1)</sup>	Vacation	As of December 31, 2021 (\$)
Trevor Haynes	2x	Accrued	2,328,112
Toby LaBrie	2x	Accrued	1,152,720
Mike Ridley	1/3 plus 1/12 per year of service <sup>(2)</sup>	Accrued	435,307
Edward (Ted) Redmond	1x	Accrued	708,091
Patrick Melanson	1/3 plus 1/12 per year of service <sup>(2)</sup>	Accrued	527,286

Notes:

- (1) Equal to salary plus average of the last two years' bonus plus 15% of salary for loss of benefits.
- (2) To a maximum of one times total compensation.

In the event of a change of control (as defined in the executive employment agreements) of our Company, each of Messrs. Haynes and LaBrie has an election within three (3) months to terminate their employment and, provided that they do not remain with our Company as an employee, director or consultant, receive a retiring allowance calculated on the same basis as if employment had been terminated by our Company without just cause. If such executive officers so elect in the three (3) months following a change of control, they must, if requested by our Company, stay on for up to an additional sixty (60) days at their existing compensation package to assist in the transition of management.

Any termination amounts paid to the executive officers (regardless of whether before or after a change of control) are net of required withholdings and each executive officer must sign a full and final release, and if they are on our Board must resign if requested to do so.

All of our executive officers have confidentiality obligations after their employment ceases. Messrs. Haynes, LaBrie, Ridley, Redmond and Melanson for one (1) year after their last day of employment cannot, directly or indirectly, entice away any of our employees or consultants.

Options and Incentive Awards held by Messrs. Haynes, LaBrie, Ridley, Redmond and Melanson will be governed by the terms of the Option Plan and Award Plan, respectively, in connection with the termination of their employment.

## **Incentive Plans**

### ***Share Option Plan***

Our shareholders last approved the Option Plan at the annual and special meeting of shareholders held on April 27, 2021. The policies of the TSX require that the unallocated options under the Option Plan be approved every three (3) years by our shareholders. No amendments were made to the Option Plan in 2021. A copy of the Option Plan is available for review on our website at [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com) and will be available upon request by contacting the Chief Financial Officer of our Company.

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

Pursuant to the Option Plan:

- (a) the maximum number of Common Shares issuable on exercise of options outstanding at any time shall be limited to 10% of the issued and outstanding Common Shares less the number of Common Shares which are issuable pursuant to all other Security Based Compensation Arrangements (as defined in Part VI of the Company Manual of the TSX);
- (b) the number of Common Shares issuable to insiders, at any time, under all Security Based Compensation Arrangements, including the Option Plan, shall not exceed 10% of the issued and outstanding Common Shares; and
- (c) the number of Common Shares issued to insiders, within any one (1) year period, under all Security Based Compensation Arrangements, including the Option Plan, shall not exceed 10% of the issued and outstanding Common Shares.

Other than the foregoing limitations, there is no maximum number of securities any one person is entitled to receive under the Option Plan.

Any increase in the issued and outstanding Common Shares (whether as a result of the exercise of options or otherwise) will result in an increase in the number of Common Shares that may be issued on exercise of options outstanding at any time and any decrease in the number of options will, upon exercise, make new grants available under the Option Plan. Options that are cancelled, surrendered, terminated or expire prior to the exercise of all or a portion thereof shall result in the Common Shares that were reserved for issuance thereunder being available for a subsequent grant of options pursuant to the Option Plan to the

extent of any Common Shares issuable thereunder that are not issued under such cancelled, surrendered, terminated or expired options.

Options will have a term not to exceed five (5) years and, subject to the terms of the Option Plan, will vest in such manner as determined by our Compensation Committee. In the absence of any determination by the Compensation Committee to the contrary, options will vest and be exercisable as to one-third of the number of options granted on each of the first, second and third anniversaries of the date of grant, subject to the acceleration of vesting in the discretion of the Compensation Committee. Options granted under the Option Plan are non-assignable. If the normal expiry date of any options falls within any black-out period (“**Black-Out Period**”) or within seven (7) business days following the end of any Black-Out Period then the expiry date of such options, shall, without any further action, be extended to the date that is seven (7) business days following the end of such Black-Out Period. A Black-Out Period means the period of time when, pursuant to any of our policies, none of our securities may be traded by certain persons as designated by us, including any holder of an option.

The exercise price of any options granted under the Option Plan will be determined by our Compensation Committee at the time of grant, provided that the exercise price shall not be less than the volume weighted average trading price of the Common Shares on the TSX (or other stock exchange on which the Common Shares may be listed) for the five (5) consecutive trading days immediately preceding the date of grant.

Upon the death of an optionee, options terminate on the date determined by our Compensation Committee which may not be more than twelve (12) months from the date of death. Upon the retirement of an optionee on or after such optionee reaches the age of 65, and in the circumstances determined by the Compensation Committee to be a “retirement” for the purposes of the Option Plan, outstanding options held by such optionee shall continue to vest and be exercisable and expire in accordance with their terms, provided that such optionee complies with the restrictive covenants set out in the applicable option agreement. If an optionee shall no longer be an officer of or be in the employ of, or a consultant or other service provider to, either our Company or a subsidiary of our Company (other than by reason of death or retirement), their options terminate on the expiry of a period not in excess of six (6) months as determined by our Compensation Committee at the time of grant, following the date that the optionee ceases to be an officer, or an employee or a consultant or other service provider, either to our Company or a subsidiary of our Company and in the absence of any determination to the contrary, will be sixty (60) days following the termination date. The number of Common Shares that an optionee (or his or her heirs or successors) is entitled to purchase until such date of termination shall be the number of Common Shares which the optionee was entitled to purchase on the date that the optionee ceased to be an officer, employee, consultant or other service provider, as the case may be.

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

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

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

Without the prior approval of our shareholders, as may be required by an applicable stock exchange, our Compensation Committee may not make any amendment to the Option Plan or options granted thereunder to (i) increase the percentage of Common Shares issuable on exercise of outstanding options at any time; (ii) reduce the exercise price of any outstanding options

or in respect of the cancellation or re-issue of options; (iii) extend the term of any outstanding option beyond the original expiry date of such option unless such extension is due to a Black-Out Period being in effect; (iv) increase the maximum limit on the number of securities that may be issued to insiders; (v) increase the limits on grants of options to non-management directors; (vi) change participants eligible to receive options under the Option Plan to permit the introduction or re-introduction of non-management directors; (vii) permit an optionee to transfer or assign options to a new beneficial holder, other than for estate settlement purposes; or (viii) amend the restrictions on amendments that are provided in the Option Plan. Subject to the restrictions set out above, the Compensation Committee may amend or discontinue the Option Plan and options granted thereunder without shareholder approval including, without limitation, amendments of a “housekeeping nature”; amendments in respect of vesting or the period of exercise following the death of an optionee or the termination date of an optionee provided any amendment to the Option Plan that requires approval of any stock exchange on which the Common Shares are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Option Plan or options granted pursuant to the Option Plan may be made without the consent of the optionee, if it adversely alters or impairs any option previously granted to such optionee.

As of December 31, 2021, there were options to acquire 3,950,664 Common Shares outstanding, representing approximately 6.7% of our outstanding Common Shares on such date. All options currently outstanding under the Option Plan expire five (5) years from the date of the grant and generally vest over three (3) years commencing one (1) year after the date of grant subject to accelerated vesting in the discretion of the Compensation Committee.

