



**HORIZON NORTH**  
Logistics Inc

**MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT  
FOR ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD  
MAY 6, 2009**

**GENERAL**

Words importing the singular number, where the context requires, include the plural and vice versa and words importing any gender include all genders. In this Management Information Circular and Proxy Statement (“**Information Circular**”), unless otherwise noted, all dollar amounts are expressed in Canadian dollars. Information contained in this Information Circular is given as of March 20, 2009 unless otherwise stated.

**SOLICITATION OF PROXIES**

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Horizon North Logistics Inc. (the “Corporation” or “Horizon”) for use at the Annual General Meeting of holders of common shares (the “Common Shares”) of the Corporation (the “Horizon Meeting”) to be held on the 6th day of May, 2009 at 3:00 p.m. (Calgary time) in the Royal Room at The Metropolitan Conference Centre, 333 – 4<sup>th</sup> Avenue SW, Calgary, Alberta, and at any adjournment(s) thereof, for the purposes set forth in the accompanying Notice of Meeting.**

Accompanying this Information Circular (and filed with applicable securities regulatory authorities) is the form of Proxy for use at the Meeting, by shareholders of Common Shares of Horizon.

Proxies will be solicited by mail and may also be solicited personally or by telephone or facsimile by the directors or officers of Horizon, who will not be specifically remunerated therefor. The cost of solicitation by management of Horizon will be borne by Horizon. Horizon may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting securities of Horizon (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Information Circular, the Notice of Meeting and Instruments of Proxy to the beneficial owners of such securities. Horizon will provide, without cost to such persons, upon request to Horizon, additional copies of the foregoing documents required for this purpose.

**APPOINTMENT OF PROXIES**

**Shareholders of Common Shares of Horizon who wish to be represented at the Meeting by proxy must complete and deliver the Instrument of Proxy or other proper form of proxy to CIBC Mellon Trust Company in the manner set out in the Instrument of Proxy and described below.** Shareholders of Common Shares of Horizon are entitled to vote on all matters as described in the Instrument of Proxy, Ric E. Peterson and Bob T. German (the management designees named in the accompanying Instrument of Proxy) are officers and/or directors of Horizon. **A shareholder of Horizon (a “Shareholder”) has the right to appoint a person (who need not be a Shareholder), other than Ric E. Peterson and Bob T. German to represent such Shareholder at the Horizon Meeting.** To exercise this right, a Shareholder should insert the name of the other person in the blank space provided on the Instrument of Proxy. Alternatively, a Shareholder may complete another appropriate Instrument of Proxy. Such Shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxy and should provide instructions on how the Shareholder’s shares are to be voted. The nominee should bring personal identification with him or her to the Horizon Meeting. An Instrument of Proxy will not be valid unless it is deposited at the offices of CIBC Mellon Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario M1S

0A1, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Horizon Meeting or any adjournment thereof.

## **REVOCAION OF PROXIES**

A Shareholder who has submitted an Instrument of Proxy may revoke it by an instrument in writing signed by the Shareholder or by an authorized attorney or, if the Shareholder is a corporation, by a duly authorized officer, and deposited either: (i) at the offices of CIBC Mellon Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1, at any time up to and including the last business day preceding the day of the Horizon Meeting or any adjournment thereof; or (ii) with the Chairman of the Horizon Meeting on the day of the Horizon Meeting or any adjournment thereof. In addition, an Instrument of Proxy may be revoked: (i) by the Shareholder personally attending the Horizon Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a representative of the corporation attending the Horizon Meeting and voting such securities; or (ii) in any other manner permitted by law.

## **EXERCISE OF DISCRETION BY PROXYHOLDERS**

The persons named in the enclosed form of proxy will vote the Common Shares of Horizon in respect of which they are appointed in accordance with the direction of the Shareholders appointing them where voting is by way of a show of hands or by ballot. In the absence of such direction, such Common Shares will be voted, **FOR** the approval of setting the number of directors at eight (8), **FOR** the approval of the election of the nominees hereinafter set forth as directors of Horizon and **FOR** the re-appointment of KPMG LLP Chartered Accountants as Auditor of the Corporation. The enclosed Instrument of Proxy confers discretionary authority upon the persons named therein with respect to any amendments or variations in the matters outlined in the accompanying Notice of Meeting or any other business which may properly come before the Meeting. The management of the Corporation knows of no such amendments, variations or other business to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not known to the management of Horizon should properly come before the Horizon Meeting, the Instrument of Proxy given pursuant to the solicitation by management of Horizon will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

## **SIGNING OF PROXY**

The Instrument of Proxy must be signed by the Shareholder or his duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer. An Instrument of Proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate shareholder) should indicate that person's capacity (following his signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with Horizon).

## **VOTING SHARES AND PRINCIPAL HOLDERS OF SHARES**

### **Voting of Common Shares – General**

As at March 17, 2009 (the “**Record Date**”), the Corporation had 110,400,363 Common Shares issued and outstanding, each of which carries the right to one vote at meetings of the Shareholders of Horizon. Only persons registered as holders of Common Shares in the Corporation as of the close of business on March 17, 2009, the Record Date, are entitled to receive notice of and to vote at the Meeting, except to the extent that (a) the holder has transferred the ownership of any of his or her Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares, and demands not later than ten (10) days before the day of the Meeting that his or her name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his or her Common Shares at the Meeting.

A quorum of Shareholders is present at a meeting of Shareholders if at least two (2) persons are present holding or representing not less than five (5%) percent of the Common Shares entitled to be voted at the Meeting.

## Voting of Common Shares – Advice to Non-Registered Holders

Only registered Shareholders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the respective shareholder meeting. However, in many cases, Common Shares beneficially owned by a holder (a "**Non-Registered Holder**") are in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")) who is holding such shares on behalf of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include securities dealers, or brokers, trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans.

In accordance with the Canadian Securities legislation, Horizon has distributed copies of the Notice of the Horizon Meeting, this Information Circular and the Instruments of Proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company to forward meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will have received, in addition to this Information Circular, either a request for voting instructions or a form of proxy for the number of Common Shares held by the Non-Registered Holder along with instructions with respect to voting.

The purpose of these instructions is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Horizon Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.

Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must in sufficient time in advance of the Horizon Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set above.

## Principal Holders of Shares

As of the date of this Information Circular, the directors and officers of Horizon are not aware of anyone who beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of Horizon entitled to be voted at the Meeting except as set forth in the following table:

<b>Name of Shareholder &amp; Municipality of Residence</b>	<b>Securities Owned, Controlled or Directed</b>	<b>Percentage of the Class of Outstanding Voting Securities of the Corporation<sup>(1)</sup></b>
Franklin Templeton Investments Corp., on behalf of its operating division, Bissett Investment Management	14,864,862	13.46%

### Note:

(1) Based on 110,400,363 issued and outstanding Common Shares of Horizon as at March 20, 2009

## FINANCIAL STATEMENTS

Horizon will submit to the Shareholders at the Horizon Meeting, the audited consolidated financial statements of Horizon for the financial years ended December 31, 2008, and December 31, 2007 and the Auditors' Report thereon. No vote by the Shareholders with respect to these matters is required. National Instrument 51-102, Continuous Disclosure Obligations, ("**Instrument**") provides that Horizon is no longer required to send annual or interim financial statements or the management's discussion and analysis relating thereto to its registered and beneficial Shareholders, unless they request copies of same. However, the *Business Corporations Act* (Alberta) requires that

annual financial statements be sent to each registered Shareholder, unless waived in writing by the registered Shareholder. The Instrument also provides that Horizon must send annually a request form to its registered and beneficial Shareholders that may be used by such shareholders to request any or all of the annual and interim financial statements and the management's discussion and analysis relating thereto. Shareholders are encouraged to review and, if action is desired, send the enclosed return cards to CIBC Mellon Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Number of Directors

Shareholders will be asked to approve an ordinary resolution fixing the number of directors of Horizon to be elected at the Horizon Meeting for the ensuing year, at eight (8).

**It is the intention of the persons named in the Instruments of Proxy, if not expressly directed otherwise in such Instruments of Proxy, to vote such proxies FOR the ordinary resolution fixing the number of directors to be elected at the Meeting at eight (8).**

### 2. Election of Directors

The following persons are proposed to be nominated for election as directors of Horizon at the Horizon Meeting. The board has concluded that each nominee is well qualified to serve on Horizon's board. The nominees have the relevant expertise essential to ensure appropriate strategic direction and oversight. Each director nominee has confirmed his or her eligibility and willingness to serve as a director if elected. All of the Directors who are elected will have their terms of office expire at the next annual meeting of Horizon, or until successors are elected or directors resign.

