



BLACK DIAMOND

GROUP

**NOTICE OF ANNUAL GENERAL AND
SPECIAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR
OF
BLACK DIAMOND GROUP LIMITED
TO BE HELD ON MAY 9, 2024**

March 22, 2024

Dear Fellow Shareholder,

I am pleased to report that 2023 was another very strong year, consistent with our five-year Adjusted EBITDA¹ Compounded Annual Growth Rate (CAGR) of 29%, for Black Diamond Group Limited's (the "**Company**") portfolio of specialty rental businesses focused on modular buildings, remote accommodations and temporary space solutions, along with our digital marketplace for business-to-business workforce travel management. We continue to deliver high growth and stable recurring cashflows, and a compounding return to shareholders.

Similar to the past few years, the Company has prepared a detailed Stakeholder Report, which includes the key highlights for 2023 that can be found here: <https://www.blackdiamondgroup.com/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

¹ See Financial Non-GAAP Measures in accompanying Management Information Circular.

BLACK DIAMOND GROUP LIMITED**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of Black Diamond Group Limited (the “**Company**” or “**Black Diamond**”) common shares (“**Common Shares**”) will be held on Thursday, May 9, 2024, at 1:30 p.m. Calgary time. The Meeting will be held in a virtual meeting format only, by way of a live audio-only webcast at <https://web.lumiconnect.com/289033023> to:

1. receive and consider Black Diamond’s consolidated financial statements for the fiscal year ended December 31, 2023, 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 Black Diamond’s directors to fix their remuneration as such;
4. consider and, if thought advisable, approve an ordinary resolution approving all unallocated options under Black Diamond’s share option plan;
5. consider and, if thought advisable, approve an ordinary resolution approving the issuance of Common Shares from treasury pursuant to Black Diamond’s restricted and performance award incentive plan;
6. consider and, if thought advisable, approve an ordinary resolution approving Black Diamond’s amended and restated shareholder protection rights plan agreement; and
7. transact such other business as may properly come before the Meeting or any adjournment thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the management information circular (the “**Circular**”) which accompanies this notice of Meeting.

Only Shareholders of record at the close of business on March 25, 2024 (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 Odyssey Trust Company, (i) by mail using the envelope provided; or (ii) by hand delivery to the attention of Odyssey Trust Company, Trader’s Bank Building, 702- 67 Yonge Street, Toronto, Ontario M5E 1J8. Alternatively, you may vote by internet using <https://vote.odysseytrust.com>.

In order to be valid, proxies must be received by Odyssey Trust Company not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. 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 “Proxy Solicitation and Voting” in the accompanying Circular for further instructions on internet voting.

If you are a non-registered holder of Common Shares and have received these materials from your broker or other intermediary, please complete and return the voting instruction form or other authorization form provided to you by your broker or intermediary in accordance with the instructions provided. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular. You should carefully review and consider all of the information contained in the Circular before submitting the form of proxy or voting instruction form.

Dated at Calgary, Alberta this 22nd day of March, 2024.

By order of the Board of Directors

(signed) “*Trevor Haynes*”
Chairman and Chief Executive Officer

Table of Contents

GENERAL INFORMATION	1
Introduction.....	1
Forward-looking Statements.....	1
Financial Non-GAAP Measures	2
GLOSSARY OF TERMS.....	4
PROXY SOLICITATION AND VOTING	8
Solicitation of Proxies.....	8
Registered Shareholders of Common Shares.....	8
Advice to Beneficial Holders of Common Shares.....	8
Revocability of Proxy	9
Persons Making the Solicitation	10
Exercise of Discretion by Proxy	10
Notice-and-Access.....	10
Participation at the Meeting.....	10
VOTING SHARES AND PRINCIPAL HOLDERS THEREOF	11
MATTERS TO BE ACTED UPON AT THE MEETING	11
Election of Directors.....	11
Majority Voting for Directors.....	13
Advance Notice By-Law	13
Additional Disclosure Relating to Proposed Directors.....	14
Appointment of Auditors	14
Approval of Unallocated Options Under the Option Plan	15
Approval of the Issuance of Common Shares from Treasury Pursuant to the Award Plan.....	16
Renewal of Shareholder Protection Rights Plan.....	17
Background.....	17
Purpose of the Rights Plan.....	17
Summary of the Rights Plan	18
Voting Requirements	21
STATEMENT OF EXECUTIVE COMPENSATION	21
Named Executive Officers of the Company	21
Compensation Program Highlights.....	22
Compensation Governance.....	22
Composition of our Compensation Committee	22
Compensation Committee Mandate.....	23
Review of Risks Associated with Compensation Policies and Practices.....	24
Short Sales, Puts, Calls and Options.....	24
Mandatory Equity Ownership Requirements.....	25
COMPENSATION DISCUSSION AND ANALYSIS	25
Objectives and Principles of Executive Compensation Program	25
Compensation Benchmarking.....	26

Table of Contents

(continued)

Elements of Our Executive Compensation Program	27
Base Salary	29
Short-Term Incentive Compensation – Annual Cash Bonuses.....	29
Corporate Payout Ratio and Corporate Performance Metrics	30
Business Unit and Individual Performance	30
Short-Term Incentive Award Calculations	31
Medium- and Long-Term Incentive Compensation	32
Stock Options	32
Incentive Awards	32
Other Executive Benefits	33
Performance Graph	33
Summary Compensation Table.....	34
Incentive Plan Awards	35
Outstanding Option-based and Share-based Awards.....	35
Incentive Plan Awards – Value Vested or Earned During the Year	37
Termination and Change of Control Benefits	37
Incentive Plans	38
Share Option Plan	38
Award Plan	40
Securities Authorized for Issuance Under Equity Compensation Plans	44
Annual Burn Rate for Equity Compensation Plans	45
 DIRECTOR COMPENSATION	 45
DSU Plan	46
Directors’ Summary Compensation Table	47
Directors’ Outstanding Option-Based Awards and Share-Based Awards	48
Directors’ Incentive Plan Awards – Value Vested or Earned During the Year	48
Non-Management Director Share Ownership Guidelines	49
 CORPORATE GOVERNANCE DISCLOSURE.....	 50
 INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	 61
 INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	 62
 INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON	 62
 OTHER MATTERS	 62
 ADDITIONAL INFORMATION.....	 62
 APPENDICES	
 APPENDIX A BOARD MANDATE	 1

GENERAL INFORMATION

Introduction

This information circular (“Circular”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Black Diamond Group Limited (“Black Diamond”, “Company”, “our”, “we” and “us”) for use at the annual general and special meeting (the “Meeting”) of holders (“Shareholders”) of common shares (“Common Shares”) of Black Diamond to be held on Thursday, May 9, 2024, at 1:30 p.m., Calgary time in a virtual meeting format only, by way of live audio-only webcast at <https://web.lumiconnect.com/289033023> and any adjournment thereof for the purposes set forth in the accompanying Notice of Annual General and Special Meeting.

No person has been authorized to give any information or make any representation in connection with any of the matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

Information contained or otherwise accessed through Black Diamond’s website, or any website, does not constitute part of this Circular.

This Circular does not constitute an offer to sell or a solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or a proxy solicitation. Neither the delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date as of which such information is given in this Circular.

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under “*Glossary of Terms*”. The terms and abbreviations used in the other Appendices to this Circular, are defined separately therein. Information contained in this Circular is given as of March 22, 2024 unless otherwise specifically stated. All dollar references in this Circular are in Canadian dollars, unless otherwise indicated.

Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own legal, tax, financial or other professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

Forward-looking Statements

Certain statements in this Circular, including the documents incorporated by reference herein, are forward-looking statements, including, but not limited to information concerning Black Diamond and other statements that are not historical facts. These statements are based upon certain material factors, assumptions and analyses that were applied in drawing a conclusion or making a forecast or projection, including Black Diamond’s experience and perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be reasonable in the circumstances. Forward-looking statements are provided for the purpose of presenting information about current expectations and plans of management of Black Diamond relating to the future, and readers are cautioned that such statements may not be appropriate for other purposes.

These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Black Diamond. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “plans”, “believes”, “estimates”, “intends”, “targets”, “projects”, “forecasts”, “seeks”, “likely” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”.

These forward-looking statements include statements with respect to the timing of the Meeting, the matters to be considered at the Meeting, and other related statements. There can be no assurance that the plan, intentions or

expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions, including those discussed elsewhere in this Circular. Although Black Diamond believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include: risks inherent in Black Diamond's businesses; risks inherent in the United States to Canadian dollar exchange rates; risks inherent in the prices for services and government fiscal regimes and the risk that actual results will vary from the results forecasted and such variations may be material.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Circular are made as of the date of this Circular and Black Diamond undertakes no obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise, unless so required by Applicable Canadian Securities Laws.

Financial Non-GAAP Measures

This Circular makes references to Non-GAAP financial measures that 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, Return on Assets (EBIT/Net Book Value ("NBV")) and Adjusted Earnings per Share. The definitions and reconciliations of Adjusted EBITDA and Adjusted EBIT are disclosed on pages 49-54 of the Company's management's discussion and analysis for the fiscal year ended December 31, 2023.

Return on Assets (EBIT/NBV) and Adjusted Earnings per Share are not disclosed in the Company's management's discussion and analysis and hence are provided below.

