

BLACK DIAMOND GROUP LIMITED

RESTRICTED AND PERFORMANCE AWARD INCENTIVE PLAN

The Board of Directors of Black Diamond Group Limited (the "**Corporation**") has adopted this Restricted and Performance Award Incentive Plan (this "**Plan**") in order to govern the issuance of Incentive Awards to Service Providers.

1. Purposes

The principal purposes of this Plan are as follows:

- (a) to retain and attract qualified Service Providers that the Corporation and Black Diamond Affiliates require;
- (b) to promote a proprietary interest in the Corporation by such Service Providers and to encourage such persons to remain in the employ or service of the Corporation and Black Diamond Affiliates and put forth maximum efforts for the success of the business of the Corporation and Black Diamond Affiliates; and
- (c) to focus management of the Corporation and Black Diamond Affiliates on operating and financial performance and return realized by Shareholders.

2. Definitions

As used in this Plan, the following words and phrases shall have the meanings indicated:

- (a) "**Adjustment Ratio**" means, with respect to any Incentive Award, the ratio used to adjust the number of Incentive Awards on which payment shall be based on the applicable Payment Dates pertaining to such Incentive Award determined in accordance with the terms of this Plan; and, in respect of each Incentive Award, the Adjustment Ratio shall initially be equal to one, and shall be cumulatively adjusted thereafter by increasing the Adjustment Ratio on each Dividend Payment Date, effective on the day following the Dividend Record Date, by an amount, rounded to the nearest five decimal places, equal to a fraction having as its numerator the Dividend, expressed as an amount per Common Share, paid on that Dividend Payment Date, and having as its denominator the Reinvestment Price;
- (b) "**Award Value**" means, with respect to any Incentive Awards, an amount equal to the number of Incentive Awards, as such number may be adjusted in accordance with the terms of this Plan, multiplied by the Fair Market Value of the Common Shares;
- (c) "**Black-Out Period**" means a period of time imposed by the Corporation upon certain designated persons during which those persons may not trade in any securities of the Corporation;
- (d) "**Black Diamond Affiliate**" means a corporation, partnership, trust or other entity that is controlled by the Corporation or that is controlled by the same person that controls the Corporation. For purposes of this definition, a person (the first person) is considered to control another person (the second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of: (i) ownership of or direction over voting securities in the second person, (ii) a written agreement or indenture, (iii) being the general partner or controlling the general partner of the second person, or (iv) being the trustee of the second person;

- (e) **"Board"** means the board of directors of the Corporation as it may be constituted from time to time;
- (f) **"Cessation Date"** means the date that is the earlier of:
 - (i) the effective date of the Service Provider's termination or resignation, as the case may be; or
 - (ii) the date (as determined by the Committee) that the Service Provider ceases to be in the active performance of the usual and customary day-to-day duties of the Service Provider's position or job,

regardless of whether adequate or proper advance notice of termination or resignation shall have been provided in respect of such cessation of being a Service Provider;

- (g) **"Change of Control"** means:
 - (i) a successful "take-over bid" (as defined in the *Securities Act* (Alberta), as amended from time to time), pursuant to which the "offeror" as a result of such take-over bid beneficially owns, directly or indirectly, in excess of 50% of the outstanding Common Shares; or
 - (ii) any change in the beneficial ownership or control of the outstanding securities or other interests which results in:
 - (I) a person or group of persons "acting jointly or in concert" (as defined in the *Securities Act* (Alberta), as amended from time to time), or;
 - (II) an "affiliate" or "associate" (each as defined in the *Business Corporations Act* (Alberta), as amended from time to time) of such person or group of persons;

holding, owning or controlling, directly or indirectly, more than 50% of the outstanding voting securities or other interests of the Corporation; or
 - (iii) Incumbent Directors no longer constituting a majority of the Board; or
 - (iv) the completion of an arrangement, merger or other form of reorganization of the Corporation where the holders of the outstanding voting securities or interests of the Corporation immediately prior to the completion of the arrangement, merger or other form of reorganization will hold 50% or less of the outstanding voting securities or interests of the continuing entity upon completion of the arrangement, merger or other form of reorganization; or
 - (v) the winding up or termination of the Corporation or the sale, lease or transfer of all or substantially all of the directly or indirectly held assets of the Corporation to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of the Corporation is continued and where the securityholdings in the continuing entity is such that the transaction would not be considered a "Change of Control" if paragraph (ii) above was applicable to the transaction), or
 - (vi) any determination by a majority of the Board that a Change of Control has occurred or is about to occur and any such determination shall be binding and conclusive for all purposes of this Plan;

provided that a Change of Control shall be deemed not to have occurred if a majority of the Board, in good faith, determines that a Change of Control was not intended to occur in the particular circumstances in question and any such determination shall be binding and conclusive for all purposes of this Plan;