Ethel D. Blondin-Andrew	Steven C. Grant	Russell E. Newmark	Shane P.D. Stampe
Roderick W. Graham	Bruce W. Mullen	Ric E. Peterson	Dean S. Swanberg

The following table sets forth, for each proposed director: their name, age, municipality, province or state and country of residence; all positions and offices with Horizon now held by them, the month and year in which they were first elected a director; their principal occupation; and the number and percentage of Common Shares of Horizon that they have advised are beneficially owned, controlled or directed by them, directly or indirectly, as of March 20, 2009:

Name, Municipality, Province and Country of Residence	Position Presently Held	Director/ Officer Since	Principal Occupation	Horizon North Shares and Percentage of Shares Beneficially Owned, Controlled or Directed <sup>(1)</sup>
Ethel D. Blondin-Andrew, 58 Yellowknife, Northwest Territories, Canada	Director	June 2006	Independent businesswoman.	Nil
Roderick W. Graham, 41 <sup>(2)(3)(4)</sup> Calgary, Alberta, Canada	Director	January 2007	Managing Director of Northern Plains Capital Corporation.	3,367,394/3.05% <sup>(5)</sup>
Steven C. Grant, 66 Houston, Texas USA	Director	January 2009	Mr. Grant is an independent businessman who was formerly a Houston-based Managing Director of Energy Investment Banking with Raymond James & Associates, a New York Stock Exchange ("NYSE") listed investment banking and brokerage firm. Mr. Grant held such position from 1996 through February 2008. Prior to joining Raymond James & Associates, Mr. Grant was the Senior Vice President and Chief Financial Officer of Enterra Corporation, a NYSE listed oilfield service company, for a period of nine years. Mr. Grant received his MBA (Finance) from Harvard Graduate School of Business Administration in 1966 and a Bachelor of Arts (Economics) from Yale University in 1964.	Nil
Bruce W. Mullen, 50 <sup>(2)(3)(4)</sup> Calgary, Alberta, Canada	Director	June 2006	Senior Vice President of the Mullen Group Income Fund and Vice President of Mullen Oilfield Services LP.	1,706,827/1.55%

Name, Municipality, Province and Country of Residence	Position Presently Held	Director/ Officer Since	Principal Occupation	Horizon North Shares and Percentage of Shares Beneficially Owned, Controlled or Directed <sup>(1)</sup>
Russell Newmark, 54 <sup>(2)(3)(4)</sup> Inuvik, Northwest Territories, Canada	Director	June 2006	Chief Executive Officer of E. Gruben's Transport Ltd.	4,207,815/3.81% <sup>(6)</sup>
Ric E. Peterson, 49 Calgary, Alberta, Canada	Director, Chairman, President and Chief Executive Officer	June 2006	Chairman of the Board and Chief Executive Officer of Horizon.	5,207,487/4.72%
Shane P. D. Stampe, 48 <sup>(7)</sup> Calgary, Alberta, Canada	Director, Vice President Horizon North Camp & Catering Inc.	September 2006	Vice President Horizon North Camp & Catering Inc., a 100% owned subsidiary of Horizon.	3,041,935/2.76% <sup>(8)</sup>
Dean S. Swanberg, 47 <sup>(7)</sup> Grande Prairie, Alberta, Canada	Director	June 2006	President of Swanberg Bros. Trucking LP.	3,000,000/2.72%

**Notes:**

- (1) Percentage of Horizon Shares beneficially owned is calculated based on an aggregate of 110,400,363 Horizon Shares outstanding as of the date hereof.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Corporate Governance and Nominating Committee.
- (5) Mr. Graham has direct control or direction over 8,394 Common Shares of Horizon and indirect control or direction over 3,169,225 Common Shares of Horizon owned by NPCC Growth Fund and 189,775 Common Shares of Horizon owned by NPCC Growth Fund 2.
- (6) Mr. Newmark has direct control or direction over 1,252,275 Common Shares of Horizon and indirect control or direction over 2,955,540 Common Shares of Horizon owned by E. Gruben's Transport Ltd.
- (7) Member of the Health, Safety and Environment Committee.
- (8) All of these Common Shares of Horizon are held by a private company controlled by Mr. Stampe and his wife.

Each nominee for election to the board of Horizon is independent with the exception of Ric E. Peterson, who is the Chairman, President and Chief Executive Officer of Horizon and Shane P.D. Stampe, who is the Vice President, Horizon North Camp & Catering Inc., managing partner of Horizon North Camp & Catering Partnership.

**It is the intention of the persons named in the Instruments of Proxy, if not expressly directed otherwise in such Instruments of Proxy, to vote such proxies FOR the election of the nominees described above as directors of Horizon. It is not contemplated that nominees will be unable to serve as directors, but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for other nominees at their discretion.**

The following table sets forth, for the proposed directors, a brief biography and a list of other public company boards on which the individuals serve:

Director Nominee	Biography	Other Public Company Directorships
Ethel D. Blondin-Andrew	A former federal Minister of State, Ms. Blondin-Andrew became the first Native woman elected to Canada's House of Commons in 1988. Her federal political experience spans more than seventeen years, during which she held the portfolios of Secretary of State (Training and Youth), Secretary of State (Children and Youth), Minister of State (Children and Youth) and Minister of State (Northern Development). Prior to entering federal politics, Ms. Blondin-Andrew spent many years working in northern Canada as a teacher, served as an Assistant Deputy Minister with the Territorial government and worked two years with the Public Service Commission of Canada in Ottawa as the National Manager of indigenous Training and Development.	Victory Nickel Inc.

Director Nominee	Biography	Other Public Company Directorships
Roderick W. Graham	Mr. Graham is a co-founder and Managing Partner of Northern Plains Capital Corporation, the general partner of three private equity funds focused solely on investment in the oilfield service industry. Prior thereto, Mr. Graham was Senior Vice President and Director of ARC Financial Corporation, a Calgary-based private equity firm. Mr. Graham joined ARC's financial predecessor, PowerWest Financial in 1991 and spent an aggregate 11 years with the firm undertaking a variety of roles. Mr. Graham received his Honours BBA from Wilfred Laurier University in 1990, an MBA (Ivey Scholar) from the University of Western Ontario in 1996 and is a Chartered Financial Analyst.	Technicoil Corporation  ZCL Composites Inc.
Steven C. Grant	Mr. Grant is an independent businessman who was formerly a Houston-based Managing Director of Energy Investment Banking with Raymond James & Associates, a New York Stock Exchange ("NYSE") listed investment banking and brokerage firm. Mr. Grant held such position from 1996 through February 2008. Prior to joining Raymond James & Associates, Mr. Grant was the Senior Vice President and Chief Financial Officer of Enterra Corporation, a NYSE listed oilfield service company, for a period of nine years. Mr. Grant received his MBA (Finance) from Harvard Graduate School of Business Administration in 1966 and a Bachelor of Arts (Economics) from Yale University in 1964.	Mullen Group Income Fund
Bruce W. Mullen	Mr. Mullen has over 30 years of experience in the trucking industry. Since 1976, Mr. Mullen has been a major player in the growth and development of revenue and acquisitions for Mullen Group Income Fund.	None
Russell Newmark	Mr. Newmark has extensive knowledge of, and experience in the Northwest Territories. Since 1976, Mr. Newmark has been recognized as a leader within the Mackenzie Delta and Beaufort Sea regions. Mr. Newmark's oil and gas experience in the far north has offered him the opportunity to work with oil and gas companies, the Inuvialuit Regional Corporation and other applicable governmental bodies and officials.	None
Ric E. Peterson	Mr. Peterson has over fifteen years of oil and gas related experience, specifically in specialized oilfield trucking and related services. Prior to joining Horizon, Mr. Peterson was the President and Chief Executive Officer of Producers Oilfield Services Inc.	Mullen Group Income Fund
Shane P.D. Stampe	Mr. Stampe is the Vice President, Horizon North Camp & Catering Inc., managing partner of Horizon North Camp & Catering Partnership, 100% owned entities of Horizon and has extensive experience in the management of industrial camps and catering to camps.	None
Dean S. Swanberg	Mr. Swanberg is President of Swanberg Bros. Trucking LP., one of the largest transporters of drill rigs in western Canada. Mr. Swanberg has over thirty years of oil and gas related experience.	None

As at March 20, 2009, the directors and officers of Horizon, as a group, beneficially own, directly or indirectly, or exercised control or direction over, 20,791,521 Common Shares, or approximately 18.83% of the issued and outstanding Common Shares of Horizon, based on 110,400,363 issued and outstanding Common Shares. In addition, as at March 20, 2009, the directors and officers of Horizon, as a group, have outstanding options to purchase 1,280,000 Common Shares of Horizon.

### *Additional Disclosure Relating to Proposed Directors*

None of the proposed directors is, or has been in the last 10 years: (a) a director, chief executive officer or chief financial officer of any issuer that: (i) was subject to a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in that capacity; or (ii) was subject to a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, 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; or (b) a director or executive officer of any issuer that, while that proposed director 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.

None of the proposed directors has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver manager or trustee appointed to hold his assets.

No proposed director has been subject to: (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body.

### **3. Appointment of the Auditor**

The Shareholders will consider an ordinary resolution to appoint the firm of KPMG LLP, Chartered Accountants, Calgary, Alberta, to serve as Auditor of Horizon until the next annual meeting of the Shareholders and to authorize the directors of Horizon to fix their remuneration. KPMG LLP, Chartered Accountants have been the Auditor of Horizon since June 1, 2006. Should KPMG LLP for any reason be unwilling or unable to accept re-appointment, Horizon's directors will exercise their discretion to appoint an alternate auditor.

**It is the intention of the persons named in the Instrument of Proxy, if not expressly directed otherwise in such Instrument of Proxy, to vote such proxies FOR the appointment of KPMG LLP as Auditor of Horizon.**

### **Other Business**

Management is not aware of any other matters to come before the Horizon Meeting other than those set out in the Notice of Meeting. If other matters come before the Horizon Meeting, it is the intention of the individuals named in the form of proxy to vote the same in accordance with their best judgment in such matters.

### **COMPENSATION DISCUSSION & ANALYSIS**

The Compensation Committee is responsible for making recommendations to the Board of Directors relating to the compensation of members of the Board of Directors, the Chief Executive Officer and other executive officers. The objective of Horizon's executive compensation program is to attract and retain experienced personnel who are incentivized to continually focus on generating profitable growth of the Corporation's business. The compensation program is comprised of three elements: (i) annual salary, (ii) annual performance bonus, and (iii) stock options.

### **Named Executive Officers**

Securities legislation requires the disclosure of compensation received by each "Named Executive Officer" of the Corporation for the three most recently completed financial years. "Named Executive Officer" is defined by the legislation to mean (i) each of the Chief Executive Officer and Chief Financial Officer of the Corporation, regardless of the amount of compensation of that individual, (ii) each of the Corporation's three most highly compensated executive officers or in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, who

were serving as executive officers at the end of the most recently completed financial year and whose total compensation and bonus exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year end of the Corporation.

