



## President's Letter to Shareholders

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Dear Shareholders,

Serving as President and CEO of Horizon North it is my privilege to be able to write this letter to you. 2016 was a challenging year for a number of companies, similar to ours, who provide a product and service offering to customers across the Western Canadian resource industry.

Instead of taking the time to discuss all of the headwinds we faced during the past year—the impact of low commodity prices, atrophied capital spending profile, uncertainty associated with change in fiscal policy at provincial and federal levels, suffering and the devastation caused by the Fort McMurray fires, the impact of change in U.S. Government—I understand your interest in Horizon North is borne out of Management's belief in the direction our firm is heading not the challenges it has faced.

Our journey of transformational change continues to be supported by the bedrock of 1100 Horizon North employees **who believe**.

- **We Believe** in understanding our customers, who they are, what they need from us and provide them with exceptional value and support. We will be innovative in anticipating our customer's needs and service these needs with a highly specialized team of solution oriented experts who are humble, relationship driven, agile and highly efficient;
- **We Believe** in providing a safe environment for our employees to work. Our Total Recordable Incident Rate for 2016 was 0.52 and we are winners of multiple safest employer awards;
- **We Believe** in a strong community partnership with our Aboriginal peoples—we have 17 partnerships across Western and Northern Canada and proudly employ 12 percent of our workforce who self-identify as being of Aboriginal decent;
- **We Believe** that technology has a role to play in providing our customers and guests with an exceptional experience that is faster, cheaper and better;
- **We Believe** that workers are entitled to quality accommodations in appropriate geographies at the right price, while respecting the communities that offset our facilities;
- **We Believe** our commercial, government and residential customers deserve a better way to build space—Modular Construction—provided on time, on budget in a climate controlled, safety conscious environment with quality standards set by world class organizations;
- **We Believe** that environmentally benign ways of generating power for remote applications makes good business sense reflecting our push for remote power to be generated using solar and compressed natural gas;
- **We Believe** that access to remote resource development should be done with low environmental footprint, utilizing long lasting product like oak matting and environmentally responsible stabilization solutions;
- **We Believe** that employees deserve a competitive wage and benefit plan and invest the requisite time on innovative human resource strategies to maintain that accuracy.

**We Believe** we are building a better Horizon North for all stakeholders. Thank you for your support as we continue along our transformational journey.

Rod Graham,  
President, CEO and Director