- (h) "**Committee**" has the meaning set forth in Section 3 hereof;
- (i) "**Common Shares**" means common shares of the Corporation;
- (j) "**Corporate Performance Measures**" for any period that the Committee in its sole discretion shall determine, means the performance measures to be taken into consideration in granting Incentive Awards under this Plan and determining the Payout Multiplier in respect of any Performance Award, which may include, without limitation, any one or more of the following:
 - (i) Relative Total Shareholder Return;
 - (ii) the financial performance or results of the Corporation and the Black Diamond Affiliates;
 - (iii) key leading and lagging indicators of health, safety and environmental performance of the Corporation and the Black Diamond Affiliates;
 - (iv) achievement of the Corporation's full year budget targets and the execution of the Corporation's strategic plan as determined by the Committee in its sole discretion; and
 - (v) such additional measures as the Committee, in its sole discretion, shall consider appropriate in the circumstances;
- (k) "**Dividend**" means any dividend, return of capital or special distribution paid by the Corporation in respect of the Common Shares, whether in the form of cash or Common Shares, expressed as an amount per Common Share;
- (l) "**Dividend Payment Date**" means any date that a Dividend is paid to Shareholders;
- (m) "**Dividend Record Date**" means the applicable record date in respect of any Dividend used to determine the Shareholders entitled to receive such Dividend;
- (n) "**Exchange**" means the TSX or such other stock exchange(s) on which the Common Shares are then listed and posted for trading from time to time;
- (o) "**Expiry Date**" means, with respect to each Incentive Award granted pursuant to this Plan, December 15th of the third year following the year in which the Incentive Award was granted;
- (p) "**Fair Market Value**" means the volume weighted average of the prices at which the Common Shares traded on the TSX (or, if the Common Shares are not then listed and posted for trading on the TSX or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the Common Shares are then listed and posted for trading as may be selected for such purpose by the Committee in its sole discretion) for the five (5) trading days on which the Common Shares traded on the said exchange immediately preceding the date the Fair Market Value is used herein. In the event that the Common Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Common Shares as determined by the Committee in its sole discretion, acting reasonably and in good faith;
- (q) "**Grantees**" has the meaning set forth in Section 4 hereof;

- (r) **"Incumbent Directors"** means any member of the Board who was a member of the Board at the effective date of this Plan and any successor to an Incumbent Director who was recommended or elected or appointed to succeed any Incumbent Director by the affirmative vote of the Board, including a majority of the Incumbent Directors then on the Board, prior to the occurrence of a transaction, transactions, elections or appointments giving rise to a Change of Control;
- (s) **"Incentive Award"** means a Restricted Award or Performance Award granted pursuant to this Plan for which payment shall be made on the Payment Date(s) determined in accordance with Section 6 hereof;
- (t) **"Incentive Award Agreement"** has the meaning set forth in Section 6 hereof;
- (u) **"Insiders"** has the meaning ascribed thereto in Part VI of the Company Manual of the TSX;
- (v) **"Leave of Absence"** means a Service Provider being absent from active employment or active service as a result of sabbatical, disability, education leave, maternity or parental leave, or any other form of leave approved by the Committee;
- (w) **"Non-Management Director"** means a director of the Corporation who is not an officer or employee of the Corporation or a Black Diamond Affiliate;
- (x) **"Payment Date"** means, with respect to any Incentive Award, the date upon which the Corporation shall pay to the Grantee the Award Value to which the Grantee is entitled pursuant to such Incentive Award in accordance with the terms hereof;
- (y) **"Payout Multiplier"** means the payout multiplier determined by the Committee in accordance with Section 6(c) hereof;
- (z) **"Peer Comparison Group"** means, generally, public issuers that in the opinion of the Committee are competitors of the Corporation and which shall be determined from time to time by the Committee in its sole discretion;
- (aa) **"Performance Award"** means an Incentive Award under this Plan designated as a "Performance Award" in the Incentive Award Agreement pertaining thereto, for which payment shall be made on the Payment Date(s) determined in accordance with Section 6 hereof;
- (bb) **"Reinvestment Price"** means the price, expressed as an amount per Common Share, paid by participants in the Corporation's dividend reinvestment plan, if any, to reinvest their Dividends in additional Common Shares on a Dividend Payment Date, provided that if the Corporation has suspended the operation of such plan or does not have such a plan, then the Reinvestment Price shall be equal to the Fair Market Value of the Common Shares on the trading day immediately preceding the Dividend Payment Date;
- (cc) **"Relative Total Shareholder Return"** means the percentile rank, expressed as a whole number, of Total Shareholder Return relative to returns calculated on a similar basis on securities of members of the Peer Comparison Group over the applicable period;
- (dd) **"Restricted Award"** means an Incentive Award under this Plan designated as a "Restricted Award" in the Incentive Award Agreement pertaining thereto, for which payment shall be made on the Payment Dates(s) determined in accordance with Section 6 hereof;
- (ee) **"Security Based Compensation Arrangements"** has the meaning ascribed thereto in Part VI of the Company Manual of the TSX;
- (ff) **"Service Providers"** has the meaning set forth in Section 4 hereof;

- (gg) **"Shareholder"** means a holder of Common Shares;
- (hh) **"Successor"** has the meaning set forth in Section 9 hereof;
- (ii) **"Total Shareholder Return"** means, with respect to any period, the total return to Shareholders on the Common Shares calculated using cumulative Dividends, if any, on a reinvested basis and the change in the trading price of the Common Shares on the Exchange over such period (or, if the Common Shares are not then listed and posted for trading on the Exchange or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the Common Shares are then listed and posted for trading as may be selected for such purpose by the Committee in its sole discretion) as may be determined by the Committee in its sole discretion; and
- (jj) **"TSX"** means the Toronto Stock Exchange.

3. **Administration**

This Plan shall be administered by the Compensation, Nominating and Corporate Governance Committee of the Board (the **"Committee"**), provided that the Board shall have the authority to appoint itself or another committee of the Board to administer this Plan. In the event that the Board appoints itself or another committee of the Board to administer this Plan, all references in this Plan to the Committee will be deemed to be references to the Board or such other committee of the Board, as applicable.