An “**executive officer**” is defined by the legislation to mean (i) the chair of the Corporation, (ii) a vice-chair of the Corporation, (iii) the President of the Corporation, (iv) a vice-president of the Corporation in charge of a principal business unit, division or function, such as sales, finance or production, or (v) an officer of the Corporation or any of its subsidiaries or any other person who performed a policy-making function in respect of the Corporation. During the financial year ended December 31, 2008, there were six (6) Named Executive Officers of Horizon consisting of Ric E. Peterson, Chairman, President and CEO; Bob T. German, Vice President Finance and CFO; Rob J. Hunt, President (Mr. Hunt left the employment of Horizon on November 3, 2008); Shane P.D. Stampe, Vice President Horizon North Camp & Catering Inc.; R. James Needham, President Fortier & Associates Camp & Catering; and Mike J. Hammerschmidt, Vice President Swamp Mats Inc.

### **Annual Salaries**

Annual salaries for Messer’s Peterson, German and Hunt were established on formation of Horizon in June 2006. Salary amounts were set giving consideration to the skills required to carry out the Corporation’s growth plans and how well the experience of these individuals fit with those requirements. Mr. Peterson was a successful entrepreneur with a proven track record of starting and growing businesses in a number of industries. Mr. German was an experienced financial professional with a sound background in internal control processes, capital markets and public company administration. Mr. Hunt had extensive experience in marketing and working with northern aboriginal communities. The salaries for these individuals were set in June 2006 and remained unchanged through 2008.

Annual salaries for Messer’s Needham, Stampe and Hammerschmidt were established when their respective private companies were acquired by Horizon in September 2006. All three of these individuals were the founders of these acquired businesses and were instrumental in their continued success and growth. Salaries for Mr. Stampe and Mr. Hammerschmidt have remained unchanged through 2008. Mr. Needham was awarded a salary increase in 2008 in recognition of his increased responsibility as head of Fortier & Associates Camp & Catering, Horizon’s largest division and also taking into account its continued growth through investments such as the BlackSand Executive Lodge project in Fort McMurray, Alberta which began operation in June 2008.

In early 2009, the Named Executive Officers and other senior employees of Horizon were subject to a 20% roll back in salaries as part of austerity measures introduced to control costs in a deteriorating business climate.

### **Annual Performance Bonus**

The annual bonus for all Named Executive Officers and senior employees is designed to pay out awards based upon the degree of success in achieving the Corporation’s growth and operating performance objectives, which are established at the beginning of each year by the Board of Directors for the Corporation as a whole and for the individual operating units. Annual objectives are established with respect to safety record, revenue growth, EBITDAS margins, and return on invested capital. Horizon’s long-term goal is to provide acceptable returns to Shareholders. In the Board’s view, continued focus on achieving improved interim financial measures should lead to success in achieving the long-term goal. Financial success is supported by strong operations, for which a sound measurement is thought to be the safety record.

Each of these four objectives is given a 20% weighting in the bonus calculation with 20% of the bonus amount subject to the discretion of the Board of Directors. Maximum bonus amounts, expressed as a percent of annual salary, are established for each position based upon their respective responsibilities. The following table shows the actual achieved measure in each of the objective categories and the associated bonus weighting factor for each of the Named Executive Officers.

Name	Maximum Bonus % of Salary		DAFWC <sup>(1)</sup>	TRIR <sup>(1)</sup>	Year over Year Revenue Growth	EBITDAS <sup>(2)</sup> as a % of Revenue	Return on Invested Capital <sup>(3)</sup>	Board Discretion	Actual Bonus % of Salary	Actual Bonus Amount (\$)
Ric E. Peterson <sup>(4)</sup>	100%	achieved measure	0.6	5.58	92%	27%	12.3%	---	---	---
		bonus weighting	10%	5%	20%	15%	15%	20%	85%	225,000
Bob T. German <sup>(4)</sup>	75%	achieved measure	0.6	5.58	92%	27%	12.3%	---	---	---
		bonus weighting	10%	5%	20%	15%	15%	20%	64%	160,000
Shane P.D. Stampe <sup>(5)</sup>	50%	achieved measure	0.7	7.1	130%	31%	15.8%	---	---	---
		bonus weighting	10%	0.0	20%	15%	15%	Nil <sup>(6)</sup>	30%	75,000
R. James Needham <sup>(5)</sup>	50%	achieved measure	1.0	3.2	76%	38%	19%	---	---	---
		bonus weighting	10%	10%	20%	10%	15%	20%	43%	127,500
Mike J. Hammerschmidt <sup>(5)</sup>	50%	achieved measure	0.0	0.0	19%	25%	11.9%	---	---	---
		bonus weighting	10%	10%	20%	10%	0.0%	20%	35%	87,500

**Notes:**

- (1) Days Away From Work Cases (“DAFWC”) and Total Recordable Incident Rate (“TRIR”) are standard industry measures for safety performance.
- (2) EBITDAS (Earnings before interest, taxes, depreciation, amortization, gain/loss on disposal of property, plant and equipment, goodwill impairment loss and stock based compensation) is not a recognized measure under Canadian generally accepted accounting principles. The Board and management believes that in addition to net earnings, EBITDAS is a useful supplemental measure as it provides an indication of Horizon’s ability to generate cash flow in order to fund working capital, service debt, pay current income taxes and fund capital programs.
- (3) Return on Invested Capital is calculated as (EBITDAS less current taxes) / (the average of the quarter end amounts of current assets + gross property, plant and equipment + goodwill + gross intangibles - future tax liability – accounts payable – taxes payable).
- (4) Based on overall corporate operations.
- (5) Based on respective divisional objectives.
- (6) Discretionary bonus was reduced to Nil in recognition of additional planned time away from work.

**Stock Options**

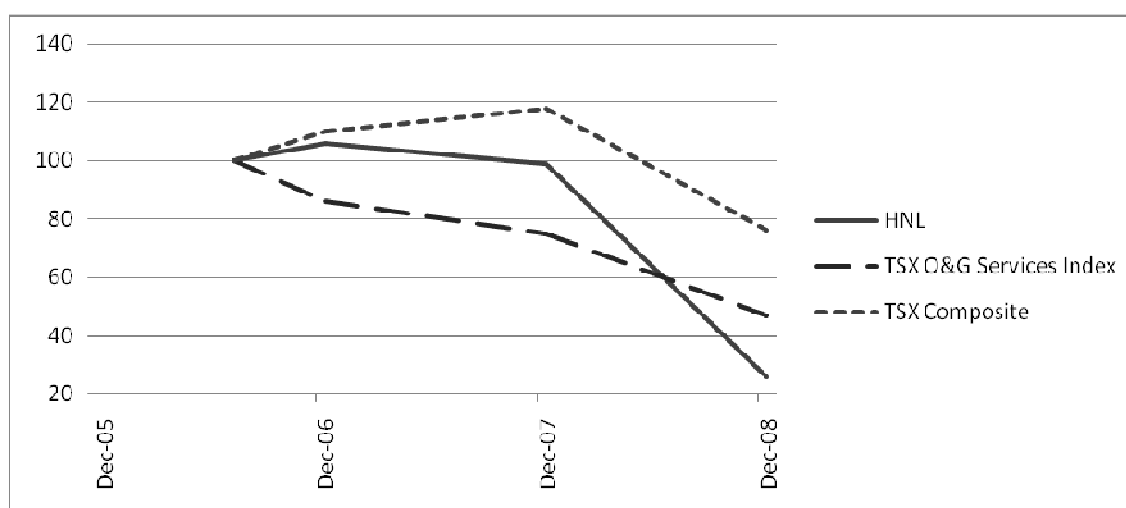
The Board of Directors views stock options as an effective incentive to balance senior management’s focus between short-term operating performance and profitable, long-term growth, which should translate into share price appreciation for the benefit of shareholders. With option grants vesting over time, they also serve as an effective employee retention tool. Despite the dilutive aspect of stock options, they do directly align the interests of management and shareholders as the benefits derived from stock options parallel the benefits realized by shareholders through share price appreciation. Stock options provide the potential for long-term rewards and above-average total compensation, provided Horizon’s financial and operating results lead to the enhancement of shareholder value.

Directors, officers and employees are eligible to participate in Horizon’s stock option plan. Awards of stock options are made from time to time to participants at varying levels consistent with the individual’s position and responsibility. Options are priced at the closing trading price of Horizon’s Common Shares on the business day immediately preceding the date of grant. The outstanding options vest at a rate of one third on each of the first, second and third anniversaries of the date of grant. Stock options granted on July 25, 2006 and September 21, 2006 have a 10 year term and all stock options granted subsequent to that date have a 5 year term. The term and other provisions of the options are subject to the terms of Horizon’s stock option plan.

Based upon a review of public information on corporation’s similar to Horizon and taking into account the stage of development of Horizon, the Compensation Committee granted options to the Chief Executive Officer and the other executive officers shortly after the Corporation was formed, or in the case where an Executive Officer was hired after that time, at the time the executive officers joined Horizon. No options have been granted to the Chief Executive Officer or the other executive officers since their initial grants.

## Performance Analysis

The following graph compares Horizon's cumulative total return on Horizon's Common Shares from its date of listing on the TSXV to December 31, 2008, with a cumulative total return on the TSX O&G Services Index and TSX Composite for the same period. It assumes an initial investment of \$100 on July 25, 2006, with all dividends reinvested.



	July 25, 2006 <sup>(1)</sup>	December 31, 2006	December 31, 2007	December 31, 2008
Horizon	100	106	99	26
TSX O&G Services Index	100	86	75	47
TSX Composite	100	110	118	76

**Notes:**

(1) First day of trading on the TSXV.

## Share Price Performance Graph in Relation to Executive Compensation

Compensation of Named Executive Officers generally increased in 2008 relative to 2007 as a result of annual incentive bonuses paid based upon achieving annual growth, profitability and safety objectives. The Corporation's share price performance deteriorated in the latter half of 2008 in concert with general world economic and equity market performance. The financial and operational performance of the Corporation will in all likelihood be negatively impacted in 2009 by these market conditions, which would result in a reduction of annual incentive bonuses paid to Named Executive Officers.

