

HORIZON NORTH

**HORIZON NORTH LOGISTICS INC.**

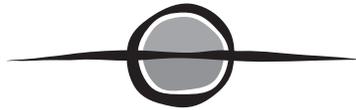
**NOTICE OF ANNUAL GENERAL MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR  
AND PROXY STATEMENT DATED MARCH 20, 2018**

**WITH RESPECT TO THE  
ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON MAY 9, 2018**



## HORIZON NORTH

### HORIZON NORTH LOGISTICS INC.

900, 240 – 4<sup>TH</sup> AVENUE S.W. CALGARY, ALBERTA T2P 4H4

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting (“**Meeting**”) of holders of common shares (“**Shareholders**”) of Horizon North Logistics Inc. (“**Horizon North**”) will be held on the **9th day of May, 2018 at 3:00 p.m. (Calgary time) in the McMurray Room of the Calgary Petroleum Club, 319 – 5<sup>th</sup> Avenue SW, Calgary, Alberta** for the following purposes:

1. to receive the consolidated audited financial statements of Horizon North for the financial year ended December 31, 2017 and the Auditor’s report on those statements;
2. to approve an ordinary resolution to fix the number of directors of Horizon North to be elected at the Meeting for the ensuing year at eight (8);
3. to elect the nominees to the board of directors of Horizon North for the ensuing year, as set out in the Management Information Circular accompanying this Notice;
4. to appoint KPMG LLP, Chartered Professional Accountants, of Calgary, Alberta, as Auditor of Horizon North for the ensuing year and to authorize the board of directors of Horizon North to fix their remuneration; and
5. to transact such other business as may be properly brought before the Meeting or any adjournment or adjournments thereof.

The details of all matters proposed to be put before Shareholders at the Meeting are set forth in the Management Information Circular and Instrument of Proxy accompanying this Notice of Meeting. At the Meeting, Shareholders will be asked to approve each of the foregoing items.

Only Shareholders of record at the close of business on March 20, 2018 are entitled to notice of and to attend the Meeting or any adjournment thereof and to vote thereat. **A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying Instrument of Proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed Instrument of Proxy must be mailed so as to reach or be deposited with the office of AST Trust Company (Canada), Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof or with the Chair of the Meeting prior to the commencement thereof.**

**BY ORDER OF THE BOARD OF DIRECTORS,**

*“signed” Jan M. Campbell*

Jan M. Campbell  
Corporate Secretary



## HORIZON NORTH

### HORIZON NORTH LOGISTICS INC.

### MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

### FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

### TO BE HELD ON MAY 9, 2018

#### 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, 2018, 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 North") for use at the Annual General Meeting (the "Horizon North Meeting") of holders of common shares (the "Common Shares") of the Corporation to be held on the 9th day of May, 2018 at 3:00 p.m. (Calgary time) in the McMurray Room of the Calgary Petroleum Club, 319 – 5<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 Horizon North Meeting, by holders of Common Shares of Horizon North.

Proxies will be solicited by mail and may also be solicited personally or by telephone or facsimile by the directors or officers of Horizon North, who will not be specifically remunerated therefore. The cost of solicitation by management of Horizon North will be borne by Horizon North. Horizon North may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting securities of Horizon North (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 Instrument of Proxy to the beneficial owners of such securities. Horizon North will provide, without cost to such persons, upon request to Horizon North, additional copies of the foregoing documents required for this purpose.

#### Notice-and-Access

The Corporation has elected to use the "notice-and-access" provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") for the Horizon North Meeting in respect of mailings to its shareholders who do not hold their Common Shares in their own name but rather hold their Common Shares indirectly through accounts with such institutions as brokerage firms, banks and trust companies (referred to in this Information Circular as "**Beneficial Shareholders**"). However, the Corporation will not be using the Notice-and-Access Provisions in respect of mailings to its registered holders of Common Shares ("**Registered Shareholders**"). The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials, online.

The Corporation has also elected to use procedures known as 'stratification' in relation to its use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular and, if applicable, a paper copy of financial statements and related management's discussion and analysis ("**Financial Information**") to some shareholders together with a notice of a meeting of its shareholders. In relation to the Horizon North Meeting, Registered Shareholders will receive a paper copy of each of a notice of the Horizon North Meeting, this Information Circular dated March 20, 2018 and a form of proxy, whereas Beneficial Shareholders will receive a Notice-and-Access Notification and a voting instruction form. Furthermore, a paper copy of the financial information in respect of the most recently completed financial year of the Corporation has been mailed to Registered Shareholders as well as to those Beneficial Shareholders who have previously requested to receive them.

The Corporation will be delivering proxy-related materials through intermediaries to both non-objecting Beneficial Shareholders and objecting Beneficial Shareholders, and the Corporation intends to pay intermediaries for the delivery of such material.

The Information Circular together with related materials and the above-noted Financial Information have been posted and are available for review on the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Information Circular, related materials and Financial Information are also available at [www.meetingdocuments.com/astca/hnl](http://www.meetingdocuments.com/astca/hnl).

#### **HOW TO OBTAIN PAPER COPIES OF MEETING MATERIALS:**

Beneficial shareholders may request that paper copies of the Horizon North Meeting materials be sent to them by contacting AST Trust Company (Canada) at 1-888-433-6443 or [fulfillment@astfinancial.com](mailto:fulfillment@astfinancial.com).

In order to allow Beneficial Shareholders a reasonable time to receive paper copies of the Information Circular and related materials by mail and to vote their Common Shares, it is recommended that requests for meeting materials should be received on or before April 27, 2018. However, requests for Horizon North Meeting materials may be made up to one year from the date the Information Circular was filed.

A Beneficial Shareholder may also obtain additional information about the Notice-and-Access Provisions by calling toll-free at 1-888-433-6443.

#### **APPOINTMENT OF PROXIES**

**Holders of Common Shares of Horizon North ("Shareholder") who wish to be represented at the Horizon North Meeting by proxy must complete and deliver the Instrument of Proxy or other proper form of proxy to AST Trust Company (Canada) in the manner set out in the Instrument of Proxy and described below.** Shareholders are entitled to vote on all matters as described in the Instrument of Proxy. Rod Graham and Scott Matson (the management designees named in the accompanying Instrument of Proxy) are officers and/or directors of Horizon North. **A Shareholder has the right to appoint a person (who need not be a Shareholder), other than Rod Graham and Scott Matson to represent such Shareholder at the Horizon North 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 Common Shares are to be voted. The nominee should bring personal identification with him or her to the Horizon North Meeting. An Instrument of Proxy will not be valid unless it is deposited at the offices of AST Trust Company (Canada), Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1, not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time of the Horizon North 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 AST Trust Company (Canada), 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 North

Meeting or any adjournment thereof; or (ii) with the Chair of the Horizon North Meeting on the day of the Horizon North Meeting or any adjournment thereof. In addition, an Instrument of Proxy may be revoked: (i) by the Shareholder personally attending the Horizon North Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a representative of the corporation attending the Horizon North 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 Instrument of Proxy will vote the Common Shares of Horizon North 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 North, and **FOR** the re-appointment of KPMG LLP 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 Horizon North Meeting. The management of the Corporation knows of no such amendments, variations or other business to come before the Horizon North Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not known to management of Horizon North should properly come before the Horizon North Meeting, the Instrument of Proxy given pursuant to the solicitation by management of Horizon North will be voted on such matters in accordance with the best judgment of the persons voting the Instrument of Proxy.

#### **Voting by Internet**

Shareholders may use the internet site at [www.astvotemyproxy.com](http://www.astvotemyproxy.com) to transmit their voting instructions. Shareholders should have the Instrument of Proxy in hand when they access the web site. Shareholders will be prompted to enter their Control Number, which is located on the Instrument of Proxy. If Shareholders wish to vote by internet, your vote must be received not later than 48 hours prior to the time set for the Horizon North Meeting or any adjournment of the Horizon North Meeting. **The website may be used to appoint a proxyholder to attend and vote on a Shareholder's behalf at the Horizon North Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxyholder and submits their voting instructions and subsequently wishes to change their appointment, a Shareholder may resubmit their Instrument of Proxy and/or voting direction, prior to the deadline noted above. When resubmitting an Instrument of Proxy, the most recently submitted Instrument of Proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last Instrument of Proxy is submitted by the deadline noted above.**

#### **Vote by Telephone**

In order to vote by telephone, use any touch-tone telephone to transmit your voting instructions not less than 48 hours before the Horizon North Meeting and any adjournment thereof. Telephone toll-free 1-888-489-5760 and follow the instructions the "Vote Voice" provides you. Have the Instrument of Proxy in hand when you call. You will be prompted to enter your Control Number, which is located on the Instrument of Proxy. The control number is your personal security code and will be used to authenticate your voting instructions. **If you vote by telephone, you cannot appoint anyone other than the person or persons named on the Instrument of Proxy as your proxy holder.**

## **SIGNING OF THE INSTRUMENT 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 North).

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

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

As at March 20, 2018 (the "**Record Date**"), the Corporation had 145,341,118 Common Shares issued and outstanding each of which carries the right to one vote at meetings of the Shareholders of Horizon North. Only Registered Shareholders as of the close of business on the Record Date are entitled to receive notice of and to vote at the Horizon North Meeting, except to the extent that: (a) the holder has transferred the ownership of any of the holder's Common Shares after the Record Date; and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that the transferee owns the Common Shares, and demands not later than ten (10) days before the day of the Horizon North Meeting that the transferee's name be included in the list of persons entitled to vote at the Horizon North Meeting, in which case the transferee will be entitled to vote its Common Shares at the Horizon North Meeting.

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

### **Voting of Common Shares – Notice to Beneficial Shareholders**

Only Registered Shareholders, or the persons they appoint as their proxies, are permitted to attend and vote at the Horizon North Meeting. However, in many cases, Common Shares beneficially owned by a Beneficial Shareholder are in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) that is holding such shares on behalf of an intermediary (an "**Intermediary**") that the Beneficial Shareholder 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.

The purpose of these instructions is to permit Beneficial Shareholders to direct the voting of the Common Shares they beneficially own. Should a Beneficial Shareholder wish to attend and vote at the Horizon North Meeting in person (or have another person attend and vote on behalf of the Beneficial Shareholder), the Beneficial Shareholder should strike out the names of the persons named in the Instrument of Proxy and insert the Beneficial Shareholder'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, Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies.

Only Registered Shareholders have the right to revoke an Instrument of Proxy. Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Horizon North Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their Instrument of 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 North 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 North entitled to be voted at the Horizon North Meeting except as set forth in the following table, which is based on publicly available information.

Name of Shareholder and Municipality of Residence	Securities Owned, Controlled or Directed <sup>(1)</sup>	Percentage of the Class of Outstanding Voting Securities of the Corporation <sup>(2)</sup>
Franklin Resources, Inc. ("Franklin Templeton") San Mateo, California, United States <sup>(1)(2)</sup>	17,753,712	12.22%

### Notes:

- (1) Based on 145,341,118 issued and outstanding Common Shares as at March 20, 2018.
- (2) Based on publicly available information whereby as at December 8, 2017, Franklin Templeton reported (pursuant to the Early Warning System – Alternative Monthly Report filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") that it held 17,753,712 Common Shares.

## FINANCIAL STATEMENTS

At the Horizon North Meeting, the Corporation will present to the Shareholders the audited consolidated financial statements of Horizon North for the financial years ended December 31, 2017, and December 31, 2016 and the Auditors' Report thereon. No vote by the Shareholders with respect to these matters is required. National Instrument 51-102 *Continuous Disclosure Obligations*, ("**NI 51-102**") provides that Horizon North is not 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. NI 51-102 also provides that Horizon North must send annually a request form to its Registered Shareholders 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 AST Trust Company (Canada), Proxy Department, P.O. Box 700, Station B, Montreal, QC, H3B 3K3.

## 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 North to be elected at the Horizon North Meeting for the ensuing year, at eight (8).

**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 ordinary resolution fixing the number of directors to be elected at the Horizon North Meeting at eight (8).**

### 2. Election of Directors

The following persons are proposed to be nominated for election as directors of Horizon North at the Horizon North Meeting. The board of directors of Horizon North (the "**Board**" or "**Board of Directors**") has concluded that each nominee is well qualified to serve on the 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 Shareholders, or until successors are elected or directors resign.

### *Majority Voting for Directors*

The Board has adopted a majority voting policy for the election of directors ("**Majority Voting Policy**"). The Board believes that each director of Horizon North should carry the confidence and support of its Shareholders. To this

end, the Board has unanimously adopted and agreed to comply with the following policy regarding the election of directors.

The form of Instrument of Proxy for use at any meeting of Shareholders where directors are to be elected will enable Shareholders to either: (a) vote in favour; or (b) withhold their Common Shares from being voted in respect of each nominee separately. At the meeting, the Chair will call for a vote by ballot and the scrutineer of the Shareholders' meeting will record, with respect to each nominee, the total number of Common Shares voted in favour and the total number of Common Shares withheld from voting. If, with respect to any nominee, the total number of Common Shares withheld exceeds the total number of Common Shares voted in favour of the nominee, then for purposes of this policy such nominee shall be considered not to have received the support of Shareholders even though duly elected as a matter of corporate law.

Any nominee who is considered under the above test not to have the support of the Shareholders shall, forthwith, submit his or her resignation to the Board to take effect immediately upon acceptance by the Board.

The Board shall decide whether or not to accept the tendered resignation and shall, not later than 90 days after the Shareholders' meeting, issue a news release, a copy of which will also be provided to the Toronto Stock Exchange ("TSX"), which either confirms that they have accepted the resignation or provides an explanation for why they have refused to accept such resignation. The director tendering his or her resignation will not participate in any meeting of the Board or any sub-committee of the Board at which the resignation is considered.

Subject to any restrictions or requirements contained in applicable corporate law or Horizon North's constating documents, the Board may: (a) leave a resulting vacancy unfilled until the next annual meeting; (b) appoint a replacement director whom the Board considers merits the confidence of the Shareholders; or (c) call a special meeting of Shareholders to elect a replacement director nominated by management.

The Majority Voting Policy does not apply in respect of any contested Shareholders' meeting. For purposes hereof, a contested meeting is any meeting of Shareholders at which the number of directors nominated for election is greater than the number of seats available on the Board.

