

BLACK DIAMOND GROUP LIMITED

COMPENSATION COMMITTEE

MANDATE AND TERMS OF REFERENCE

Role and Objective

The Compensation Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Black Diamond Group Limited (“**Black Diamond**” or the “**Corporation**”) to which the Board has delegated the responsibility for reviewing matters relating to the human resource policies and compensation of the directors, officers and employees of the Corporation and its subsidiaries in the context of the budget and business plan of the Corporation.

Membership of the Committee

1. The Committee shall be comprised of at least three (3) directors of Black Diamond or such greater number as the Board may determine from time to time and all of the members of the Committee shall be “independent” (as such term is defined for purposes of National Instrument 58-101 – Disclosure of Corporate Governance Practices).
2. The Board may from time to time designate one of the members of the Committee to be the Chair of the Committee.

Mandate and Responsibilities of the Committee

1. The Committee shall formulate and make recommendations to the Board in respect of compensation issues relating to directors, officers and, to the extent determined appropriate, employees of the Corporation. Without limiting the generality of the foregoing and in addition to any other duties and authorities delegated to it by the Board from time to time, the Committee will have the authority and responsibility for the following duties:
 - (a) to review the compensation philosophy and remuneration policy for officers of the Corporation and to recommend to the Board changes to improve the Corporation's ability to recruit, retain and motivate employees;
 - (b) to review and recommend to the Board the retainer and fees to be paid to members of the Board;
 - (c) to review and approve corporate goals and objectives relevant to the compensation of the President and Chief Executive Officer (“**CEO**”), evaluate the President and CEO's performance in light of those corporate goals and objectives, and determine (or make recommendations to the Board with respect to) the President and CEO's compensation level based on such evaluation;
 - (d) to recommend to the Board with respect to non-CEO officer and director compensation including to review management's recommendations for proposed share option, share purchase plans and other incentive-compensation plans and equity-based plans for non-CEO officer and director compensation and make recommendations in respect thereof to the Board;

- (e) to administer the share option plan and other incentive plans approved by the Board in accordance with their terms including recommending (and, if delegated authority thereunder, approving) the grant of share options or other incentives in accordance with the terms thereof;
- (f) to determine and recommend for approval of the Board bonuses to be paid to officers and employees of the Corporation and its subsidiaries and to establish targets or criteria for the payment of such bonuses, if appropriate;
- (g) to review the annual disclosure required by applicable securities laws to be made by the Corporation with respect to compensation including the Compensation Discussion and Analysis required to be included in the information circular – proxy statement of the Corporation and review other executive compensation disclosure before the Corporation publicly discloses such information; and
- (h) conduct an assessment, at least once a year, of the risks associated with the Corporation's compensation policies and practices and prepare and submit to the Board annually a report summarizing: (i) the risks identified in such assessment that are reasonably likely to have a material adverse effect on the Corporation; (ii) the recommendations of the 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.

Meetings and Administrative Matters

1. At all meetings of the Committee every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote.
2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present will designate from among the members present the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. Meetings of the Committee should be scheduled to take place at least one time per year and at such other times as the Chair of the Committee may determine. The Committee shall meet for a portion of each meeting without non-independent directors and management participation.
5. Agendas will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
6. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.
7. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.

8. The Committee may retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.
9. Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as two members remain on the Committee. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.
10. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Lead Director of the Board by the Committee Chair.