The Committee shall have the authority in its sole discretion to administer this Plan and to exercise all the powers and authorities either specifically granted to it under this Plan or necessary or advisable in the administration of this Plan, subject to and not inconsistent with the express provisions of this Plan and of Section 10 hereof, including, without limitation:

- (a) the authority to grant Incentive Awards;
- (b) to determine the Fair Market Value of the Common Shares on any date;
- (c) to determine the Service Providers to whom, and the time or times at which Incentive Awards shall be granted and shall become issuable;
- (d) to determine the number of Incentive Awards to be granted and the allocation between Restricted Awards and Performance Awards;
- (e) to determine members of the Peer Comparison Group from time to time;
- (f) to determine the Corporate Performance Measures and the Payout Multiplier in respect of a particular period;
- (g) to prescribe, amend and rescind rules and regulations relating to this Plan;
- (h) to interpret this Plan;
- (i) to determine the terms and provisions of Incentive Award Agreements (which need not be identical) entered into in connection with Incentive Awards; and
- (j) to make all other determinations deemed necessary or advisable for the administration of this Plan.

The Committee may delegate to one or more of its members, to the President and Chief Executive Officer or the Executive Vice President and Chief Financial Officer of the Corporation or to one or more agents such administrative duties as it may deem advisable, and the Committee or any person to whom it has

delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under this Plan.

For greater certainty and without limiting the discretion conferred on the Committee pursuant to this Section, the Committee's decision to approve the grant of an Incentive Award in any period shall not require the Committee to approve the grant of an Incentive Award to any Service Provider in any other period; nor shall the Committee's decision with respect to the size or terms and conditions of an Incentive Award in any period require it to approve the grant of an Incentive Award of the same or similar size or with the same or similar terms and conditions to any Service Provider in any other period. The Committee shall not be precluded from approving the grant of an Incentive Award to any Service Provider solely because such Service Provider may previously have been granted an Incentive Award under this Plan or any other similar compensation arrangement of the Corporation or a Black Diamond Affiliate. No Service Provider has any claim or right to be granted an Incentive Award.

4. Eligibility and Award Determination

Incentive Awards may be granted only to persons who are employees, officers or directors of the Corporation or any Black Diamond Affiliate or other service providers to the Corporation or any Black Diamond Affiliate (collectively, "**Service Providers**"); provided, however, that the participation of a Service Provider in this Plan is voluntary. For greater certainty, a transfer of employment or services between the Corporation and a Black Diamond Affiliate or between Black Diamond Affiliates shall not be considered an interruption or termination of the employment of a Grantee for any purpose of this Plan. In determining the Service Providers to whom Incentive Awards may be granted ("**Grantees**") and the number of Incentive Awards granted, the Committee may take into account such factors as it shall determine in its sole discretion, including, if so determined by the Committee, any one or more of the following factors:

- (a) compensation data for comparable benchmark positions among the Peer Comparison Group or among other comparison groups;
- (b) the duties, responsibilities, position and seniority of the Grantee;
- (c) the Corporate Performance Measures for the applicable period compared with internally established performance measures approved by the Committee and/or similar performance measures of members of the Peer Comparison Group or other comparison groups for such period;
- (d) the individual contributions and potential contributions of the Grantee to the success of the Corporation;
- (e) 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 the Corporation;
- (f) the Fair Market Value or current market price of the Common Shares at the time of grant of such Incentive Award; and
- (g) such other factors as the Committee shall deem relevant in its sole discretion in connection with accomplishing the purposes of this Plan.

5. Reservation of Common Shares and Limitations to this Plan

Notwithstanding any other provision of this Plan:

- (a) the aggregate maximum number of Common Shares that are available to be issued from the treasury of the Corporation under all Security Based Compensation Arrangements, including

pursuant to Incentive Awards granted and outstanding under this Plan, at any time shall not exceed 10% of the aggregate number of issued and outstanding Common Shares;

- (b) the number of Common Shares that are available to be issued from the treasury of the Corporation to Insiders at any time, under all Security Based Compensation Arrangements of the Corporation, including this Plan, shall not exceed 10% of the issued and outstanding Common Shares;
- (c) the number of Common Shares issued to Insiders from treasury of the Corporation, within any one year period, under all Security Based Compensation Arrangements of the Corporation, including this Plan, shall not exceed 10% of the issued and outstanding Common Shares; and
- (d) the number of Common Shares that are available to be issued from the treasury of the Corporation pursuant to this Plan pursuant to Incentive Awards granted and outstanding at any time to Non-Management Directors, together with any Common Shares issuable pursuant to any other Security Based Compensation Arrangements, in aggregate, will be limited to a maximum of 1% of the issued and outstanding Common Shares and the value of all Incentive Awards (together with the award value under any other Security Based Compensation Plans) granted to any Non-Management Director during a calendar year, as calculated on the date of grant, shall not exceed \$150,000 (for the purpose of monitoring compliance with these limitations, a Payout Multiplier of 1.0 will be assumed for any Performance Awards).

For the purposes of this Plan, any increase in the issued and outstanding Common Shares will result in an increase in the number of Common Shares that may be issued pursuant to Incentive Awards outstanding at any time and any increase in the number of Incentive Awards granted will, upon exercise, make new grants available under the Plan.

Incentive Awards (or the Award Value thereof) that are cancelled, surrendered, terminated or expire prior to the final Payment Date or in respect to which the Corporation 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 Corporation, in respect of a subsequent grant of Incentive Awards pursuant to this Plan to the extent of any Common Shares which have not been issued from treasury in respect of any such Incentive Award.