### ***Restricted and Performance Award Incentive Plan***

Our shareholders last approved the issuance of Common Shares from treasury pursuant to the Award Plan at the annual and special meeting of shareholders held on April 27, 2021. The Award Plan provides for the granting of Incentive Awards to officers, employees and other service providers of our Company and our affiliates (collectively, “**Service Providers**”). The policies of the TSX require that the unallocated Incentive Awards under the Award Plan be approved every three (3) years by our shareholders. No amendments were made to the Award Plan in 2021. A copy of the Award Plan is available for review on our website at [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com) and will be available upon request by contracting the Chief Financial Officer of our Company.

#### *Overview*

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

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

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

Under the terms of the Award Plan, any eligible Service Provider may be granted Restricted Awards, Performance Awards or a combination thereof. In determining the Service Providers to whom Incentive Awards may be granted (“**Grantees**”), the number of Incentive Awards and the allocation of the Incentive Awards between Restricted Awards and Performance Awards, the Compensation Committee may take into account such factors as it shall determine in its sole discretion, including any one or more of the following factors: (i) compensation data for comparable benchmark positions among the peer comparison group or among other comparison groups; (ii) the duties, responsibilities, position and seniority of the Grantee; (iii) the corporate performance measures for the applicable period compared with internally established performance measures approved by our Compensation Committee and/or similar performance measures of members of the peer comparison group or other comparison groups for such period; (iv) the individual contributions and potential contributions of the Grantee to the success of our Company; (v) any bonus payments paid or to be paid to the Grantee in respect of his or her individual contributions and potential contributions to the success of our Company; (vi) the fair market value or current market price of the Common Shares at the time

of grant of such Incentive Award; and (vii) such other factors as our Compensation Committee shall deem relevant in its sole discretion in connection with accomplishing the purposes of the Award Plan.

#### *Restricted Awards*

Subject to the terms and conditions of the Award Plan, Restricted Awards will entitle the holder to a sum (an “**Award Value**”) to be paid on the applicable payment date(s) as determined by our Compensation Committee. In the case of Restricted Awards, the Award Value is calculated at the payment date(s) by multiplying the number of Restricted Awards, as may be adjusted by the Adjustment Ratio (as defined below), by the fair market value of the Common Shares. The fair market value is determined on the applicable payment date as the volume weighted average trading price of the Common Shares on the TSX (or other stock exchange on which the Common Shares may be listed) for the five (5) trading days immediately preceding such date.

For purposes of the Award Plan, the “**Adjustment Ratio**” means the ratio used to adjust the number of Incentive Awards on which payment shall be based on the applicable payment date pertaining to such Incentive Award determined in accordance with the Award Plan. In respect of each Incentive Award, the Adjustment Ratio shall initially be equal to one (1) and shall be cumulatively adjusted by increasing the Adjustment Ratio on each dividend payment date of our Company, if applicable, effective on the day following the dividend record date, by an amount equal to a fraction, having as its numerator the dividend paid on the dividend payment date (expressed as an amount per Common Share) and having as its denominator the reinvestment price (expressed as an amount per Common Share) paid by participants in our dividend reinvestment plan, if any, to reinvest their dividends in additional Common Shares on a dividend payment date, provided that, if our Company has suspended the operation of such plan or does not have such plan, the reinvestment price shall be the fair market value of the Common Shares on the trading day immediately preceding the dividend payment date.

#### *Performance Awards*

Subject to the terms and conditions of the Award Plan, Performance Awards will entitle the holder to the Award Value to be paid on the applicable payment date(s) as determined by our Compensation Committee. On each payment date, or such other dates as may be determined by the Compensation Committee, the holder will be entitled to an amount equal to the portion of the Award Value as determined by the Compensation Committee on the date of grant underlying such Performance Awards, as may be adjusted by the Adjustment Ratio, multiplied by a payout multiplier.

The payout multiplier is determined by our Compensation Committee based on an assessment of the achievement of the pre-defined corporate performance measures in respect of the applicable period. Corporate performance measures may include: relative total shareholder return; the financial performance or results of our Company and our affiliates; key leading and lagging indicators of health, safety and environmental performance of our Company and our affiliates; achievement of our Company’s full year budget targets and the execution of our Company’s strategic plan as determined by the Compensation Committee in its sole discretion; and such additional measures as the Compensation Committee, in its sole discretion, shall consider appropriate in the circumstances. The payout multiplier for a particular period can be one of 0x (for fourth quartile ranking), 1x (for third quartile ranking), 1.5x (for second quartile ranking) or 2x (for first quartile ranking). Annually, prior to the payment date in respect of any Performance Award, our Compensation Committee shall assess the performance of our Company for the applicable period. Unless otherwise determined by the Compensation Committee, for those Performance Awards where the payment date is the second or third anniversary of the grant date, the payout multiplier will be the arithmetic average of the payout multiplier for each of the two (2) or three (3) performance assessment periods, respectively.

#### *Change of Control*

In the event of a change of control of our Company, provided the successor entity determines to terminate the Award Plan, the payment date(s) applicable to all outstanding Incentive Awards will be accelerated such that the balance of the Award Value attaching to such Incentive Awards will be paid immediately prior to the date upon which the change of control is completed and the payout multiplier applicable to any Performance Awards shall be determined by our Compensation Committee.

#### *Method of Payment of Award Value*

On the applicable payment date, our Company, at its sole and absolute discretion, shall have the option of settling the Award Value to which the holder of Incentive Awards is entitled in the form of either cash or in Common Shares which may either be

acquired by our Company on the stock exchange on which the Common Shares may be listed from time to time or issued from the treasury of our Company, or some combination thereof.

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

#### *Maximum Dilution and Other Limitations*

The Award Plan provides that the maximum number of Common Shares available for issuance from treasury of our Company under all security based compensation arrangements (of which the Option Plan is included), including pursuant to outstanding Incentive Awards, at any time shall not exceed 10% of the number of issued and outstanding Common Shares. Incentive Awards (or the Award Value thereof) that are cancelled, surrendered, terminated or expired prior to the final payment date or in respect to which our Company has not elected to issue Common Shares from treasury in respect thereof, shall result in such Common Shares being available to be issued, at the election of our Company, in respect of a subsequent grant of Incentive Awards pursuant to the Award Plan to the extent of any Common Shares which were not issued from treasury in respect of such Incentive Award. In addition: (i) the number of Common Shares that are available to be issued from treasury of our Company to insiders at any time, under all security based compensation arrangements of our Company, shall not exceed 10% of the issued and outstanding Common Shares; and (ii) the number of Common Shares issued to insiders from treasury of our Company, within any one (1) year period, under all security based compensation arrangements of our Company, including the Award Plan, shall not exceed 10% of the issued and outstanding Common Shares. Other than the foregoing limitations, there is no maximum number of securities any one person is entitled to receive under the Award Plan.