The proposed directors are:

Richard T. Ballantyne	Rod W. Graham	Ann I. Rooney
Bradley P.D. Fedora	Kevin D. Nabholz	Dale E. Tremblay
Mary Garden	Russell A. Newmark	

The following table sets forth for each proposed director: their name, age, municipality, province or state and country of residence; their committee memberships; all positions and offices with Horizon North now held by them, the month and year in which they were first elected a director; other public company board memberships; their principal occupation for at least the last 5 years along with a brief biography; and the number and percentage of Common Shares that they have advised are beneficially owned, controlled or directed by them, directly or indirectly, as of March 14, 2018:

**Richard T. Ballantyne**<sup>(1)(2)(3)</sup>

Age: 59

Salt Spring Island, British Columbia, Canada

Director since April 2015  
Independent<sup>(4)</sup>**Core Areas of Expertise**

- Board and Governance
- Canadian Business
- Environmental
- Health and Safety
- Strategic Planning
- Operational Financial Skills
- Petroleum Industry

Mr. Ballantyne is a professional engineer and independent corporate director. With more than 30 years in the processing and refinery business, Mr. Ballantyne was President of Terasen Pipelines from 2001 to 2005 and held senior positions with Trans Mountain Pipeline and BC Gas Utility Ltd. Mr. Ballantyne is a director of Stuart Olson Inc. and has served on several public, private and association boards. Mr. Ballantyne is a graduate of the University of British Columbia in mechanical engineering, attended the Banff School of Advanced Management, and is a certified director through the Institute of Corporate Directors.

2017 Board/Committee Membership				Attendance at Meetings during 2017 <sup>(5)</sup>			
Board				6 of 6	100%		
Audit				4 of 4	100%		
Health, Safety and Environment				4 of 4	100%		
Other Public Company Board Memberships				Public Board Interlocks			
Stuart Olson Inc.				Mr. Ballantyne and Mr. Graham are members of the board of Stuart Olson Inc.			
Securities Held							
Common Shares		Percentage <sup>(6)</sup>		Total Market Value of Common Shares <sup>(7)</sup>			
57,593		0.04%		\$108,275			
Stock Options Held							
Date Granted	Expiry Date	Number Granted	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Stock Options <sup>(8)</sup>		
May 1, 2015	April 30, 2020	15,500	\$3.35	15,500	Nil		
March 1, 2016	Feb 28, 2021	30,000	\$1.16	30,000	\$21,600		
May 15, 2017	May 14, 2022	30,000	\$1.47	30,000	\$12,300		
Cash Settled Restricted Share Units (RSUs) Held							
Date Granted	Expiry Date	Number Granted	Total Unvested	Value of RSUs <sup>(9)</sup>			
June 1, 2016	June 1, 2019	30,000	20,000	\$37,600			
May 15, 2017	May 15, 2020	30,000	30,000	\$56,400			
Voting Results of 2017 Annual Meeting <sup>(10)</sup>				Votes For	Votes Withheld	Total Votes Cast	
				73,672,942	99.86%	105,424 0.14%	73,778,366

**Bradley P.D. Fedora**<sup>(2)(3)</sup>

Age: 48

Calgary, Alberta, Canada

Director since April 2015  
Independent<sup>(4)</sup>**Core Areas of Expertise**

- Corporate Finance
- Financial Literacy
- Mergers and Acquisitions
- Petroleum Industry
- Services Industry
- Strategic Planning

Mr. Fedora is an independent businessman. Mr. Fedora was the President and CEO of Canyon Services Group Inc. ("Canyon") from September 2007 to June 2017 when it was acquired by Trican Well Services Ltd. Before joining Canyon, Mr. Fedora spent the previous decade with Peters & Co. Limited ("Peters"), a Calgary-based investment bank focused on the energy sector, where he specialized in financings and merger and acquisition transactions for the oil and natural gas service and supply sector. Before joining Peters, Mr. Fedora attended university, where he also accumulated field experience while working summers for an energy company in Saskatchewan. Mr. Fedora holds a Bachelor of Science from the University of Saskatchewan and an MBA in finance from the University of British Columbia. He is a former director of IROC Energy Services Corp., the Petroleum Services Association of Canada and Marsa Energy Inc. Mr. Fedora is a 2009 recipient of Canada's Top 40 Under 40 Award.

2017 Board/Committee Membership				Attendance at Meetings during 2017 <sup>(5)</sup>			
Board				6 of 6	100%		
Corporate Governance and Compensation				4 of 4	100%		
Health, Safety and Environment				4 of 4	100%		
Other Public Company Board Memberships				Public Board Interlocks			
Trican Well Service Ltd.				None			
Securities Held							
Common Shares		Percentage <sup>(6)</sup>		Total Market Value of Common Shares <sup>(7)</sup>			
51,000		0.04%		\$95,880			
Stock Options Held							
Date Granted	Expiry Date	Number Granted	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Stock Options <sup>(8)</sup>		
May 1, 2015	April 30, 2020	15,500	\$3.35	15,500	Nil		
March 1, 2016	Feb 28, 2021	30,000	\$1.16	30,000	\$21,600		
May 15, 2017	May 14, 2022	30,000	\$1.47	30,000	\$12,300		
Cash Settled Restricted Share Units (RSUs) Held							
Date Granted	Expiry Date	Number Granted	Total Unvested	Value of RSUs <sup>(9)</sup>			
June 1, 2016	June 1, 2019	30,000	20,000	\$37,600			
May 15, 2017	May 15, 2020	30,000	30,000	\$56,400			
Voting Results of 2017 Annual Meeting <sup>(10)</sup>				Votes For	Votes Withheld	Total Votes Cast	
				73,624,464	99.79%	153,902 0.21%	73,778,366

**Mary Garden<sup>(1)(3)</sup>**

Age: 59

Victoria, British Columbia,  
Canada

Director since May 2016

Independent<sup>(4)</sup>

Ms. Garden has over 30 years of executive leadership experience in business including operations and marketing management, advisory consulting, coaching and university teaching. Over the course of her career, Ms. Garden has worked in executive level positions with PwC, Delta Hotels, PKF, Holiday Inn, Radisson Hotels and Keg Restaurants. From 2008 to 2015, Ms. Garden led investment teams at the British Columbia Investment Management Corporation managing Canadian and international multi-billion dollar, private equity real estate portfolios for institutional pension plan clients. Ms. Garden has served on the boards of Bentall Kennedy, Parkbridge Lifestyle Communities, Delta Hotels, bcIMC Realty Corporation and SilverBirch Hotels & Resort. Ms. Garden is the principal at Mary Garden & Associates, an advisory firm working with select global clients and C-Suite leaders in strategic consulting, executive coaching and workplace well being. Ms. Garden has a BA and MBA from the University of British Columbia and holds the ICD.D designation.

**Core Areas of Expertise**

- Board and Governance
- Canadian Business
- Human Resources
- Mergers and Acquisitions
- Service Industry
- Strategic Planning

2017 Board/Committee Membership				Attendance at Meetings during 2017 <sup>(5)</sup>		
		Board		6 of 6	100%	
		Audit		4 of 4	100%	
		Corporate Governance and Compensation		4 of 4	100%	
Other Public Company Board Memberships				Public Board Interlocks		
None				None		
Securities Held						
Common Shares		Percentage <sup>(6)</sup>		Total Market Value of Common Shares <sup>(7)</sup>		
52,500		0.04		\$98,700		
Stock Options Held						
Date Granted	Expiry Date	Number Granted	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Stock Options <sup>(8)</sup>	
May 5, 2016	May 5, 2021	30,000	\$1.75	30,000	\$3,900	
May 15, 2017	May 14, 2022	30,000	\$1.47	30,000	\$12,300	
Cash Settled Restricted Share Units (RSUs) Held						
Date Granted	Expiry Date	Number Granted	Total Unvested	Value of RSUs <sup>(9)</sup>		
June 1, 2016	June 1, 2019	30,000	20,000	\$37,600		
May 15, 2017	May 15, 2020	30,000	30,000	\$56,400		
Voting Results of 2017 Annual Meeting <sup>(10)</sup>						
		Votes For	Votes Withheld	Total Votes Cast		
		73,356,090	99.43%	422,276	0.57%	
						73,778,366

**Rod W. Graham**

Age: 50

Calgary, Alberta,  
Canada

Director since November 2014

Not independent<sup>(11)</sup>

Mr. Graham is the President and Chief Executive Officer and a director of Horizon North, appointed on November 4, 2014. Prior thereto, Mr. Graham was the Senior Vice President Corporate Development and Planning of Horizon North since January 21, 2014. Prior thereto, Mr. Graham served as a director of Horizon North since January 2007 and Chair of the Board of Horizon North from May 3, 2012 to January 21, 2014. Mr. Graham was the President and Chief Executive Officer of ZCL Composites Inc. from October 1, 2010 to August 7, 2012. Prior to his role at ZCL, Mr. Graham co-founded and acted as Managing Director of Northern Plains Capital Corporation from September 2005 to September 2010.

**Core Areas of Expertise**

- Board and Governance
- Canadian Business
- Corporate Finance
- Financial Literacy
- Health and Safety
- Mergers and Acquisitions
- Operational Finance
- Petroleum Industry
- Sales and Marketing
- Service Industry
- Strategic Planning

2017 Board/Committee Membership				Attendance at Meetings during 2017 <sup>(5)</sup>		
		Board		6 of 6	100%	
Other Public Company Board Memberships				Public Board Interlocks		
Stuart Olson Inc.				Mr. Graham and Mr. Ballantyne are members of the board of Stuart Olson Inc.		
Securities Held						
Common Shares		Percentage <sup>(6)</sup>		Total Market Value of Common Shares <sup>(7)</sup>		
644,594		0.45%		\$1,211,837		
Stock Options Held						
Date Granted	Expiry Date	Number Granted	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Stock Options <sup>(8)</sup>	
June 6, 2014	June 5, 2019	125,000	\$7.62	125,000	Nil	
Feb 27, 2015	Feb 26, 2020	400,000	\$2.30	400,000	Nil	
March 1, 2016	Feb 28, 2021	300,000	\$1.16	300,000	\$216,000	
May 15, 2017	May 14, 2022	750,000	\$1.47	750,000	\$307,500	
Cash Settled Restricted Share Units (RSUs) Held						
Date Granted	Expiry Date	Number Granted	Total Unvested	Value of RSUs <sup>(9)</sup>		
June 1, 2016	June 2, 2019	100,000	66,667	\$125,334		
May 15, 2017	May 15, 2020	250,000	250,000	\$470,000		
Voting Results of 2017 Annual Meeting <sup>(10)</sup>						
		Votes For	Votes Withheld	Total Votes Cast		
		73,448,951	99.55%	329,415	0.45%	
						73,778,366

**Kevin D. Nabholz**<sup>(1)(3)</sup>  
Age: 61  
Calgary, Alberta  
Canada  
Director since May 2012  
Independent<sup>(4)</sup>

Mr. Nabholz is the Chair of the Board of Directors of Horizon North. Mr. Nabholz is an independent businessman. Mr. Nabholz has over 30 years of experience in the oil sands industry. Mr. Nabholz retired as Executive Vice President, Major Projects at Suncor Energy Inc. ("Suncor") on March 1, 2012, having been at Suncor for 25 years. Mr. Nabholz was involved in all facets of the business at Suncor, including Operations, Maintenance and Projects and in his latest role led the execution of over \$30 billion of major projects. Mr. Nabholz has served on a number of private company boards, as well as not-for-profit entities including the Northern Alberta Institute of Technology, Construction Owners Association of Alberta, Keyano College Foundation, the United Way of Fort McMurray and several others.

**Core Areas of Expertise**  
- Board and Governance  
- Canadian Business  
- Health and Safety  
- Operational Finance  
- Petroleum Industry  
- Strategic Planning

2017 Board/Committee Membership				Attendance at Meetings during 2017 <sup>(5)</sup>		
	Board			6 of 6	100%	
	Audit			4 of 4	100%	
	Corporate Governance and Compensation			4 of 4	100%	
Other Public Company Board Memberships				Public Board Interlocks		
	None			None		
Securities Held						
Common Shares		Percentage <sup>(6)</sup>		Total Market Value of Common Shares <sup>(7)</sup>		
500,000		0.35%		\$940,000		
Stock Options Held						
Date Granted	Expiry Date	Number Granted	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Stock Options <sup>(8)</sup>	
June 6, 2014	June 5, 2019	10,000	\$7.62	10,000	Nil	
May 1, 2015	April 30, 2020	15,500	\$3.35	15,500	Nil	
March 1, 2016	Feb 28, 2021	30,000	\$1.16	30,000	\$21,600	
May 15, 2017	May 14, 2022	40,000	\$1.47	40,000	\$16,400	
Cash Settled Restricted Share Units (RSUs) Held						
Date Granted	Expiry Date	Number Granted	Total Unvested	Value of RSUs <sup>(9)</sup>		
June 1, 2016	June 2, 2019	30,000	20,000	\$37,600		
May 15, 2017	May 15, 2020	40,000	40,000	\$75,200		
Voting Results of 2017 Annual Meeting <sup>(10)</sup>			Votes For	Votes Withheld	Total Votes Cast	
			73,693,574	99.89%	84,792 0.11%	73,778,366

**Russell A. Newmark**<sup>(2)(3)</sup>  
Age: 62  
Inuvik, Northwest Territories, Canada  
Director since June 2006  
Independent<sup>(4)</sup>

Mr. Newmark has extensive and diverse business knowledge and experience throughout northern Canada and has been Chief Executive Officer of E. Gruben's Transport Ltd. since 1990, a successful contracting firm based in the Northwest Territories. Since 1976, he has been recognized as a leader within the Mackenzie Delta and Beaufort Sea regions and has served on numerous corporate and government boards including the Inuvialuit Development Corporation, Norterra Inc. and the GNWT Business Loan Fund Board.