Return on Assets (EBIT/NBV) is a non-GAAP ratio and does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. Return on Assets (EBIT/NBV) is calculated by Adjusted EBIT (before profit incentives and non-recurring ERP implementation and related costs) divided by average net book value of property, plant, and equipment, intangibles, and goodwill. Management believes that Return on Assets (EBIT/NBV) is a useful measure, aligning with our strategy and appropriate for measuring annual performance.

	2023 Results
	Actual (\$000's)
Profit	30,358
Add:	
Depreciation and amortization	44,179
Finance costs	14,083
Share-based compensation	6,320
Non-controlling interest	1,109
Current income taxes	159
Deferred income taxes	8,922
Non-recurring items	
ERP implementation and related costs ⁽¹⁾	1,524
Adjusted EBITDA	106,654

Less:

Depreciation and amortization	44,179
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Adjusted EBIT	62,475
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Add:

Profit incentives	6,523
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Adjusted EBIT (before profit incentives)	68,998
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Average NBV of property, plant, and equipment, intangibles, and goodwill	535,047
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Return on Assets (EBIT/NBV)	12.9%
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(1) This relates to the corporate structure reorganization costs that have been incurred in preparation of a new ERP system.

Adjusted Earnings per Share is calculated by profit plus the add back of the non-recurring ERP implementation and related costs divided by weighted average shares outstanding. Management believes that Adjusted Earnings per Share is a useful measure, aligning with our strategy and appropriate for measuring annual performance.

	2023 Results
	Actual (\$000's)
Profit	30,358
Add:	
Non-recurring internal restructuring costs	1,524
Adjusted Profit	31,882
Weighted Average Shares Outstanding	60,200
Adjusted Earnings per share (cents)	0.53

GLOSSARY OF TERMS

Unless the context otherwise requires, when used in this Circular, the following terms shall have the meanings set forth below.

“**ABCA**” means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

“**Amended and Restated Rights Plan Agreement**” means the amended and restated shareholder protection rights plan agreement entered into between our Company and Computershare Trust Company of Canada on March 4, 2015 and amended on May 14, 2018, assumed by Odyssey on June 20, 2023;

“**Award Plan**” means Black Diamond’s restricted and performance award incentive plan dated as of March 4, 2015, as amended and restated effective as of February 7, 2017 and as of April 2, 2018;

“**Award Value**” has the meaning ascribed thereto under the heading “*Award Plan*”;

“**Black Diamond**” means Black Diamond Group Limited, a corporation formed under the Laws of the province of Alberta;

“**Black-Out Period**” has the meaning ascribed thereto under the heading “*Incentive Plans*”;

“**Board of Directors**” or “**Board**” means the board of directors of Black Diamond;

“**Business Day**” means, with respect to any action to be taken, any day, other than a Saturday, Sunday or a statutory holiday in Calgary, Alberta;

“**Cash Bonus Plan**” has the meaning ascribed thereto under the heading “*Statement of Executive Compensation*”;

“**Cashless Exercise**” has the meaning ascribed thereto under the heading “*Incentive Plans*”;

“**Circular**” means the notice of the Meeting and this management information circular, including all schedules, appendices and exhibits hereto;

“**Common Shares**” means the common shares in the capital of Black Diamond;

“**Compensation Committee**” means the compensation committee of Black Diamond;

“**Conversion**” means the reorganization and restructuring of Black Diamond Income Fund into Black Diamond on December 31, 2009;

“**DSU**” means a deferred share unit granted pursuant to the DSU Plan;

“**DSU Plan**” means Black Diamond’s directors’ deferred share unit plan effective as of March 2, 2016;

“**Equity Compensation Plans**” means, collectively the: (i) Option Plan; (ii) Award Plan; (iii) DSU Plan; and (iv) Share Appreciation Rights Plan, or any one of them as the context requires;

“**ESGNC**” means the Environmental, Social and Governance and Nominating Committee of Black Diamond;

“**Exercise Price**” has the meaning ascribed thereto under the heading “*Summary of the Rights Plan*”;

“**Form 58-101F1 Disclosure**” means Form 58-101F1 – *Corporate Governance Disclosure* which sets out the specific information relating to corporate governance practices required to be disclosed by certain non-venture issuers in accordance with NI 58-101;

“**GAAP**” means accounting principles generally accepted in Canada applicable to public companies at the relevant time and which incorporates IFRS as adopted by the Canadian Accounting Standards Board;

“**Governmental Entity**” means (a) any supranational, international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, minister, government in council, agency, central bank, court, tribunal, arbitral body, office, Crown corporation, commission, commissioner, board, bureau or agency, whether domestic or foreign, (b) any subdivision, agent or authority of any of the foregoing, or (c) any quasi-governmental or private body, including any tribunal, commission, stock exchange, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority (including the TSX);

“**Grantees**” has the meaning ascribed thereto under the heading “*Award Plan*”;

“**IFRS**” means International Financial Reporting Standards;

“**Incentive Award**” means a Restricted Award or Performance Award granted pursuant to Black Diamond’s Award Plan;

“**Incentive Plan Resolution**” has the meaning ascribed thereto under the heading “*Approval of the Issuance of Common Shares from Treasury Pursuant to the Award Plan*”;

“**Independent Shareholders**” has the meaning ascribed thereto under the heading “*Summary of the Rights Plan*”;

“**Laws**” means, with respect to any person, any and all applicable laws (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise;

“**LodgeLink**” means LodgeLink Inc., a corporation incorporated under the Laws of the Province of Alberta and a wholly-owned subsidiary of Black Diamond;

“**Mandatory Equity Ownership Policy**” has the meaning ascribed thereto under the heading “*Mandatory Equity Ownership Requirements*”;

“**Maturity Dates**” has the meaning ascribed thereto under the heading “*Director Compensation*”;

“**MSS**” means Modular Space Solutions, an operating business unit of Black Diamond;

“**MSS Business**” means the modular space solutions business of Black Diamond and its subsidiaries;

“**Named Executive Officer**” or “**NEO**” has the meaning ascribed thereto under the heading “*Statement of Executive Compensation*”;

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;

“**Northern Frontier**” means Northern Frontier Services Corp.;

“**Notice-and-Access Provisions**” has the meaning ascribed thereto under the heading “*Notice-and-Access*”;

“**Odyssey**” means Odyssey Trust Company, the transfer agent of the Company, located at Traders Bank Building, 702 – 67 Yonge Street, Toronto, Ontario M5E 1J8;

“**Option Plan**” means the share option plan of Black Diamond dated effective May 2, 2012, as amended and restated effective as of February 7, 2017 and as of April 2, 2018;

“**Option Plan Resolution**” has the meaning ascribed thereto under the heading “*Approval of Unallocated Options Under the Option Plan*”;

“**Options**” means options issued pursuant to the Option Plan;

“**Order**” has the meaning ascribed thereto under the heading “*Cease Trade Orders*”;

“**Performance Award**” means a performance award granted pursuant to the Award Plan;

“**Permitted Bid**” has the meaning ascribed thereto under the heading “*Summary of the Rights Plan*”;

“**Record Date**” means March 25, 2024;

“**Registered Shareholder**” means a registered holder of the Common Shares;

“**Registrar**” means the Registrar of Corporations for the Province of Alberta duly appointed under Section 263 of the ABCA;

“**Restricted Award**” means a restricted award granted pursuant to the Award Plan;

“**Right**” has the meaning ascribed thereto under the heading “*Summary of the Rights Plan*”;

“**Rights Plan**” means the shareholder protection rights plan adopted by the Board on March 4, 2015, as amended;

“**SAR**” means a SAR granted pursuant to the Share Appreciation Rights Plan;

“**Securities Act**” means the *Securities Act* (Alberta) and the rules, regulations and instruments made thereunder, as now in effect and as they may be promulgated or amended from time to time;

“**Securities Laws**” means the Securities Act and all other applicable Canadian provincial and territorial securities Laws, and the rules and regulations and published policies under the foregoing and applicable stock exchange rules and listing standards of the TSX;

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval;

“**Service Providers**” has the meaning ascribed thereto under the heading “*Approval of the Issuance of Common Shares from Treasury Pursuant to the Award Plan*”;

“**Share Appreciation Rights Plan**” means the share appreciation rights plan of LodgeLink dated as of July 17, 2017, as amended and restated effective as of March 5, 2019 and November 14, 2023;

“**Shareholders**” mean those persons who hold Common Shares;

“**STIP**” has the meaning ascribed thereto under the heading “*Elements of Our Executive Compensation Program*”;

“**Surrender Offer**” has the meaning ascribed thereto under the heading “*Incentive Plans*”;

“**Tax Act**” means the *Income Tax Act* (Canada) R.S.C. 1985, c. 1 (5th Supp.) as amended, including the regulations promulgated thereunder;

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

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; and

“**WFS**” means Workforce Solutions, an operating business unit of Black Diamond.

PROXY SOLICITATION AND VOTING

Solicitation of Proxies

Only Registered Shareholders at the close of business on the Record Date 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 Registered 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 Black Diamond. **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 Black Diamond. 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.** Registered Shareholders are requested to date and sign the enclosed form of proxy and return it to Odyssey, (i) by mail using the envelope provided; or (ii) by hand delivery to the attention of Odyssey Trust Company, Traders Bank Building, 702- 67 Yonge Street, Toronto, Ontario M5E 1J8. Alternatively, you may vote by internet using <https://vote.odysseytrust.com>.

In order to be valid, proxies must be received by Odyssey not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. 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.