For purposes of the calculations in this section only, it shall be assumed that all issued and outstanding Incentive Awards will be settled by the issuance of Common Shares from treasury, notwithstanding the Corporation's right pursuant to Section 6 hereof to settle the Award Value underlying Incentive Awards in cash or by purchasing Common Shares on the open market.

6. Terms and Conditions of Incentive Awards

Each Incentive Award granted under this Plan shall be subject to the terms and conditions of this Plan and evidenced by a written agreement between the Corporation and the Grantee (an "**Incentive Award Agreement**") which agreement shall comply with, and be subject to, the requirements of the Exchange and this Plan including the following terms and conditions (and with such other terms and conditions as the Committee, in its sole discretion, shall establish):

- (a) **Type of Incentive Awards** - The Committee shall determine the number of Incentive Awards to be awarded to a Grantee and shall designate such awards as either "Restricted Awards" or "Performance Awards", as applicable, in the Incentive Award Agreement relating thereto.
- (b) **Payment Dates and Adjustment of Incentive Awards**
 - (i) Restricted Awards: Subject to Section 6(e) hereof, with respect to any Restricted Awards, the Payment Dates thereunder shall be as follows unless otherwise determined by the Committee (and, for greater certainty, the Committee may in its sole discretion impose

additional or different conditions to the determination of the Payment Date(s) pursuant to any Restricted Awards including, without limitation, performance conditions), provided that the Grantee remains in continuous employment or service with the Corporation or a Black Diamond Affiliate through the applicable Payment Date:

- (A) as to one-third of the Award Value underlying such Restricted Awards, on the first anniversary of the grant date of the Restricted Awards;
- (B) as to one-third of the Award Value underlying such Restricted Awards, on the second anniversary of the grant date of the Restricted Awards; and
- (C) as to the remaining one-third of the Award Value underlying such Restricted Awards, on the third anniversary of the grant date of the Restricted Awards;

provided, however, that:

- (I) where a Grantee is on a Leave of Absence, the Payment Date or Payment Dates for any Restricted Awards held by such Grantee shall be suspended until such time as such Grantee returns to active employment or active service, provided that where the period of the Leave of Absence exceeds three (3) months, the Payment Date for any Restricted Award that occurs during or subsequent to the period of the Leave of Absence shall be extended by, and no adjustments shall be made to the Adjustment Ratio for Dividends, if any, that are paid during, that portion of the Leave of Absence that exceeds three (3) months, and further provided that if any such extension would cause the Payment Date or Payment Dates to extend beyond the Expiry Date, unless the Committee otherwise determines that the Payment Date in respect thereof shall be the Expiry Date, the right to receive payment on such Payment Date or Payment Dates shall be forfeited by the Grantee;
- (II) where a Payment Date occurs on a date when a Grantee is subject to a Black-Out Period, such Payment Date shall be extended to a date which is within ten (10) business days following the end of such Black-Out Period, and further provided that if any such extension would cause the Payment Date or Payment Dates to extend beyond the Expiry Date, the amounts to be paid on such Payment Date or Payment Dates shall be paid on the Expiry Date notwithstanding the Black-Out Period;
- (III) in the event of any Change of Control prior to the Payment Dates determined in accordance with the above provisions of this Section 6(b)(i), and regardless of whether or not a Grantee is on a Leave of Absence, the Payment Date for the balance of the Award Value underlying such Restricted Award that remains to be paid as of such time shall be the date which is immediately prior to the date upon which a Change of Control is completed; and
- (IV) immediately prior to each Payment Date, subject to Section 6(b)(i)(I), the Award Value payable pursuant to the applicable Restricted Awards on such Payment Date shall be adjusted by multiplying the number of Restricted Awards for which payment remains to be made by the Adjustment Ratio applicable, if any, in respect of such Restricted Awards.

(ii) Performance Awards: Subject to Section 6(e) hereof, with respect to any Performance Awards, the Payment Dates thereunder shall be as follows unless otherwise determined by the Committee (and, for greater certainty, the Committee may in its sole discretion impose additional or different conditions to the determination of the Payment Dates pursuant to any Performance Awards), provided that the Grantee remains in continuous employment or service with the Corporation or a Black Diamond Affiliate through the applicable Payment Date:

- (A) as to one-third of the Award Value underlying such Performance Awards, on the first anniversary of the grant date of the Performance Awards;
- (B) as to one-third of the Award Value underlying such Performance Awards, on the second anniversary of the grant date of the Performance Awards; and
- (C) as to the remaining one-third of the Award Value underlying such Performance Awards, on the third anniversary of the grant date of the Performance Awards;

provided, however, that:

- (I) where a Grantee is on a Leave of Absence, the Payment Date or Payment Dates for any Performance Awards held by such Grantee shall be suspended until such time as such Grantee returns to active employment or active service, provided that where the period of the Leave of Absence exceeds three (3) months, the Payment Date for any Performance Award that occurs during or subsequent to the period of the Leave of Absence shall be extended by, and no adjustments shall be made to the Adjustment Ratio for Dividends, if any, that are paid during, that portion of the Leave of Absence that exceeds three (3) months, and further provided that if any such extension would cause the Payment Date or Payment Dates to extend beyond the Expiry Date, unless the Committee otherwise determines that the Payment Date in respect thereof shall be the Expiry Date, the right to receive payment on such Payment Date or Payment Dates shall be forfeited by the Grantee;
- (II) where a Payment Date occurs on a date when a Grantee is subject to a Black-Out Period, such Payment Date shall be extended to a date which is within ten (10) business days following the end of such Black-Out Period, and further provided that if any such extension would cause the Payment Date or Payment Dates to extend beyond the Expiry Date, the amounts to be paid on such Payment Date or Payment Dates shall be paid on the Expiry Date notwithstanding the Black-Out Period;
- (III) in the event of any Change of Control prior to the Payment Dates determined in accordance with the above provisions of this Section 6(b)(ii), and regardless of whether or not a Grantee is on a Leave of Absence, the Payment Date for the balance of the Award Value underlying such Performance Award that remains to be paid as of such time shall be the date which is immediately prior to the date upon which a Change of Control is completed; and
- (IV) immediately prior to each Payment Date, subject to Section 6(b)(ii)(I) the Award Value payable pursuant to the applicable Performance Awards on such Payment Date shall be adjusted by multiplying the number of Performance Awards for which payment remains to be made by the Adjustment Ratio applicable, if any, in respect of such

Performance Awards, and the Payout Multiplier applicable to such Performance Awards at such time.

Notwithstanding any other provision of this Plan, but subject to the limits described in Section 5 hereof and any other applicable requirements of the Exchange or other regulatory authority, the Committee hereby reserves the right to make any additional adjustments to amounts to be paid pursuant to any Performance Award if, in the sole discretion of the Committee, such adjustments are appropriate in the circumstances having regard to the principal purposes of this Plan.

- (c) ***Determination of the Payout Multiplier*** – Annually prior to the Payment Date in respect of any Performance Award, or prior to the Payment Date in the case of a Change of Control or at such other times as may be determined by the Committee, the Committee shall assess the performance of the Corporation for the applicable period. The weighting of the individual measures comprising the Corporate Performance Measures shall be determined by the Committee in its sole discretion having regard to the principal purposes of this Plan and, upon the assessment of all Corporate Performance Measures, the Committee shall determine the Corporation's ranking. The applicable Payout Multiplier in respect of this ranking shall be as set forth in Schedule "A" hereto. For greater certainty, unless otherwise determined by the 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 or three performance assessment periods, respectively.
- (d) ***Payment in Respect of Incentive Awards*** - Subject to Section 12(i) hereof, on the Payment Date, the Corporation, at its sole and absolute discretion, shall have the option of settling the Award Value payable in respect of an Incentive Award by any of the following methods or by a combination of such methods:
 - (i) payment in cash;
 - (ii) payment in Common Shares acquired by the Corporation on the Exchange; or
 - (iii) payment in Common Shares issued from the treasury of the Corporation.

The Corporation shall not determine whether the payment method shall take the form of cash or Common Shares until the Payment Date, or some reasonable time prior thereto. A holder of an Incentive Award shall not have any right to demand, be paid in, or receive Common Shares in respect of the Award Value underlying an Incentive Award, at any time. Notwithstanding any election by the Corporation to settle any Award Value, or portion thereof, in Common Shares, the Corporation reserves the right to change its election in respect thereof at any time up until payment is actually made, and the holder of such Incentive Award shall not have the right, at any time to enforce settlement in the form of Common Shares of the Corporation. For greater certainty, the Corporation's decision to make any payment pursuant to an Incentive Award in the form of cash or Common Shares shall not entitle the Service Provider to receive any other payments in respect of such Incentive Award in the same form, nor shall the Corporation be required to take previous forms of payment into account when determining any particular payment method.

Any amount payable to a Grantee in respect of an Incentive Award shall be paid to the Grantee as soon as practicable following the Payment Date and in any event within thirty (30) days of the Payment Date (provided that any amount payable with respect to a Payment Date that occurs after the Cessation Date, but before the Incentive Award has terminated in accordance with an applicable provision of Section 6(e), must occur not later than either the Expiry Date or July 1 of the year following the year in which the Cessation Date occurs, if earlier) and the Corporation shall withhold from any such amount payable all amounts as may be required by law and in the manner contemplated by Section 7 hereof.

Where the Corporation elects to pay any amounts pursuant to an Incentive Award by acquiring Common Shares on the Exchange or issuing Common Shares from treasury, the number of Common Shares to be delivered shall be equal to the Award Value (adjusted in accordance with Section 6(b)(i)(C)(IV) and 6(b)(ii)(C)(IV)), divided by Fair Market Value and if the determination of the number of Common Shares to be delivered to a Grantee in respect of a particular Payment Date would result in the issuance of a fractional Common Share, the number of Common Shares deliverable on the Payment Date shall be rounded down to the next whole number of Common Shares. No certificates representing fractional Common Shares shall be delivered pursuant to this Plan nor shall any cash amount be paid at any time in lieu of any such fractional interest.

- (e) ***Termination of Relationship as Service Provider*** - Unless otherwise determined by the 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:
- (i) ***Death*** - If a Grantee ceases to be a Service Provider as a result of the Grantee's death, the Payment Date or Payment Dates 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 Committee.
 - (ii) ***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.
 - (iii) ***Voluntary Resignation*** - If a Grantee ceases to be a Service Provider as a result of a voluntary resignation, 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.
 - (iv) ***Other Termination*** - If a Grantee ceases to be a Service Provider for any reason other than as provided for in (i), (ii) and (iii) 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 immediately terminated and all rights to receive payment thereunder shall be forfeited by the Grantee.
 - (v) ***Extension of Expiration Period*** - Subject to Section 10, the Committee may, in its sole discretion, determine that the dates for termination of the Incentive Award Agreements or Incentive Awards set forth in Sections 6(e)(i), (ii), (iii) and (iv) shall be extended, provided such extension shall not be past the Expiry Date.
- (f) ***Rights as a Shareholder*** - Until Common Shares have actually been issued, should the Corporation elect to so issue in accordance with the terms of this Plan, the Grantee to whom such Incentive Award has been made shall not possess any incidents of ownership of such Common

Shares including, for greater certainty and without limitation, the right to receive Dividends (except as provided in Sections 6(b)(i)(C)(IV) and 6(b)(ii)(C)(IV)), if any, on such Common Shares and the right to exercise voting rights in respect of such Common Shares.