**Core Areas of Expertise**  
- Board and Governance  
- Canadian Business  
- Operational Finance  
- Service Industry

2017 Board/Committee Membership				Attendance at Meetings during 2017 <sup>(5)</sup>		
	Board			6 of 6	100%	
	Corporate Governance and Compensation			4 of 4	100%	
	Health, Safety and Environment			4 of 4	100%	
Other Public Company Board Memberships				Public Board Interlocks		
	None			None		
Securities Held						
Common Shares		Percentage <sup>(6)</sup>		Total Market Value of Common Shares <sup>(7)</sup>		
1,158,353		0.80%		\$2,177,704		
Stock Options Held						
Date Granted	Expiry Date	Number Granted	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Stock Options <sup>(8)</sup>	
June 6, 2014	June 5, 2019	10,000	\$7.62	10,000	Nil	
May 1, 2015	April 30, 2020	15,500	\$3.35	15,500	Nil	
March 1, 2016	Feb 28, 2021	30,000	\$1.16	30,000	\$21,600	
May 15, 2017	May 14, 2022	30,000	\$1.47	30,000	\$12,300	
Cash Settled Restricted Share Units (RSUs) Held						
Date Granted	Expiry Date	Number Granted	Total Unvested	Value of RSUs <sup>(9)</sup>		
June 1, 2016	June 2, 2019	30,000	20,000	\$37,600		
May 15, 2017	May 15, 2022	30,000	30,000	\$56,400		
Voting Results of 2017 Annual Meeting <sup>(10)</sup>			Votes For	Votes Withheld	Total Votes Cast	
			68,680,051	93.09%	5,098,315 6.91%	73,778,366

**Ann I. Rooney**<sup>(1)(2)</sup>

Age: 64

Calgary, Alberta

Canada

Director since August 2012

Independent<sup>(4)</sup>

Ms. Rooney is an independent businesswoman. She qualified as a Chartered Accountant in 1986 after working for several years as an environmental scientist with a specialty in limnology. Ms. Rooney's professional experience includes working as a Staff Accountant and Manager with Ernst and Young LLP, an independent GST Consultant, and a Manager at AltaGas Services Inc. In 2001, Ms. Rooney became a partner of Holt Rooney Chartered Accountants; a public practice firm in Calgary, Alberta. She retired from public practice in 2011. Ms. Rooney has had extensive involvement with the Institute of Chartered Accountants of Alberta including serving as president from 1996 to 1997. In 1996, Ms. Rooney was awarded an FCA (Fellow of the Chartered Accountants) in recognition of her meritorious service to the accounting profession and the community. Ms. Rooney earned the ICD.D professional designation in 2010. Ms. Rooney sits as lead independent member of the Alberta Securities Commission as well as serving on their governance committee. Ms. Rooney is Vice-Chair and Audit chair at Parkbridge Lifestyle Communities Inc., a land lease company with properties all across Canada. Ms. Rooney is Vice-Chair of the National Board of Directors and is chair of the governance committee of the Nature Conservancy of Canada, the country's leading national land conservation charitable organization.

**Core Areas of Expertise**

- Financial Literacy
- Canadian Business
- Board and Governance
- Corporate Finance
- Operational Finance
- Environmental Experience
- Strategic Planning
- Risk Management

2017 Board/Committee Membership		Attendance at Meetings during 2017 <sup>(5)</sup>				
	Board	6 of 6		100%		
	Audit	4 of 4		100%		
	Health, Safety and Environment	4 of 4		100%		
Other Public Company Board Memberships		Public Board Interlocks				
	None	None				
Securities Held						
Common Shares		Percentage <sup>(6)</sup>	Total Market Value of Common Shares <sup>(7)</sup>			
34,700		0.02%	\$65,236			
Stock Options Held						
Date Granted	Expiry Date	Number Granted	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Stock Options <sup>(8)</sup>	
June 6, 2014	June 5, 2019	10,000	\$7.62	10,000	Nil	
May 1, 2015	April 30, 2020	15,500	\$3.35	15,500	Nil	
March 1, 2016	Feb 28, 2021	30,000	\$1.16	30,000	\$21,600	
May 15, 2017	May 14, 2022	30,000	\$1.47	30,000	\$12,300	
Cash Settled Restricted Share Units (RSUs) Held						
Date Granted	Expiry Date	Number Granted	Total Unvested	Value of RSUs <sup>(9)</sup>		
June 1, 2016	June 2, 2019	30,000	20,000	\$37,600		
May 15, 2017	May 15, 2020	30,000	30,000	\$56,400		
Voting Results of 2017 Annual Meeting <sup>(10)</sup>		Votes For	Votes Withheld		Total Votes Cast	
		73,401,531	99.49%	376,835	0.51%	73,778,366

**Dale E. Tremblay**<sup>(2)(3)</sup>  
Age: 63  
Calgary, Alberta,  
Canada  
Director since May 2010  
Independent<sup>(4)</sup>

Mr. Tremblay is an independent businessman. From December 2009 to December 2013, Mr. Tremblay was the Chair and Chief Executive Officer of Western Energy Services Corp. Prior thereto, Mr. Tremblay was the Chair of SES Holdings Limited, the parent company of Saxon Energy Services Inc., from August 2005 to December 2009, in addition to serving as President and Chief Executive Officer of Saxon Energy Services Inc. Prior thereto, Mr. Tremblay was the Senior Vice President, Finance and Chief Financial Officer of Precision Drilling Corporation from 1988 to 2005.

**Core Areas of Expertise**

- Canadian Business
- Corporate Finance
- Financial Literacy
- Health and Safety
- Mergers and Acquisitions
- Operational Finance
- Petroleum Industry
- Risk Management
- Service Industry

2017 Board/Committee Membership		Attendance at Meetings during 2017 <sup>(5)</sup>				
Board		6 of 6	100%			
Corporate Governance and Compensation		4 of 4	100%			
Health, Safety and Environment		4 of 4	100%			
Other Public Company Board Memberships		Public Board Interlocks				
Cathedral Energy Services Ltd.		None				
McCoy Global Inc.						
Securities Held						
Common Shares		Percentage <sup>(6)</sup>	Total Market Value of Common Shares <sup>(7)</sup>			
101,100		0.07%	\$190,068			
Stock Options Held						
Date Granted	Expiry Date	Number Granted	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Stock Options <sup>(8)</sup>	
June 6, 2014	June 5, 2019	10,000	\$7.62	10,000	Nil	
May 1, 2015	April 30, 2020	15,500	\$3.35	15,500	Nil	
March 1, 2016	Feb 28, 2016	30,000	\$1.16	30,000	\$21,600	
May 15, 2017	May 14, 2022	30,000	\$1.47	30,000	\$12,300	
Cash Settled Restricted Share Units (RSUs) Held						
Date Granted	Expiry Date	Number Granted	Total Unvested	Value of RSUs <sup>(9)</sup>		
June 1, 2016	June 2, 2019	30,000	20,000	\$37,600		
May 15, 2017	May 15, 2020	30,000	30,000	\$56,400		
Voting Results of 2017 Annual Meeting <sup>(10)</sup>		Votes For	Votes Withheld	Total Votes Cast		
		68,764,284	93.20%	5,014,082	6.80%	73,778,366

- (1) Member of the Audit Committee.
- (2) Member of the Health, Safety and Environment Committee.
- (3) Member of the Corporate Governance and Compensation Committee.
- (4) "Independent" refers to the standards of independence set forth within section 1.4 of National Instrument 52-110 - *Audit Committees*.
- (5) Attendance in person or by telephone.
- (6) Percentage of Common Shares beneficially owned is calculated based on an aggregate of 145,341,118 Common Shares outstanding as of March 14, 2018.
- (7) Total market value of Common Shares was determined by multiplying the number of Common Shares held by each director nominee as of March 14, 2018 by \$1.88, which was the closing price of the Common Shares on the TSX on that date.
- (8) Based on the difference between the March 14, 2018 closing price on the TSX of the Common Shares of \$1.88 per share and the exercise price of the Stock Option.
- (9) Value of the RSUs was determined by multiplying the number of cash settled RSUs held by each director nominee as of March 14, 2018 by \$1.88, which was the closing price of the Common Shares on the TSX on that date.
- (10) Annual and Special Meeting of Shareholders of Horizon North held on May 4, 2017.
- (11) Mr. Graham is the President and CEO of Horizon North and a member of management, and is therefore not an independent director.

The Board has determined that each nominee for election to the Board of Horizon North is independent pursuant to the standards of independence set forth within section 1.4 of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") with the exception of Rod W. Graham, who is the President and Chief Executive Officer of Horizon North.

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

As at March 14, 2018, the directors and officers of Horizon North, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 2,647,740 Common Shares, or approximately 1.82% of the issued and outstanding Common Shares, based on 145,341,118 issued and outstanding Common Shares. In addition, as at March 14, 2018, the directors and officers of Horizon North, as a group, have outstanding Options to purchase 3,256,500 Common Shares.

#### *Additional Disclosure Relating to Proposed Directors*

Except as set forth below, 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 company that: (i) was subject to a cease trade order or similar order or an order that denied the company 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 company 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:

Dale E. Tremblay was a director of Liv Spa Inc., a private company that was placed into voluntary bankruptcy on August 22, 2008, which bankruptcy was completed on December 2, 2009. He was also a director of GASFRAC Energy Services Inc. ("**GASFRAC**") between May 27, 2014 and February 13, 2015. Pursuant to court supervised creditor protection proceedings commenced under the *Companies' Creditors Arrangement Act* ("**CCAA**"), GASFRAC sold most of its operating assets and intellectual property to a third party service industry competitor on April 7, 2015 and subsequently then completed a court approved CCAA Plan of Compromise and Arrangement pursuant to which a third party service industry competitor acquired 100% equity ownership of GASFRAC as an operating entity on July 7, 2015; and Dale E. Tremblay was a director of ATK Oilfield Transportation Inc. ("**ATK**"), a private oilfield services company, until April 1, 2016. ATK was placed into receivership following an application by its creditors on April 1, 2016.

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 the assets of the proposed director.

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 Professional Accountants, Calgary, Alberta, to serve as auditor of Horizon North until the next annual meeting of the Shareholders and to authorize the directors of Horizon North to fix their remuneration. KPMG LLP has been the auditor of Horizon North since June 1, 2006. Should KPMG LLP for any reason be unwilling or unable to accept re-appointment, Horizon North'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, Chartered Professional Accountants, as auditor of Horizon North.**

## Other Business

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

## STATEMENT OF EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

#### Compensation Governance

The Corporate Governance and Compensation Committee is responsible for making recommendations to the Board relating to the compensation of members of the Board, the Chief Executive Officer (“CEO”) and other executive officers. The Corporate Governance and Compensation Committee regularly reviews the compensation practices of comparable companies with a view to aligning Horizon North’s officers and directors with a comparable group median. Directors who are officers of Horizon North receive no additional remuneration for their services as directors.

In particular, the Corporate Governance and Compensation Committee: (i) will review and approve, at least annually, Horizon North’s goals and objectives relevant to the compensation of the CEO and the CEO compensation is based on that review; (ii) 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 Corporate Governance and Compensation Committee, and in particular, review and recommend to the Board the annual bonus payments for the CEO and executive officers; and (iii) will review executive compensation disclosure before Horizon North publicly discloses such information.

The objective of Horizon North’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 plus benefits; (ii) annual performance bonus; and (iii) equity based compensation. The appropriateness and competitiveness of the Corporation’s executive compensation program is monitored by comparison to a peer group of companies that include the following:

Akita Drilling Ltd.	North American Energy Partners Inc.
Black Diamond Group Ltd.	Petrowest Corp.
Canyon Services Group Inc.	Secure Energy Services Inc.
Civeo Corp.	Strad Energy Services Ltd.
Essential Energy Services Ltd.	Trimac Transportation Ltd.
McGrath Rent Corp.	Total Energy Services Inc.
Mobile Mini Inc.	Western Energy Services Corp.
Newalta Corp.	

In choosing the peer companies against which the Corporate Governance and Compensation Committee completes its comparative analysis, the Corporate Governance and Compensation Committee selects companies with asset and market values similar to the Corporation. The Corporate Governance and Compensation Committee also consider revenue levels and enterprise values of such companies. The Corporate Governance and Compensation Committee believes these metrics are appropriate for determining peers because they provide a reasonable point of reference for comparing executives with similar positions and responsibilities.

The Corporation retained the services of a compensation consultant, Lane Caputo Compensation Inc. effective November 25, 2015 to review the compensation philosophy for Horizon North, given its current stage of development, with the final report delivered April 2016. The competitiveness of the current compensation

arrangements for the executive team and independent directors were evaluated, relative to both the external market and the Corporation’s compensation philosophy. This review encompassed salary, bonus and other types of cash incentives, prevalence and number of Options and executive contracts including severance and change in control provisions. No significant changes were made to the executive compensation structure for 2017.

<b>Executive Compensation Services</b>	<b>2017</b>	<b>2016</b>
Executive Compensation – Related Fees	---	\$27,800
All Other Fees	---	---

Horizon North’s executive compensation program is designed to provide financial rewards to executive officers based on measureable financial and operational parameters associated with overall corporate performance. The program also balances annual rewards for achieving financial success year over year with rewards tied to long-term share price performance. As part of its review and discussion of the compensation program, the Corporate Governance and Compensation Committee considers the risks associated with Horizon North’s compensation program and noted the following elements of the Corporation’s business model and its governance and control system that mitigates the risk that the Corporation’s executives will take unnecessary or excessive risk for the sake of enhanced rewards:

- The basic tenet of the Corporation’s business model is that funds are spent to build or buy assets that are used, in conjunction with the Corporation’s labor force, to provide services to customers. The primary risk in this model is that assets are underutilized. All significant investments are reviewed and approved by the Board prior to being undertaken. In addition, growth metrics are balanced with return on investment parameters in the annual bonus program.
- The nature of the Corporation’s business is such that there are very few asset or liability valuation judgments that management has to make. The annual bonus program is based on financial parameters that are cash flow dependent as opposed to being driven by asset or liability valuation judgments.
- The Corporation’s ultimate long-term goal is to generate sustainable share price appreciation. The compensation program recognizes that developing sustainable share price appreciation takes time and thus provides rewards for long-term success to mitigate the risk that short-term, less sustainable actions are taken to enhance immediate share price performance.
- The annual bonus program does not pay out rewards until financial results are confirmed through independently audited financial statements.
- Named Executive Officers (as defined herein) and directors are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

### **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 CEO and Chief Financial Officer (“**CFO**”) 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 individuals acting in a similar capacity, other than the CEO and CFO, 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.

At the financial year ended December 31, 2017, there were five (5) Named Executive Officers (“NEOs”) of Horizon North consisting of Rod Graham, President and CEO; Scott Matson, Senior Vice President Finance and CFO; Warren Murray, Senior Vice President Camps & Catering, Joseph Kiss, Senior Vice President Modular Solutions, and Mike Hammerschmidt, Vice President Rentals & Logistics.

### **Annual Salaries**

Executive salaries are established after giving consideration to individual responsibilities and experience, size and complexity of operations or functions for which they are responsible, and competitive market information. This element provides a fixed level of cash compensation for performing these responsibilities. Salary adjustments consider the individual’s success in their role and competitive market information.