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 transfer agent, Odyssey, as follows:

1. through the internet at <https://vote.odysseytrust.com>; or
2. by facsimile to 1-800-517-4553; or
3. by mail or hand delivery to Odyssey Trust Company, Traders Bank Building, 702 – 67 Yonge Street, Toronto, Ontario M5E 1J8.

Registered Shareholders will require the 12-digit control number found on the form of proxy in order to vote through the internet.

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 the broker's agent), 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 the broker's 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 Circular. 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 Black Diamond's transfer agent, Odyssey, 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 Odyssey will result in that proxyholder not receiving a username to participate in the Meeting.

To register a proxyholder, a beneficial owner MUST send an email request to appointee@odysseitrust.com by no later than 1:30 p.m. (Calgary time) on May 7, 2024 and provide Odyssey with their proxyholder's contact information, so that Odyssey 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 General and Special Meeting and this Circular. 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 FOR all 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 General and Special Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. At the time of printing this Circular, 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 Circular 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 Circular 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, Registered Shareholders will receive a paper copy of each of the notice of the Meeting, this Circular dated March 22, 2024 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 Thursday, May 9, 2024, 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://web.lumiconnect.com/289033023>.

- **Registered Shareholders and duly appointed proxyholders** can participate in the Meeting by clicking “I have a login” and entering a Control Number or a Username before the start of the Meeting. The password to the meeting is bd2024 (case sensitive).

- o Registered Shareholders: the 12-digit control number is located on the form of proxy or in the email notification you received.
- o Duly appointed proxyholders: Odyssey will provide the proxyholder with a Username 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 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 a Username 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.

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. As at March 22, 2024, there were 61,914,613 Common Shares issued and outstanding. As a holder of Common Shares, you are entitled to one vote for each Common Share held on all matters to be considered and acted upon at the Meeting or any adjournment thereof.

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 of Directors at the time of creation, subject to the class priorities. As at March 22, 2024, there were no preferred shares issued and outstanding.

To the knowledge of our directors and officers, as at March 22, 2024, 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%

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
Brian Hedges
Robert J. Herdman
Barbara J. Kelley

Edward H. Kernaghan
Leilani Latimer
Steven Stein
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 Black Diamond 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 22, 2024.

Name, Province/State and Country of Residence	Director Since ⁽¹⁾⁽²⁾	Principal Occupation During the Five Preceding Years	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Trevor Haynes Alberta, Canada	October 7, 2009	Chairman, President and Chief Executive Officer of Black Diamond Group Limited.	4,643,273
Brian Hedges ⁽⁵⁾ 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 ⁽³⁾ Alberta, Canada	March 7, 2012	Independent businessman since July 1, 2010 and prior thereto, Partner of PricewaterhouseCoopers LLP (accounting firm).	Nil
Barbara J. Kelley ⁽⁴⁾ 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 ⁽³⁾⁽⁵⁾⁽⁷⁾ Ontario, Canada	March 8, 2018	Executive Vice President at Kernaghan & Partners Ltd. since January 2015.	8,666,000
Leilani Latimer ⁽⁴⁾ 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. Ms. Latimer previously served as an Independent Director role at Rayont Inc.	Nil
Steven Stein ⁽³⁾ Alberta, Canada	October 7, 2009	President & Director of Remote Power Corp since January 1, 2021. Director of Terra Water Systems, Inc. prior to September 2019. Director of Operations, Purdy & Partners Inc., a private equity fund, from November 2018 to September 2019.	833,940

<u>Name, Province/State and Country of Residence</u>	<u>Director Since ⁽¹⁾⁽²⁾</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>
Robert Wagemakers ⁽⁴⁾⁽⁵⁾⁽⁶⁾ Alberta, Canada	November 11, 2009	Independent businessman since July 31, 2013.	648,511

Notes:

- 1) Black Diamond Income Fund was managed by Black Diamond Group Inc. until the Conversion. Prior to the Conversion, Messrs. Wagemakers, Haynes and Stein were directors of Black Diamond Group Inc. since June 2006.
- 2) Each director will hold office until their successors have been duly elected or appointed.
- 3) Member of our Audit Committee.
- 4) Member of our ESGNC.
- 5) Member of our Compensation Committee.
- 6) Mr. Wagemakers is the Lead Director of the Board.
- 7) Edward H. Kernaghan is a 10% Shareholder of the Company. See “*Voting Shares and Principal Holders Thereof*”.

Majority Voting for Directors

Our Board of Directors 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 of Directors 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 resignation will be effective when accepted by the Board. 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 general 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.sedarplus.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 Circular, or has been within the ten (10) years before the date of this Circular, 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 Circular, 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. Haynes, the Chairman, President and Chief Executive Officer of Black Diamond, served as a director of 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 Circular, or was within ten (10) years before the date of this Circular, 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. Haynes, 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 Black Diamond Income 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, 2023, under the heading “Audit Committee Information”, an electronic copy of which is available on our SEDAR+ profile at www.sedarplus.com.

Approval of Unallocated Options Under the Option Plan

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

The Option Plan is described under the heading “*Compensation Discussion and Analysis – Incentive Plans – Share Option Plan*” below. When Options have been granted, Common Shares reserved for issuance under an outstanding grant are referred to as allocated Options. Additional Common Shares that may be issued pursuant to the Option Plan, but are not subject to current option grants, are referred to as unallocated Options.

The Option Plan is a “rolling plan” whereby we are entitled to grant Options in respect of a maximum number of Common Shares equal to 10% of our issued and outstanding Common Shares less the number of Common Shares which are issuable pursuant to all our other Security Based Compensation Arrangements (as defined in Part VI of the Company Manual of the TSX). A “rolling plan” allows the number of shares covered by Options that have been exercised, to be available for subsequent grants under the Option Plan. Pursuant to the rules of the TSX, every three (3) years, all unallocated Options, rights or other entitlements available under the Option Plan must be approved by a majority of our directors and Shareholders. The Option Plan was last approved by Shareholders on April 27, 2021 and no Options have been granted since April 27, 2024, or will be granted before Shareholder approval is obtained.

Based on 61,914,613 issued and outstanding Common Shares at March 22, 2024, the aggregate number of Options, Restricted Awards and Performance Awards that may be granted under the treasury settled share award plans is currently limited to 10% of which:

- 3,229,984 Options are outstanding, representing 5.22% of the issued and outstanding Common Shares;
- 194,295 Restricted Awards are outstanding, representing 0.31% of the issued and outstanding Common Shares; and
- 212,736 Performance Awards are outstanding, representing 0.34% of the issued and outstanding Common Shares.

Consequently, an aggregate of 2,554,446 Common Shares are available for future Option, Restricted Award or Performance Award grants, representing 4.13% of the issued and outstanding Common Shares.

If approval is not obtained at the Meeting, all currently outstanding Options will be unaffected, however we will not issue any further Options under the Option Plan and any outstanding Options that are thereafter cancelled or expire will not be available for re-grant until such time as Shareholder approval is obtained.

Our Board unanimously recommends that Shareholders vote “FOR” the Option Plan resolution (the “**Option Plan Resolution**”).

At the Meeting, Shareholders will be asked to consider and if deemed advisable, to approve the Option Plan Resolution, substantially in the following form:

BE IT RESOLVED as an ordinary resolution of the shareholders of the Company that:

1. all unallocated options, rights or other entitlements available under the Option Plan of the Company, substantially in the form described in the Information Circular of the Company dated March 22, 2024, be and are hereby approved and authorized until May 9, 2027; and
2. any officer or director of the Company be and is hereby authorized for and on behalf of the Company, whether under its corporate seal or otherwise, to execute and deliver all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any of such actions.

Our Board unanimously approved all unallocated Options, rights or other entitlements available under the Option Plan on February 29, 2024. In order for the Option Plan Resolution to be passed, it must be approved by a simple majority of the aggregate votes cast by Shareholders who vote in person or by proxy at the Meeting on such resolution. **Unless otherwise directed, it is the intention of the persons designated in the form of proxy accompanying this Circular to vote proxies “FOR” the approval of the Option Plan Resolution.**

Approval of the Issuance of Common Shares from Treasury Pursuant to the Award Plan

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve an ordinary resolution (the “**Incentive Plan Resolution**”) authorizing the issuance of Common Shares from treasury pursuant to the Award Plan which provides for the grant of Incentive Awards to officers, employees and other service providers of our Company and our affiliates (“**Service Providers**”). A copy of the Award Plan is available upon request by contacting the Chief Financial Officer of our Company.

The Award Plan is described in detail under the heading “*Statement of Executive Compensation – Incentive Plans – Award Plan*”.

Notwithstanding anything provided in the Award Plan, the issuance of any Common Shares by our Company from treasury in respect of any Restricted Awards or Performance Awards granted thereunder is subject to and may not be made unless approved by the TSX and approved by Shareholders in accordance with the requirements of the TSX. If, at the Meeting, Shareholders do not approve the Incentive Awards available under the Award Plan, all currently outstanding Incentive Awards will be unaffected, however we will not be able to issue any further Incentive Awards under the Award Plan that could be settled by the issuance of Common Shares from treasury and any outstanding Incentive Awards that are thereafter cancelled or expire will not be available for re-grant as Incentive Awards to be settled by the issuance of Common Shares from treasury until such time as Shareholder approval is obtained. As the Award Plan is a “rolling plan”, Shareholder approval of the grant of Incentive Awards pursuant to which Common Shares may be issued from treasury is required every three (3) years. Shareholders last approved the issuance of Common Shares from treasury pursuant to the Award Plan at the annual general and special meeting of shareholders held on April 27, 2021 and no Incentive Awards have been granted since April 27, 2024, or will be granted before Shareholder approval is obtained.