Submitted on behalf of the Compensation Committee

BRUCE W. MULLEN (CHAIR)  
 RODERICK W. GRAHAM  
 RUSSELL E. NEWMARK

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan under which equity securities of Horizon may be issued is the Horizon Stock Option Plan. The Horizon Stock Option Plan has been approved by the security holders of the Corporation.

The Horizon Stock Option Plan authorizes the board of directors of Horizon to issue options (“Options”) to purchase Horizon Common Shares to directors, officers, key employees and consultants who are in a position to contribute to the future success and growth of Horizon. Under the Horizon Stock Option Plan, the aggregate number of Horizon Shares issuable upon exercise of options granted thereunder may not exceed 10% of the issued and outstanding Common Shares from time to time.

### Equity Compensation Plan Information as of December 31, 2008

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	4,351,000	\$3.30	6,689,036
Equity compensation plans not approved by security holders	---	---	---
Total	4,351,000	\$3.30	6,689,036

## COMPENSATION OF NAMED EXECUTIVE OFFICERS

Compensation was paid to the Named Executive Officers during the aforementioned fiscal year as disclosed below.

### Summary Compensation Table

The following table sets forth all annual and long-term compensation information concerning the total compensation paid to the Named Executive Officers:

Name and Principle Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards <sup>(1)</sup> (\$)	Non-equity incentive Plan Compensation (\$)		Pension Value <sup>(4)</sup> (\$)	All Other Compensation <sup>(5)</sup> (\$)	Total Compensation (\$)	Horizon North Shares Beneficially Owned, Controlled or Directed at March 20, 2009
					Annual Incentive Plans <sup>(2)</sup>	Long-term Incentive Plans <sup>(3)</sup>				
Ric E. Peterson Chairman, President and CEO	2008	300,000	---	---	225,000	---	---	Nil	525,000	5,207,487
	2007	300,000	---	---	---	---	---	Nil	300,000	
	2006 <sup>(6)</sup>	163,846	---	Nil	---	---	---	Nil	163,846	
Bob T. German Vice President Finance and CFO	2008	250,000	---	---	160,000	---	5,000	6,000	421,000	200,063
	2007	250,000	---	---	100,000	---	---	6,000	356,000	
	2006 <sup>(6)</sup>	136,538	---	Nil	50,000	---	---	3,500	190,018	
Rob J. Hunt President	2008 <sup>(7)</sup>	250,000	---	---	---	---	---	491,101	741,101	Nil
	2007	300,000	---	---	125,000	---	---	32,553	457,553	
	2006 <sup>(6)</sup>	163,846	---	Nil	50,000	---	---	21,906	235,752	

Name and Principle Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards <sup>(1)</sup> (\$)	Non-equity incentive Plan Compensation (\$)		Pension Value <sup>(4)</sup> (\$)	All Other Compensation <sup>(5)</sup> (\$)	Total Compensation (\$)	Horizon North Shares Beneficially Owned, Controlled or Directed at March 20, 2009
					Annual Incentive Plans <sup>(2)</sup>	Long-term Incentive Plans <sup>(3)</sup>				
Shane P.D. Stampe Vice President Horizon North Camp & Catering Inc.	2008	250,000	---	---	75,000	---	5,000	---	330,000	3,041,935
	2007	250,000	---	---	--	---	---	---	250,000	
	2006 <sup>(8)</sup>	62,500	---	Nil	---	---	---	---	62,500	
R. James Needham President, Fortier & Associates Camp & Catering	2008	275,000	---	---	127,500	---	---	5,000	407,500	450,000
	2007	250,000	---	Nil	60,000	---	---	---	310,000	
	2006 <sup>(9)</sup>	20,833	---	---	---	---	---	---	20,833	
Mike J. Hammerschmidt Vice President Swamp Mats Inc.	2008	250,000	---	---	87,500	---	5,000	2,450	344,950	849,221
	2007	250,000	---	Nil	75,000	---	---	4,900	329,900	
	2006 <sup>(8)</sup>	62,500	---	---	---	---	---	1,225	63,725	

**Notes:**

- (1) The value to the recipient of any option grant is Nil on the grant date as the exercise price of the option is equal to or greater than the market value of the underlying Common Share. The value, if any, ultimately received by an option holder as compensation is equal to the difference between the fair value of the underlying Common Share on the date the option is exercised and the exercise price of the option. This amount is also equal to the value forgone by the Corporation when it issues a Common Share on exercise of an option at a price that is less than the prevailing market price.

The Black Scholes option pricing model value placed upon option grants, and the associated stock compensation expense recognized by the Corporation in accordance with Canadian generally accepted accounting principles does not reflect the true value received by the option holder or the value given up by the Corporation. The accounting value is thus not used in this table as a measure of compensation paid to the Named Executive Officers. The accounting value assigned to options granted to each of the Named Executive Officers is noted in the following table.

Name	Grant Date	Number of Options	Accounting Value (\$)
Ric E. Peterson	July 25, 2006	600,000	1,017,600
Bob T. German	July 25, 2006	300,000	508,800
Rob J. Hunt	July 25, 2006	400,000	678,400
	September 21, 2006	200,000	360,400
Shane P.D. Stampe	March 15, 2007	200,000	296,600
R. James Needham	March 15, 2007	200,000	296,600
Mike J. Hammerschmidt	March 15, 2007	100,000	148,300

A table providing the history of stock option grants to the Named Executive Officers and the associated value, both realized and unrealized, of those options based upon the market price of the underlying Common Shares can be found under the heading *Incentive Plan Awards*.

- (2) See "Annual Performance Bonus".
- (3) "LTIP" or "Long term incentive plan" means any plan providing compensation intended to motivate performance over a period greater than one financial year, but does not include options or SAR plans for compensation through shares that are subject to restrictions on resale.
- (4) Represents company contributions to defined contribution pension plan.
- (5) All Other Compensation for each of the Named Executive Officers is comprised of the following elements: Ric E. Peterson – none; Bob T. German – monthly parking; Rob J. Hunt – monthly parking, monthly vehicle allowance, two annual golf club memberships, annual fitness club membership and a payment of \$459,807 paid on Mr. Hunt's departure from Horizon on November 3, 2008; Shane P.D. Stampe - none; R. James Needham - none; Mike J. Hammerschmidt – monthly car allowance.
- (6) Horizon was formed on June 1, 2006 pursuant to the amalgamation with 1225088 Alberta Ltd., and Beaufort Oilfield Support Services Ltd. and Horizon became a reporting issuer in certain provinces in Canada on June 1, 2006.
- (7) Mr. Hunt left the employment of Horizon on November 3, 2008.
- (8) Messrs. Stampe and Hammerschmidt joined Horizon on September 28, 2006.
- (9) Mr. Needham joined Horizon on November 30, 2006.

**Long Term Incentive Plan Awards to Named Executive Officers**

No long-term incentive plan awards were made to any Named Executive Officer during the financial year ended December 31, 2008.

## Incentive Plan Awards

### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth all awards outstanding at December 31, 2008 made to the Named Executive Officers:

Name	Option Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options <sup>(1)</sup> (#)	Option Exercise Price <sup>(2)</sup> (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(3)</sup> (\$)	Number of Shares or Units of Shares that have not Vested	Market of Payout Value of Share-based Awards <sup>(3)</sup>
Ric E. Peterson	600,000	3.35	July 26, 2016	Nil	---	---
Bob T. German	300,000	3.35	July 26, 2016	Nil	---	---
Rob J. Hunt <sup>(4)</sup>	400,000 200,000	3.35 3.56	July 26, 2016 Sept 21, 2016	Nil Nil	---	---
Shane P.D. Stampe	200,000	3.25	Mar 15, 2012	Nil	---	---
R. James Needham	200,000	3.25	March 15, 2013	Nil	---	---
Mike J. Hammerschmidt	100,000	3.25	March 15, 2012	Nil	---	---

**Notes:**

- (1) Common Shares of Horizon.
- (2) Based on the market price defined in the Horizon Stock Option Plan which is the closing price on the TSX of the Common Shares of Horizon on the trading day prior to the date of grant.
- (3) Based on the December 31, 2008 closing share price on the TSX of the Common Shares of Horizon of \$0.87 per Common Share.
- (4) Mr. Hunt left the employment of Horizon on November 3, 2008. All of Mr. Hunt's unvested options and unexercised vested options were cancelled January 2, 2009 pursuant to the terms of Horizon's Stock Option Plan.

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

The following table sets forth particulars concerning each incentive plan award granted to each Named Executive officers for the year ended December 31, 2008:

Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-based Awards – Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Ric E. Peterson	Nil	---	225,000
Bob T. German	Nil	---	160,000
Rob J. Hunt <sup>(2)</sup>	Nil	---	Nil
Shane P.D. Stampe	Nil	---	75,000
R. James Needham	Nil	---	127,500
Mike J. Hammerschmidt	Nil	---	87,560

**Notes:**

- (1) Based on the December 31, 2008 closing share price on the TSX of the Common Shares of Horizon of \$0.87 per Common Share.
- (2) Mr. Hunt left the employment of Horizon on November 3, 2008.

## Compensation of Directors

Each director of Horizon who was not an employee of Horizon was paid fees of \$1,000 for each board or committee meeting attended in person or by telephone and was reimbursed for expenses incurred for such meetings. Each director who was not an employee of Horizon also received an annual retainer of \$15,000 per year, with no additional retainer to be paid to committee chairs. Each non-management directors has been issued options for 20,000 Common Shares. Mr. Peterson has received options for 600,000 Common Shares for serving as an officer and a director of the Corporation and Mr. Stampe has received options for 200,000 Common Shares for serving as an officer of a subsidiary of the Corporation and a director of the Corporation.