### **Annual Performance Bonus**

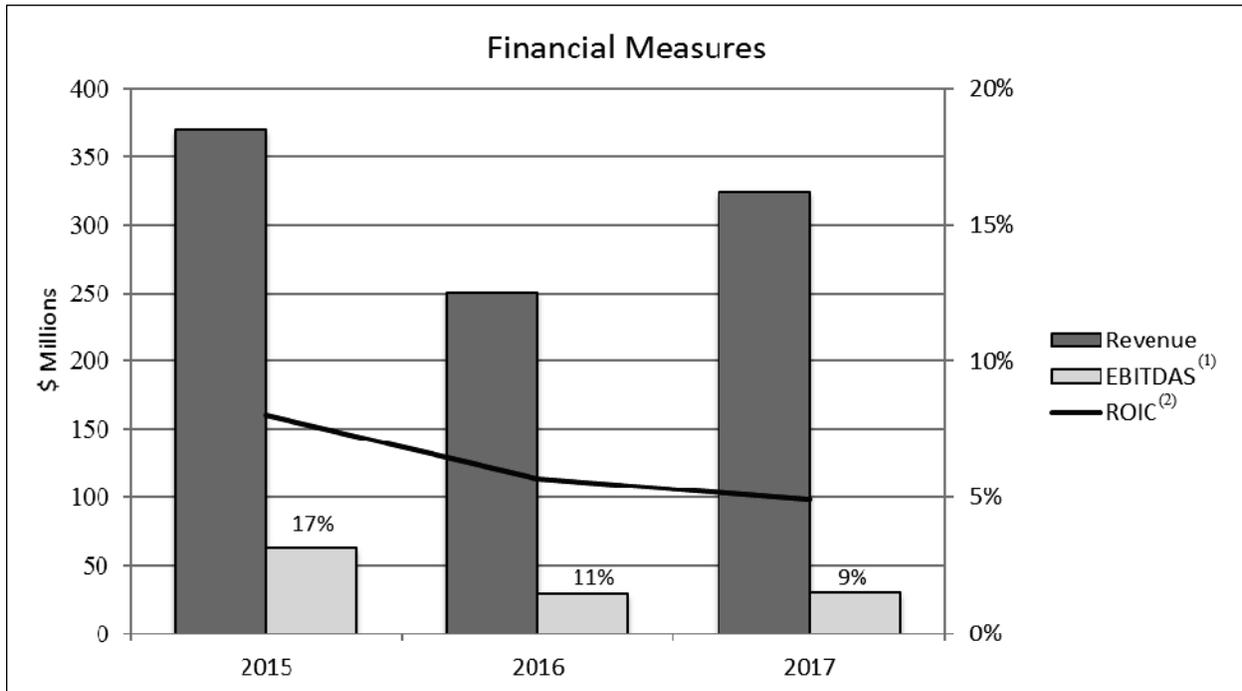
Horizon North’s financial performance for 2017 reflects a moderate increase in activity with ongoing pressure on pricing. Revenues increased in the Industrial Services operations, with additional catering-only work and stronger equipment sales in Camps & Catering operations, and stronger mat sales and rental activity in Rentals & Logistics. Modular Solutions revenues were comprised mainly of commercial projects and several individual residential projects. This business has continued its growth and development of backlog and high-quality opportunities. Ongoing pricing pressure in the Industrial Services operations, and early stages of efficiency developments in the Modular Solutions operations, kept EBITDAS growth minimal and reduced as a percentage of revenue overall. These limited improvements in the Corporation’s revenue, EBITDAS, operating earnings, and decrease in share price were reflected in the decision to distribute minimal annual incentive bonuses to the NEOs.

The annual bonus for all NEOs is designed to pay out awards based on the Corporation’s performance for the year. Financial performance is measured by reference to year over year revenue growth, EBITDAS margins, and return on invested capital. Financial success is supported by strong operations, for which a sound measurement is thought to be the Corporation’s safety record.

Revenue growth is measured on a year over year basis, while EBITDAS margins, return on investment and safety performance metrics are compared to specific target ranges. The Board of Directors takes these factors into consideration and ultimately applies a level of subjectivity in determining the bonus calculation for the CEO, which is in turn cascaded down to the NEOs.

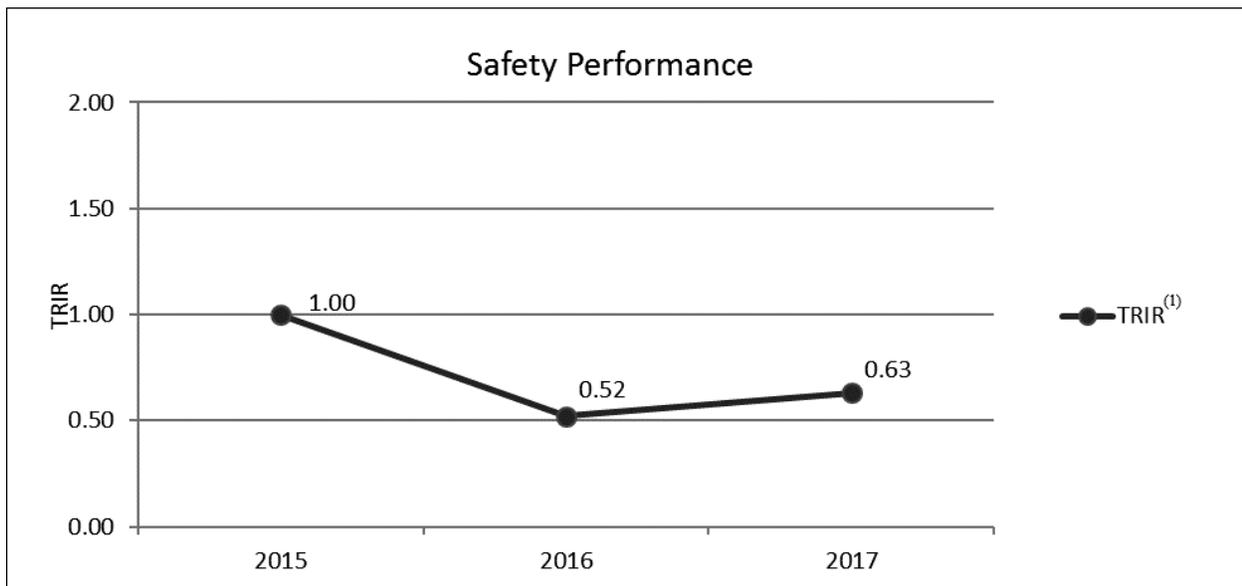
Horizon North’s long-term goal is to provide returns to Shareholders through share price appreciation and quarterly dividend payments. In the Board’s view, continued focus on achieving improved annual financial and operational measures should lead to success in consistently achieving the long-term goal.

The following charts illustrate the Corporation's performance with respect to these financial and operational measures as well as the annual performance bonus received by the NEOs:

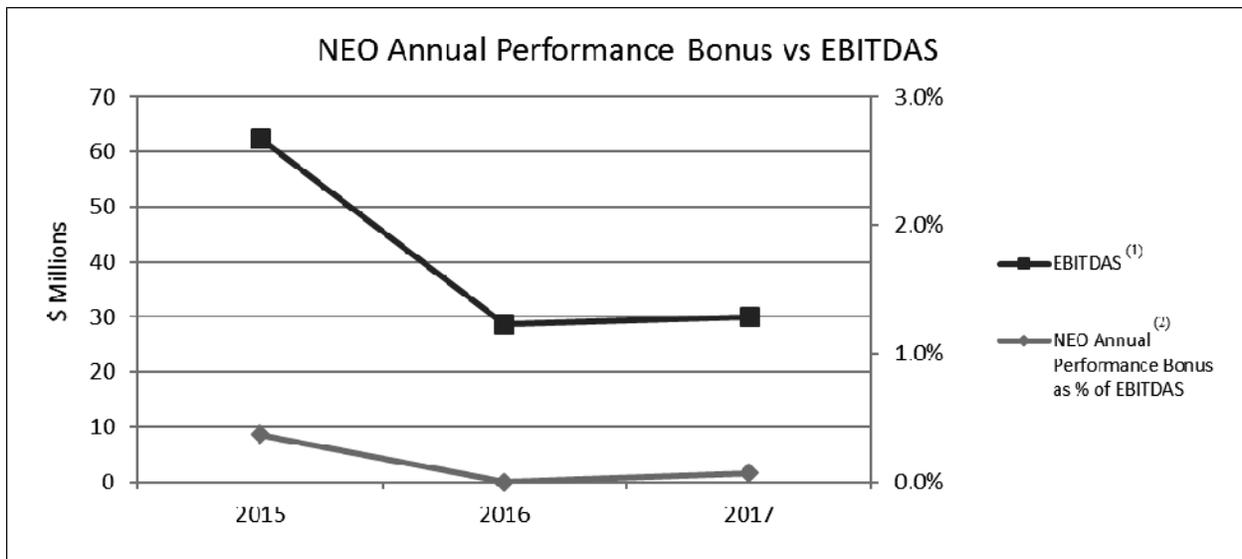


(1) EBITDAS: Earnings before finance costs, taxes, depreciation, amortization, gain/loss on disposal of property, plant and equipment and share based compensation.

(2) Return on Invested Capital represents after tax cash flow divided by average Invested Capital for the year; Invested Capital is defined as average of gross property, plant and equipment, other long-term assets, intangibles, and goodwill before any impairment write-downs.



(1) Total Recordable Incident Rate ("TRIR") is a standard industry measure with respect to safety performance.



(1) EBITDAS: Earnings before finance costs, taxes, depreciation, amortization, gain/loss on disposal of property, plant and equipment and share based compensation.

(2) NEO Annual Performance Bonus paid to the identified NEOs with respect to each financial year. The NEOs eligible to be compensated by Annual Performance bonus for 2017 included Rod Graham, President and CEO; Scott Matson, Senior Vice President Finance and CFO; Warren Murray, Senior Vice President Camps & Catering; Joseph Kiss, Senior Vice President Modular Solutions; and Mike Hammerschmidt, Vice President Rentals & Logistics. The NEOs for 2016 were Rod Graham, President and CEO; Scott Matson, Senior Vice President Finance and CFO; Warren Murray, Senior Vice President Camps & Catering; Kapul Gill, Vice President Manufacturing; and Mike Hammerschmidt, Vice President Rentals & Logistics. The NEOs for 2015 were Rod Graham, President and CEO; Scott Matson, Senior Vice President Finance and CFO; Warren Murray, Senior Vice President Camps & Catering; Mike Hammerschmidt, Vice President Rentals & Logistics; and Craig Shenher, Senior Vice President Business Development.

Due to ongoing challenging economic conditions in the Industrial Services operations and early stage development of Modular Solutions operations, financial measures were not satisfactorily improved by reference to year over year revenue growth, EBITDAS margins, or return on invested capital. Safety performance year over year decreased slightly, although a TRIR measure >1 is a significant achievement. As a result of these factors, minimal bonuses were paid to NEOs for 2017.

### Equity Based Compensation

Horizon North continues to employ a “pay-for-performance philosophy” whereby fixed elements of pay are positioned at market median levels and short and longer-term incentives are structured to provide above-market total compensation for high levels of performance. Horizon North has taken a portfolio approach to long-term incentives by mixing restricted share units (“RSUs”) in with options to purchase Common Shares (“Options”). At Horizon North, a combination of RSUs and Options will be used to attain a market-competitive total direct compensation program.

### Stock Option Plan

The Stock Option Plan permits the granting of Options to the directors, officers, employees and other eligible service providers of the Corporation and its subsidiaries for the purpose of providing directors, officers, employees and other eligible service providers with an incentive to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The Board views 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 Options, they do directly align the interests of management and

Shareholders as the benefits derived from Options parallel the benefits realized by Shareholders through share price appreciation. Options provide the potential for long-term rewards and above-average total compensation, provided Horizon North's financial and operating results lead to the enhancement of shareholder value.

Awards of Options are made from time to time to participants at varying levels consistent with the individual's position and responsibility. The process that the Corporation uses to grant Option-based awards to executive officers, including the NEOs, and the factors that are taken into account when considering new grants under the Stock Option Plan, is based upon a number of criteria, including the performance of the executive officers, the number of Options available for grant under the Stock Option Plan, the number of Options anticipated to be required to meet the future needs of the Corporation, as well as the number of Options previously granted to each of the NEOs. It is the full Board, as opposed to the Corporate Governance and Compensation Committee, which determines the need for any amendments to the Stock Option Plan and it is the full Board which determines the number of Option grants to be made under the Stock Option Plan. The CEO provides input and recommendations to the Board regarding the granting of Options, from time to time. The CEO in turn, and where appropriate, also obtains input from other executive officers of the Corporation when providing his input and recommendations. Other than as set out immediately above, the grant of option-based awards is not determined based on benchmarks, performance goals or a specific formula. The term and other provisions of the Options are subject to the terms of the Stock Option Plan.

Since the inception of the Stock Option Plan there has been no financial assistance provided by Horizon North to any participant under the Stock Option Plan to facilitate the purchase of Common Shares under the Stock Option Plan.

As of March 14, 2018: (i) the Corporation has issued under the Stock Option Plan, Options pursuant to which 8,371,551 Common Shares are issuable which represents 5.76% of the currently outstanding Common Shares; and (ii) there remains for issuance under the Stock Option Plan, Options pursuant to which 6,162,560 Common Shares, which represents 4.24% of the issued and outstanding Common Shares, may be issued which represent together with the outstanding Options, 10.0% of the currently outstanding Common Shares.