Our Board unanimously recommends that Shareholders vote “FOR” the Incentive Plan Resolution.

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

BE IT RESOLVED as an ordinary resolution of the shareholders of the Company that:

1. the issuance of common shares from treasury pursuant to incentive awards granted until May 9, 2027 pursuant to the Restricted and Performance Award Incentive Plan of the Company, substantially in the form described in the Information Circular of the Company dated March 22, 2024, be and the same is hereby authorized and approved; and
2. any officer or director of the Company be and is hereby authorized for and on behalf of the Company, whether under its corporate seal or otherwise, to execute and deliver all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any of such actions.

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

Renewal of Shareholder Protection Rights Plan

Background

On March 4, 2015, our Board approved the adoption of the Rights Plan. In order to remain effective, the terms of the Rights Plan require that it be reconfirmed by Shareholders at every third (3rd) annual meeting of shareholders following the meeting at which the Rights Plan was initially confirmed. The Rights Plan was last confirmed by Shareholders at our Company’s annual general and special meeting of shareholders held on April 27, 2021, and, therefore, the Rights Plan must be reconfirmed by Shareholders at the Meeting or it and all outstanding Rights (as defined below) will terminate and be void and of no further force and effect. On February 29, 2024, our Board determined that it is advisable and in the best interests of our Company to continue the Rights Plan. No amendments are being proposed in connection with the continuance of the Rights Plan.

A copy of the Amended and Restated Rights Plan Agreement is available on SEDAR+ at www.sedarplus.com and will also be made available upon request by contacting the Chief Financial Officer of our Company.

Purpose of the Rights Plan

The Rights Plan is designed to make sure, to the extent possible, that all shareholders are treated fairly and equally if there is an acquisition of a controlling position in our Common Shares by any person or group of persons acting together. The Rights Plan provides for a minimum time period during which a Permitted Bid (as described below) must remain outstanding that aligns with the minimum deposit periods under Securities Laws in order to ensure that our Board is provided with sufficient time to pursue alternatives to maximize shareholder value in the event an unsolicited takeover bid is made for the Common Shares. In addition, the Rights Plan mitigates the risk of a “creeping take-over bid” where an acquiror may acquire a controlling position in our Company in reliance on exemptions from the take-over bid requirements and without having to make a take-over bid to all shareholders. Such initiatives to acquire control may be structured such that they do not result in payment of an appropriate control premium or fair sharing of any control premium among all shareholders since such exemptions can permit a person to obtain such control or effective control without obtaining Shareholder approval and without treating all shareholders equally.

After considering the purpose that the Rights Plan continues to serve in ensuring fair and equal treatment of our Shareholders, on February 29, 2024, our Board determined that it is advisable and in the best interests of our Company to continue the Rights Plan for another three years. This continuation of the Rights Plan is not being proposed in response to, or in anticipation of, any pending, threatened or proposed acquisition of control or take-over bid and the Rights Plan is not intended as a means to prevent a take-over of our Company, to secure the continuance of our management or directors in their respective offices or to deter fair offers.

Summary of the Rights Plan

The following is a summary of the principal terms of the Rights Plan, which summary is qualified by and is subject to the full terms and conditions set forth in the Amended and Restated Rights Plan Agreement. Capitalized terms used in this section, but not defined, will have the meaning ascribed thereto in the Amended and Restated Rights Plan Agreement.

Issue of Rights

Pursuant to the Rights Plan, one right (“**Right**”) to purchase a Common Share was issued in respect of and is attached to each Common Share that was outstanding at such time. In addition, one (1) Right has been and will continue to be issued in respect of and attach to each Common Share issued thereafter, subject to the limitations set forth in the Rights Plan.

Acquiring Person

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

These exempt transactions include where any person becomes the beneficial owner of 20% or more of the Voting Shares as a result of, among other things: (i) an acquisition or redemption by our Company or a subsidiary of our Company of Voting Shares which, by reducing the number of Voting Shares outstanding or which may be voted, increases the proportionate number of Voting Shares beneficially owned by any person; (ii) acquisitions pursuant to a Permitted Bid or competing Permitted Bid; (iii) an acquisition to which the application of the Rights Plan has been waived by our directors in accordance with the Rights Plan (including the receipt of prior approval of holders of Voting Shares or Rights as required); (iv) an acquisition pursuant to an amalgamation, merger, plan of arrangement or other statutory procedure having similar effect which has been approved by the holders of Voting Shares; (v) an acquisition of Voting Shares made as an intermediate step in connection with an acquisition by our Company of assets or a business, provided that the person who acquires such Voting Shares distributes such securities to its securityholders and following such distribution no person has become the beneficial owner of 20% or more of the Voting Shares; or (vi) an acquisition of Voting Shares as a result of: an acquisition pursuant to a dividend reinvestment plan; a stock dividend, a stock split or other event pursuant to which a person becomes beneficial owner of Voting Shares on the same pro rata basis as all other holders of Voting Shares; or the acquisition or exercise by such person of rights to purchase Voting Shares distributed to such person in the course of a distribution to all holders of Voting Shares pursuant to a rights offering or pursuant to a prospectus or a distribution of Voting Shares or securities convertible into or exchangeable for Voting Shares (and the conversion or exchange of such convertible or exchangeable securities), made pursuant to a prospectus or a distribution by way of a private placement, provided in each case the person does not thereby acquire a greater percentage of such Voting Shares so offered than the person’s percentage of Voting Shares beneficially owned immediately prior to such acquisition.

A beneficial owner includes an owner of securities entitling the owner to become an owner of a Voting Share, including conversion or exchange rights or rights to purchase. The definition of “Beneficial Ownership” contains certain exclusions, including exemptions for investment managers whose ordinary business includes managing funds for others, mutual funds and their managers, trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds (including for employee benefit plans, pension plans and certain insurance plans), administrators of registered pension funds or plans and a Crown agent or agency, provided that such person is not then making or has not then announced a current intention to make a take-over bid alone or jointly or in concert with any other person. In addition, a person will not be deemed to have beneficial ownership of Voting Shares by virtue of having entered into a Permitted Lock-Up Agreement (as defined in the

Rights Plan) with a holder of Voting Shares whereby such holder agrees to deposit or tender such shares to a take-over bid made by such person, provided that such agreement meets certain requirements set forth in the Amended and Restated Rights Plan Agreement.

Rights Exercise Privilege

The Rights will separate from the Common Shares to which they are attached and will become exercisable at the close of business (the “**Separation Time**”) on the tenth (10th) trading day after the earliest of (a) the first date (the “**Stock Acquisition Date**”) of public announcement of facts indicating that a person and/or others associated or affiliated with such person, or acting in concert with such person, have become an Acquiring Person; (b) the date of commencement of, or first public announcement of the intent of any person to commence a take-over bid, other than a Permitted Bid or a competing Permitted Bid; (c) the date on which a Permitted Bid or competing Permitted Bid ceases to qualify as such; or (d) such later date as our directors may determine. Subject to adjustment as provided in the Rights Plan, each Right will entitle the holder to purchase one (1) Common Share at a price (the “**Exercise Price**”), until the Separation Time, at an amount equal to three times the market price, from time to time, per Common Share, and from and after the Separation Time, an amount equal to three the Market Price of a Common Share at the Separation Time. “Market Price” is the average of the daily closing prices per Common Share on each of the twenty (20) consecutive trading days through and including the trading day immediately preceding the relevant date.

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

Impact Once Rights Plan is Triggered

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

By permitting holders of Rights other than an Acquiring Person to acquire Common Shares at a discount to market value, the Rights may cause substantial dilution to a person or group that acquires 20% or more of the Voting Shares other than by way of a Permitted Bid or other than in circumstances where the Rights are redeemed or our directors waive the application of the Rights Plan in accordance with the terms thereof (including receipt of prior approval from the holders of Voting Shares or Rights if required).

Certificates and Transferability

Before the Separation Time, certificates for Common Shares will also evidence one Right for each Common Share represented by the certificate.

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

Permitted Bids

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

A “**Permitted Bid**” is a take-over bid where the bid is made by way of a take-over bid circular and: (i) is made to all holders of Voting Shares, other than the offeror; (ii) contains an irrevocable and unqualified provision that, no Voting Shares will be taken up or paid for pursuant to the take-over bid (A) prior to the close of business on a date which is not less than one hundred five (105) days following the date of the take-over bid or such shorter period that a take-over bid must remain open for pursuant to Securities Laws, and (B) then only if, at the close of business on the date Voting Shares are first taken up and paid for pursuant to such take-over bid, more than 50% of the Voting Shares held by shareholders other than the bidder, its associates and affiliates, and persons acting jointly or in concert with the bidder (the “**Independent Shareholders**”) have been tendered pursuant to the take-over bid and not withdrawn; (iii) contains an irrevocable and unqualified provision that, Voting Shares may be deposited pursuant to such take-over bid at any time during the period of time between the date of the take-over bid and the date on which Voting Shares may be taken up and paid for and any Voting Shares deposited pursuant to the take-over bid may be withdrawn until taken up and paid for; and (iv) contains an irrevocable and unqualified provision that, if on the date on which Voting Shares may be taken up and paid for under the take-over bid, more than 50% of the Voting Shares held by Independent Shareholders have been deposited pursuant to the take-over bid and not withdrawn, the offeror will make public announcement of that fact and the take-over bid will remain open for deposits and tenders of Voting Shares for not less than ten (10) Business Days from the date of such public announcement.