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

#### *Blackout Extension*

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

#### *Early Termination Events*

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

- (a) **Death** – If a Grantee ceases to be a Service Provider as a result of the Grantee's death, the payment date(s) for all Incentive Awards awarded to such Grantee under any outstanding incentive award agreements shall be accelerated to the cessation date, the heirs or successors of the Grantee shall be entitled to receive payment with respect to the Incentive Awards held by the Grantee at the time of death and the payout multiplier to be applied to any Performance Awards held by the Grantee at the time of death shall be determined by the Compensation Committee.
- (b) **Termination for Cause** – If a Grantee ceases to be a Service Provider as a result of termination for cause, effective as of the cessation date all outstanding incentive award agreements under which Incentive Awards have been made to such Grantee, whether Restricted Awards or Performance Awards, in respect of which the Award Value thereof for which the payment date shall not have occurred on or before the cessation date shall be immediately terminated and all rights to receive payments thereunder shall be forfeited by the Grantee.
- (c) **Voluntary Resignation** – If a Grantee ceases to be a Service Provider as a result of a voluntary resignation (other than in circumstances constituting retirement as described below), effective as of the cessation date, all outstanding incentive award agreements under which Incentive Awards have been made to such Grantee, whether Restricted Awards or Performance Awards, in respect of which the Award Value thereof for which the payment date shall not have occurred

on or before the cessation date shall be immediately terminated and all rights to receive payments thereunder shall be forfeited by the Grantee.

- (d) Retirement – If a Grantee ceases to be a Service Provider as a result of a such Grantee’s retirement once he or she reaches the age of 65, and in the circumstances determined by the Compensation Committee to be a “retirement” for the purposes of the Award Plan, all Incentive Awards awarded to such Grantee under any outstanding incentive award agreements, whether Restricted Awards or Performance Awards, shall remain outstanding and continue to vest and payout in accordance with their terms as if the Grantee had remained employed, provided that the Grantee complies with the restrictive covenants set out in the applicable incentive award agreements.
- (e) Other Termination – If a Grantee ceases to be a Service Provider for any reason other than as provided for in (a), (b), (c) and (d) above, effective as of the cessation date, all outstanding incentive award agreements under which Incentive Awards have been made to such Grantee, whether Restricted Awards or Performance Awards, in respect of which the Award Value thereof for which the payment date shall not have occurred on or before the cessation date shall be terminated and all rights to receive payment thereunder shall be forfeited by the Grantee.
- (f) Extension of Expiration Period – Subject to Section 10 of the Award Plan, our Compensation Committee may, in its sole discretion, determine that the dates for termination of the incentive award agreements or Incentive Awards set forth in (a), (b), (c), (d) and (e) above shall be extended, provided such extension shall not be past the expiry date.

#### *Non-Transferability*

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

#### *Amendment Provisions*

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

- (a) increase the percentage of Common Shares reserved for issuance pursuant to Incentive Awards in excess of the 10% limit prescribed the Award Plan;
- (b) increase the maximum limit on the number of Common Shares that may be issued from treasury to insiders pursuant to the Award Plan;
- (c) increase the maximum number of Common Shares that may be issued from treasury to non-management directors pursuant to the Award Plan;
- (d) extend the definition of Service Providers pursuant to the Award Plan beyond the current definition, including the introduction or re-introduction of non-management directors as Service Providers;
- (e) extend the payment date of any Incentive Awards issued under the Award Plan beyond the latest payment date specified in the incentive award agreement (other than as permitted by the terms and conditions of the Award Plan) or extend the term beyond the original expiry date;
- (f) permit a Grantee to transfer or assign Incentive Awards to a new beneficial holder other than for estate settlement purposes; and
- (g) change the amendment provisions of the Award Plan.

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

As of December 31, 2021, there were 748,241 Incentive Awards outstanding, representing approximately 1.3% of our outstanding Common Shares on such date.

### ***Securities Authorized for Issuance Under Equity Compensation Plans***

The following sets forth information in respect of securities authorized for issuance under the Option Plan and the Award Plan, which are our only equity compensation plans that provide for the issuance of Common Shares from treasury, as at December 31, 2021.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding Options, warrants and rights (a)</b>	<b>Weighted average exercise price of outstanding Options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders <sup>(1)</sup>			1,231,338 Common Shares <sup>(2)</sup>
Share Option Plan	3,950,664 Common Shares	\$2.45 per Common Share	
Award Plan	748,241	Not applicable	
Equity compensation plans not approved by securityholders	Nil	Not applicable	Nil
<b>Total</b>	<b>4,698,905 Common Shares <sup>(3)</sup></b>		<b>1,231,338 Common Shares</b>

Notes:

- (1) Our shareholders last approved the unallocated options under the Option Plan and the issuance of Common Shares from treasury pursuant to our Award Plan at the annual and special meeting of shareholders on April 27, 2021.
- (2) The Option Plan and the Award Plan currently authorize the issuance of options and Incentive Awards entitling the holders to acquire, in the aggregate, up to 10% of the issued and outstanding Common Shares from time to time. See “Share Option Plan” and “Restricted and Performance Award Incentive Plan”.
- (3) This represents approximately 8% of the issued and outstanding Common Shares resulting in 2% of the Common Shares available for issuance at December 31, 2021.

### ***Annual Burn Rate for Equity Compensation Plans***

The following sets forth information in respect of the annual burn rate for awards made under the Option Plan and the Award Plan, which are our only equity compensation plans that provide for the issuance of Common Shares from treasury.

<b>Annual Equity based Incentive Burn Rate</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Options Granted	1,199,282	873,000	987,000
Incentive Units Granted	641,512	519,000	318,000
Weighted Average Shares Outstanding	55,349,335	55,176,560	57,620,720
Option Plan Burn Rate	2.2%	1.6%	1.7%
Resulting Award Plan Burn Rate	1.2%	0.9%	0.6%

Our Company's theoretical burn rate was high in 2019 due to internal restructuring and a deferral of cash bonus into options and Award Plan units to preserve cash, respectively. Our Company expects the theoretical burn rate to continue to decrease as we remove non-NEO leadership from the treasury-based equity award plans.

## **DIRECTOR COMPENSATION**

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

Director compensation includes a base retainer and participation in our Company's deferred share unit plan ("**DSU Plan**"). On March 2, 2016, upon recommendation of the Compensation, Nominating and Corporate Governance Committee, our Board approved the adoption of the DSU Plan to deliver equity-based compensation to directors who are also not full-time employees of our Company. Effective March 2, 2016, non-management directors were entitled to participate in the DSU Plan and were no longer eligible to participate in the Option Plan or the Award Plan to ensure their long-term interests are fully aligned with shareholders. The Board approved formal amendments to each the Option Plan and Award Plan to formally reflect such decision of the Board. Deferred share units ("**DSUs**") which are granted or credited to a non-management director pursuant to the DSU Plan are paid out, in either cash and/or Common Shares purchased by our Company on the TSX, after the director ceases to be a member of our Board. The value of a DSU is based on the then market value of a Common Share of our Company.

During the year ended December 31, 2021, our non-management directors were each paid an annual retainer in the amount of \$45,000 and an annual fee of either \$3,000 or \$5,000 for a committee of our Board in which they participated. The Chairman of our Audit Committee was paid an additional annual retainer in the amount of \$12,000 and the Chairman of the Compensation Committee, as well as the Lead Director of our Company, were paid an additional annual retainer in the amount of \$8,000. In addition, the directors were reimbursed for their reasonable expenses incurred in carrying out their duties as directors. The non-management directors were entitled to participate in the DSU Plan. During the fiscal year ended December 31, 2021, the non-management directors were each awarded an annual grant of 7,500 DSUs.