The Stock Option Plan provides that the aggregate number of Common Shares issuable pursuant to Options granted under the Stock Option Plan and under any other security based compensation arrangement, if any, and issued to insiders within any one year period and, issuable to insiders, shall in either case, not exceed 10% of the issued and outstanding Common Shares at the time of the grant of any stock option. In addition, the Stock Option Plan provides that the maximum number of Common Shares issuable pursuant to Options granted shall not exceed 10% of the aggregate number of issued and outstanding Common Shares. No Options shall be granted to any director of the Corporation who is not also an officer of the Corporation if such grant could result, at any time, in the total number of Common Shares issuable to all directors of the Corporation who are not also officers of the Corporation pursuant to Options exceeding 0.50% of the issued and outstanding Common Shares of the Corporation. The Stock Option Plan provides for the exercise price to be determined by the Board provided that the exercise price of the Options may not be less than the closing price of the Common Shares on the TSX on the last business day preceding the date of grant. Options granted under the Stock Option Plan will be for a term of no longer than ten years after granting of an Option. With the exception of initial grants of Options to directors and officers at July 25, 2006 which vested in one-third amounts over the first three years of the 10 year term, the majority of the Options granted since then have been granted so as to vest in equal one-third amounts over the first three years of the five year term thereof. Participation in the Stock Option Plan is voluntary. In order to constitute a valid Option under the Stock Option Plan, the participant and the Corporation must enter into a valid Option agreement in a form acceptable to the Board. The interest of any optionee under the Stock Option Plan is not transferable or alienable by the optionee either by assignment or in any manner, except to a "permitted assign". For the purposes hereof "permitted assign" means for such optionee: a trustee, custodian or administrator acting on behalf, or for the benefit, of the optionee; a holding entity of the optionee; a registered retirement savings plan ("RRSP") or registered retirement income fund ("RRIF") of the optionee, as such terms are defined in the *Income Tax Act* (Canada); a spouse of the optionee; a trustee, custodian or administrator acting on behalf, or for the benefit, of the spouse of the optionee; a holding entity of the spouse of the optionee; or an RRSP or RRIF of the spouse of the optionee. With respect to the termination of options, unless specifically amended or otherwise dealt with in a stock option agreement: (a) in the case of death of an optionee, the right to exercise an Option shall extend to the earlier of (i) one year after the date of death or (ii) the expiry date of the Option set

forth in the stock option agreement, to the extent such Option was exercisable by the optionee on the date of death of the optionee; and (b) in the case of termination or cessation of employment of an optionee (who is not a consultant) for any reason (other than death) or, in the case of a consultant, upon cessation of the services agreement the right to exercise an Option shall be limited to and shall expire on the earlier of 60 days after the date of termination or cessation (in the case of an optionee who is not a consultant) and from the final service date (in the case of an optionee who is a consultant), or the expiry date of the Option set forth in the stock option agreement, to the extent such Option was exercisable by optionee on the date of termination of such employment or final service date, as the case may be.

In the event of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, and merger or otherwise or in the event of any other change in the Common Shares, the Board may proportionately adjust the number of Common Shares that may be issued under existing Option agreements.

The Stock Option Plan also provides for the extension of the expiry date of any Option which would otherwise expire during a "black-out period" until the fifth business day following the expiry of the blackout period, provided that such extended expiration date shall not in any event be beyond the later of (i) December 31 of the calendar year in which the option was otherwise due to expire; and (ii) the 15th day of the third month following the month in which the Option was otherwise due to expire. The Stock Option Plan also provides that the Board may, in its sole discretion and without further approval of the Shareholders, amend, suspend, terminate or discontinue the Stock Option Plan and may amend the terms and conditions of Options granted under the Stock Option Plan, subject to any required approval of any regulatory authority or the TSX. Subject to any required regulatory approval of any regulatory authority or stock exchange, the Board may at any time alter, amend or vary the Stock Option Plan without the approval of the Shareholders if the alteration, amendment or variance does not: (a) increase the number of shares that can be issued under the Stock Option Plan; (b) reduce the exercise price of an outstanding option except for the normal anti-dilution provisions whereby option values are maintained in connection with a subdivision, consolidation, conversion, reclassification, re-division or re-designation of Common Shares or a reorganization, amalgamation, consolidation, merger, takeover bid or similar transaction involving Horizon North; (c) extend the expiry date of an outstanding Option or amend the Stock Option Plan to permit the grant of an Option with an expiry date of more than 10 years from the grant date (except where an expiry date would have fallen within a blackout period of the Corporation); (d) allow for the transfer of Options, except if the transfer is to an entity controlled by the Option holder, a charity or for estate planning or estate settlement purposes; (e) expand the categories of individuals eligible to participate in the Stock Option Plan; or (f) amend the Stock Option Plan to provide for other types of compensation through equity issuance.

The following amendments to the Stock Option Plan were approved by the Shareholders on May 4, 2017:

- (a) the inclusion of a limit on the number of Common Shares issuable pursuant to Options granted under the Stock Option Plan to any non-employee director, within any calendar year, of \$100,000, as calculated on the date of grant, and a limit on the number of Common Shares reserved for issuance under all security based compensation arrangements of the Corporation issued to any non-employee director, within any calendar year, of \$150,000, as calculated on the date of grant;
- (b) the imposition of additional limits on the transferability of Options granted under the Stock Option Plan such that Options will not be transferable or assignable and may not be made subject to execution, attachment or similar process, other than for normal estate settlement purposes or by operation of law and such that during the lifetime of an optionee, an Option will be exercisable only by the optionee and any elections with respect to an Option may be made only by the optionee;
- (c) the inclusion of a requirement that approval of the Shareholders will be required for amendments to the Option Plan which result in: (i) any increase in the number of Common Shares issuable under the Stock Option Plan or the number of unissued Common Shares that may be subject to Options granted to optionees under the Stock Option Plan; (ii) any amendments which reduce the exercise price of an Option or any cancellation and reissuance of an Option; (iii) any amendment that extends the term of an Option beyond its original Option Period; (iv) any amendments to eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis or amendments that increase limits previously imposed on non-employee director participation; (v) any amendment with

would permit Options granted under the Option Plan to be transferable or assignable other than for normal estate settlement purposes; (vi) any amendments to the amendment and termination provisions of the Stock Option Plan; and (vii) amendments required to be approved by Shareholders under applicable law (including, without limitation, the rules, regulations and policies required by any relevant stock exchange);

(d) the addition of a “clawback” provision which permits the Board to seek reimbursement of Options awarded to an officer of the Corporation pursuant to the Option Plan and any Common Shares issued upon exercise thereon, where: (i) the payment of such compensation was predicated on achieving certain financial results that were subsequently the subject of a substantial restatement of the Corporation’s financial statements filed with any securities regulatory authority; and (ii) the Board, in its discretion, determines that the officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and

(e) the addition of provisions relating to tax withholdings required upon exercise of Options.

The Stock Option Plan burn rate is expressed as a percentage and is calculated in accordance with Section 316(p) of the TSX Company Manual, by dividing: (i) the number of securities granted under the Stock Option Plan during the applicable fiscal year; by (ii) the weighted average number of securities outstanding for the applicable fiscal year. The Stock Option Plan is not subject to a multiplier that may increase the number of shares to be issued on settlement based on performance or any other measure.

<b>Burn Rate</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
% calculated	1.82%	1.31%	3.02%

#### *Restricted Share Units*

The Board approved a cash-based restricted share unit plan (the “**RSU Plan**”) on May 5, 2016 which governs the issuance of non-assignable and non-transferrable RSUs of the Corporation. Directors, officers and employees of the Corporation and its subsidiaries are eligible to participate in the RSU Plan.

RSUs are notional shares that have the same value at any given time as the Common Shares, but do not entitle the participant to any shareholder rights, including without limitation, voting rights, dividend entitlement or rights on liquidation and are non-dilutive to Shareholders. The RSUs vest no later than the date that is the third anniversary of the end of the calendar year in which the services were performed in which the grant of RSUs relates. Vesting provisions for RSUs shall be fixed by the Board and the Board may at any time shorten the vesting period of all or part of any RSU award. In the event of a change of control, the Board may amend the terms of the issued RSUs to permit vesting prior to the completion of the change of control.

Each RSU has a payout value equal to the closing price of the Common Shares as of the date immediately preceding the applicable payout date, less any applicable withholding taxes. The payout date for issued RSUs is as soon as reasonably practicable after the vesting date.

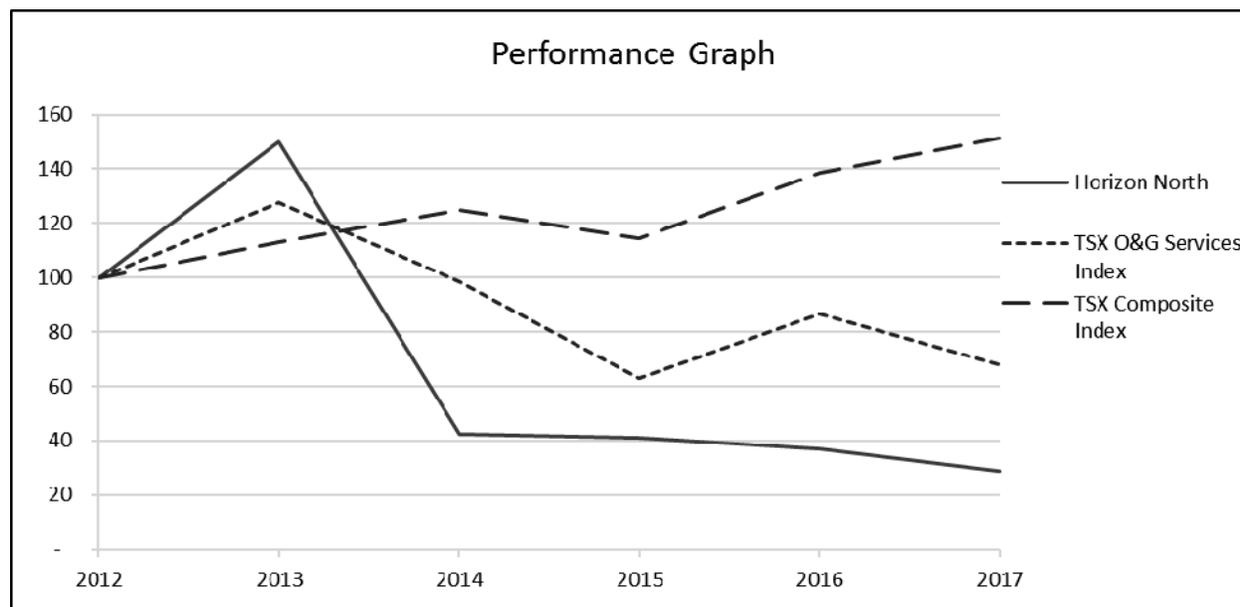
The maximum value of RSUs granted to any one non-employee director within any one year period, when aggregated with the securities granted under all security based compensation arrangements of the Corporation to the non-employee director during such period, shall not exceed \$150,000, as calculated based on a fair value basis of the RSUs on the date of grant.

The RSU Plan burn rate is expressed as a percentage and is calculated by dividing: (i) the number of securities granted under the RSU Plan during the applicable fiscal year; by (ii) the weighted average number of securities outstanding for the applicable fiscal year. The RSU Plan is not subject to a multiplier that may increase the number of shares to be valued on settlement based on performance or any other measure.

Burn Rate	2017	2016	2015
% calculated	0.86%	0.82%	---

### Performance Analysis

The following graph illustrates changes from December 31, 2012 to December 31, 2017, in cumulative shareholder return, assuming an initial investment of \$100 with all dividends reinvested, compared to the TSX O&G Services Index and TSX Composite Index, with all dividends and distributions reinvested.



	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
Horizon North	100	150	43	41	37	29
TSX O&G Services Index	100	128	98	63	87	68
TSX Composite Index	100	113	125	115	139	151

### Share Price Performance Graph in Relation to Executive Compensation

Horizon North compensates its NEOs through annual salary, annual performance bonus and equity based compensation. As outlined in the *"Compensation Discussion and Analysis"*, executive salaries are established after giving consideration to individual responsibilities and experience, providing a fixed level of compensation for performing these responsibilities. Compensation derived from the annual performance bonus and equity based compensation for NEOs are generally consistent with the trend illustrated in the above Performance Graph.

### Composition of the Corporate Governance and Compensation Committee

The current members of the Corporate Governance and Compensation Committee are Dale E. Tremblay (Chair); Bradley P.D. Fedora, Mary Garden, Kevin D. Nabholz and Russell A. Newmark. In addition to their experience as members of the Corporate Governance and Compensation Committee of Horizon North, all such members have significant experience in dealing with executive compensation matters as directors and/or senior leaders. The Corporate Governance and Compensation Committee is a standing committee appointed by the Board of Directors. Each member of the Corporate Governance and Compensation Committee is independent as defined under section 1.4 of NI 52-110.

## Relevant Education and Experience of Members of the Corporate Governance and Compensation Committee

### *Dale E. Tremblay – Chair*

Mr. Tremblay has been a director of Horizon North since May 6, 2010. Mr. Tremblay is currently an independent businessman. From December 1, 2009 to December 1, 2013, Mr. Tremblay was the Chief Executive Officer of Western Energy Services Corp. Prior thereto, Mr. Tremblay was the Chair of SES Holdings Limited, the parent company of Saxon Energy Services Inc., from August 2005 to December 2009 in addition to serving as President and Chief Executive Officer of Saxon Energy Services Inc. Prior thereto, Mr. Tremblay was the Senior Vice President, Finance and Chief Financial Officer of Precision Drilling Corporation from 1988 to 2005.

### *Bradley P.D. Fedora*

Mr. Fedora has been a director of Horizon North since April 2015. Mr. Fedora is currently an independent businessman. Mr. Fedora was the President and CEO of Canyon Services Group Inc (“**Canyon**”) from September 2007 until June 2017 when Canyon was acquired by Trican Well Service Ltd. Before joining Canyon, Mr. Fedora spent the previous decade with Peters & Co. Limited. (“**Peters**”), a Calgary-based investment bank focused on the energy sector, where he specialized in financings and merger and acquisition transactions for the oil and natural gas service and supply sector. Before joining Peters, Mr. Fedora attended university, where he also accumulated field experience while working summers for an energy company in Saskatchewan. Mr. Fedora holds a Bachelor of Science from the University of Saskatchewan and an MBA in finance from the University of British Columbia.

### *Mary Garden*

Ms. Garden has been a director of Horizon North since May 2016. Ms. Garden has over 30 years of executive leadership experience in business including operations and marketing management, advisory consulting, coaching and university teaching. Over the course of her career, Ms. Garden has worked in executive level positions with PwC, Delta Hotels, PKF, Holiday Inn, Radisson Hotels and Keg Restaurants. From 2008 to 2015, Ms. Garden led investment teams at the British Columbia Investment Management Corporation managing Canadian and international multi-billion dollar, private equity real estate portfolios for institutional pension plan clients. Ms. Garden has served on the boards of Bentall Kennedy, Parkbridge Lifestyle Communities, Delta Hotels, bclMC Realty Corporation and SilverBirch Hotels & Resort. Ms. Garden is the principal at Mary Garden & Associates, an advisory firm working with select global clients and C-Suite leaders in strategic consulting, executive coaching and workplace well being. Ms. Garden has a BA and MBA from the University of British Columbia and holds the ICD.D designation.