### Director Compensation Table

The following table sets forth particulars concerning all amounts of compensation provided to individual directors for the year ended December 31, 2008. Mr. Ric Peterson is the Chairman, President and Chief Executive Officer of Horizon, is not a member of a board committee nor does he receive meeting fees. Mr. Shane Stampe is the Vice President of Horizon North Camp & Catering Inc, a 100% owned subsidiary of Horizon and does not receive meeting fees.

Name	Fees Earned <sup>(1)</sup> (\$)	Share-based Awards (\$)	Option-based Awards <sup>(2)</sup> (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Ethel Blondin-Andrew	23,000	---	---	---	---	Nil	23,000
Roderick W. Graham	35,000	---	---	---	---	Nil	35,000
Steven C. Grant <sup>(3)</sup>	Nil	---	---	---	---	Nil	Nil
Bruce W. Mullen	35,000	---	---	---	---	Nil	35,000
Russell Newmark	35,000	---	---	---	---	Nil	35,000
Dean S. Swanberg	25,000	---	---	---	---	Nil	25,000
Gary L. Warren <sup>(4)</sup>	20,250	--	---	---	---	Nil	20,250

#### Notes:

- (1) Includes all retainers and meeting fees.
- (2) The value to the recipient of any option grant is Nil on the grant date as the exercise price of the option is equal to or greater than the market value of the underlying Common Share. The value, if any, ultimately received by an option holder as compensation is equal to the difference between the fair value of the underlying Common Share on the date the option is exercised and the exercise price of the option. This amount is also equal to the value forgone by the Corporation when it issues a Common Share on exercise of an option at a price that is less than the prevailing market price.

The Black Scholes option pricing model value placed upon option grants, and the associated stock compensation expense recognized by the Corporation in accordance with Canadian generally accepted accounting principles does not reflect the true value received by the option holder or the value given up by the Corporation. The accounting value is thus not used in this table as a measure of compensation paid to the Named Executive Officers. The accounting value assigned to options granted to each of the Named Executive Officers is noted in the following table:

Name	Grant Date	Number of Options	Accounting Value (\$)
Ethel Blondin-Andrew	July 25, 2006	20,000	26,300
Roderick W. Graham	March 15, 2007	20,000	26,300
Steven C. Grant <sup>(3)</sup>	Nil	Nil	Nil
Bruce W. Mullen	July 25, 2006	20,000	26,300
Russell Newmark	July 25, 2006	20,000	26,300
Dean S. Swanberg	July 25, 2006	20,000	26,300
Gary L. Warren <sup>(4)</sup>	July 25, 2006	20,000 <sup>(5)</sup>	Nil

- (3) Mr. Grant was appointed to the Board on January 5, 2009.
- (4) Mr. Warren resigned from the Board on September 30, 2008.
- (5) Mr. Warren' stock options were cancelled on November 30, 2008, pursuant to Horizon's Stock Option Plan.

*Summary of Board Meeting Attendance*

The Board held eight (8) meetings in 2008, with six (6) of the eight (8) directors attending all eight meetings in person or by telephone, and one director attending seven (7) of the eight (8) board meeting and one director (Mr. Warren) attending three (3) of the eight (8) meetings in person or by telephone.

<b>DIRECTOR</b>	<b>BOARD MEETINGS ATTENDED <sup>(1)</sup></b>	<b>BOARD MEETING FEES</b>	<b>COMMITTEE MEETINGS ATTENDED <sup>(1)</sup></b>	<b>COMMITTEE MEETING FEES</b>	<b>BOARD RETAINER</b>	<b>TOTAL FEES PAID</b>
Ethel D. Blondin-Andrew	8 of 8	\$8,000	n/a	n/a	\$15,000	\$23,000
Roderick W. Graham	8 of 8	\$8,000	4 of 4 Audit	\$4,000	\$15,000	\$35,000
			4 of 4 Compensation	\$4,000		
			4 of 4 Governance	\$4,000		
Steven C. Grant <sup>(2)</sup>	n/a	n/a	n/a	n/a	n/a	n/a
Bruce W. Mullen	8 of 8	\$8,000	4 of 4 Audit	\$4,000	\$15,000	\$35,000
			4 of 4 Compensation	\$4,000		
			4 of 4 Governance	\$4,000		
Russell Newmark	8 of 8	\$8,000	4 of 4 Audit	\$4,000	\$15,000	\$35,000
			4 of 4 Compensation	\$4,000		
			4 of 4 Governance	\$4,000		
Ric Peterson <sup>(3)</sup>	8 of 8	Nil	Nil	Nil	Nil	Nil
Shane P.D. Stampe <sup>(4)</sup>	8 of 8	Nil	HS&E 4 of 4	Nil	Nil	Nil
Dean S. Swanberg	7 of 8	\$7,000	HS&E 3 of 4	\$3,000	\$15,000	\$25,000
Gary L. Warren <sup>(5)</sup>	3 of 8	\$3,000	2 of 4 Audit	\$2,000	\$11,250	\$20,250
			2 of 4 Compensation	\$2,000		
			2 of 4 Governance	\$2,000		
<b>TOTAL</b>						<b>\$173,250</b>

**Notes:**

- (1) Attendance in person or by telephone.
- (2) Mr. Grant was appointed to the board of Horizon on January 5, 2009.
- (3) Mr. Peterson is the Chairman, President and Chief Executive Officer of Horizon, is not a member of a board committee nor does he receive meeting fees.
- (4) Mr. Stampe is the Vice President of Horizon North Camp & Catering Inc., managing partner of Horizon North Camp & Catering Partnership and does not receive meeting fees.
- (5) Mr. Warren resigned from the Board of Horizon on September 30, 2008.

### Minimum Share Ownership for Directors

The Board believes that the economic interests of directors should be aligned with those of shareholders. To achieve this, in 2007 and amended in 2008, the Board of Directors approved minimum share ownership guidelines for the directors such that, within a four year period of becoming a board member, each director be required to own stock in the Corporation equivalent to three times the annual retainer paid to each member of the Board. In 2008, the annual retainer paid to the directors was \$15,000.

Name	Date Appointed to the Board	Common Shares Beneficially Owned, Controlled or Directed at Dec 31/08	Total Market Value of Common Shares <sup>(1)</sup> (\$)	Minimum Shareholding Requirements (\$)	Meets Requirements
Ethel Blondin - Andrew	June 1, 2006	Nil	Nil	45,000	No <sup>(2)</sup>
Roderick W. Graham	Jan 2, 2007	3,367,394 <sup>(3)</sup>	2,929,633 <sup>(3)</sup>	45,000	Yes
Steven C. Grant	Jan 5, 2009	Nil	Nil	45,000	No <sup>(4)</sup>
Bruce W. Mullen	June 1, 2006	1,706,827	1,484,939	45,000	Yes
Russell Newmark <sup>(5)</sup>	June 1, 2006	4,207,815	3,660,799	45,000	Yes
Ric Peterson <sup>(6)</sup>	June 1, 2006	5,207,487	4,530,514	45,000	Yes
Shane P.D. Stampe <sup>(6)</sup>	Sept 28, 2006	3,041,935	2,646,483	45,000	Yes
Dean S. Swanberg	June 1, 2006	3,000,000	2,610,000	45,000	Yes

#### Notes:

- (1) Based on December 31, 2008 closing share price on the TSX of \$0.87 per Common Share.
- (2) Ms. Blondin-Andrew has until June 1, 2010 to meet the minimum share ownership requirements for directors.
- (3) Mr. Graham has direct control or direction over 8,394 Common Shares of Horizon and indirect control or direction over 3,169,225 Common Shares of Horizon owned by NPCC Growth Fund and 189,775 Common Shares of Horizon owned by NPCC Growth Fund 2.
- (4) Mr. Grant has until January 5, 2013 to meet the minimum share ownership requirements for directors.
- (5) Mr. Newmark has direct control or direction over 1,252,275 Common Shares of Horizon and indirect control or direction over 2,955 540 Common Shares of Horizon owned by E. Gruben's Transport Ltd.
- (6) Messrs. Peterson and Stampe are members of management therefore do not receive an annual retainer for serving as directors of the Corporation however they do meet the minimum shareholding requirements set for directors.

### Directors' and Officers' Liability Insurance

Horizon maintains directors' and officers' liability insurance in the amount of \$20.0 million (\$50,000 deductible) and paid a premium of \$67,500 in fiscal 2008 covering a policy period of June 1, 2008 to June 1, 2009.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, no director or executive officer of Horizon was indebted to Horizon or its subsidiaries. Further, at no time since the beginning of the financial year ended December 31, 2008 did any director or executive officer, or any associate of any such director or executive officer of Horizon, owe any indebtedness to Horizon or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Horizon.

### MANAGEMENT CONTRACTS

Horizon has no management contracts or other arrangements in place where management functions are performed by a person other than the directors or officers of Horizon.

### CORPORATE GOVERNANCE

National Policy 58-201-*Corporate Governance Guidelines* ("NP 58-201") establishes corporate governance guidelines which applies to all reporting issuers. Corporate Governance is the process and structure used to direct and manage the business and affairs of the Corporation to achieve the Shareholders objectives. The Shareholders elect the Directors who in turn are responsible for overseeing all aspects of the operations of the Corporation, appointing management and ensuring that the business is managed properly taking into account the interests of the Shareholders and other stakeholders such as employees, customers, suppliers, and the community at large. The Corporation is required to disclose certain specified corporate governance information with reference to NP 58-201 and National Instrument 58-101 ("NI 58-101"), addressing such items as the constitution and independence of

corporate boards, the functions to be performed by boards and their committees and the effectiveness of education of boards. The Board of Directors of the Corporation, through the Corporate Governance and Nominating Committee monitors changes with respect to corporate governance practices and regulatory requirements. The report which discloses the corporate governance practices of the Corporation as required by NI 58-101 is set out in Schedule “A” hereto.

### **Mandate of the Board**

The board has adopted a formal mandate, a copy of which is attached as Schedule “B” to this Information Circular and is available online at [www.horizonnorth.ca](http://www.horizonnorth.ca).