### ***DSU Plan***

The DSU Plan is intended to achieve the following objectives:

- to promote a greater alignment of interests between non-management directors of our Company and our shareholders by providing a means to accumulate a meaningful financial interest in our Company that is commensurate with the responsibility, commitment and risk of directors;
- to support a compensation plan that is competitive and rewards the long-term success of our Company as measured in total shareholder return for our Company; and
- to assist our Company's ability to attract and retain qualified individuals with the experience and ability to serve as directors.

Under the DSU Plan, DSUs are granted by our Company to non-management directors that provide rights to receive, on a deferred payment basis, a cash payment based on the volume weighted average trading price of our Common Shares on the TSX for the five (5) trading days immediately preceding the day of payment. Management directors are not eligible to participate in the DSU

Plan. In addition to an annual grant of DSUs, the DSU Plan also provides that non-management directors may from time to time elect to receive any portion of their annual Board member retainer and other fees, in increments of 25%, in the form of DSUs. A director wishing to receive such remuneration in the form of DSUs must elect to do so by notice to our Company prior to the commencement of the year in respect of which the remuneration is to be earned and may only change such election on a once yearly basis for each subsequent year. A director's remuneration elected to be received in the form of DSUs (if any) is referred to as the **"Deferred Remuneration"**. Our Company credits DSUs in respect of Deferred Remuneration to a director's account on the date that the director's Deferred Remuneration would otherwise be payable. The number of DSUs to be credited is determined by dividing the amount of the Deferred Remuneration by the volume weighted average trading price of our Common Shares on the TSX for the five (5) trading days immediately preceding the date the DSUs are credited.

Annual and discretionary DSUs granted by our Board vest on the dates determined by the Compensation Committee, while DSUs granted as Deferred Remuneration vest immediately upon being credited to a director's account; however, a director is not entitled to receive payment of any amount for DSUs credited to his or her account until following that director's retirement from all positions with our Company, or where a director has (except as a result of death) otherwise ceased to hold any positions with our Company. Following such termination of services, all DSUs credited to the director's account and vested will be redeemed by our Company as of the maturity date, being December 1 of the calendar year immediately following the year in which the termination of service occurred or such earlier date(s) following the termination of services as elected by the director by notice to our Company (either such date, the **"Maturity Date"**). For directors who are US taxpayers, the Maturity Date is deemed to be the date on which the termination of service occurred.

A director is not entitled to receive any amount prior to his or her Maturity Date. Within ten (10) calendar days following the Maturity Date, our Company will make a lump sum cash payment, net of any applicable withholdings, to the director equal to the number of DSUs credited to the director's account as of the date of termination of such director's services, multiplied by the volume weighted average trading price of our Common Shares on the TSX for the five (5) trading days immediately preceding the Maturity Date. Notwithstanding the foregoing, the Board may elect to deliver Common Shares acquired by our Company through the facilities of the TSX in satisfaction in whole or in part of any payment to be made upon the redemption of DSUs, in which case such number of Common Shares shall be issued equal to the number of DSUs in the director's account on the date of termination of the directors' services to the Corporation or the date of death of the director, as applicable.

If a director dies while in office or after ceasing to hold all positions with our Company but before the Maturity Date, our Company will, within ninety (90) days of the date of death, make a lump sum cash payment to the director's estate in an amount equal to the number of DSUs credited to the director's account as of the date of death multiplied by the volume weighted average trading price of our Common Shares on the TSX for the five (5) trading days immediately preceding the date of death.

If dividends are paid on the Common Shares, additional DSUs are credited to the director's account as of the dividend payment date, based on the dollar amount of the dividends notionally payable in respect of such number of DSUs in the director's account on the dividend payment date, divided by the volume weighted average trading price of the Common Shares on the TSX for the five (5) trading days immediately preceding the dividend payment date. No amendments were made to the DSU Plan in 2021.

**Directors' Summary Compensation Table** The following table sets forth information concerning the compensation paid to our directors, other than directors who are also Named Executive Officers listed in the Summary Compensation Table under "Statement of Executive Compensation", for the year ended December 31, 2021.

Name	Fees earned	Share-based awards <sup>(2)</sup>	Option-based awards <sup>(3)</sup>	Non-equity incentive plan compensation	Pension value	All other compensation	Total <sup>(4)</sup>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Robert J. Herdman	57,000	24,809	Nil	Nil	Nil	Nil	81,809
Barbara J. Kelley	52,137 <sup>(1)</sup>	24,809	Nil	Nil	Nil	Nil	76,946
Edward H. Kernaghan	51,973	24,809	Nil	Nil	Nil	Nil	76,782
Steven Stein	48,288	24,809	Nil	Nil	Nil	Nil	73,097
Robert Wagemakers	59,163	24,809	Nil	Nil	Nil	Nil	83,972

<b>Name</b>	<b>Fees earned</b>	<b>Share-based awards <sup>(2)</sup></b>	<b>Option-based awards <sup>(3)</sup></b>	<b>Non-equity incentive plan compensation</b>	<b>Pension value</b>	<b>All other compensation</b>	<b>Total <sup>(4)</sup></b>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Leilani Latimer	39,715	24,809	Nil	Nil	Nil	Nil	64,524
Brian Hedges <sup>(5)</sup>		67,811	Nil	Nil	Nil	Nil	67,811

Notes:

- (1) Includes US\$7,500 of fees which we paid Ms. Kelley for serving as a director of certain of our subsidiaries.
- (2) The compensation reported under share-based awards is the value of DSUs granted in the year ended December 31, 2021. The value of DSUs is based on the number of DSUs granted multiplied by the volume weighted average price per Common Share on the TSX for the five (5) trading days prior to the date of grant and does not include the value of reinvested dividends. This methodology for calculating the fair value of the DSU awards on the grant date is consistent with the initial fair value determined in accordance with IFRS 2.
- (3) No option-based awards were made to non-management directors in 2021.
- (4) In addition, our directors were reimbursed for transportation and other expenses incurred for attendance at Board and committee meetings and for their reasonable expenses incurred in carrying out their duties as directors.
- (5) Mr. Hedges fees earned were awarded in DSUs rather than in cash.

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

The following table sets forth the aggregate option-based awards and share-based awards outstanding for each of our directors, other than directors who were also Named Executive Officers, as at December 31, 2021.

<b>Name</b>	<b>Option-based Awards</b>				<b>Share-based Awards</b>		
	<b>Number of securities underlying unexercised Options</b>	<b>Option exercise price</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money Options</b>	<b>Number of shares or units of shares that have not vested <sup>(1)</sup></b>	<b>Market or payout value of share-based awards that have not vested</b>	<b>Market or payout value of vested share-based awards not paid out or distributed <sup>(1)(2)</sup></b>
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Robert J. Herdman	Nil	n/a	n/a	n/a	7,520	33,314	162,544
Barbara J. Kelley	Nil	n/a	n/a	n/a	7,520	33,314	147,732
Edward H. Kernaghan	Nil	n/a	n/a	n/a	7,520	33,314	99,941
Steven Stein	Nil	n/a	n/a	n/a	7,520	33,314	123,185
Robert Wagemakers	Nil	n/a	n/a	n/a	7,520	33,314	147,971
Leilani Latimer	Nil	n/a	n/a	n/a	7,520	33,314	0
Brian Hedges	Nil	n/a	n/a	n/a	7,520	33,314	35,365

Notes:

- (1) Annual DSU grants vest one (1) year from the date of the grant while DSUs issued in lieu of directors' fees vest immediately upon the grant of such DSUs. Notwithstanding the foregoing, DSUs cannot be redeemed until the director holding such DSUs ceases to be a director of our Company.
- (2) Calculated based on the number of DSUs held at December 31, 2021 multiplied by the closing price of the Common Shares on the TSX on December 31, 2021, which was \$4.43 per Common Share.