The Rights Plan also allows for a competing Permitted Bid to be made while a Permitted Bid is in existence. A competing Permitted Bid must satisfy all of the requirements of a Permitted Bid except that it is required to remain open for the minimum initial deposit period required under Securities Laws for such bid in the circumstances. Neither a Permitted Bid nor a competing bid is required to be approved by our directors and such bids may be made directly to shareholders. Acquisitions of Voting Shares made pursuant to a Permitted Bid or a competing Permitted Bid do not give rise to a Flip-in Event.

Waiver and Redemption

Our directors may, before the occurrence of a Flip-in Event that would occur as a result of a take-over bid to all holders of Voting Shares made under a circular prepared in accordance with applicable Securities Laws (a “**Take-over Bid Flip-in Event**”), waive the application of the Rights Plan to such Take-over Bid Flip-in Event. In such event, our directors shall be deemed to also have waived the application of the Rights Plan to any other Take-over Bid Flip-in Event prior to the expiry thereof. Subject to the prior consent of the shareholders as set forth in the Rights Plan, our directors may also, before the occurrence of a Flip-in Event that is not a Take-over Bid Flip-in Event, waive the application of the Rights Plan to such Flip-in Event. Our directors may also waive the application of the Rights Plan to an inadvertent Flip-in Event, on the condition that the person who became an Acquiring Person in the Flip-in Event reduces its beneficial ownership of Voting Shares such that it is not an Acquiring Person within eight (8) trading days of the determination of our directors (or any earlier or later time specified by our directors).

Until the occurrence of a Flip-in Event, our directors may, with the prior consent of the holders of the Voting Shares or the Rights, as applicable, elect to redeem all but not less than all of the then outstanding Rights at \$0.00001 per Right. In the event that a person acquires Voting Shares pursuant to a Permitted Bid or a competing Permitted Bid, then our directors shall, immediately upon the consummation of such acquisition, without further formality, be deemed to have elected to redeem the Rights at the redemption price. The Company shall not be obligated to make a payment of the redemption price to any holder of Rights unless the holder is entitled to receive at least \$10.00 in respect of all Rights held by such holder.

Supplement and Amendments

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

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

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

Confirmation

The Rights Plan must be reconfirmed at every third (3rd) annual meeting of shareholders of our Company. If the Rights Plan is not approved at any such meeting of shareholders, including the Meeting, the Rights Plan and all outstanding Rights will terminate and be void and of no further force and effect.

Voting Requirements

The resolution approving and confirming the Amended and Restated Rights Plan Agreement must be approved by a simple majority of the votes cast at the Meeting by Independent Shareholders (as defined therein). In effect, all Shareholders will be considered Independent Shareholders provided they are not, at the relevant time, an Acquiring Person or making a take-over bid for our Company. Our Company is not aware of any Shareholder whose vote at the Meeting would be excluded for these purposes. The TSX requires that the resolution be passed by a simple majority of the votes cast at the Meeting by all Shareholders in order to maintain the listing of the Rights on such exchange.

Our Board unanimously recommends that Shareholders vote “FOR” the resolution approving and confirming the Amended and Restated Rights Plan Agreement.

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

BE IT RESOLVED as an ordinary resolution of the shareholders of the Company that:

1. the continued existence of the Amended and Restated Shareholder Protection Rights Plan Agreement dated as of May 14, 2018 between the Company and Computershare Trust Company, assumed by Odyssey Trust Company on June 20, 2023 (the “**Rights Plan Agreement**”) be approved and confirmed and the Company is authorized to continue to perform its obligations under the Rights Plan Agreement; and
2. any officer or director of the Company be and is hereby authorized for and on behalf of the Company, whether under its corporate seal or otherwise, to execute and deliver all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any of such actions.

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

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers of the Company

The following section of this Circular discusses Black Diamond’s approach to the compensation paid to our President and Chief Executive Officer (“**CEO**”), Executive Vice President and Chief Financial Officer; and the next three most highly compensated executive officers, during the year ended December 31, 2023, 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** – 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 Company's shareholders.
- **Pay for Performance** – With the focus on equity-based incentives, the majority of our NEOs' compensation is at-risk. Approximately 77% of the CEO's and an average of 72% of the other NEOs' 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 2023 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 Company 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 NI 58-101. The following table sets forth the relevant skills and experience of each current member of our Compensation Committee that enables such member to make decisions on the suitability of our compensation policies and practices.

<u>Name</u>	<u>Relevant Skills and Experience</u>
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 a member and Chair of the Compensation Committee for various public companies. Mr. Kernaghan was the Chair of the Compensation Committee for Waterloo Brewing

Name	Relevant Skills and Experience
	Company and 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:

- (i) to review the compensation philosophy and remuneration policy for our officers and to recommend to our Board changes to improve our ability to recruit, retain and motivate employees;
- (ii) to review and recommend to our Board the retainer and fees to be paid to members of our Board;
- (iii) to review and approve corporate goals and objectives relevant to the compensation of our President and Chief Executive Officer, evaluate our President and Chief Executive Officer's performance in light of those corporate goals and objectives, and determine (or make recommendations to our Board with respect to) our President and Chief Executive Officer's compensation level based on such evaluation;
- (iv) to recommend to our Board with respect to non-Chief Executive Officer 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 the Option Plan, our Company's 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 NI 58-101.

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 do 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 is a balance between cash and equity-based 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, the Compensation Committee 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 Company 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. Our NEOs must achieve and maintain a value of two to three times each NEO's respective base annual salary through the ownership of Common Shares or Incentive Awards. 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 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 Company 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 Mandatory Equity Ownership Policy and of our NEOs' progress around ownership guidelines as of March 22, 2024, are presented below.

Position	Name	# of Common Shares	# of Incentive Awards ⁽²⁾	Ownership Requirement (Multiple of Salary)	Current Market Value ⁽¹⁾	Meets Share Ownership Requirement
Chairman, President and Chief Executive Officer	Trevor Haynes	4,643,273	140,414	3x	\$41,905,098	Yes
Executive Vice President and Chief Financial Officer	Toby LaBrie	442,422	90,874	2x	\$4,671,673	Yes
Executive Vice President and Chief Operating Officer, Workforce Solutions	Mike Ridley	339,611	31,869	2x	\$3,254,165	Yes
Executive Vice President and Chief Operating Officer, Modular Space Solutions	Edward (Ted) Redmond	346,924	35,396	2x	\$3,349,123	Yes
Executive Vice President and Chief Information Officer	Patrick Melanson ⁽³⁾	130,149	108,478	2x	\$2,090,373	Yes

Notes:

- 1) Calculated based on the closing price of the Common Shares on the TSX on March 22, 2024, which was \$8.76 per Common Share.
- 2) Number of Incentive Awards outstanding as of March 22, 2024. Performance Awards are valued assuming third quartile performance results.
- 3) Mr. Melanson retired as Chief Information Officer effective as of December 31, 2023. He remains with LodgeLink as its Chief Technology Officer.

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 2023:

Priorities	Actions
Grow MSS	<ul style="list-style-type: none"> Black Diamond continued to drive profitable growth in MSS, with revenue of \$206.7 million growing 21% in 2023 from \$170.7 million in 2022; and Adjusted EBITDA up 34% to \$72.7 million from \$54.4 million in 2022.
Scale LodgeLink	<ul style="list-style-type: none"> LodgeLink continued to grow both its customer base and supply network while making further market share gains in the U.S. Net revenue in LodgeLink grew 48% to \$9.8 million in 2023 from \$6.6 million in 2022.
Unlock WFS Operating Leverage	<ul style="list-style-type: none"> Diversification efforts continue to drive improvements in the WFS segment as consolidated utilization of 68.6% increased by more than 6 percentage points from 62.4% in 2022. This has also driven improved revenue and profitability with WFS revenue of \$186.8 million growing 21% from 2023, and WFS Adjusted EBITDA of \$59.1 million up 17% from 2022.
Operational Excellence	<ul style="list-style-type: none"> Continued to progress operational excellence initiatives across the business to institutionalize efficient fleet management, while also beginning a new ERP (Enterprise Resource Management) system implementation to further drive operational efficiencies.
Employee Engagement	<ul style="list-style-type: none"> Ongoing focus on upholding and reinforcing Black Diamond's values-based, safety-conscious and high-performance culture, underpinned by intentional leadership training and effective and transparent communications. Continued enhancements in employee engagement through formal career development plans, employee recognition events and community investment initiatives.

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

Target Hospitality Corp.

Civeo Corporation

Transcat Inc.

CECO Environmental Corp.

Orion Group Holdings, Inc.

United Rentals Inc.

WillScot Mobile Mini Holdings Corp.

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 practice.

Compensation Element	Form	Purpose of Element	Determination
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

Compensation Element	Form	Purpose of Element	Determination
			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 enhance shareholder value.	Annual bonus opportunity for each NEO is set in 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 Bonuses</i> " below.
Award Plan	Cash or 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.	<p>Restricted Award and Performance Award grants are determined in reference to competitive practice 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 performance criteria over a three (3) year period, whereas Restricted Awards vest over a three (3) year period, subject to continued employment.</p> <p>The Compensation Committee has established performance criteria with respect to Performance Awards that were granted in 2023 to three NEOs. These criteria are based on the achievement of LodgeLink net revenue growth targets and based on the terms of the Award Plan, results against these criteria for 1st, 2nd, 3rd and 4th quartile performance result in vesting multipliers of 0% to a maximum of 200%, which are all measured and vest at the end of three years.</p>
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 practice 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.
Share Appreciation Rights Plan	Cash	Designed to develop the interests of officers and employees in the growth and development of LodgeLink by providing them with the opportunity through SARs to	SAR grants are determined in reference to competitive practice and are granted at such levels that total compensation can achieve above-market levels provided that LodgeLink's growth meets or exceeds set targets.