### **Board Composition**

The Board is currently composed of eight (8) members. The Board has established four committees, the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Health, Safety and Environment Committee. With the exception of the Health, Safety and Environment Committee, all members of the Committees are independent of the Corporation.

#### *Audit Committee*

The current members of the Audit Committee are Roderick W. Graham, Bruce W. Mullen, and Russell Newmark. Mr. Gary L. Warren was a member of the Audit Committee until his resignation from the Board on September 30, 2008. The Audit Committee is a standing committee appointed by the Board to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting by Horizon. Each member of the Audit Committee is independent as defined under Multilateral Instrument 52-110 - *Audit Committees* and none received directly or indirectly, any compensation from Horizon other than for services as a member of the Board and its committees. All members of the Audit Committee are financially literate as defined under Multilateral Instrument 52-110 - *Audit Committees*. Further information regarding Horizon’s Audit Committee is contained under the heading “Audit Committee” in Horizon’s Annual Information Form dated March 23, 2009.

#### *Compensation Committee*

The directors who are currently members of the Compensation Committee are Roderick W. Graham, Bruce W. Mullen and Russell Newmark, all of whom are independent as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*. Mr. Gary L. Warren was a member of the Compensation Committee until his resignation from the Board on September 30, 2008. The Compensation Committee is responsible for reviewing and approving the Chief Executive Officer’s and senior officers’ compensation.

#### *Corporate Governance and Nominating Committee*

The directors who are currently members of the Corporate Governance and Nominating Committee are Roderick W. Graham, Bruce W. Mullen and Russell Newmark, all of whom are independent as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*. Mr. Gary L. Warren was a member of the Corporate Governance and Nominating Committee until his resignation from the Board on September 30, 2008. The Corporate Governance and Nominating Committee has the general responsibility for developing and monitoring the Corporation’s approach to corporate governance matters and is responsible for recommending to the Board its size, composition and membership, succession planning for directors and Board Committee structure.

#### *Health, Safety and Environment Committee*

The directors who are currently members of the Health, Safety and Environment Committee are Dean S. Swanberg and Shane P.D. Stampe. The Board has determined that Mr. Swanberg is independent as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practice* and that Mr. Stampe is not independent as he is the Vice President of Horizon North Camp & Catering Inc., managing partner of Horizon North Camp & Catering Partnership, 100% owned entities of Horizon. Additionally, Mr. Bill Anderson, who is the Vice President Health

and Safety of the Corporation is also a member of this committee. Mr. Anderson is not a member of the Board. The Health, Safety and Environment Committee assists the Board in its oversight of the health, safety and environmental issues, including the evaluation of Horizon's programs, controls and reporting systems, and compliance with applicable laws, rules and regulations.

### **Communicating with the Board**

Shareholders may write to the Board or any member or members of the Board in care of the following address:

Horizon North Logistics Inc.  
1600, 505 – 3<sup>rd</sup> Street SW  
Calgary, Alberta T2P 3E6  
Attention: Corporate Secretary

Letters addressed to the Board, or any individual independent director, are reviewed as a group to determine if a response from the Board is appropriate. While the Board oversees management, it does not participate in the day-to-day functions and operations of Horizon and is not normally in the best position to respond to inquiries on those matters. Inquiries on operations or day-to-day management of Horizon will be directed to the appropriate personnel within Horizon for a response. The Board has instructed the Corporate Secretary to review all correspondence and, in her discretion, not to forward any items if they:

- are not relevant to Horizon's operations, policies and philosophies;
- are commercial in nature; or
- are not appropriate for consideration by the Board.

All inquiries will receive a written response from either the Board or management, as appropriate. The Corporate Secretary maintains a log of all correspondence addressed to members of the Board. Directors may review the log at any time and request copies of any correspondence received.

### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any informed person of the Corporation, director or executive officer, proposed nominee for election as a director or any associate or affiliate of any of the foregoing in any transaction that took place since the beginning of the most recently completed financial year in any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

### **INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED ON**

No person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors.

### **ADDITIONAL INFORMATION**

Additional financial information is provided in the Corporation's comparative consolidated financial statements and management's discussion and analysis for the most recently completed fiscal period ended December 31, 2008, contained in the Corporation's Annual Report for the year ended December 31, 2008, which has been mailed to the Shareholders of the Corporation with this Management Information Circular. The Corporation will provide to any person upon request, the Corporation's audited consolidated financial statements and related management's discussion and analysis contained in the Annual Report for the period ended December 31, 2008, together with the report of the auditors thereon, and one copy of the Corporation's interim consolidated financial statements subsequent to such audited consolidated financial statements and a copy of this Management Information Circular. These documents can be obtained free of charge by contacting the Corporate Secretary of the Corporation at 1600,

505 – 3<sup>rd</sup> Street SW, Calgary, Alberta T2P 3E6 or by accessing the Corporation’s website at [www.horizonnorth.ca](http://www.horizonnorth.ca) or on SEDAR at [www.sedar.com](http://www.sedar.com).

**DIRECTORS APPROVAL**

The contents and the sending of this Information Circular have been approved by the directors of Horizon.

March 20, 2009

*“signed” Jan M. Campbell*

Jan M. Campbell  
Corporate Secretary

## SCHEDULE “A”

### HORIZON NORTH LOGISTICS INC.

#### CORPORATE GOVERNANCE PRACTICES

The Corporation believes that effective corporate governance practices are fundamental to the overall success of a company. National Instrument 58-101 (“NI 58-101”) and the associated National Policy 58-201 (“NP 58-201”) which require issuers to disclose their corporate governance practices. In addition, the Corporation complies with Multilateral Instrument 52-110 on Audit Committees.

<b>Corporate Governance Disclosure Requirement NI 58-101</b>	<b>Comments</b>
<p><b><i>1. Board of Directors</i></b>                      (a) Disclose the identity of directors who are independent.</p>	<p>The Corporate Governance and Nominating Committee have reviewed the independence of each Director of the Corporation on the basis of the definition in NI 58-101. A Director is “independent” if he or she has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship that could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a Director’s independent judgment subject to certain circumstances where such material relationship is deemed by such definition. The Corporate Governance and Nominating Committee has determined, after reviewing such definition and the roles and relationships of each of the Directors, that six of the eight existing directors proposed by the Board for the election to the Board of the Corporation are independent in accordance with above definition. The present and proposed directors who are independent are:</p> <p style="text-align: center;">Ethel D. Blondin-Andrew                      Roderick W. Graham                      Steven C. Grant                      Bruce W. Mullen                      Russell Newmark                      Dean S. Swanberg</p>
<p>(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.</p>	<p>The Corporate Governance and Nominating Committee has determined, after reviewing the above definition of “independent” and the roles and relationships of each of the Directors that two of the eight existing directors and two of the eight nominees proposed by Management for election to the Board of Directors of the Corporation are not independent from the Corporation. The present and proposed directors who are not independent are:</p> <p style="text-align: center;">Ric E. Peterson                      Shane P.D. Stampe</p> <p>Mr. Peterson is Chairman, President and Chief Executive Officer of Horizon and Mr. Stampe is the Vice President, Horizon North Camp &amp; Catering Inc., managing partner of Horizon North Camp &amp; Catering Partnership, both 100% owned entities of Horizon.</p>

(c) Disclose whether or not a majority of the directors are independent.	Six of the eight existing directors and six of eight nominees proposed by Management for election to the Board of Directors of the Corporation are independent.
(d) If a director is presently a director of any other issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the Director and the other issuer.	Mr. Graham is a director for ZCL Composites Inc. and Technicoil Corporation. Ms. Blondin-Andrew is a director for Victory Nickel Inc. Messrs. Grant and Peterson are directors of Mullen Group Income Fund. Horizon's disclosure of interlocking directorships is closely aligned with our recognized best practice.
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held during the preceding 12 months. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.	The independent Directors hold meetings at the end of each regularly scheduled directors meeting without the presence of management or the non-independent directors. There were eight meetings of the board of directors during the period January 1 to December 31, 2008. The independent directors held an in-camera session without management present at seven of those eight meetings.
(f) Disclose whether or not the chair of the Board is an independent director, disclose the identity of the independent chair, and describe his or her role and responsibilities.	<p>The Chair, Mr. Peterson, is not independent. Despite that, the Board believes that there are substantial benefits to Horizon with Mr. Peterson serving in this capacity that presently out-weigh having an independent Chair given Mr. Peterson's knowledge of the operations of Horizon. The board has appointed Mr. Rod Graham as Lead Director to preside over meetings of the independent directors and to act as a liaison between the independent directors and the rest of the Board and management.</p> <p>The position description of the Chair of the Board provides for the Chair to provide leadership to the Board and to serve as chair at shareholders annual meetings. The Chair, along with the Lead Director sets the agenda of all Board meetings, ensures the provision of accurate, timely and clear information to the Directors. In addition, the Chair supervises the Committee Chairs.</p>
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the most recently completed financial year.	<p>The Board held eight meetings in 2008, with six of the eight directors attending all eight meetings in person or by telephone, and one director attending seven of the eight board meeting and one director (Mr. Warren) attending two of the eight meetings in person or by telephone. Mr. Warren resigned from the Board of Directors on September 30, 2008.</p> <p>Please see the Summary of Board Attendance on page 15 of this Information Circular.</p>
<p><b>2. Board Mandate</b> Disclose the text of the Board's written mandate.</p>	<p>The Board has adopted a formal mandate for itself, a copy of which is attached to the Information Circular as Schedule "B". On an annual basis, the Board assesses the adequacy of the Board Mandate. In doing so, the Board completes a scorecard to confirm that it is doing all that is required of it under the mandate. Additionally, the Board has established a Board workplan. The mandate of the Board is also available on the Corporation's website at <a href="http://www.horizonnorth.ca">www.horizonnorth.ca</a>. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at 1600, 505 – 3<sup>rd</sup> Street SW, Calgary, Alberta T2P 3E6.</p>
<p><b>3. Position Descriptions</b> (a) Disclose whether or not the Board has developed written</p>	<p>The position descriptions of the Chair of the Board, the Lead Director and each chair of each board committee are available on the Corporation's website at <a href="http://www.horizonnorth.ca">www.horizonnorth.ca</a>. A copy may also be obtained upon</p>