Such Grantee shall only be considered a Shareholder in respect of such Common Shares if and when such issuance has been entered upon the records of the duly authorized transfer agent of the Corporation.

- (g) ***Treatment of Non-Cash Dividends*** - In the case of a non-cash Dividend, including Common Shares or other securities or other property, the Committee will, in its sole discretion and subject to any required approval of the Exchange, determine whether or not such non-cash Dividend will be provided to the Incentive Award holder and, if so provided, the form in which it shall be provided.
- (h) ***Effect of Certain Changes*** - In the event:
 - (i) of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;
 - (ii) that any rights are granted to all Shareholders to purchase Common Shares at prices substantially below Fair Market Value; or
 - (iii) that, as a result of any recapitalization, merger, consolidation or other transaction, the Common Shares are converted into or exchangeable for any other securities,

then, in any such case, the Board may, subject to any required approval of the Exchange, make such adjustments to this Plan, to any Incentive Awards and to any Incentive Award Agreements outstanding under this Plan as the Board may, in its sole discretion, consider appropriate in the circumstances to prevent inappropriate diminishment or enlargement of the amounts to be paid to Grantees hereunder.

7. **Withholding Taxes**

When a Grantee or other person becomes entitled to receive a payment in cash, or if so elected by the Corporation, in Common Shares issued from treasury or purchased on the Exchange, in respect of any Incentive Awards, the Corporation shall have the right to require the Grantee or such other person to remit to the Corporation an amount sufficient to satisfy any withholding tax requirements relating thereto. Unless otherwise prohibited by the Committee or by applicable law, satisfaction of the withholding tax obligation may be accomplished by any of the following methods or by a combination of such methods:

- (a) the tendering by the Grantee of cash payment to the Corporation in an amount no less than or equal to the total withholding tax obligation; or
- (b) where the Corporation has elected to issue Common Shares to the Grantee, the withholding by the Corporation or a Black Diamond Affiliate, as the case may be, from the Common Shares otherwise payable to the Grantee such number of Common Shares as it determines are required to be sold by the Corporation, as trustee, to satisfy the total withholding tax obligation (net of selling costs, which shall be paid by the Grantee). The Grantee consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Common Shares and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Common Shares. To the extent that Common Shares are withheld under this Section 7(b), such withheld shares shall be treated, for all purposes, as having been paid to the Grantee; or

- (c) the withholding by the Corporation or a Black Diamond Affiliate, as the case may be, from any cash payment otherwise due to the Grantee (whether arising pursuant to the Grantee's relationship as a director, officer or employee of the Corporation or as a result of the Grantee providing services to the Corporation or otherwise) such amount of cash as is no less than or equal to the amount of the total withholding tax obligation;

provided, however, that the sum of any cash so paid or withheld and the Fair Market Value of any Common Shares so withheld is sufficient to satisfy the total withholding tax obligation. Any reference in this Plan to the Award Value or payment of cash or issuance of Common Shares in settlement thereof is expressly subject to this Section 7.

8. Non-Transferability

Subject to Section 6(e)(i) hereof, 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 this 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.

9. Merger and Sale, etc.

If the Corporation enters into any transaction or series of transactions, other than a transaction that is a Change of Control and to which Sections 6(b)(i)(C)(III) and 6(b)(ii)(C)(III) hereof apply, whereby the Corporation or all or substantially all of the Common Shares of the Corporation or all or substantially all of the Corporation's undertaking, property or assets become the property of any other trust, body corporate, partnership or other person (a "Successor") whether by way of take-over bid, acquisition, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, then prior to or contemporaneously with the consummation of such transaction:

- (a) the Corporation and the Successor shall execute such instruments and do such things as are necessary to establish that upon the consummation of such transaction the Successor will have assumed all the covenants and obligations of the Corporation under this Plan and the Incentive Awards and Incentive Award Agreements outstanding on consummation of such transaction in a manner that substantially preserves and does not impair the rights of the Grantees thereunder in any material respect (including the ability to receive shares, securities or other property of the Successor in lieu of Common Shares on the Payment Date(s) applicable to such Incentive Awards and adjusted appropriately to give effect to such transaction and which shares, securities or other property of the Successor the Grantee shall accept in lieu of Common Shares), and subject to compliance with this Section 9, any such Successor shall succeed to, and be substituted for, and may exercise every right and power of, the Corporation under this Plan and such Incentive Award Agreements with the same effect as though the Successor had been named as the Corporation herein and therein and thereafter, the Corporation shall be relieved of all obligations and covenants under this Plan and such Incentive Award Agreements and the obligation of the Corporation to the Grantees in respect of the Incentive Awards shall terminate and be at an end and the Grantees shall cease to have any further rights in respect thereof; or
- (b) if the Incentive Awards (and the covenants and obligations of the Corporation under this Plan and the Incentive Award Agreements outstanding on consummation of such transaction) are not so assumed by the Successor, then the Payment Date for all Incentive Awards and underlying Award Value that has yet to be paid as of such time shall be the date which is immediately prior to the date upon which the transaction is consummated.