### *Kevin D. Nabholz*

Mr. Nabholz has been a director of Horizon North since May 2012. Mr. Nabholz is an independent businessman. Mr. Nabholz has over 30 years of experience in the oil sands industry. Mr. Nabholz retired as Executive Vice President, Major Projects at Suncor on March 1, 2012, having been at Suncor for 25 years. Mr. Nabholz was involved in all facets of the business at Suncor, including Operations, Maintenance and Projects and in his latest role led the execution of over \$30 billion of major projects. Mr. Nabholz has served on a number of private company boards, as well as not for profit entities including the Northern Alberta Institute of Technology, Construction Owners Association of Alberta, Keyano College Foundation, the United Way of Fort McMurray and several others.

### *Russell A. Newmark*

Mr. Newmark has been a director of Horizon North since June 1, 2006. Mr. Newmark has extensive and diverse business knowledge and experience throughout Northern Canada and has been Chief Executive Officer of E. Gruben’s Transport Ltd. since 1990, a successful contracting firm based in the Northwest Territories. Since 1976, Mr. Newmark has been recognized as a leader within the Mackenzie Delta and Beaufort Sea regions and has served on numerous corporate and government boards including the Inuvialuit Development Corporation, Norterra Inc. and the GNWT Business Loan Fund Board.

## COMPENSATION OF NAMED EXECUTIVE OFFICERS

Compensation was paid to the NEOs during the aforementioned fiscal year as disclosed below.

### Summary Compensation Table

The following table sets forth the annual and long-term compensation provided for the individuals serving as the Corporation's CEO and CFO during the year, and the next three most highly compensated executive officers (each a NEO) for the 2017 fiscal year. For a listing of amounts actually realized on vesting of share-based awards and on exercise of option-based awards during 2017, please see the section entitled "Incentive Plan Awards".

Name and Principal Position	Year	Salary (\$)	Share-Based Awards <sup>(1)</sup> (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation <sup>(5)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans <sup>(3)</sup>	Long-term Incentive Plans <sup>(4)</sup>			
Rod Graham President and CEO	2017	400,000	367,500	313,517	---	---	---	7,954	1,088,971
	2016	400,000	169,000	86,146	---	---	---	8,150	663,296
	2015	400,000	---	100,678	60,000	---	---	8,099	568,777
Scott Matson <sup>(6)</sup> Sr. Vice President Finance and CFO	2017	280,000	73,500	104,506	5,000	---	---	22,954	485,960
	2016	280,000	59,150	34,458	---	---	---	15,383	388,991
	2015	280,000	---	37,754	52,500	---	---	15,599	385,853
Warren Murray Sr. Vice President Camps & Catering	2017	280,000	44,100	62,703	5,000	---	---	9,344	401,147
	2016	280,000	63,375	35,894	---	---	---	9,350	388,619
	2015	280,000	---	37,754	57,500	---	---	8,850	384,104
Joseph Kiss <sup>(7)</sup> Sr. Vice President Modular Solutions	2017	255,000	36,750	56,433	5,000	---	---	8,738	361,921
	2016	7,690	36,600	79,822	---	---	---	---	124,112
Mike Hammerschmidt Vice President Rentals & Logistics	2017	265,000	32,340	46,401	5,000	---	---	16,844	365,585
	2016	265,000	42,250	21,537	---	---	---	12,186	340,973
	2015	265,000	---	34,608	35,000	---	---	11,157	345,765

(1) RSUs are granted from time to time in accordance with the Corporation's RSU Plan. The fair market value for the RSU grant to the NEOs in 2017 is based on \$1.47 and in 2016 is based on \$1.69 (and \$1.83 for Mr. Kiss), which was the closing price of the Common Shares on the TSX on the date of the respective RSU grants. RSUs vest equally over three years, the actual value realized upon the future vesting and payment of such awards may be greater or less than the grant date fair value indicated.

(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 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 fair value of the Options granted annually is obtained by multiplying the number of Options granted by their value established according to the Black Scholes model. This value was determined using the following assumptions: dividend yields of 4.0% to 14.0%; expected average volatilities of 46.39% to 64.69%; average risk-free rates of interest of 0.50% to 0.81%; average forfeiture rate of 7.41% to 8.51%; and average expected life of option of three years.

(3) See "Annual Performance Bonus".

(4) Refers to all non-equity incentive plan compensation related to a period longer than one year. No non-equity long-term incentives awarded to any NEOs during the financial year ended 2017.

(5) All Other Compensation for each of the NEOs is comprised of the following elements: Rod Graham – monthly parking and employer contributions to life insurance; Scott Matson – monthly parking and employer contributions to RSP and life insurance; Warren Murray – employer contributions to RSP, and life insurance; Joseph Kiss - monthly parking and employer contributions to RSP and life insurance; and Mike Hammerschmidt – employer contributions to RSP, and life insurance.

(6) Mr. Matson was appointed Senior Vice President Finance and Chief Financial Officer on July 28, 2015. Previously, Mr. Matson held the role of Vice President Finance and Chief Financial Officer.

(7) Mr. Kiss joined Horizon North on December 5, 2016.

## Incentive Plan Awards

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

The following table sets forth all option-based and share-based awards outstanding at December 31, 2017 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 (#) <sup>(4)</sup>	Market or payout value of share-based awards that have not vested (\$) <sup>(5)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
Rod Graham	125,000	7.62	June 5, 2019	Nil	---	---	---
	400,000	2.30	February 26, 2020	Nil	---	---	---
	300,000	1.16	February 28, 2021	114,000	66,667	102,667	---
	750,000	1.47	May 14, 2022	52,500	250,000	385,000	---
Scott Matson	110,000	7.62	June 5, 2019	Nil	---	---	---
	150,000	2.30	February 26, 2020	Nil	---	---	---
	120,000	1.16	February 28, 2021	45,600	23,334	35,934	---
	250,000	1.47	May 14, 2022	17,500	50,000	77,000	---
Warren Murray	60,000	7.62	June 5, 2019	Nil	---	---	---
	150,000	2.30	February 26, 2020	Nil	---	---	---
	125,000	1.16	February 28, 2021	47,500	25,000	38,500	---
	150,000	1.47	May 14, 2022	10,500	30,000	46,200	---
Joseph Kiss	150,000	1.82	December 4, 2021	Nil	13,334	20,534	---
	135,000	1.47	May 14, 2022	9,450	25,000	38,500	---
Mike Hammerschmidt	60,000	7.62	June 5, 2019	Nil	---	---	---
	137,500	2.30	February 26, 2020	Nil	---	---	---
	75,000	1.16	February 28, 2021	28,500	16,667	25,667	---
	111,000	1.47	May 14, 2022	7,770	22,000	33,880	---

(1) Options to purchase Common Shares.

(2) Based on the market price defined in the Stock Option Plan which is the closing share price on the TSX of the Common Shares on the trading day prior to the date of grant.

(3) Based on the December 29, 2017 closing share price on the TSX of \$1.54 per Common Share.

(4) RSUs.

(5) Market or payout value calculated by multiplying the number of RSUs held at December 29, 2017 by the closing share price on the TSX of \$1.54 per Common Share.

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

The following table sets forth information relating to the value vested or earned during the Horizon North's financial year ended December 31, 2017 in respect of option-based awards and share-based awards for NEOs.

Name	Option-Based Awards – Value Vested During the Year (\$) <sup>(1)</sup>	Share-Based Awards – Value Vested During the Year (\$) <sup>(2)</sup>	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Rod Graham	55,000	48,000	Nil
Scott Matson	18,400	16,800	Nil
Warren Murray	29,916	18,000	Nil
Joseph Kiss	Nil	10,066	Nil
Mike Hammerschmidt	13,750	12,000	Nil

(1) Represents the aggregate dollar value that would have been realized if the vested-in-the-money Options under the option-based award had been exercised on the vesting date in 2017 based on the difference between the closing market price of the TSX of the Common Shares on the vesting date and the exercise price of the Options held.

(2) Represents the aggregated dollar value paid on RSUs that vested in 2017.

### Minimum Share Ownership for Executives Policy

The Board believes that the economic interests of the Chief Executive Officer, Senior Vice President(s), Executive Vice Presidents and Vice President(s) of Horizon North (“**Executive Employees**”) should be aligned with those of Shareholders. To achieve this, the Board approved minimum executive share ownership guidelines for the Executive Employees such that, beginning the later of: a) January 1, 2022; and b) five years from the date of their appointment as an Executive Employee, each Executive Employee is required to own stock in the Corporation as set forth below:

Title	Share Ownership Required
Chief Executive Officer	3.0 times base salary
Senior or Executive Vice President	1.5 times base salary
Vice President	0.5 times base salary

The current share ownership of the NEO’s are as set forth below:

Name	Date Of Appointment	Common Shares Beneficially Owned March 14, 2018	Total Market Value of Common Shares Owned <sup>(1)</sup> (\$)	Minimum Shareholding Requirements (\$)	Date to Meet Minimum Shareholding Requirements	Meets Requirements <sup>(2)</sup>
Rod Graham President and CEO	November 4, 2014	644,594	1,211,837	1,200,000	January 1, 2022	---
Scott Matson Senior Vice President Finance and CFO	July 28, 2015	4,200	7,896	420,000	January 1, 2022	---
Warren Murray Senior Vice President Camps & Catering	May 14, 2015	64,080	120,470	420,000	January 1, 2022	---
Joseph Kiss Senior Vice President Modular Solutions	December 5, 2016	77,000	144,760	382,500	January 1, 2022	---
Mike Hammerschmidt Vice President Rentals & Logistics	May 14, 2014	325,000	611,000	132,500	January 1, 2022	Yes

(1) Based on March 14, 2018 closing share price on the TSX of \$1.88 per Common Share.

(2) The minimum share ownership requirement is met if the requisite value of the Common Shares to be owned by the NEO is reached during the applicable period notwithstanding that the value of such Common Shares owned may subsequently fall below the minimum share ownership requirements due to a decrease in the market price of the Common Shares during the applicable period.

### Termination and Change of Control Benefits

The Corporation has entered into employment agreements with Rod Graham, President and CEO and Scott Matson, Senior Vice President Finance and CFO, the terms of which continue until terminated in accordance with the provisions of the agreements. The termination and change of control provisions in the agreement are as follows:

Mr. Graham	Mr. Matson
<i>Termination by Resignation</i> – Mr. Graham shall provide the Corporation with 90 days notice of resignation and all salary and benefit programs cease at the end of the notice period.	<i>Termination by Resignation</i> – Mr. Matson shall provide the Corporation with 90 days notice of resignation and all salary and benefit programs cease at the end of the notice period.
<i>Termination Without Cause</i> – if Mr. Graham’s employment is terminated without cause, the Corporation will make a lump sum payment to Mr. Graham equal to the sum of his then current annual salary plus an amount equal to the average of the bonuses paid to the Corporation’s Chief Executive Officer for the previous two complete fiscal years plus an amount equal to 10% of his then current annual salary in lieu of lost benefits.	<i>Termination Without Cause</i> – if Mr. Matson’s employment is terminated without cause, the Corporation will make a lump sum payment to Mr. Matson equal to the sum of his then current annual salary plus an amount equal to the average of the bonuses paid to the Corporation’s Chief Financial Officer for the previous two complete fiscal years plus an amount equal to 10% of his then current annual salary in lieu of lost benefits.

Mr. Graham	Mr. Matson
<i>Termination due to Death</i> – Mr. Graham’s employment with the Corporation shall be deemed to have terminated upon his death. In this event, the Corporation would make a payment to his spouse equal to the remuneration earned, but not yet paid, up to the date of his death.	<i>Termination due to Death</i> – Mr. Matson’s employment with the Corporation shall be deemed to have terminated upon his death. In this event, the Corporation would make a payment to his spouse equal to the remuneration earned, but not yet paid, up to the date of his death.
<i>Termination upon Permanent Disability</i> – In the event that Mr. Graham should suffer a permanent disability, his employment with the Corporation may be terminated upon providing him 60 days notice.	<i>Termination upon Permanent Disability</i> – In the event that Mr. Matson should suffer a permanent disability, his employment with the Corporation may be terminated upon providing him 60 days notice.
<i>Termination for Just Cause</i> – the Corporation may terminate Mr. Graham’s employment without notice for reasons of just cause. In this event, the Corporation would make a payment to Mr. Graham equal to the remuneration earned, but not paid, up to the date of the termination of employment.	<i>Termination for Just Cause</i> – the Corporation may terminate Mr. Matson’s employment without notice for reasons of just cause. In this event, the Corporation would make a payment to Mr. Matson equal to the remuneration earned, but not paid, up to the date of the termination of employment.
<i>Termination due to Change of Control</i> – Mr. Graham has the right, for a period of 90 days following any event causing a change of control, to elect to terminate his employment with the Corporation. In such an event, Mr. Graham is entitled to receive a lump sum payment equal to the sum of his then current annual salary plus an amount equal to the average of the bonuses paid to the Corporation’s Chief Executive Officer for the previous two complete fiscal years plus an amount equal to 10% of his then current annual salary in lieu of lost benefits. Such a payment due to Change of Control, as calculated at December 31, 2017, would amount to \$440,000.	<i>Termination due to Change of Control</i> – Mr. Matson has the right, for a period of 90 days following any event causing a change of control, to elect to terminate his employment with the Corporation. In such an event, Mr. Matson is entitled to receive a lump sum payment equal to the sum of his then current annual salary plus an amount equal to the average of the bonuses paid to the Corporation’s Chief Financial Officer for the previous two complete fiscal years plus an amount equal to 10% of his then current annual salary in lieu of lost benefits. Such a payment due to Change of Control, as calculated at December 31, 2017, would amount to \$308,000.

## COMPENSATION OF DIRECTORS

Director compensation is intended to provide an appropriate level of remuneration considering the experience, responsibilities, time requirements and accountability of their roles.

Effective January 1, 2017, the Corporate Governance and Compensation Committee recommended to the Board and the Board approved, that annual retainers for each director of Horizon North who was not an employee of Horizon North be set at \$25,000 per year, with the independent Chair of the Board to receive an additional annual retainer of \$10,000. The Chair of the Audit Committee will receive an additional annual retainer of \$7,500 and the Chair of each of the Health, Safety and Environment Committee (“**HS&E**”) and the Corporate Governance and Compensation Committee will receive an additional annual retainer of \$5,000. In addition, the non-management directors of Horizon North will receive a meeting fee of \$2,100 per meeting for attendance at meetings of the Board or committees, whether in person or by telephone. A travel allowance of \$1,000 per day, with a two day maximum, to attend board or committee meetings in person is available if required. Miscellaneous out-of-pocket expenses incurred by the directors in carrying out their duties are reimbursed by Horizon North. In 2017, each non-management director received a grant of 30,000 cash based RSUs with the independent Chair of the Board receiving an additional grant of 10,000 cash based RSUs. In 2017, each non-management director received a grant of 30,000 Options, with the independent Chair of the Board receiving an additional grant of 10,000 Options.