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

The following table sets forth the value of Option-based awards and share-based awards which vested for each of our directors, other than directors who were also Named Executive Officers, during the year ended December 31, 2021 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2021.

Name	Option-based awards – Value vested during the year (as at vesting date) <sup>(1)</sup>	Share-based awards – Value vested during the year <sup>(2)(3)</sup>	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
Robert J. Herdman	Nil	33,225	Nil
Barbara J. Kelley	Nil	33,225	Nil
Edward H. Kernaghan	Nil	33,225	Nil
Steven Stein	Nil	33,225	Nil
Robert Wagemakers	Nil	33,225	Nil
Leilani Latimer	Nil	0	Nil
Brian Hedges	Nil	35,365	Nil

Notes:

- (1) Calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the options on the vesting date.
- (2) Annual DSU grants vest one (1) year from the date of the grant while DSUs issued in lieu of directors' fees vest immediately upon the grant of such DSUs. Notwithstanding the foregoing, DSUs cannot be redeemed until the director holding such DSUs ceases to be a director of our Company.
- (3) Calculated based on the number of DSUs held at December 31, 2021 multiplied by the closing price of the Common Shares on the TSX on December 31, 2021, which was \$4.43 per Common Share.

### Non-Management Director Share Ownership Guidelines

In April 2018, our Company implemented ownership requirements for non-management directors under the Mandatory Equity Ownership Policy.

Each non-management director of the Corporation is required to own Common Shares or DSUs having a value equal to at least three (3) times the annual base cash retainer, to be achieved within five (5) years from the date of inception of the policy, or the date a non-management director is elected or appointed to the Board. The value held shall be determined each year, based on the greater of the initial acquisition cost of the Common Shares and/or DSUs and the then market price of the Common Shares on the TSX. Options do not count toward the director's equity ownership requirement. If the annual base cash retainer is increased, each director is required to achieve the increased minimum equity ownership level within two (2) years of the effective date of such increase. Each director shall continue to hold such value throughout his or her tenure as a director and the Common Shares, DSUs or similar share equivalent of the Corporation held to comply with the equity ownership requirement shall not be the object of specific monetization procedures or other hedging procedures to reduce or offset a decrease in the market value of his or her holding, either directly or indirectly. Additional details of the policy and of our directors' progress around ownership guidelines are presented on the following page for directors of our Company on the Board as of March 23, 2022.

Position	Name	# of Common Shares	# of DSUs	Ownership Requirement (Multiple of Retainer)	Current Market Value <sup>(1)</sup>	Meets Share Ownership Requirement <sup>(2)</sup>
Lead Director	Robert Wagemakers	648,511 <sup>(3)</sup>	45,330	3x	\$3,469,205	Yes
Director	Robert Herdman	-	48,630	3x	\$243,150	Yes
Director	Barbara J. Kelley	-	45,276	3x	\$226,380	Yes
Director	Edward H. Kernaghan	8,666,000 <sup>(4)</sup>	34,459	3x	\$43,502,295	Yes
Director	Steven Stein	1,017,540 <sup>(5)</sup>	39,720	3x	\$5,286,300	Yes
Director	Brian Hedges	25,000	22,771	3x	\$238,855	Yes
Director	Leilani Latimer	-	11,839	3x	\$59,195	No

Notes:

- (1) Calculated based on the closing price of the Common Shares on the TSX on March 23, 2022, which was \$5.00 per Common Share.
- (2) Any current director that does not meet the requirements of the Mandatory Equity Ownership Policy has until the later of April 2023 or 5 years from the initial date of appointment or election to the Board to comply.
- (3) Includes 563,580 Common Shares held by Gloria Wagemakers, the spouse of Mr. Wagemakers, and 3,200 Common Shares held by The Wagemakers Foundation.
- (4) Includes 7,167,400 Common Shares registered in the name of Kernwood Limited, where Mr. Edward H. Kernaghan is the President, 1,465,000 Common Shares held by Elizabeth A. Kernaghan and 7,800 Common Shares held by Jennifer Kernaghan.
- (5) Includes 180,404 Common Shares registered in the name of S.S. Madison Holdings Ltd., where Mr. Stein is the President.

## **CORPORATE GOVERNANCE DISCLOSURE**

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

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

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

### **1. Board of Directors**

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

Our Board has determined that our following seven (7) directors are independent (for purposes of NI 58-101):

Brian Hedges  
Robert J. Herdman  
Barbara J. Kelley  
Edward H. Kernaghan  
Leilani Latimer  
Steven Stein  
Robert Wagemakers

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

Our Board has determined that one (1) member of our Board is not independent. Our Board has determined that Trevor Haynes is not independent as Mr. Haynes is our President and Chief Executive Officer of the Corporation.

- (c) **Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the “Board”) does to facilitate its exercise of independent judgement in carrying out its responsibilities.**

Our Board has determined that a majority (seven (7) of the eight (8)) of our directors are independent. Assuming the eight (8) director nominees are elected to our Board at the Meeting, our Board would continue to have a majority (seven (7) of the eight (8)) of independent directors.

- (d) **If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.**

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

Name of Director	Name of Other Issuer
Robert J. Herdman	Blackline Safety Corp.
Edward H. Kernaghan	Boralex Inc. <sup>(1)</sup> Exco Technologies Limited Obsidian Energy Ltd. Waterloo Brewing Ltd. Velan Inc.
Leilani Latimer	Rayont Inc.
Steven Stein	Scottie Resources Corp.
Brian Hedges	Russel Metals Inc.

Note:

(1) Effective May 11, 2022, Mr. Kernaghan will no longer be a director of Boralex Inc.

- (e) **Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.**

Our independent directors regularly meet for a portion of each Board meeting without non-independent directors and management participation and have met *in camera* at each of the five board meetings held during the fiscal year ended December 31, 2021. *In camera* sessions were also held at each of the committee meetings as well.

- (f) **Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.**

Trevor Haynes, the Chairman of our Board, is not an independent director as Mr. Haynes is our President and Chief Executive Officer. Robert Wagemakers, an independent member of our Board, has been appointed as Lead Director of our Board. Our Board has developed a position description for the Lead Director which provides that the Lead Director of our Board will have the following duties and responsibilities:

- (i) The Lead Director will provide input to the Chairman of our Board on preparation of agendas for meetings of our Board.
- (ii) The Lead Director shall be entitled to convene meetings of our Board with the concurrence of at least one other director.
- (iii) The Lead Director, in the absence of the Chairman, shall preside at meetings of our Board.
- (iv) The Lead Director shall assist the Chairman to endeavour to ensure Board leadership responsibilities are conducted in a manner that will ensure that our Board is able to function independently of management. The Lead Director shall consider, and allow for, when appropriate, a meeting of all independent directors, so that Board meetings can take place without management being present.
- (v) The Lead Director shall endeavour to ensure reasonable procedures are in place for directors to engage outside advisors at our expense in appropriate circumstances.