Compensation Element	Form	Purpose of Element	Determination
		share in the long-term upside value growth of LodgeLink.	The maximum of all SARs outstanding at any time shall be limited to 15% of the number of issued and outstanding common shares of LodgeLink.

Base Salary

Base salaries are reviewed annually and are set based on market conditions, individual performance, and to facilitate key employee retention. Base salaries remained the same from 2022 to 2023 for NEOs. The table below shows each NEO's annual base salary in 2023.

Executive	Base salary at December 31, 2022	Base Salary at December 31, 2023
Trevor Haynes	600,000	600,000
Toby LaBrie	340,000	340,000
Mike Ridley	360,000	360,000
Edward (Ted) Redmond	400,000	400,000
Patrick Melanson	320,000	320,000

Short-Term Incentive Compensation – Annual Cash Bonuses

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

- **Corporate performance.** Corporate performance is based on two company-wide performance metrics that are designed to drive achievement of near-term business priorities and financial results for the organization.
- **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.
- **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 organization in order to recognize and differentiate individual actions and contributions in final pay decisions.

$$\begin{array}{c} \text{NEO target} \\ \text{award} \\ (\$) \end{array} \times \left[\begin{array}{c} \text{Corporate} \\ \text{payout} \\ \text{percentage} \\ \times \\ \text{weighting} \end{array} + \begin{array}{c} \text{Business Unit} \\ \text{payout} \\ \text{percentage} \\ \times \\ \text{weighting} \end{array} + \begin{array}{c} \text{Individual} \\ \text{payout} \\ \text{percentage} \\ \times \\ \text{weighting} \end{array} \right] = \begin{array}{c} \text{Short-term} \\ \text{incentive} \\ \text{award} (\$) \end{array}$$

For 2023, each NEO's target STIP award and corresponding weighting of corporate, business unit and individual performance metrics were as follows:

Executive	2022 target STIP (% of base salary)	2023 target STIP (% of base salary)	2023 Target STIP ⁽¹⁾	Performance Measure Weighting		
				Corporate	Business Unit	Individual
Trevor Haynes	125%	125%	750,000	50%	25%	25%
Toby LaBrie	100%	100%	340,000	50%	25%	25%
Mike Ridley	100%	100%	360,000	35%	40%	25%
Edward (Ted) Redmond	100%	100%	400,000	35%	40%	25%
Patrick Melanson	100%	100%	320,000	35%	30%	35%

Note:

1) 2023 target STIP awards are based on annual base salary as of January 1, 2023.

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 2023, Adjusted Earnings per Share² and Return on Assets (EBIT/NBV)² equally weighted was used to determine 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 1.5x.

The Compensation Committee believes the use of Adjusted Earnings per Share and Return on Assets (EBIT/NBV) are appropriate measures of financial performance for the Company. Focusing management on these metrics will enhance transparency and achievement of the Company'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 Company's 2023 STIP awards, the Adjusted Earnings per Share was determined to be \$0.53 and Return on Assets (EBIT/NBV) was determined to be 11.68% resulting in a performance multiplier of 1.16x for the corporate financial metric ratio.

2023 Corporate Financial Metrics	Weighting	<Threshold 0.0x	Threshold 0.5x	Target 1.0x	Maximum 1.5x	Actual	Corporate Multiplier
Adjusted Earnings per Share ¹	50%	<\$0.31	\$0.31	\$0.41	\$0.62	\$0.53	1.29x
Return on Assets (EBIT/NBV) ¹	50%	<8.60%	8.60%	11.46%	17.19%	11.68%	1.02x
Consolidated Corporate Financial							1.16x

Business Unit and Individual Performance

In the first quarter of 2023, the Compensation Committee established individual performance objectives for Mr. Haynes, taking into consideration the Company's financial and strategic annual and long-term strategic priorities. For our other NEOs, the Compensation Committee established their business unit and individual performance objectives for 2023 at the start of the year, based on strategic and operational priorities related to each executive's portfolio and other factors.

² Adjusted Earnings per Share is a non-GAAP financial measure and Return on Assets (EBIT/NBV) is a non-GAAP ratio.

Executive	Business Unit	Business Unit and Individual Metric Description	
Trevor Haynes	All	0.98x	Financial, operating, safety and commercial measures to attain short- and long-term strategy
Toby LaBrie	All	0.98x	Financial, operating, safety and commercial measures to attain short- and long-term strategy Non-financial project initiatives for the combined enterprise
Ted Redmond	Modular Space Solutions	1.02x	Financial, operating, safety and commercial measures for the MSS Business unit
Mike Ridley	Modular Space Solutions	1.00x	Financial, operating, safety and commercial measures for the WFS business unit
Patrick Melanson	All	0.89x	Financial, operating, and commercial measures for the LodgeLink business unit Non-financial information technology project initiatives Financial (Corporate cost efficiency)

Short-Term Incentive Award Calculations

Black Diamond delivered strong results in 2023 driven by solid operating performance across the business. This execution against Black Diamond's business strategies resulted in performance outcomes exceeding the 2023 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 Multiplier	+	Weight	+	Business Unit Multiplier	x	Weight	+	Individual Multiplier	x	Weight	=	Performance Measure Overall Multiplier
Trevor Haynes	1.16	+	50%	+	0.98	x	25%	+	1.007	x	25%	=	1.077
Toby LaBrie	1.16	+	50%	+	0.98	x	25%	+	1.023	x	25%	=	1.081
Ted Redmond	1.16	+	35%	+	1.02	x	40%	+	0.996	x	25%	=	1.063
Mike Ridley	1.16	+	35%	+	1.00	x	40%	+	1.125	x	25%	=	1.087
Patrick Melanson	1.16	+	35%	+	0.89	x	30%	+	1.045	x	35%	=	1.039

Executive	2023 Target STIP	x	Performance Measure Overall Multiplier	=	2023 Calculated STIP award (\$)
Trevor Haynes	750,000	x	1.077	=	807,750
Toby LaBrie	340,000	x	1.081	=	367,540
Ted Redmond	400,000	x	1.063	=	425,200
Mike Ridley	350,000	x	1.087	=	391,320
Patrick Melanson	320,000	x	1.039	=	332,480

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 Company. 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 generally vest at a rate of one-third on each of the first, second and third anniversaries of the date of grant. 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 Company. 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. Incentive Awards are normally 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 are 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

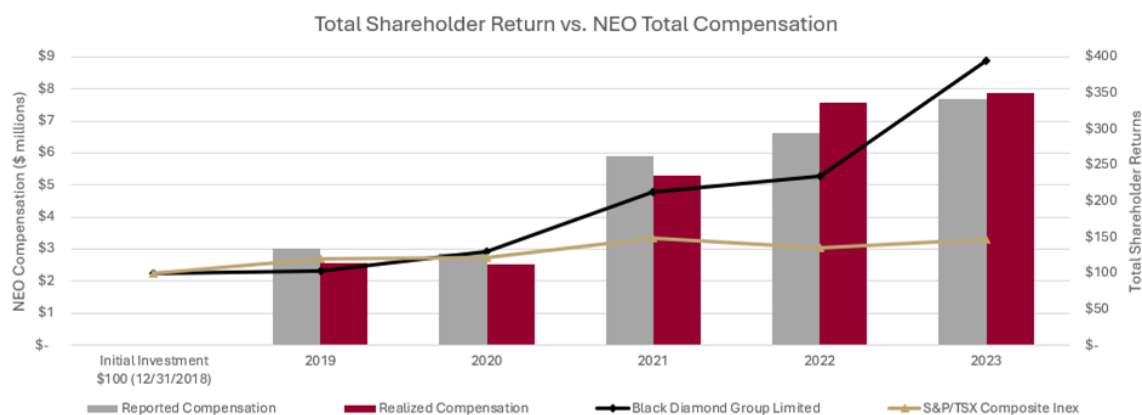
Compensation Committee and our Board have flexibility in the determination of the size and mix of the Incentive Awards and will assess all relevant circumstances, including the number of Options and/or Incentive Awards held by such individual, the implied value of the Options and Incentive Awards, the 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 is 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 – Award 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, some of which are also available to the other employees of our Company. 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 January 1, 2019 to December 31, 2023, as measured by the closing price of the Common Shares on the TSX at the end of each year with the cumulative total return on the S&P/TSX Composite 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 ⁽¹⁾

	2019	2020	2021	2022	2023
S&P/TSX Composite Index	\$119	\$122	\$148	\$135	\$146
BDI-TSX Share Price ⁽²⁾	\$2.15	\$2.72	\$4.46	\$4.90	\$8.26
Black Diamond Group Limited	\$103	\$130	\$213	\$243	\$395

Note:

- 1) Assuming an investment of \$100 on January 1, 2019 at the closing Common Share price of \$2.09 and the closing S&P/TSX Composite Index value of \$14,322.86 on December 31, 2018.
- 2) Closing Common Share price on the TSX on the last trading day of each applicable year.