## Director Compensation Table

The following table sets forth particulars concerning all amounts of compensation provided to individual directors for the year ended December 31, 2017. Mr. Graham is the President and Chief Executive Officer of Horizon North and does not receive compensation for serving as a director of the Corporation. For a listing of amounts actually realized on vesting of share-based awards and on exercise of option-based awards during 2017, please see the section entitled "Incentive Plan Awards".

Name	Fees Earned (\$) <sup>(1)</sup>	Share-Based Awards (\$) <sup>(2)</sup>	Option-Based Awards (\$) <sup>(3)</sup>	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Richard T. Ballantyne	54,400	44,100	12,541	---	---	---	111,041
Bradley P.D. Fedora	54,400	44,100	12,541	---	---	---	111,041
Mary Garden	64,400	44,100	12,541	---	---	---	121,041
Kevin D. Nabholz	63,215	58,800	16,721	---	---	---	138,736
Russell Newmark	60,235	44,100	12,541	---	---	---	116,876
Ann I. Rooney	61,900	44,100	12,541	---	---	---	118,541
Dale E. Tremblay	59,400	44,100	12,541	---	---	---	116,041

(1) Includes retainers, which are inclusive of meeting fees, and travel allowance, if requested.

(2) RSUs are granted from time to time in accordance with the Corporation's RSU Plan. The fair market value for the RSU grant to the non-management directors in 2017 is based on \$1.47, which was the closing price of the Common Shares on the TSX on the date of the RSU grant. RSUs vest equally over three years, the actual value realized upon the future vesting and payment of such awards may be greater or less than the grant date fair value indicated.

(3) The value of 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 fair value of the Options granted annually is obtained by multiplying the number of Options granted by their value established according to the Black Scholes model. This value was determined using the following assumptions: dividend yields of 4.0% to 14.0%; expected average volatilities of 46.39% to 64.69%; average risk-free rates of interest of 0.50% to 0.81%; average forfeiture rate of 7.41% to 8.51%; and average expected life of option of three years.

### Summary of Board Meeting Attendance January 1 to December 31, 2017

The table below does not reflect attendance by directors at meetings of committees of which they are not members. Directors are encouraged to, and do, attend various committee meetings, even though they were not members of such committee.

Director	Board Meetings Attended <sup>(1)</sup>	Board Meeting Fees \$	Committee Meetings Attended <sup>(1)</sup>	Committee Meeting Fees \$	Travel Allowance \$	Committee and/or Board Retainer \$	Total Fees Paid \$
Richard T. Ballantyne	6 of 6	12,600	4 of 4 Audit	8,400	---	25,000	54,400
	---	---	4 of 4 HS&E	8,400	---	---	---
Bradley P.D. Fedora	6 of 6	12,600	4 of 4 Governance/Comp	8,400	---	25,000	54,400
	---	---	4 of 4 HS&E	8,400	---	---	---
Mary Garden	6 of 6	12,600	4 of 4 Audit	8,400	10,000	25,000	64,400
	---	---	4 of 4 Governance/Comp	8,400	---	---	---
Rod W. Graham <sup>(2)</sup>	6 of 6	Nil	---	---	---	Nil	Nil
Kevin D. Nabholz <sup>(3)</sup>	6 of 6	12,600	4 of 4 Audit	8,400	---	33,815	63,215
	---	---	4 of 4 Governance/Comp	8,400	---	---	---

Director	Board Meetings Attended <sup>(1)</sup>	Board Meeting Fees \$	Committee Meetings Attended <sup>(1)</sup>	Committee Meeting Fees \$	Travel Allowance \$	Committee and/or Board Retainer \$	Total Fees Paid \$
Russell A. Newmark <sup>(4)</sup>	6 of 6	12,600	4 of 4	8,400	---	30,835	60,235
	---	---	Governance/Comp 4 of 4 HS&E	8,400	---	---	---
Ann I. Rooney	6 of 6	12,600	4 of 4	8,400	---	32,500	61,900
	---	---	Audit 4 of 4 HS&E	8,400	---	---	---
Dale E. Tremblay	6 of 6	12,600	4 of 4	8,400	---	30,000	59,400
	---	---	Governance/Comp 4 of 4 HS&E	8,400	---	---	---
<b>Total</b>		<b>88,200</b>		<b>117,600</b>	<b>10,000</b>	<b>202,150</b>	<b>417,950</b>

(1) Attendance in person or by telephone.

(2) Mr. Graham is the CEO of Horizon North and does not receive compensation for serving as a director.

(3) Mr. Nabholz received a retainer in the amount of \$632.00 for acting as Chair of the HS&E Committee for January and February 2017. Mr. Nabholz was appointed Chair of the Board March 1, 2017.

(4) Mr. Newmark received a retainer in the amount of \$1,667.00 for acting as Chair of the Board for January and February 2017. Mr. Newmark was appointed Chair of the HS&E Committee March 1, 2017.

## Incentive Plan Awards

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

The following table sets forth all share-based and option-based awards outstanding at December 31, 2017 made to the non-management directors. Information on options granted to Mr. Graham who serves as a director and officer of the Corporation can be found under the heading “*Outstanding Share-Based Awards and Option-Based Awards*” for the NEOs:

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 <sup>(4)</sup> (#)	Market or payout value of share-based awards that have not vested <sup>(5)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Richard T. Ballantyne	15,500	3.35	April 30, 2020	Nil	---	---	---
	30,000	1.16	February 28, 2021	11,400	20,000	30,800	---
	30,000	1.47	May 14, 2022	2,100	30,000	46,200	---
Bradley P.D. Fedora	15,500	3.35	April 30, 2020	Nil	---	---	---
	30,000	1.16	February 28, 2021	11,400	20,000	30,800	---
	30,000	1.47	May 14, 2022	2,100	30,000	46,200	---
Mary Garden	30,000	1.75	May 5, 2021	Nil	20,000	30,800	---
	30,000	1.47	May 14, 2022	2,100	30,000	46,200	---
Kevin D. Nabholz	10,000	7.62	June 5, 2019	Nil	---	---	---
	15,500	3.35	April 30, 2020	Nil	---	---	---
	30,000	1.16	February 28, 2021	11,400	20,000	30,800	---
	40,000	1.47	May 15, 2022	2,800	40,000	61,600	---
Russell A. Newmark	10,000	7.62	June 5, 2019	Nil	---	---	---
	15,500	3.35	April 30, 2020	Nil	---	---	---
	30,000	1.16	February 28, 2021	11,400	20,000	30,800	---
	30,000	1.47	May 15, 2022	2,100	30,000	46,200	---

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 <sup>(4)</sup> (#)	Market or payout value of share-based awards that have not vested <sup>(5)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Ann I. Rooney	10,000	7.62	June 5, 2019	Nil	---	---	---
	15,500	3.35	April 30, 2020	Nil	---	---	---
	30,000	1.16	February 28, 2021	11,400	20,000	30,800	---
	30,000	1.47	May 14, 2022	2,100	30,000	46,200	---
Dale E. Tremblay	10,000	7.62	June 5, 2019	Nil	---	---	---
	15,500	3.35	April 30, 2020	Nil	---	---	---
	30,000	1.16	February 28, 2021	11,400	20,000	30,800	---
	30,000	1.47	May 14, 2022	2,100	30,000	46,200	---

(1) Options to purchase Common Shares.

(2) Based on the market price defined in the Stock Option Plan which is the closing price on the TSX of the Common Shares on the trading day prior to the date of grant.

(3) Based on the December 29, 2017 closing share price on the TSX of \$1.54 per Common Share.

(4) RSU's.

(5) Market or payout value calculated by multiplying the number of RSUs held at December 29, 2017 by the closing share price on the TSX of \$1.54 per Common Share.

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

The following table sets forth information relating to the value vested or earned during Horizon North's financial year ended December 31, 2017 in respect of option-based awards for non-management directors if the Options under the option-based award had been exercised on the vesting date.

Name	Option-Based Awards – Value Vested During the Year (\$) <sup>(1)</sup>	Share-Based Awards – Value Vested During the Year (\$) <sup>(2)</sup>	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Richard T. Ballantyne	5,500	14,400	---
Bradley P.D. Fedora	5,500	14,400	---
Mary Garden	Nil	14,400	---
Kevin D. Nabholz	5,500	14,400	---
Russell A. Newmark	5,500	14,400	---
Ann I. Rooney	5,500	14,400	---
Dale E. Tremblay	5,500	14,400	---

(1) Represents the aggregate dollar value that would have been realized if the vested-in-the-money Options under the option-based award had been exercised on the vesting date in 2017 based on the difference between the closing market price of the TSX of the Common Shares on the vesting date and the exercise price of the Options held.

(2) Represents the aggregated dollar value paid on RSUs that vested in 2017.

#### *Minimum Share Ownership for Non-Management Directors*

The Board believes that the economic interests of non-management directors of the Corporation should be aligned with those of Shareholders. To achieve this, the Board has approved minimum share ownership guidelines for the non-management directors which provide that each non-management director is required to own stock in the Corporation equivalent to three times the base annual retainer paid to such director within a prescribed period. Effective January 1, 2017, the Board approved a base annual retainer of \$25,000 be paid to each non-management director. Each non-management director has until the date that is three years from date such director was elected or appointed, to own stock in the Corporation with a value of \$75,000 of market value or cost of purchase.

Name	Date Elected or Appointed to the Board	Common Shares Beneficially Owned at March 14, 2018	Total Market Value of Common Shares Owned <sup>(1)</sup> (\$)	Minimum Shareholding Requirements (\$)	Meets Requirements <sup>(2)</sup>
Richard T. Ballantyne	April 30, 2015	57,593	108,275	75,000	Yes
Bradley P.D. Fedora	April 30, 2015	51,000	95,880	75,000	Yes
Mary Garden	May 5, 2016	52,500	98,700	75,000	Yes
Kevin D. Nabholz	May 3, 2012	500,000	940,000	75,000	Yes
Russell A. Newmark	June 1, 2006	1,158,353	2,177,704	75,000	Yes
Ann I. Rooney <sup>(3)</sup>	August 1, 2012	34,700	65,236	75,000	Yes
Dale E. Tremblay	May 5, 2010	101,100	190,068	75,000	Yes

(1) Based on March 14, 2018 closing share price on the TSX of \$1.88 per Common Share.

(2) The minimum share ownership requirement is met if the requisite value of the Common Shares to be owned by the non-management director is reached before or during the applicable period notwithstanding that the value of such Common Shares owned may subsequently fall below the minimum share ownership requirements due to a decrease in the market price of the Common Shares during the applicable period.

(3) Ms. Rooney purchased 3,400 Common Shares on February 21, 2014 bringing her total ownership at that time, to 14,700 Common Shares. The closing price of the Common Shares on the TSX on February 21, 2014 was \$7.76. Accordingly, Ms. Rooney met the minimum shareholding requirement at that time.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information as of December 31, 2017

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	8,342,385	\$4.15	6,125,148
Equity compensation plans not approved by security holders	--	--	--
<b>Total</b>	<b>8,342,385</b>	<b>\$4.15</b>	<b>6,125,148</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, no director or executive officer of Horizon North was indebted to Horizon North or its subsidiaries. Further, at no time since the beginning of the financial year ended December 31, 2017 did any director or executive officer, or any associate of any such director or executive officer of Horizon North, owe any indebtedness to Horizon North 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 North or any of its subsidiaries.

## MANAGEMENT CONTRACTS

Horizon North 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 North.

## CORPORATE GOVERNANCE

National Policy 58-201-*Corporate Governance Guidelines* (“NP 58-201”) establish corporate governance guidelines which apply 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-*Disclosure of Corporate Governance Practices* (“**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, through the Corporate Governance and Compensation 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.

### **Risk Oversight**

The Board, shared by each of its Committees, has the responsibility to take reasonable steps to ensure that management identifies, understands and evaluates the principal risks of and to the Corporation’s business; implements appropriate systems to manage these risks; and achieves a proper balance between risk and reward. A comprehensive list of material risks applicable to Horizon North are provided in the 2017 Annual Information Form and Management’s Discussion and Analysis for the year ended December 31, 2017 which are available on the Corporation’s website at [www.horizonnorth.ca](http://www.horizonnorth.ca) or on SEDAR at [www.sedar.com](http://www.sedar.com).

### **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 three committees, the Audit Committee, the Corporate Governance and Compensation Committee and the Health, Safety and Environment Committee. All members of the committees of the Board are independent of the Corporation. “Independent” refers to the standards of independence set forth within section 1.4 of NI 52-110.

#### *Audit Committee*

The current members of the Audit Committee are Ann I. Rooney (Chair), Richard T. Ballantyne, Mary Garden and Kevin D. Nabholz. Mr. Newmark was a member of the Audit Committee until March 1, 2017. 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 North. Each member of the Audit Committee is independent as defined under section 1.4 of NI 52-110 and none received directly or indirectly, any compensation from Horizon North 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 NI 52-110. Further information regarding Horizon North’s Audit Committee is contained under the heading “Audit Committee” in Horizon North’s Annual Information Form dated March 13, 2018.

#### *Corporate Governance and Compensation Committee*

The directors who are currently members of the Corporate Governance and Compensation Committee are Dale E. Tremblay (Chair), Bradley P.D. Fedora, Mary Garden, Kevin D. Nabholz and Russell A. Newmark, each of whom are independent as defined within section 1.4 of NI 52-110. The Corporate Governance and Compensation Committee has the general responsibility for developing and monitoring Horizon North’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. The Corporate Governance and Compensation Committee are also responsible for reviewing and approving the Chief Executive Officer’s and reviewing senior officers’ compensation.

In addition to its regular duties, since the last annual meeting of Shareholders, the Corporate Governance and Compensation Committee has:

- reviewed the composition of the Board and its Committees;
- carried out an extensive annual evaluation of the performance of the Board and its Committees and reported to the Board;
- reviewed the independence of, and recommended the nomination for election at the Horizon North Meeting, eight (8) directors to the Board;
- reviewed and approved the Skills Matrix form; and
- completed its annual charter review.