- (vi) With respect to meetings of directors, it is the duty of the Lead Director, when conducting a meeting, to enforce the by-laws and rules of procedure. These duties include:
    - (A) ensuring that the meeting is duly constituted;
    - (B) ensuring the meeting provides for reasonable accommodation;
    - (C) confirming the admissibility of all persons at the meeting;
    - (D) preserving order and the control of the meeting; and
    - (E) ascertaining the sense of the meeting by a vote on all questions properly brought before the meeting.
  - (vii) The Lead Director shall meet annually with each director to obtain insight as to where they believe our Board and its committees could be operating more effectively.
  - (viii) When required the Lead Director shall also liaise with our Corporate Secretary to ensure that a proper notice and agenda has been disseminated, and that appropriate accommodations have been made for the specific Board meeting.
  - (ix) The Lead Director shall be the primary contact for stakeholders who wish to contact independent directors.
- (g) **Disclose the attendance record of each director for all board meetings held since the beginning of the issuer’s most recently completed financial year.**

On May 5, 2021 the board resolved to restructure the existing committees of the board such that the Compensation, Nominating and Corporate Governance Committee was replaced with the Environmental, Social and Governance and Nominating Committee and the Compensation Committee. The attendance record of each of our directors for board meetings and committee meetings (including committees prior to the above mentioned restructuring) held during the year ended December 31, 2021, is as follows:

<u>Name of Director</u>	<u>Attendance Record</u>
Trevor Haynes	5/5 Board Meetings <sup>(1)</sup>
Steven Stein	5/5 Board Meetings 3/4 Audit Committee Meetings <sup>(2)</sup>
Robert J. Herdman	5/5 Board Meetings 4/4 Audit Committee Meetings
Barbara J. Kelley	5/5 Board Meetings 2/2 Environmental, Social and Governance and Nominating Committee Meetings 1/1 Compensation, Nominating and Corporate Governance Committee Meetings
Edward H. Kernaghan	5/5 Board Meetings 4/4 Audit Committee Meetings 3/3 Compensation Committee Meetings
Brian Hedges	4/5 Board Meetings <sup>(3)</sup> 3/3 Compensation Committee Meetings
Leilani Latimer	4/5 Board Meetings <sup>(3)</sup> 2/2 Environmental, Social and Governance and Nominating Committee Meetings

<u>Name of Director</u>	<u>Attendance Record</u>
Robert Wagemakers	5/5 Board Meetings 3/3 Compensation Committee Meetings 2/2 Environmental, Social and Governance and Nominating Committee Meetings 1/1 Compensation, Nominating and Corporate Governance Committee Meetings 2/4 Audit Committee Meetings <sup>(4)</sup>

Note:

- (1) Represents the number of Board meetings which Mr. Haynes attended as a director. Mr. Haynes has also attended numerous other committee meetings, in full or in part, as a management invitee.
- (2) Mr. Stein joined the Audit Committee on May 5, 2021; therefore, he was not a member at the first meeting of the Audit Committee in 2021 and has attended all meetings since being appointed to the Audit Committee.
- (3) Mr. Hedges and Ms. Latimer were appointed to the Board on March 4, 2021; therefore were not a member of the Board for its first meeting of 2021 and each of Mr. Hedges and Ms. Latimer has attended all Board and applicable committee meetings since being appointed as a Board member.
- (4) Mr. Wagemakers ceased being on the Audit Committee on May 5, 2021; prior to then he had attended all of the Audit Committee meetings held until such date.

## 2. Board Mandate

**Disclose the text of the board’s written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.**

The mandate of our Board is attached as Appendix “A” hereto.

## 3. Position Descriptions

- (a) **Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.**

Our Board has developed written position descriptions for the Chairman of our Board as well as the Chairman of each of our Board committees, being our Audit Committee, our Compensation Committee and our ESGNC.

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

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

## 4. Orientation and Continuing Education

- (a) **Briefly describe what measures the board takes to orient new directors regarding:**

- (i) **the role of the board, its committees and its directors; and**
- (ii) **the nature and operation of the issuer’s business.**

Upon joining our Board, management will provide a new director with access to all of our background documents, including all corporate records, by-laws, corporate policies, organization structure, prior board and committee minutes, copies of the mandate of each of our Board and our committees, and relevant position

descriptions. In addition, management will make a presentation to new directors regarding the nature and operations of our business.

- (b) **Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.**

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

## 5. Ethical Business Conduct

- (a) **Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:**

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

Our Board has adopted a Code of Business Conduct and Ethics (the “Code”) applicable to our directors, officers and employees. A copy of the Code is available for review on our website at [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com) and under our profile on SEDAR at [www.sedar.com](http://www.sedar.com).

- (ii) **describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and**

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

- (iii) **provide a cross-reference to any material change report filed since the beginning of the issuer’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.**

There have been no material change reports filed since the beginning of the year ended December 31, 2021, that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

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

In accordance with the *Business Corporations Act* (Alberta), directors who are a party to or are a director or an officer of a person who is a party to a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. Our Code provides that activities that could give rise to conflicts of interest are prohibited unless specifically approved in advance by our Board; provided that the

foregoing shall not apply to our directors who act as directors of other public or private companies who shall comply with the provisions of the *Business Corporations Act* (Alberta) in respect thereof and shall advise the Lead Director of our Board of the holding of such directorships. Our Code provides that any potential conflicts of interest must be reported immediately to senior management, our Board or the Lead Director of our Board, as appropriate.

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

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

**6. Nomination of Directors**

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

Our Board has delegated responsibility to our ESGNC to recommend to our Board suitable candidates as nominees for election or appointment as directors. Our ESGNC reviews the makeup of the Board and its committees annually and is responsible for identifying and recommending to our Board new candidates to the Board. Our ESGNC considers the skills, experience, strengths, knowledge and constitution of the members of the Board and the ESGNC’s perception of the needs of our Company. Some of the key competencies that our Company believes directors should have are: corporate executive experience, relevant industrial sector operational experience, financial acumen, and knowledge in the areas of compensation, governance, strategy development, technology and health, safety and environment. Character and behavioural qualities including credibility, integrity and communication skills are also important attributes taken into account when recruiting new directors.

(b) **Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.**

Our Board has appointed a ESGNC whose members are Barbara J. Kelley (Chair), Robert Wagemakers and Leilani Latimer, each of whom has been determined to be independent.

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

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

Pursuant to the mandate of our ESGNC, the committee is to be comprised of at least three (3) of our directors and all of such members shall be independent. Our Board is from time to time to designate one (1) of the members of the committee to be the Chair of the committee. At present, the Chairman of our ESGNC is Barbara J. Kelley.

Our ESGNC considers the skill set of the Board when considering new candidates. On an annual basis, Board members are required to complete a “Skills Matrix” where they rate their knowledge and abilities as outlined against the skill set described in (a) above.

The Board and the ESGNC review the experience, qualifications and skills of our directors each year to ensure that the composition of the Board and its committees and the competencies and skills of the members are in line with those that the ESGNC considers that the Board and respective committees should possess.