10. Amendment and Termination of Plan

The Committee may not, without the approval of the Shareholders, make any amendments to:

- (a) increase the percentage of Common Shares that may be issued from treasury pursuant to Incentive Awards in excess of the limit prescribed in Section 5(a) of this Plan;
- (b) increase the maximum number of Common Shares that may be issued from treasury to Insiders pursuant to Sections 5(b) or 5(c);
- (c) increase the maximum number of Common Shares that may be issued from treasury to Non-Management Directors pursuant to Section 5(d);
- (d) extend the Payment Date of any Incentive Awards issued under this Plan beyond the latest Payment Date specified in the Incentive Award Agreement (other than as permitted by the terms and conditions of this Plan) or extend the term beyond the original Expiry Date (other than as permitted by the terms and conditions of this Plan);
- (e) permit a Grantee to transfer or assign Incentive Awards to a new beneficial holder other than for estate settlement purposes; and
- (f) change this Section 10 of this Plan.

Except as restricted by the foregoing, the Committee may amend or discontinue this Plan or Incentive Awards granted thereunder at any time without Shareholder approval provided that any amendment to this 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 this Plan or Incentive Awards granted pursuant to this 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 this Plan.

11. No Guarantees Regarding Tax Treatment

Grantees (or their beneficiaries) shall be responsible for all taxes with respect to any Incentive Awards under this Plan, whether arising as a result of the grant or exercise of Incentive Awards or otherwise. The Corporation make no guarantees to any person regarding the tax treatment of an Incentive Award or payments made under this Plan and none of the Corporation or any of its employees or representatives shall have any liability to a Grantee with respect thereto.

12. Miscellaneous

- (a) ***Effect of Headings*** - The section and subsection headings contained herein are for convenience only and shall not affect the construction hereof.
- (b) ***Compliance with Legal Requirements*** - The Corporation, in its sole discretion, may postpone the issuance or delivery of any Common Shares that it elects to issue pursuant to any Incentive Award to such date as the Committee may consider appropriate, and may require any Grantee to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Common Shares in compliance with applicable laws, rules and regulations, provided that the issuance of such Common Shares shall occur on or before December 31 of the third calendar year following the calendar year in which the Incentive Awards in question were granted. The Corporation shall not be required to qualify for resale pursuant to a prospectus or similar document any Common Shares that it elects to issue pursuant to this Plan, provided that, if required, the Corporation shall notify the Exchange and any other appropriate regulatory bodies in Canada and the United States of the existence of this Plan and the granting of Incentive Awards hereunder in accordance with any such requirements.

(c) ***Foreign Participants:***

- (i) The Corporation may, without amending this Plan, modify the terms of Incentive Awards granted to Service Providers who provide services to the Corporation or any Black Diamond Affiliate from outside of Canada in order to comply with the applicable laws, including securities and taxation laws of such foreign jurisdictions. Any such modification to this Plan with respect to a particular Service Provider shall be reflected in the Incentive Award Agreement for such Service Provider.
 - (ii) The terms of this Plan and the Incentive Awards granted hereunder to Grantees subject to taxation on employment income under the United States Internal Revenue Code of 1986, as amended, shall be determined by taking into consideration the provisions applicable to such persons as set forth in Schedule "B" hereto.
- (d) ***No Right to Continued Employment or Service*** - Nothing in this Plan or in any Incentive Award Agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ or service of the Corporation or any Black Diamond Affiliate, to be entitled to any remuneration or benefits not set forth in this Plan or an Incentive Award Agreement or to interfere with or limit in any way the right of the Corporation or any Black Diamond Affiliate to terminate a Grantee's employment or service arrangement with the Corporation or any Black Diamond Affiliate.
- (e) ***Expenses*** – Except as provided in Section 7, all expenses in connection with this Plan shall be borne by the Corporation.
- (f) ***Unfunded Plan*** - This Plan shall be unfunded. The Corporation shall not be required to segregate any assets that may at any time be represented by Common Shares, cash or rights thereto, nor shall this Plan be construed as providing for such segregation. Any liability or obligation of the Corporation to any Grantee with respect to an Incentive Award under this Plan shall be based solely upon any contractual obligations that may be created by this Plan and any Incentive Award Agreement, and no such liability or obligation of the Corporation shall be deemed to be secured by any pledge or other encumbrance on any property of the Corporation. Neither the Corporation nor the Board nor the Committee shall be required to give any security or bond for the performance of any obligation that may be created by this Plan.
- (g) ***Grantee Information*** - Each Grantee shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer this Plan. Each Grantee acknowledges that information required by the Corporation in order to administer this Plan may be disclosed to the Committee or its appointed administrator and other third parties in connection with the administration of this Plan. Each Grantee consents to such disclosure and authorizes the Corporation to make such disclosure on the Grantee's behalf.
- (h) ***Gender*** - Whenever used herein words importing the masculine gender shall include the feminine and neuter genders and vice versa.
- (i) ***Exchange Approval Required for Issuance of Common Shares from Treasury*** - Notwithstanding anything provided herein, the issuance of any Common Shares in respect of the Award Value in respect of any Restricted Awards or Performance Awards granted pursuant to this Plan shall be subject to and shall not be made unless approved by the TSX and approved by Shareholders in accordance with the requirements of the TSX. For greater certainty, prior to receipt of such approval, the Corporation shall only be permitted to pay the Award Value in respect of any Incentive Award in cash or by the payment in Common Shares acquired by the Corporation on the Exchange.

