

## **BLACK DIAMOND GROUP LIMITED**

### **ANTI-HEDGING POLICY** (the “**Policy**”)

#### **Introduction and Objective**

The Board of Directors (the “**Board**”) of Black Diamond Group Limited (“**Black Diamond**”) believe that it is inappropriate for directors, officers or employees of Black Diamond or its subsidiaries, or, to the extent practicable, any other person (or their associates) in a special relationship (within the meaning of applicable securities laws) with Black Diamond to hedge or monetize transactions to lock in the value of holdings in the securities of Black Diamond or to sell “short” securities of Black Diamond. Such transactions, while allowing the holder to own Black Diamond’s securities without the full risks and rewards of ownership, potentially separate the holder’s interests from those of other stakeholders, particularly in the case of the common shareholders of Black Diamond.

The objective of this Policy is therefore to prohibit those subject to it from directly or indirectly engaging in hedging against future declines in the market value of any securities of Black Diamond through the purchase of financial instruments designed to offset such risk.

#### **Policy**

Directors, officers and all employees of Black Diamond and its subsidiaries, or to the extent practicable, any other person (or their associates) in a special relationship (within the meaning of applicable securities laws) with Black Diamond, shall not knowingly sell, directly or indirectly, a security of Black Diamond if such person selling such security does not own or has not fully paid for the security to be sold. Directors, officers and employees of Black Diamond or its subsidiaries shall not, directly or indirectly, engage in short selling in common shares of Black Diamond 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 Black Diamond held by the person. For the purposes of this 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 Black Diamond’s approved procedures for the exercise of options under official Black Diamond equity compensation plans such as the share option plan.

Any violation of this Policy will be regarded as a serious offence and may result in Black Diamond pursuing disciplinary action, including without limitation, termination for cause.

#### **General**

Nothing in this Policy in any way detracts from or limits any obligations that those subject to it have in law or pursuant to a management, employment, consulting or other agreement with Black Diamond or any of its subsidiaries.

The Compensation, Nominating and Corporate Governance Committee shall review this Policy at least annually or otherwise as it deems appropriate, and, if applicable, propose recommended changes to the Board.