<p>position descriptions for the Chair and the Chair of each Board committee.</p>	<p>request to the Corporate Secretary of the Corporation at 1600, 505 – 3<sup>rd</sup> Street S.W., Calgary, Alberta T2P 3E6.</p> <p>The position description of the Chair of the Board provides for the Chair to provide leadership to the Board and to serve as chair at shareholders annual meetings. The Chair also sets the agenda of all Board meetings, ensures the provision of accurate, timely and clear information to the Directors. In addition the Chair supervises the Committee Chairs.</p> <p>The position description for the Lead Director provides for the Lead Director to provide independent leadership for the Board, in particular its independent directors, and to assist the Board in discharging its duties, responsibilities and obligations independent of management.</p> <p>The position description of the Committee Chairs provides for their participation in the development of committee meeting calendars and agenda. Committee Chairs preside over all Committee meetings and ensure the orderly and efficient use of time in Committee meetings. Committee Chairs provide reports to the Board on a regular basis.</p>
<p>(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO.</p>	<p>The position description of the CEO is available on the Corporation’s website at <a href="http://www.horizonnorth.ca">www.horizonnorth.ca</a>. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at 1600, 505 – 3<sup>rd</sup> Street S.W., Calgary, Alberta T2P 3E6.</p> <p>The position description of the CEO includes the following duties and responsibilities: strategy, leadership, relationships, operations, finance, reporting to the Board and relations with Shareholders, employees and the public. In general, the management of the Corporation is empowered to operate the business on a day-to-day basis. However any responsibility which is not delegated to either management or a Committee of the Board of Directors remains with the Board. In general, all matters of policy and all actions proposed to be taken which are not in the ordinary course of business require the prior approval of the Board or of a Board committee to which approval authority has been delegated. The corporate objectives are developed by the management and approved by the Board.</p>
<p><b>4. Orientation and Continuing Education</b>  (a) Briefly describe what measures the board takes to orient new members regarding:  (i) the role of the board, its committees and its Directors; and  (ii) the nature and operation of the issuer’s business.</p>	<p>The Corporate Governance and Nominating Committee is responsible for ensuring that new directors are provided with an orientation and education program which includes written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings and discussion with Senior Management and other directors. Each Director receives a directors’ manual, which is updated as required. The Directors meet regularly with management and are given periodic presentations on the business. Directors are expected to attend all scheduled board and committee meetings in person, although attendance by telephone is permissible in appropriate circumstances. Directors are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.</p>
<p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors.</p>	<p>The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. Each director is expected to participate in continuing education programs to maintain any professional designation that they may have and which would be considered in their nomination as a director. In addition, each director is expected to participate in programs that would be necessary to maintain a level of expertise in order to perform his or her responsibilities as a director and to provide on-going guidance and direction to</p>

	<p>management. To facilitate ongoing education of the Corporation's directors, the Corporate Governance and Nominating Committee: (a) periodically canvases the directors to determine their training and education needs and interests; (b) arranges ongoing visitation by directors to the Corporation's facilities and operations; (c) arranges the funding for the attendance of directors at seminars or conferences of interest and relevance to their position as a director of the Corporation; and (d) encourages and facilitates presentations by outside experts to the Board or committees on matters of particular importance or emerging significance.</p>
<p><b>5. Ethical Business Conduct</b>  (a) Disclose whether or not the Board has adopted a written code for its Directors, officers and employees. If the Board has adopted a written code:</p> <p>(i) disclose how an interested party may obtain a copy of the written code;</p> <p>(ii) describe how the Board monitors compliance with its code;</p> <p>(iii) provide a cross-reference to any material change report(s) filed within the preceding 12 months that pertains to any conduct of a Director or executive officer that constitutes a departure from the code; and</p> <p>(iv) describe any steps the board takes to ensure Directors exercise independent judgment in considering transactions and agreements in respect of which a Director or executive officer has a material interest.</p>	<p>The Corporation's Board of Directors has adopted a Code of Business Conduct and Ethics ("Code of Ethics"), a copy of which has been filed on SEDAR and is available on the Corporation's website at <a href="http://www.horizonnorth.ca">www.horizonnorth.ca</a>. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at 1600, 505 – 3<sup>rd</sup> Street S.W., Calgary, Alberta T2P 3E6.</p> <p>The Corporate Governance and Nominating Committee has the responsibility for monitoring compliance with the Code of Ethics and also ensures that management encourages and promotes a culture of ethical business conduct.</p> <p>The Board, through the Audit Committee Chair, also receives reports of all financial or accounting and other appropriate issues raised through Horizon's anonymous toll-free whistleblower hotline.</p> <p>The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.</p> <p>The Board has also a Communications Policy which regulates the manner in which material information is determined and disseminated.</p> <p>The Board has not granted any waiver of the Code of Ethics in favour of a Director or executive officer. Accordingly, no material change report has been required or filed.</p> <p>The Corporate Governance and Nominating Committee monitors the disclosure of conflicts of interest by directors and ensures that no director will vote or participate in a discussion on a matter, in respect of which, such director has a material interest.</p>
<p><b>6. Nomination of Directors</b>  (a) Describe the process by which the board identifies new candidates for board nomination.</p>	<p>This responsibility has been assigned to the Corporate Governance and Nominating Committee. To assist the Corporate Governance and Nominating Committee with reviewing the skill set of director candidates, a skills matrix has been developed that sets forth the current make-up of the Board, allowing the Corporate Governance and Nominating Committee to identify criteria that a new candidate for the board should possess. Criteria in the skills matrix include, but is not limited to, management, board and industry experience and areas of expertise. Before making a recommendation on a new director candidate, the Chairman of the Corporate Governance and Nominating Committee meets with the candidate to discuss the candidate's interest and ability to devote the time and commitment required to serve on the Corporation's board.</p>
<p>(b) Disclose whether or not the</p>	<p>The Corporation's Corporate Governance and Nominating Committee is</p>

<p>board has a nominating committee composed entirely of independent directors.</p>	<p>presently composed of three independent directors, being Russell Newmark (Chair), Roderick W. Graham and Bruce W. Mullen. Mr. Gary L. Warren was a member of the Corporate Governance and Nominating Committee until his resignation from the Board on September 30, 2008. The Corporation's Corporate Governance practice requires that all members of its Corporate Governance and Nominating Committee shall be independent.</p>
<p>(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The Charter of the Corporate Governance and Nominating Committee contains the responsibilities, powers and operation terms of the Corporate Governance and Nominating Committee which are incorporated herein by reference. This Charter is available on the Corporation's website at <a href="http://www.horizonnorth.ca">www.horizonnorth.ca</a>. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at 1600, 505 – 3<sup>rd</sup> Street S.W., Calgary, Alberta T2P 3E6. The Charter of the Corporate Governance and Nominating Committee, amongst other items (i) evaluates potential nominees to the Board by reviewing qualifications of prospective members and determines their relevance taking into consideration current Board composition and the anticipated skills required to round out the capabilities of the Board; (ii) annually recommends to the Board the nominees for election or re-election to the Board; and (iii) annually reviews and assesses the adequacy of its Charter. In doing so, the Corporate Governance and Nominating Committee complete a scorecard to confirm that it is doing all that is required of it under its Charter. Additionally, the Corporate Governance and Nominating Committee has established a committee workplan. If vacancies occur on the Board, the Corporate Governance and Nominating Committee would recommend nominees to the Board.</p>
<p><b>7. Compensation</b> (a) Describe the process by which the board determines the compensation for your company's directors or officers.</p>	<p>The Board established the Compensation Committee which is responsible to review and make recommendations to the Board regarding the adequacy and form of the compensation for Horizon's officers and directors. The Committee regularly reviews the compensation practices of comparable companies with a view to align Horizon's officers and directors with comparator group median. Directors who are officers of Horizon receive no additional remuneration for their services as directors.</p> <p>In particular, the Compensation Committee: (a) will review and approve, at least annually, Horizon's goals and objectives relevant to the compensation of the Chief Executive Officer and the CEO compensation is based on that review; (b) will review, at least annually, and recommend to the Board compensation, incentive plans and equity based plans for non-CEO officers and directors, and for other key employees as identified by the CEO and approved by the Compensation Committee, and in particular, reviews and recommends to the Board the annual bonus payments for the CEO and executive officers; (c) will review executive compensation disclosure before Horizon publicly discloses such information.</p> <p>For more information, please see "Compensation Discussion and Analysis" on page 7 of the Information Circular.</p> <p>Each director of Horizon who was not an employee of Horizon was paid fees of \$1,000 for each board or committee meeting attended in person or by telephone and was reimbursed for expenses incurred for such meetings. Each director who was not an employee of Horizon also received an annual retainer of \$15,000 per year, with no additional retainer to be paid to committee chairs. Each non-management director has been issued</p>