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, 2023 represents the compensation actually paid or realized by the NEOs in respect of each year.
- The discrepancy between Reported Compensation and Realized Compensation in certain years reflects the underwater status of Options in certain years and the outperformance of the stock price in other years. 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 (1)	Option-based awards (2)	Non-equity incentive plan compensation		Pension value	All other compensation (5)	Total compensation
					Annual incentive plans (3)	Long-term incentive plans (4)			
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Trevor Haynes President and Chief Executive Officer ⁽⁶⁾	2023	600,000	669,132	527,850	807,750	Nil	Nil	-	2,604,732
	2022	589,583	270,000	480,000	982,500	Nil	Nil	-	2,322,083
	2021	550,000	178,621	319,740	910,573	Nil	Nil	-	1,958,934
Toby LaBrie Executive Vice President and Chief Financial Officer	2023	340,000	501,132	176,000	367,540	Nil	Nil	-	1,384,672
	2022	331,675	102,000	153,000	452,200	Nil	Nil	-	1,038,875
	2021	300,000	99,234	135,780	404,595	Nil	Nil	-	939,609
Mike Ridley Executive Vice President, Chief Operating Officer, Workforce Solutions	2023	360,000	108,000	180,000	391,320	Nil	Nil	-	1,039,320
	2022	352,708	108,000	162,000	500,400	Nil	Nil	-	1,123,108
	2021	325,000	99,234	135,780	455,582	Nil	Nil	-	1,015,596
Edward (Ted) Redmond, Executive Vice President and Chief Operating Officer, Modular Space Solutions	2023	400,000	120,000	207,000	425,200	Nil	Nil	-	1,152,200
	2022	391,666	120,000	180,000	476,000	Nil	Nil	-	1,167,666
	2021	360,000	99,234	135,780	514,382	Nil	Nil	-	1,109,396
Patrick Melanson Executive Vice President and	2023	320,000	694,698	160,000	332,480	Nil	Nil	-	1,507,178
	2022	313,125	96,000	144,000	403,200	Nil	Nil	-	956,325

Name and principal position	Year	Salary	Share-based awards (1)	Option-based awards (2)	Non-equity incentive plan compensation		Pension value (6)	All other compensation (5)	Total compensation (8)
					Annual incentive plans (3)	Long-term incentive plans (4)			
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Chief Information Officer	2021	287,000	99,234	135,780	340,170	Nil	Nil	-	862,184

Notes:

- Refers to the value of the Incentive Awards granted under the Award Plan. See “*Incentive Plans – Award 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 for the five (5) trading days immediately preceding such date. Performance Awards were awarded in 2023 to Messrs. Haynes, LaBrie, and Melanson to align to specific performance of LodgeLink. The Performance Awards are based on the achievement of LodgeLink’s net revenue growth targets and based on the terms of the Award Plan, results against these criteria for 1st, 2nd, 3rd and 4th quartile performance result in vesting multipliers of 0% to a maximum of 200%, all measured and vested on the three year anniversary of the grant.
- 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 2021: dividend yields of nil; expected average volatility of 56%; average risk-free rate of interest of 0.78%; and an expected life of Option of three (3) years; the following assumptions for 2022: dividend yields of 1.38%; expected average volatility of 53.5%; average risk-free rate if interest of 1.58%; and expected life of Option of three (3) years; and the following assumptions for 2023: dividend yields of 1.20%; expected average volatility of 48.35%; average risk-free rate if interest of 3.67%; and expected life of Option of three (3) years. Black Scholes Values calculated based on the above variables equated to \$1.46 in 2021, \$1.54 in 2022 and \$2.27 in 2023. 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.
- 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.
- Messrs. Haynes, LaBrie and Melanson have been granted SARs under a Share Appreciation Rights Plan for LodgeLink Inc. These SARs 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.
- 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.
- Mr. Haynes does not receive any compensation for serving as a member of the Board.

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, 2023.

Name	Option-based Awards				Share-based Awards ⁽²⁾		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽³⁾ (\$)	Market or payout value of vested share-based awards not paid out or distributed ⁽⁴⁾ (\$)
Trevor Haynes	224,670	6.65	March 14, 2028	341,004			

Name	Option-based Awards				Share-based Awards ⁽²⁾		
	Number of securities underlying unexercised Options	Option exercise price	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested ⁽³⁾	Market or payout value of vested share-based awards not paid out or distributed ⁽⁴⁾
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
	311,688	4.36	March 14, 2027	1,187,126			Nil
	219,000	3.31	March 17, 2026	1,064,822			Nil
	54,000	1.29	March 16, 2025	371,779			Nil
	293,046	1.96	March 14, 2024	1,820,226			Nil
	1,102,404			4,784,957	162,430	1,327,053	Nil
Toby LaBrie	74,890	6.65	March 14, 2028	113,668			
	99,351	4.36	March 14, 2027	378,398			Nil
	93,000	3.31	March 17, 2026	452,185			Nil
	63,000	1.29	March 16, 2025	433,742			Nil
	96,877	1.96	March 14, 2024	601,742			Nil
	427,118			1,979,735	102,352	836,216	Nil
Mike Ridley	79,295	6.65	March 14, 2028	120,354			
	105,195	4.36	March 14, 2027	400,656			Nil
	93,000	3.31	March 17, 2026	452,185			Nil
	63,000	1.29	March 16, 2025	433,742			Nil
	79,292	1.96	March 14, 2024	492,514			Nil
	419,782			1,899,451	43,631	356,465	Nil
Edward (Ted) Redmond	88,106	6.65	March 14, 2028	133,727			
	116,883	4.36	March 14, 2027	445,172			Nil
	93,000	3.31	March 17, 2026	452,185			Nil
	63,000	1.29	March 16, 2025	433,742			Nil
	120,000	1.78	October 1, 2024	768,000			Nil
	480,989			2,232,827	47,336	386,735	Nil
Patrick Melanson	70,485	6.65	March 14, 2028	106,982			
	93,506	4.36	March 14, 2027	356,136			Nil
	93,000	3.31	March 17, 2026	452,185			Nil
	63,000	1.29	March 16, 2025	433,742			Nil
	70,504	1.96	March 14, 2024	437,929			Nil
	390,495			1,786,974	130,785	1,068,513	Nil

Notes:

- 1) Calculated based on the closing price of the Common Shares on the TSX on December 29, 2023, which was \$8.17 per Common 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 29, 2023, which was \$8.17 per Common Share, multiplied by the number of notional Common Shares underlying such Restricted Awards and Performance Awards (valued assuming third quartile performance results).
- 4) 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 during the year ended December 31, 2023, and the value of non-equity incentive plan compensation earned during the year ended December 31, 2023, for each Named Executive Officer.

Name	Option-based awards – Value of Options vested during the year (as at vesting date) ⁽¹⁾	Share-based awards- Value vested during the year ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
Trevor Haynes	681,673	582,117	807,750
Toby LaBrie	258,363	300,260	367,540
Mike Ridley	262,140	303,142	391,320
Edward (Ted) Redmond	269,693	308,919	425,200
Patrick Melanson	254,586	297,366	332,480

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, 2023, 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, 2023, had a payout multiplier of 2X based on achieving first quartile financial targets.

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 and LaBrie elect to terminate their agreements following a change of control, the payments, as calculated at December 31, 2023, are equal to the termination amounts set out in the table below.

Name	Total Compensation⁽¹⁾	Vacation	As of December 31, 2023 (\$) ⁽¹⁾
Trevor Haynes	2x	Accrued	3,273,073
Toby LaBrie	2x	Accrued	1,638,795
Mike Ridley	1/3 plus 1/12 per year of service ⁽²⁾	Accrued	765,626
Edward (Ted) Redmond	1x	Accrued	955,191
Patrick Melanson	1/3 plus 1/12 per year of service ⁽²⁾	Accrued	739,685

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 general 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. Our Company is seeking further approval at the Meeting for the unallocated Options under our Option Plan beyond April 27, 2024. See "*Approval of Unallocated Options Under the Option Plan*".

The Option Plan permits the granting of Options to our and our subsidiaries' officers, employees, consultants and other service providers. Non-management directors are not eligible to participate in the Option Plan. 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, 2023, there were Options to acquire 3,334,506 Common Shares outstanding, representing approximately 5.5% 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.

Award Plan

Our Shareholders last approved the issuance of Common Shares from treasury pursuant to the Award Plan at the annual general and special meeting of Shareholders held on April 27, 2021. The Award Plan provides for the granting of Incentive Awards to Service Providers. Non-management directors are not eligible to participate in the Award Plan. The policies of the TSX require that the unallocated Incentive Awards under the Award Plan be approved every three (3) years by our Shareholders. Our Company is seeking further approval at the Meeting for the Award Plan beyond April 27, 2024. See “*Approval of the Issuance of Common Shares from Treasury Pursuant to the Award Plan*”.

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), 0.5x-1x (for third quartile ranking), 1x-2x (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, 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, 2023, there were 511,282 Incentive Awards outstanding, representing approximately 0.8% 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, 2023.