This matrix is maintained to identify areas for strengthening the Board, if any, and address them through the recruitment of new members.

Our ESGNC maintains a list of potential directors but also has the authority to hire an external search firm when deemed necessary to access a broader pool of director candidates. Our ESGNC also reviews the list of directors to be nominated for election at the annual meeting of shareholders and recommends such nominees for approval by the Board.

## **7. Compensation**

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

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

- (b) **Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.**

Our Board has appointed a Compensation Committee whose members are Brian Hedges (Chair), Robert Wagemakers and Edward H. Kernaghan, each of whom has been determined to be independent.

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

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

## **8. Other Board Committees**

**If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.**

Our Board has created a ESGNC which, as part of its mandate, has the responsibility for assisting our Board in fulfilling its oversight responsibilities with regard to environmental, health and safety, corporate social responsibility, philanthropy, reputation, diversity, equity and inclusion, community issues, political contributions, lobbying and other public policy matters relevant to our Company (collectively, “**ESG Matters**”) and developing our approach to matter concerning corporate governance and, from time to time, shall review and make recommendations to our Board as to such matters. Without limiting the generality of the foregoing, our ESGNC has the following duties:

- (i) to recommend to our Board the overall general strategy of our Company with respect to ESG Matters;
- (ii) to oversee the policies, practices and performance of our Company with respect to ESG Matters;
- (iii) to oversee the reporting standards of our Company in relation to ESG Matters;

- (iv) to report to our Board on current and emerging topics relating to ESG Matters that may affect the business, operations, performance, or public image of our Company or are otherwise pertinent to our Company and its stakeholders and, if appropriate, detail actions taken in relation to the same;
- (v) to advise our Board on shareholder proposals and other significant stakeholder concerns relating to ESG Matters;
- (vi) to annually review the mandates of our Board and its committees and recommend to our Board such amendments to those mandates as the committee believes are necessary or desirable;
- (vii) to consider and, if thought fit, approve requests from directors or committees of directors of the engagement of special advisors from time to time;
- (viii) to prepare and recommend to our Board annually a statement of corporate governance practices to be included in our annual report or information circular as required by all of the stock exchanges on which our shares are listed and any other regulatory authority;
- (ix) to make recommendations to our Board as to which directors should be classified as “independent directors”, “related” directors or “unrelated” directors pursuant to any such report or circular;
- (x) to review on a periodic basis the composition of our Board and ensure that an appropriate number of independent directors sit on our Board, analyzing the needs of our Board and recommending nominees who meet such needs;
- (xi) to assess, at least annually, the effectiveness of our Board as a whole, the committees of our Board and the contribution of individual directors (including the competencies and skills that each individual director is expected to bring to our Board), including considering the appropriate size of our Board;
- (xii) to recommend suitable candidates for nominees for election or appointment as directors, and recommend the criteria governing the overall composition of our Board and governing the desirable individual characteristics for directors and in making such recommendations, the ESGNC should consider:
  - a) the competencies and skills that our Board considers to be necessary for our Board, as a whole, to possess;
  - b) the competencies and skills that our Board considers each existing director to possess;
  - c) the competencies and skills each new nominee will bring to the boardroom; and
  - d) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of our Board;
- (xiii) to, as required, develop, for approval by our Board, an orientation and education program for new recruits to our Board;
- (xiv) to act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of our Board or individual members of our Board;
- (xv) to develop and recommend to our Board for approval and periodically review structures and procedures designed to ensure that our Board can function effectively and independently of management;
- (xvi) to make recommendations to our Board regarding appointments of corporate officers and senior management;

- (xvii) to review annually the committee's mandate and terms of reference;
- (xviii) to review and consider the engagement, at our expense, of professional and other advisors by any individual director when so requested by any such director;
- (xix) to establish, review and update periodically the Code and ensure that management has established a system to monitor compliance with the Code; and
- (xx) to review management's monitoring of our compliance with the Code.

## 9. Assessments

**Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.**

As part of its mandate, our ESGNC is responsible for assessing, at least annually, the effectiveness of our Board as a whole, the committees of our Board and the contribution of individual directors (including the competencies and skills that each individual director is expected to bring to our Board), including considering the appropriate size of our Board. A key component of the process is a four-part questionnaire that each member of the Board completes on an annual basis. The first three (3) sections ask the directors to evaluate the Board and where appropriate its committees and committee chairs, with regards to Board responsibility, operations and effectiveness. The questionnaire provides quantitative rankings for key questions as well as seeks subjective content and suggestions for improvements in all areas. The fourth section asks the individual directors to provide peer and individual self-assessment. The data is compiled independently and reviewed by the Chair of our ESGNC and is presented in summary form to the Board for discussion and follow-up as required.

## 10. Director Term Limits and Other Mechanisms of Board Renewal

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

Our Board has not adopted term limits for the directors on our Board. Our Board does not believe that fixed term limits are in the best interest of our Company as our Board believes that it is critical that our directors understand our industries and our business, and this requires a certain length of tenure on our Board. Long-term directors accumulate extensive company knowledge while new directors bring new experience and perspectives to our Board. It is important to achieve an appropriate balance of both to ensure the effectiveness of our Board. Our ESGNC considers both the term of service of individual directors, the average term of our Board as a whole and turnover of directors over the prior three (3) years when proposing a slate of nominees. Our ESGNC considers the benefits of regular renewal in the context of the needs of our Board at the time and the benefits of the institutional knowledge of our Board members. Our Board has adopted a Board Diversity and Term Policy in which the foregoing is set forth. A copy of our Board Diversity and Term Policy is available on our website at [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com).

## 11. Policies Regarding the Representation of Women on the Board

Note: for this purpose of this section "executive officer" means, an individual who is (a) a chair, vice-chair or president; (b) a chief executive officer or chief financial officer; (c) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or (d) performing a policy-making function in respect of the Company.

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

Board appointments have always been based on finding the best individual based on merit and the requirements of our Board at that time. Our Company does not differentiate by race, colour, ethnicity, religion, gender, sexual orientation or any other aspect and acknowledges that a diverse Board adds value to our Company. Our Board has adopted a Board Diversity and Term Policy founded on these principles. This policy provides that the ESGNC, which is responsible for recommending director nominees to the Board, will consider candidates on merit, based on a balance of skills, background, experience, knowledge and cultural fit with the Board.

Our Company has purposely constructed a Board with a broad range of experience and expertise specific to the energy industrial sector and other sectors that the directors believe are beneficial to the organisation and its shareholders. To ensure that our Company taps into a broad pool of the best qualified individuals, an external search firm may be retained to help identify outstanding candidates for future openings for new directors with the mandate that the pool must take diversity into account, in addition to the other attributes desired. The ultimate decision will be based on merit and the contribution that the chosen candidate will bring to our Board.

We are committed to improving the gender representation on the Board and are working diligently to implement measurable objectives to effect change. As an initial step when recruiting new directors, the Board has committed to search beyond the networks of existing Board members and will use outside help as necessary to ensure that on-going lists of potential candidates are composed equally of both genders.