	options for 20,000 common shares. Mr. Peterson has received options for 600,000 common shares for serving as an officer of the Corporation and Mr. Stampe has received options for 200,000 common shares for serving as an officer of a subsidiary of the Corporation.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent Directors.	The Corporation's corporate governance practices require that all members of its Compensation Committee shall be independent. The Compensation Committee is currently comprised of Bruce W. Mullen (Chair), Roderick W. Graham, and Russell Newmark. Mr. Gary L. Warren was a member of the Compensation Committee until his resignation from the Board on September 30, 2008. None of the members of the Compensation Committee is an officer, employee or former officer of the Corporation or any of its affiliates or is eligible to participate in the Corporation's executive compensation programs. All of the members have experience in executive compensation by virtue of their experience as current or former chief executive officers and as current or former senior executives. The board of directors believes the Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	<p>The Compensation Committee's Charter contains the responsibilities, powers and operation terms of the Compensation Committee which are incorporated herein by reference. The Charter is available on Horizon's website at <a href="http://www.horizonnorth.ca">www.horizonnorth.ca</a>. A copy may also be obtained upon request to the Corporate Secretary of Horizon at 1600, 505 – 3<sup>rd</sup> Street S.W., Calgary, Alberta T2P 3E6.</p> <p>Briefly, the duties and responsibilities of the Compensation Committee include the development of a compensation policy, reviewing succession planning, evaluating the CEO, reviewing and recommending to the Board, the CEO's, executive officers' and directors' compensation, and monitoring incentive arrangements.</p> <p>In particular, the Compensation Committee: (a) will review and approve, at least annually, Horizon's goals and objectives relevant to the compensation of the CEO and the CEO compensation is based on that review; (b) will review, at least annually, and recommend to the Board compensation, incentive plans and equity based plans for non-CEO officers and directors, and for other key employees as identified by the CEO and approved by the Compensation Committee, and in particular, reviews and recommends to the Board the annual bonus payments for the CEO and executive officers; (c) will review executive compensation disclosure before Horizon publicly discloses such information.</p>
<b>8. Other Board Committees</b> If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Health, Safety and Environment Committee consists of two members of the Board of Directors and one member of Management, Mr. Dean S. Swanberg (Chairman), Mr. Shane P.D. Stampe and Mr. Bill Anderson, who is the Vice President Health, Safety and Environment of the Corporation and a member of Management. The Board has determined that Mr. Swanberg is independent, and Mr. Stampe is not independent as he is the Vice President of Horizon North Camp & Catering Inc., managing partner of Horizon North Camp & Catering Partnership, 100% owned entities of Horizon. Mr. Bill Anderson is not a member of the Board. The Health, Safety and Environment Committee assists the Board in its oversight of the health, safety and environmental issues, including the evaluation of Horizon's programs, controls and reporting systems, and compliance with applicable laws, rules and regulations.
<b>9. Assessments</b> Disclose whether or not the board,	The Corporate Governance and Nominating Committee has the mandate and responsibility to ensure that a process is in place for the annual review

<p>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 assessments.</p>	<p>of the performance of individual Directors, the Board as a whole and the Board committees. The directors were asked to complete a questionnaire which rated items such as structure and size of the Board and each committee, the knowledge and diversity of membership as well as the quality and timeliness of information received for discussion and the overall effectiveness in decision making. The completed questionnaires were forwarded to the Chair of the Corporate Governance and Nominating Committee who compiled the results of the questionnaire and prepared a single document that included any comments that may have been forwarded. The anonymity of any particular submitter is maintained with the aggregate results presented to the Corporate Governance and Nominating Committee for discussion and action if required. The results were then communicated to the full Board for discussion and recommendations as necessary.</p>
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## **SCHEDULE “B”**

### **MANDATE OF THE BOARD OF DIRECTORS OF HORIZON NORTH LOGISTICS INC. (the “Corporation”)**

#### Stewardship of the Corporation

1. The Board of Directors of the Corporation (the “Board”) is responsible for:
  - (a) the stewardship of the business and affairs of the Corporation;
  - (b) supervising the management of the business and affairs of the Corporation;
  - (c) providing leadership to the Corporation by practicing responsible, sustainable and ethical decision making;
  - (d) ensuring that all major issues affecting the Corporation are given proper consideration; and
  - (e) directing management to ensure legal, regulatory and stock exchange requirements applicable to the Corporation have been met.

#### Director Obligations

2. Each Director has the responsibility to:
  - (a) attend all regularly scheduled meetings of the Board and all of the Committees on which they serve and to be prepared for such meetings by reviewing materials provided in advance of meetings;
  - (b) act honestly and in good faith with a view to the best interests of the Corporation; and
  - (c) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

#### Board Composition

3. A majority of the Board will, at all times, be independent directors as defined in then current laws applicable to the Corporation.
4. To be considered for nomination and election to the Board, directors must demonstrate integrity and high ethical standards in their business dealings, their personal affairs and in the discharge of their duties to and on behalf of the Corporation.

#### Board Meetings

5. The Board is responsible to:
  - (a) meet in person, by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board;
  - (b) hold meetings of the independent directors without management and non-independent directors present; and
  - (c) comply with the position description applicable to individual directors.

#### Board Chair

6. The Board is responsible to annually select an independent member of the Board to serve as Board chair, (or if the CEO is also the Board Chair, a Lead Director) to:
  - (a) provide leadership to all directors;
  - (b) manage the affairs of the Board; and
  - (c) ensure that the Board functions effectively in fulfillment of its duties to the Corporation.

## Committees of the Board

7. The Board discharges its responsibilities directly and through its committees. As such the Board shall:
- (a) establish such Committees of the Board as are required by applicable law and as are necessary to effectively discharge the duties of the Board which committees shall include:
    - (i) an audit committee;
    - (ii) a corporate governance and nominating committee;
    - (iii) a compensation committee; and
    - (iv) a health, safety and environment committee.
  - (b) appoint directors to serve as members of each Committee;
  - (c) appoint a chair of each Committee to:
    - (i) provide leadership to the Committee;
    - (ii) manage the affairs of the Committee;
    - (iii) ensure that the Committee functions effectively in fulfilling its duties to the Board and the Corporation; and
    - (iv) to develop position descriptions for each Chair and Board Chair.
  - (d) regularly receive and consider reports and recommendations of each Committee, in particular:
    - (i) Audit Committee reports and recommendations, particularly with respect to the Corporation's annual audit and quarterly reports;
    - (ii) Corporate Governance and Nominating Committee reports regarding governance issues and the nomination process and recommendations regarding nominees and candidates for election to the Board;
    - (iii) Compensation Committee reports regarding recommendations with respect to corporate goals and objectives, CEO compensation and Board assessments and compensation;
    - (iv) Health, Safety and Environment Committee reports regarding health, safety and environmental issues, including the evaluation of Horizon's programs, controls and reporting systems, and compliance with applicable laws, rules and regulations.

## Supervision of Management

8. The Board is responsible to:
- (a) select and appoint the CEO, and with the assistance of the Compensation Committee, establish CEO goals and objectives and evaluate CEO performance and develop a position description for the CEO which includes delineating management's responsibilities; and
  - (b) assist the CEO to select and appoint executive officers, establish executive officers' goals and objectives and monitor their performance; and
  - (c) with the assistance of the Corporate Governance and Nominating Committee, maintain a succession plan for the replacement of the CEO and executive officers.

## Governance

9. The Board is responsible to:
- (a) annually review and on the advice of the Corporate Governance and Nominating Committee either approve or require revisions to the mandates of the Board and each Committee, position descriptions, the code of business conduct and ethics (the "Code") and all other policies of the Corporation (collectively the "Governance Documents");
  - (b) together with the Corporate Governance and Nominating Committee, take reasonable steps to satisfy itself that each director, the CEO and the executive officers are:
    - (i) performing their duties ethically;
    - (ii) conducting business on behalf of the Corporation in accordance with the requirements and the spirit of the Governance Documents;
    - (iii) fostering a culture of integrity throughout the Corporation; and
    - (iv) arrange, on the advice of the Corporate Governance and Nominating Committee, for the Governance Documents to be publicly disclosed.
  - (c) Ensure that all new directors receive a comprehensive orientation and that all new directors should fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that

- the Corporation expects from its directors) and that all new directors should also understand the nature and operation of the Corporation's business; and
- (d) Provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Corporation's business remains current.

#### Communications

10. The Board is responsible to:
- (a) approve and implement a communications policy which provides for disclosure and communications practices governing the Corporation; and
  - (b) approve and maintain a process for the Corporation's stakeholders to contact the independent directors directly with concerns and questions regarding the Corporation.

#### Waivers and Conflicts

11. The Board is responsible, with the assistance of the Corporate Governance and Nominating Committee, for:
- (a) reviewing departures from the Code;
  - (b) providing or denying waivers from the Code; and
  - (c) disclosing departures from the Code including by filing required material change reports for material departures from the Code containing:
    - (i) the date of the departure;
    - (ii) the parties involved;
    - (iii) the reason why the Board has or has not sanctioned the departure; and
    - (iv) any measures taken to address or remedy the departure.

#### Strategic Planning

12. The Board has the duty to:
- (a) adopt a strategic planning process, annually approve a strategic plan for increasing shareholder value taking into account, among other things, the opportunities and risks of the Corporation's business, and regularly monitor the Corporation's performance against its strategic plan;
  - (b) approve capital and operating budgets to implement the strategic plan;
  - (c) conduct periodic reviews of the Corporation's resources, risks, and regulatory constraints and opportunities to facilitate the strategic plan; and
  - (d) evaluate management's analysis of the strategies of existing and potential competitors and their impact, if any, on the Corporation's strategic plan.

#### Risk Management

13. The Board has the duty to:
- (a) adopt a process to identify business risks and ensure appropriate systems to manage risks; and
  - (b) together with the Audit Committee, ensure policies and procedures are in place and are effective to maintain the integrity of the Corporation's:
    - (i) disclosure controls and procedures;
    - (ii) internal controls over financial reporting; and
    - (iii) management information systems.

#### Financial Management

14. The Board has the duty to:
- (a) review and on the advice of the Audit Committee, approve, prior to their public dissemination:
    - (i) interim and annual consolidated financial statements and notes thereto;
    - (ii) managements' discussion and analysis of financial condition and results of operations;

- (iii) relevant sections of the annual report, annual information form and management information circular containing financial information;
  - (iv) forecasted financial information and forward looking statements; and
  - (v) all press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed; and
- (b) approve dividends and distributions, material financings, transactions affecting authorized capital or the issue and repurchase of shares and debt securities, and all material divestitures and acquisitions.

#### Materials

15. The Board shall have access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

#### Advisors

16. The Board has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Board in the discharge of its duties.

*Ratified by the Board of Directors February 26, 2009*