Plan Category	Number of securities to be issued upon exercise of outstanding Options, warrants and rights (a)	Weighted average exercise price of outstanding Options, warrants and rights (b)	Number of securities remaining available for future issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders ⁽¹⁾			2,173,021 Common Shares ⁽²⁾⁽³⁾
Option Plan	3,334,506 Common Shares	\$3.44 Common Shares	
Award Plan	511,282 Common Shares	Not applicable	
Equity compensation plans not yet approved by securityholders	Nil	Not applicable	Nil
Total	3,845,788 Common Shares⁽³⁾	\$3.44 Common Shares	2,173,021 Common Shares

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 general and special meeting of shareholders on April 27, 2021. Our Company is seeking further approval at the Meeting for the unallocated Options under our Option Plan and unallocated Incentive Awards under our Award Plan beyond April 27, 2024. See “*Approval of Unallocated Options Under the Option Plan*” and “*Approval of the Issuance of Common Shares from Treasury Pursuant to the Award Plan*”.
- 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 “*Award Plan*”.
- 3) This represents approximately 6.4% of the issued and outstanding Common Shares resulting in 3.6% of the Common Shares available for issuance at December 31, 2023.

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.

Annual Equity based Incentive Burn Rate	2021	2022	2023
Options Granted	987,000	726,623	537,446
Incentive Units Granted	318,000	160,586	314,628
Weighted Average Shares Outstanding	57,620,720	59,189,254	60,199,982
Option Plan Burn Rate	1.7%	1.2%	0.9%
Resulting Award Plan Burn Rate	0.6%	0.3%	0.3%

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 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, 2023, 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, the Chairman of the ESGNC, 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, 2023, the non-management directors were each awarded an annual grant of \$75,000 worth of DSUs, issued quarterly.

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 U.S. 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 Company 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 2023.

Directors’ Summary Compensation Table

The following table sets forth information concerning the compensation earned by 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, 2023.

Name	Fees earned	Share-based awards ⁽²⁾	Option-based awards ⁽³⁾	Non-equity incentive plan compensation	Pension value	All other compensation	Total ⁽⁴⁾
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Robert J. Herdman	68,000	75,000	Nil	Nil	Nil	Nil	143,000
Barbara J. Kelley	63,125 ⁽¹⁾	75,000	Nil	Nil	Nil	Nil	138,125
Edward H. Kernaghan	62,750	75,000	Nil	Nil	Nil	Nil	137,750
Steven Stein	50,000	75,000	Nil	Nil	Nil	Nil	125,000
Robert Wagemakers	59,000	75,000	Nil	Nil	Nil	Nil	134,000
Brian Hedges ⁽⁵⁾	Nil	137,750	Nil	Nil	Nil	Nil	137,750
Leilani Latimer	48,000	75,000	Nil	Nil	Nil	Nil	123,000

Notes:

- Includes US\$7,500 of fees which we paid Ms. Kelley for serving as a director of certain of our subsidiaries.
- The compensation reported under share-based awards is the value of DSUs granted in the year ended December 31, 2023. 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.
- No option-based awards were made to non-management directors in 2023.

- 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, 2023.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised Options	Option exercise price	Option expiration date	Value of unexercised in-the-money Options	Number of shares or units of shares that have not vested ⁽¹⁾	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed ⁽¹⁾⁽²⁾
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Robert J. Herdman	Nil	n/a	n/a	n/a	11,967	97,770	519,857
Barbara J. Kelley	Nil	n/a	n/a	n/a	11,967	97,770	491,883
Edward H. Kernaghan	Nil	n/a	n/a	n/a	11,967	97,770	401,327
Steven Stein	Nil	n/a	n/a	n/a	11,967	97,770	445,371
Robert Wagemakers	Nil	n/a	n/a	n/a	11,967	97,770	492,341
Leilani Latimer	Nil	n/a	n/a	n/a	11,967	97,770	211,913
Brian Hedges	Nil	n/a	n/a	n/a	11,967	97,770	459,129

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, 2023 multiplied by the closing price of the Common Shares on the TSX on December 29, 2023, which was \$8.17 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, 2023, and the value of non-equity incentive plan compensation earned during the year ended December 31, 2023.

Name	Option-based awards – Value vested during the year (as at vesting date) ⁽¹⁾	Share-based awards – Value vested during the year ⁽²⁾⁽³⁾	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
Robert J. Herdman	Nil	148,776	Nil
Barbara J. Kelley	Nil	148,776	Nil
Edward H. Kernaghan	Nil	148,776	Nil
Steven Stein	Nil	148,776	Nil

Name	Option-based awards – Value vested during the year (as at vesting date) ⁽¹⁾	Share-based awards – Value vested during the year ⁽²⁾⁽³⁾	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
Robert Wagemakers	Nil	148,776	Nil
Leilani Latimer	Nil	148,776	Nil
Brian Hedges ⁽⁴⁾	Nil	224,847	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, 2023 multiplied by the closing price of the Common Shares on the TSX on December 29, 2023, which was \$8.17 per Common Share.
- 4) Mr. Hedges' fees earned were awarded in DSUs rather than in cash and vest immediately.

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 Company 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 Company 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 22, 2024.

Position	Name	# of Common Shares	# of DSUs	Ownership Requirement (Multiple of Retainer)	Current Market Value ⁽¹⁾	Meets Share Ownership Requirement ⁽²⁾
Lead Director	Robert Wagemakers	648,511 ⁽³⁾	74,555	3x	\$6,334,058	Yes
Director	Robert Herdman	Nil	77,932	3x	\$682,684	Yes
Director	Barbara J. Kelley	Nil	74,499	3x	\$652,611	Yes
Director	Edward H. Kernaghan	8,666,000 ⁽⁴⁾	63,377	3x	\$76,469,343	Yes
Director	Steven Stein	833,940 ⁽⁵⁾	68,786	3x	\$7,907,880	Yes
Director	Brian Hedges	25,000	72,038	3x	\$850,053	Yes
Director	Leilani Latimer	Nil	40,112	3x	\$351,381	Yes

Notes:

- 1) Calculated based on the closing price of the Common Shares on the TSX on March 22, 2024, which was \$8.76 per Common Share.
- 2) Any current director that does not meet the requirements of the Mandatory Equity Ownership Policy has until 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 92,704 Common Shares registered in the name of S.S. Madison Holdings Ltd., where Mr. Stein is the President.

CORPORATE GOVERNANCE DISCLOSURE

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 the President and Chief Executive Officer of the Company.

(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	Exco Technologies Limited Obsidian Energy Ltd. Velan Inc.
Steven Stein	Scottie Resources Corp.
Brian Hedges	Russel Metals 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 5 board meetings held during the fiscal year ended December 31, 2023. *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.**

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, 2023, is as follows:

<u>Name of Director</u>	<u>Attendance Record</u>
Trevor Haynes	5/5 Board Meetings ⁽¹⁾
Steven Stein	5/5 Board Meetings 4/4 Audit Committee Meetings
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
Edward H. Kernaghan	5/5 Board Meetings 4/4 Audit Committee Meetings 2/2 Compensation Committee Meetings
Brian Hedges	5/5 Board Meetings 2/2 Compensation Committee Meetings

Name of Director	Attendance Record
Leilani Latimer	5/5 Board Meetings 2/2 Environmental, Social and Governance and Nominating Committee Meetings
Robert Wagemakers	5/5 Board Meetings 2/2 Compensation Committee Meetings 2/2 Environmental, Social and Governance and Nominating Committee Meetings

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. 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, enroll 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 and under our profile on SEDAR+ at www.sedarplus.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, 2023, 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 ABCA, 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 ABCA 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 – Compensation Committee Mandate*” 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.

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 industrial sectors in which we operate 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.

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 organization 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.
- (iii) 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.

		Year ended December 31, 2023
	Number	%
Women on board of directors	2	25%

(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.

		Year ended December 31, 2023
	Number	%
Women in executive officer	4	17% positions

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

No informed person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of Black Diamond, or any known associate or affiliate of any informed person, has had any material interest, direct or indirect, in any transaction, or proposed transaction, which has materially affected or would materially affect Black Diamond since the commencement of its most recently completed financial year.

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, or of any associates or affiliates of any of the foregoing persons, in any matter to be acted on at the Meeting.

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 General and Special Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

ADDITIONAL INFORMATION

Additional financial information is provided in Black Diamond's audited consolidated financial statements and management's discussion and analysis for the fiscal year ended December 31, 2023.

Securityholders may contact Black Diamond to request a copy of the audited consolidated financial statements and management's discussion and analysis for the fiscal year ended December 31, 2023 at:

Black Diamond Group Limited
Suite 1000, 440 - 2nd Avenue SW
Calgary, Alberta T2P 5E9
Phone: (403) 206-4747
Facsimile: (403) 264-9281

Information relating to Black Diamond can also be obtained on SEDAR+ under Black Diamond's profile at www.sedarplus.com.

APPENDIX A
BOARD MANDATE

(See attached)

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 Compensation, Nominating and Corporate Governance Committee including ensuring that a majority of directors qualify as independent directors pursuant to National Instrument 58-101 – Disclosure of Corporate Governance Practices (as implemented by the Canadian Securities Administrators and as amended from time to time) and that the appropriate number of independent directors are on each committee of the Board as required under applicable securities rules and requirements.
- Approve the nomination of directors.

- Provide a comprehensive orientation to each new director and provide continuing education as required.
- Establish an appropriate system of corporate governance including practices to ensure the Board functions independently of management.
- Develop a clear position description for the Chairman and the Lead Director of the Board.
- Establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members.
- Establish committees, approve their respective mandates and the limits of authority delegated to each committee and develop clear position descriptions for the Chair of each committee.
- Review and re-assess the adequacy of the mandate of the committees of the Board on a regular basis, but not less frequently than on an annual basis.
- Review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.

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

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

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

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

DELEGATION

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