- (b) **If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:**

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

Our Board has adopted a Board Diversity and Term Policy founded on the principles that our Company does not differentiate by race, colour, ethnicity, religion, gender, sexual orientation or any other aspect and acknowledges that a diverse Board adds value to our Company. The objectives of this policy are to ensure the ESGNC, which is responsible for recommending director nominees to the Board, will consider candidates on merit, based on a balance of skills, background, experience, knowledge and cultural fit with the Board. We are committed to improving the gender diversity on the Board and have taken the following steps to ensure this policy has been effectively implemented: (i) engaging external search firms to help identify outstanding candidates for future openings for new directors with the mandate that the pool must take diversity into account, in addition to the other attributes desired; and (ii) ensuring several members of the Board and management are involved in making the decision regarding nominees to the Board.

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

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

In accordance with our Board Diversity and Term Policy, the Board and ESGNC consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the Board.

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

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

Our Company does not differentiate by race, colour, ethnicity, religion, gender, sexual orientation or any other aspect and acknowledges that diversity adds value to our Company. We consider executive officer candidates on merit, based on a balance of skills, background, experience, knowledge and cultural fit with our Company. To ensure that our Company taps into a broad pool of the best qualified individuals, an external search firm may be retained to help identify outstanding candidates for future openings for new executive officers with the mandate that the pool must take diversity into account, in addition to the other attributes desired. The ultimate decision will be based on merit and the contribution that the chosen candidate will bring to our Company.

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

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

Our Company has not adopted a target regarding women on our Board. Our Company has purposely constructed a Board with a broad range of experience and expertise specific to the energy industrial sector and other sectors that the directors believe are beneficial to the organisation and its shareholders. To ensure that our Company taps into a broad pool of the best qualified individuals, an external search firm may be retained to help identify outstanding candidates for future openings for new directors with the mandate that the pool must take diversity into account, in addition to the other attributes desired. The ultimate decision will be based on merit and the contribution that the chosen candidate will bring to our Board. We are committed to improving the gender representation on the Board and are working diligently to implement measurable objectives to effect change. As an initial step when recruiting new directors, the Board has committed to search beyond the networks of existing Board members and will use outside help as necessary to ensure that on-going lists of potential candidates are composed equally of both genders.

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

Our Company has not adopted a target regarding women in executive officer positions. To ensure that our Company taps into a broad pool of the best qualified individuals, an external search firm may be retained to help identify outstanding candidates for future openings for executive officers with the mandate that the pool must take diversity into account, in addition to the other attributes desired. The ultimate decision will be based on merit and the contribution that the chosen candidate will bring to our Company. Our Company has also introduced an on-line tool to create career development plans that facilitates the support, training and development opportunities for all employees, including women in attaining their career goals within our Company.

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

**(i) the target, and**

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

Not applicable.

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

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

Currently, we have two (2) women directors on our Board, representing 25% of the directors on our Board.

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

Our Company has one (1) female executive officer, representing 7% of our executive officers.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

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

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

There were no material interests, direct or indirect, of our directors or executive officers, any shareholder who beneficially owned, or controlled or directed, directly or indirectly, more than 10% of the outstanding Common Shares, or any other Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or any known associate or affiliate of such persons, in any transaction since the commencement of our last completed financial year or in any proposed transaction that has materially affected or would materially affect our Company or any of our subsidiaries.

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

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

#### **OTHER MATTERS**

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

#### **FINANCIAL NON-GAAP MEASURES**

This circular makes references to Non-GAAP financial measures do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and are therefore unlikely to be comparable to similar measures presented by other issuers for these non-GAAP measures. Non-GAAP financial measures are used to assist investors in understanding Black Diamond's operating results that may not be evident when relying solely on the GAAP financial measures. Black Diamond believes securities analysts, investors and other interested parties frequently use non-GAAP financial measures in the evaluation of the Company's results. Black Diamond uses non-GAAP financial measures to evaluate operating results from period to period, as internal reporting key performance indicators, and to determine elements of management compensation. These non-GAAP financial measures include Adjusted EBITDA, Adjusted EBIT, Adjusted EBIT (before profit incentives), Return on Gross Assets and Selling and General Administration (before profit incentives) % of Gross Profit ("SGA% of GP") The definitions and reconciliations of Adjusted EBITDA and Adjusted EBIT are disclosed on the pages 41, 42 and 43 of the Company's management's discussion and analysis for the fiscal year ended December 31, 2021.

The definitions and reconciliations of Adjusted EBIT (before profit incentives), Return on Gross Assets and Selling and General Administration (before profit incentives) % of Gross Profit (“SGA% of GP”) are not disclosed in the Company’s management’s discussion and analysis and hence are provided below.

Adjusted EBIT (before profit incentives) is calculated by Adjusted EBIT plus profit incentive expense. Return on Gross Assets is calculated by Adjusted EBITDA plus profit incentive divided by average capital cost of Property, Plant, and Equipment, Intangibles, and Goodwill. Management believes that Adjusted EBIT (before profit incentives) and Return on Gross Assets are useful measures, aligning with our strategy and appropriate for measuring annual performance.

	<b>2021 Results</b>
	<b>Actual</b>
Profit (loss)	20,359
Add:	
Depreciation and amortization	35,170
Finance costs	6,036
Share-based compensation	3,408
Non-controlling interest	1,422
Current income taxes	93
Gain on sale of real estate assets and other	(594)
Deferred income taxes	(1,847)
<b>Adjusted EBITDA</b>	<b>64,047</b>
Less:	
Depreciation and amortization	35,170
<b>Adjusted EBIT</b>	<b>28,877</b>
Add:	
Profit incentives	6,478
<b>Adjusted EBIT (before profit incentives)</b>	<b>35,355</b>
Adjusted EBITDA	64,047
Add:	
Profit incentives	6,478
<b>Adjusted EBITDA (before profit incentives)</b>	<b>70,525</b>
Average capital cost of property, plant, and equipment, intangibles, and goodwill	848,394
<b>Return on Gross Assets</b>	<b>8.31%</b>

Selling and General Administration (before profit incentives) % of Gross Profit (“SGA% of GP”) is calculated by selling and general administration expenses less profit incentives divided by gross profit. Management believes that SGA% of GP is a useful measure, aligning with our strategy and appropriate for measuring annual performance.

	<b>2021 Results</b>
	<b>Actual</b>
Selling and General Administration	47,578
Less:	
Profit incentives	6,478
<b>Selling and General Administration (before profit incentives)</b>	<b>41,100</b>

Gross Profit	111,625
Selling and General Administration % of Gross Profit	36.8%

### **ADDITIONAL INFORMATION**

Additional financial information regarding our business is contained in our audited consolidated financial statements and management's discussion and analysis for the fiscal year ended December 31, 2021.

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

Black Diamond Group Limited  
Suite 1000, 440 - 2nd Avenue SW  
Calgary, Alberta T2P 5E9

Phone: (403) 206-4747  
Facsimile: (403) 264-9281

## APPENDIX “A”

### BLACK DIAMOND GROUP LIMITED

#### MANDATE OF THE BOARD OF DIRECTORS

##### GENERAL

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

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

##### SPECIFIC

###### *Executive Team Responsibility*

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

###### *Operational Effectiveness and Financial Reporting*

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

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

#### ***Integrity/Corporate Conduct***

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

#### ***Board Process/Effectiveness***

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

- Review and re-assess the adequacy of the mandate of the committees of the Board on a regular basis, but not less frequently than on an annual basis.
- Review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.

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

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

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

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

#### **DELEGATION**

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