13. Governing Law

This Plan shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

14. Effective Date

This Plan was approved by the Board as of March 4, 2015.

SCHEDULE "A"

BLACK DIAMOND GROUP LIMITED

Restricted and Performance Award Incentive Plan

Calculation of Payout Multiplier

Aggregate Assessment of Corporate Performance Measures	
Ranking	Payout Multiplier
1st Quartile	2.0
2nd Quartile	1.5
3rd Quartile	1.0
4th Quartile	0.0

SCHEDULE "B"

BLACK DIAMOND GROUP LIMITED

Restricted and Performance Award Incentive Plan

Special Provisions Applicable to Grantees Subject to Section 409A of the United States Internal Revenue Code

This Schedule sets forth special provisions of the Black Diamond Group Limited Restricted and Performance Award Incentive Plan (the "**Plan**") that apply to Grantees subject to Section 409A of the United States Internal Revenue Code of 1986, as amended.

1. Definitions

Capitalized terms not otherwise defined in this Schedule shall have the meaning attributable to them under the Plan. For purposes of this Schedule, the following words and phrases shall have the meanings indicated:

- (a) "**Code**" means the United States Internal Revenue Code of 1986, as amended, and any applicable Treasury Regulations and other interpretive guidance promulgated thereunder as in effect from time to time;
- (b) "**Section 409A**" means Section 409A of the Code;
- (c) "**Separation from Service**" has the meaning set forth in Section 409A(a)(2)(A)(i) of the Code;
- (d) "**Specified Employee**" means a U.S. Grantee who meets the definition of "specified employee", as defined in Section 409A(a)(2)(B)(i) of the Code; and
- (e) "**U.S. Grantee**" means a Grantee who is a United States citizen or a United States resident alien as defined under Section 7701(b) of the Code or is otherwise subject to United States income tax on employment income.

2. Compliance with Section 409A

Notwithstanding any provision of the Plan to the contrary, the following terms shall apply to U.S. Grantees with respect to any and all of their Incentive Awards:

- (a) In General. Notwithstanding any provision of the Plan or Incentive Award Agreement to the contrary, the provisions of the Plan and any Incentive Awards granted hereunder are intended to comply with or are exempt from Section 409A (including pursuant to the short-term deferral exemption under U.S. Treasury Regulation 1.409A-1(b)(4)). For purposes of Section 409A, each of the payments that may be made under this Plan is designated as a separate payment. All provisions of the Plan and any Incentive Awards granted hereunder shall be construed and interpreted in a manner consistent with the requirements of Section 409A, as applicable.
- (b) Cessation Date. With respect to U.S. Grantees, the "Cessation Date" as used in the Plan and any Incentive Award Agreement shall be the date of his or her Separation from Service.
- (c) Leave of Absence. With respect to U.S. Grantees, a "Leave of Absence" under the Plan and any Incentive Award Agreement shall occur only if (x) the U.S. Grantee's absence qualifies as "sick leave or other bona fide leave of absence" within the meaning of Section 409A and his or her Leave of Absence does not exceed six months or, if longer, the period for which the U.S. Grantee retains a right to reemployment by contract or under applicable law or (y) the U.S. Grantee's absence qualifies as a "disability" within the meaning of Section 409A (*i.e.*, the U.S. Grantee's

absence is due to the U.S. Grantee's inability to perform the duties of his or her position of employment or service or any substantially similar position of employment or service by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months) and the employment or service relationship between the Corporation or a Black Diamond Affiliate and the U.S. Grantee continues for not greater than 29 months, regardless of whether the U.S. Grantee retains a contractual right to reemployment or service reinstatement.

- (d) Black-Out Periods. If, due to a Black-Out Period, it is administratively impracticable to issue Common Shares in respect of a U.S. Grantee's Restricted Award or Performance Award by the end of the applicable 2 ½ month period as set forth in U.S. Treasury Regulation 1.409A-1(b)(4)(i), and, as of the date upon which the legally binding right to the compensation arose, such impracticability was unforeseeable, then such issuance shall be made as soon as administratively practicable in accordance with U.S. Treasury Regulation 1.409A-1(b)(4)(ii) in order to qualify the Restricted Award or Performance Award, as applicable, as a "short-term deferral" within the meaning of Section 409A.
- (e) Specified Employee Rule. If a U.S. Grantee becomes entitled to receive payment in respect of any Incentive Awards as a result of his or her Separation from Service, and the U.S. Grantee is a Specified Employee at the time of his or her Separation from Service, and the Committee makes a good faith determination that (i) all or a portion of the Incentive Awards constitute "deferred compensation" (within the meaning of Section 409A) and (ii) any such deferred compensation that would otherwise be payable during the six-month period following such Separation from Service is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then payment of such "deferred compensation" shall not be made to the U.S. Grantee before the date which is six months after the date of his or her Separation from Service (and shall be paid in a single lump sum, without interest, on the first day of the seventh month following the date of such Separation from Service) or, if earlier, the U.S. Grantee's date of death. In such event, if the payment in respect of the U.S. Grantee's Incentive Award is made in cash in accordance with Section 6(d)(i), the cash lump sum payment shall be equal to the number of Common Shares due pursuant to the U.S. Grantee's Incentive Award multiplied by the Fair Market Value as of the expiration of such six-month period or the date of death.

3. Amendment of Schedule

The Committee shall retain the power and authority to amend or modify this Schedule to the extent the Committee in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any U.S. Grantee.