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

The directors who are currently members of the Health, Safety and Environment Committee are Russell Newmark (Chair), Richard T. Ballantyne, Bradley P.D. Fedora, Ann Rooney and Dale E. Tremblay. Mr. Newmark and Ms. Rooney were appointed to the Health, Safety and Environment Committee on March 1, 2017. Mr. Nabholz was a member of the Health, Safety and Environment Committee until March 1, 2017. All members of the Health, Safety and Environment Committee are independent as defined within section 1.4 of NI 52-110. The Health, Safety and Environment Committee assists the Board in its oversight of the health, safety and environmental issues, including the evaluation of Horizon North'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 Corporate Secretary at the following address:

Horizon North Logistics Inc., Suite 900, 240 – 4<sup>th</sup> Avenue SW, Calgary, Alberta T2P 4H4

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 North 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 North will be directed to the appropriate personnel within Horizon North 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 North'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.

#### **INTEREST OF INFORMED PERSONS 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 (as defined in NI 51-102) 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 or any of its subsidiaries.

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

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 audited consolidated financial statements and management's discussion and analysis for the most recently completed fiscal period ended December 31, 2017, contained in the Corporation's Annual Report for the year ended December 31, 2017. 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 financial year ended December 31, 2017, 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 Information Circular. These documents can be obtained free of charge by contacting the Corporate Secretary of the Corporation at 900, 240 – 4<sup>th</sup> Avenue SW, Calgary, Alberta T2P 4H4 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 North.

March 20, 2018

*"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 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and the associated National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) requires issuers to disclose their corporate governance practices. In addition, the Corporation complies with section 1.4 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

The Chair of the Board of Horizon North does not have a second or casting vote at Board meetings.

<b>Corporate Governance Disclosure Requirement NI 58-101</b>	<b>Comments</b>
<p><b>1. Board of Directors</b>            (a) Disclose the identity of directors who are independent.</p>	<p>The Corporate Governance and Compensation Committee have reviewed the independence of each current and proposed director of the Corporation on the basis of the definition within section 1.4 of NI 52-110. 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, 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 Compensation Committee has determined, after reviewing such definition and the roles and relationships of each of the directors, that seven of the eight existing directors and seven of the eight nominees proposed by management for 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;">Richard T. Ballantyne            Bradley P.D. Fedora            Mary Garden            Kevin D. Nabholz            Russell A. Newmark            Ann I. Rooney            Dale E. Tremblay</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 Compensation Committee has determined, after reviewing the above definition of “independent” and the roles and relationships of each of the directors that one of the eight existing directors and one of the eight nominees proposed by management for election to the Board 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;">Rod W. Graham</p> <p>Mr. Graham is the President and Chief Executive Officer of Horizon North.</p>
<p>(c) Disclose whether or not a majority of the directors are independent.</p>	<p>A majority of the current and proposed directors for election to the Board of Directors of the Corporation are independent.</p>
<p>(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.</p>	<p>Mr. Fedora is a director for Trican Well Service Ltd. Mr. Tremblay is a director for Cathedral Energy Services Ltd. and McCoy Global Inc. Mr. Ballantyne and Mr. Graham are directors for Stuart Olson Inc. The Board has determined that this board interlock does not impair the ability of these directors to exercise independent judgement as members of the Horizon North Board.</p>

<p>(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.</p>	<p>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 six meetings of the Board during the period January 1 to December 31, 2017. A quorum for meetings of the Board consists of a majority of the directors or such greater number of directors as the Board may from time to time determine. The independent directors held an in-camera session without management present at five of the six meetings.</p>
<p>(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>	<p>Mr. Nabholz, the Chair of the Board, is an independent director.</p> <p>The position description of the Chair of the Board provides for the Chair to provide leadership to the Board of Directors and to serve as chair at shareholders annual meetings. The Chair sets the agenda of all Board meetings, and ensures the provision of accurate, timely and clear information to the directors. In addition, the Chair supervises the Committee Chairs.</p>
<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>	<p>The Board held six meetings in 2017. All of the existing directors attended all six meetings of the Board either in person or by telephone. Please see under the heading “<i>Summary of Board Attendance</i>” in this Information Circular for detailed information of attendance.</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. Additionally, the Board has established a Board workplan. The mandate of the Board 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 900, 240 – 4<sup>th</sup> Avenue SW, Calgary, Alberta T2P 4H4.</p>
<p><b>3. Position Descriptions</b> (a) Disclose whether or not the Board has developed written position descriptions for the Chair and the Chair of each Board committee.</p>	<p>The position descriptions of the Chair of the Board 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 request to the Corporate Secretary of the Corporation at 900, 240 – 4<sup>th</sup> Avenue SW, Calgary, Alberta T2P 4H4.</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, and 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 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 900, 240 – 4<sup>th</sup> Avenue SW, Calgary, Alberta T2P 4H4.</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></p> <p>(a) Briefly describe what measures the Board takes to orient new members regarding:</p> <p>(i) the role of the Board, its committees and its directors; and</p> <p>(ii) the nature and operation of the issuer's business.</p>	<p>The Corporate Governance and Compensation 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. The members of the Board also attend an off-site tour of operating facilities. The directors are provided with information covering a wide range of topics including board and committee governance documents; various corporate policies; strategic plans; and regular reports from the CEO. In addition, directors are provided with guidance concerning trading in the Corporation's securities, blackout periods and the Corporation's disclosure practices. 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 to stay current on relevant issues such as corporate governance, financial and accounting practices. 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 management. To facilitate ongoing education of the Corporation's directors, the Corporate Governance and Compensation Committee 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, if required. The Board received presentations in 2017 from key management focused on deepening the Board's knowledge of the business of the Corporation.</p>
<p><b>5. Ethical Business Conduct</b></p> <p>(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;</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; and</p> <p>(v) describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Board of Directors has adopted a Code of Business Conduct and Ethics ("<b>Code of Ethics</b>"), 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 900, 240 – 4<sup>th</sup> Avenue SW, Calgary, Alberta T2P 4H4.</p> <p>The Corporate Governance and Compensation 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 North'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 and Social Media 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 Compensation Committee monitor 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. As a standing agenda item at each meeting of the Board, directors are required to advise of any conflicts of interest or duty regarding agenda items that will appear on Board agendas at the beginning of each meeting and before discussion of any substantive agenda items.</p>

<p><b>6. Nomination of Directors</b></p> <p>(a) Describe the process by which the Board identifies new candidates for Board nomination.</p>	<p>A core responsibility of the Corporate Governance and Compensation Committee is to identify prospective Board members, consistent with Board-approved criteria, and to recommend such individuals as nominees for election to the Board at each annual meeting of Shareholders or to fill vacancies on the Board. For the Corporate Governance and Compensation Committee to recommend an individual for Board membership, candidates are assessed on their individual qualifications, experience and expertise and must exhibit the highest degree of integrity, professionalism, values and independent judgement. The Corporate Governance and Compensation Committee and the Board do not adhere to any quotas in determining Board membership. The Corporate Governance and Compensation Committee believes that the Board should be comprised of directors with a broad range of experience and expertise and utilizes a skills matrix to identify those areas which are necessary for the Board to carry out its mandate effectively, allowing the Corporate Governance and Compensation Committee to identify criteria that a new candidate for the Board should possess. Before making a recommendation on a new director candidate to the Board, the Chair of the Corporate Governance and Compensation 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 Board has a nominating committee composed entirely of independent directors.</p>	<p>The Corporation's Corporate Governance and Compensation Committee is currently comprised of five independent directors, being Dale E. Tremblay (Chair), Bradley P.D. Fedora, Mary Garden, Kevin D. Nabholz, and Russell A. Newmark. The Corporation's corporate governance practice requires that all members of its Corporate Governance and Compensation Committee shall be independent. "Independent" refers to the standards of independence set forth within section 1.4 of NI 52-110.</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 Compensation Committee contains the responsibilities, powers and operation terms of the Corporate Governance and Compensation 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 900, 240 – 4<sup>th</sup> Avenue SW, Calgary, Alberta T2P 4H4. The Charter of the Corporate Governance and Compensation 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. Additionally, the Corporate Governance and Compensation Committee have established a committee workplan. If vacancies occur on the Board, the Corporate Governance and Compensation Committee may recommend nominees to the Board.</p>

<p><b>7. Compensation</b></p> <p>(a) Describe the process by which the Board determines the compensation for your company's directors or officers.</p>	<p>The Board established the Corporate Governance and Compensation Committee which is responsible to review and make recommendations to the Board regarding the adequacy and form of the compensation for Horizon North's officers and directors. The Corporate Governance and Compensation Committee regularly reviews the compensation practices of comparable companies with a view to align Horizon North's officers and directors with comparator group median. Directors who are officers of Horizon North receive no additional remuneration for their services as directors.</p> <p>In particular, the Corporate Governance and Compensation Committee: (a) will review and approve, at least annually, Horizon North's goals and objectives relevant to the compensation of the Chief Executive Officer ("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 Corporate Governance and 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 North publicly discloses such information.</p> <p>For more information, please see under the heading "<i>Compensation Discussion and Analysis</i>" in this Information Circular.</p> <p>Effective January 1, 2017, the Corporate Governance and Compensation Committee recommended to the Board, and the Board approved, that annual retainers for each director of Horizon North who was not an employee of Horizon North be set at \$25,000 per year, with the independent Chair of the Board to receive an additional annual retainer of \$10,000. The Chair of the Audit Committee will receive an additional annual retainer of \$7,500 and the Chair of each of the Health, Safety and Environment Committee and the Corporate Governance and Compensation Committee will receive an additional annual retainer of \$5,000. In addition, the non-management directors of Horizon North will receive a meeting fee of \$2,100 per meeting for attendance at meetings of the Board or committees, whether in person or by telephone. A travel allowance of \$1,000 per day, with a two day maximum, to attend board or committee meetings in person is available if required. Miscellaneous out-of-pocket expenses incurred by the directors in carrying out their duties are reimbursed by Horizon North.</p>
<p>(b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors.</p>	<p>The Corporation's corporate governance practices require that all members of its Corporate Governance and Compensation Committee shall be independent. "Independent" refers to the standards of independence set forth within section 1.4 of NI 52-110. The Corporate Governance and Compensation Committee is currently comprised of Dale E. Tremblay (Chair), Bradley P.D. Fedora, Mary Garden, Kevin D. Nabholz and Russell A. Newmark. None of the members of the Corporate Governance and 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 Corporate Governance and Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate.</p>

<p>(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>The Corporate Governance and Compensation Committee’s Charter contains the responsibilities, powers and operation terms of the Corporate Governance and Compensation Committee which are incorporated herein by reference. The 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 Horizon North at 900, 240 – 4<sup>th</sup> Avenue SW, Calgary, Alberta T2P 4H4.</p> <p>Briefly, the duties and responsibilities of the Corporate Governance and Compensation Committee include the development of a compensation policy, reviewing executive 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 Corporate Governance and Compensation Committee: (a) will review and approve, at least annually, Horizon North’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 Corporate Governance and 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 North publicly discloses such information.</p>
<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.</p>	<p>The Health, Safety and Environment Committee currently consists of four members of the Board of Directors – Russell Newmark (Chair), Richard T. Ballantyne, Bradley P.D. Fedora, Ann Rooney and Dale E. Tremblay. The Board has determined that all of the members of the Health, Safety and Environment Committee are independent. “Independent” refers to the standards of independence set forth within section 1.4 of NI 52-110. The Health, Safety and Environment Committee assists the Board in its oversight of the health, safety and environmental issues, including the evaluation of Horizon North’s programs, controls and reporting systems, and compliance with applicable laws, rules and regulations.</p>
<p><b>9. Assessments</b> Disclose whether or not the Board, 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>The Corporate Governance and Compensation Committee has the mandate and responsibility to ensure that a process is in place for the annual review 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 Corporate Secretary who compiled the results of the questionnaire and prepared a single document that included any comments that may have been forwarded, for presentation to the Chair of the Corporate Governance and Compensation Committee. The anonymity of any particular submitter is maintained with the aggregate results presented to the Chair of the Corporate Governance and Compensation Committee. The results were then communicated to the full Board for discussion and recommendations as necessary.</p>
<p><b>10. Director Term Limits and Other Mechanisms of Board Renewal</b> Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.</p>	<p>The Board has not adopted term limits for the directors on the Board or other mechanisms of Board renewal. Instead, the Corporate Governance and Compensation Committee have the mandate and responsibility to ensure that a process is in place for the annual review of the performance of individual directors, the Board as a whole and the Board Committees. Through this annual review process, such committee determines whether an individual director is able to continue to make an effective contribution. The Board is of the view that such annual review process is more effective than terms limits or other mechanisms of Board renewal such as a mandatory retirement age.</p>

<p><b>11. Policies Regarding the Representation of Women on the Board</b></p> <p>(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.</p>	<p>The Board has not adopted a written policy relating to the identification and nomination of women directors. The Board annually evaluates potential nominees to the Board by reviewing the 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, including knowledge and diversity of membership.</p>
<p><b>12. Consideration of the Representation of Women in the Director Identification and Selection Process</b></p> <p>Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.</p>	<p>The Corporate Governance and Compensation Committee does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. The Board annually evaluates potential nominees to the Board by reviewing the 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, including knowledge and diversity of membership.</p>
<p><b>13. Consideration Given to the Representation of Women in Executive Officer Appointments</b></p> <p>Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</p>	<p>The Board does not consider the level of representation of women in executive officer positions when making executive officer appointments. However, Horizon North is committed to the fundamental principles of equal employment opportunities which are prescribed in its employment policies which further provide for Horizon North's commitment to treating people fairly, with respect and dignity, and to offering equal employment opportunities based upon an individual's qualifications and performance. Furthermore, Horizon North's employment policies and procedures provide that candidates are selected based on the primary considerations of experience, skill and ability.</p>
<p><b>14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</b></p> <p>(a) For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.</p>	
<p>(b) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.</p>	<p>Horizon North has not adopted a target regarding women on its Board. In its annual review and evaluation of potential nominees to the Board, the Corporate Governance and Compensation Committee focuses on the current Board composition and the anticipated skills required to round out the capabilities of the Board, including knowledge and diversity of its membership.</p>

<p>(c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p>	<p>Horizon North has not adopted a target regarding women in executive officer positions as it is an equal employment opportunity employer whereby candidates are selected based on the primary considerations of experience, skill and ability.</p>
<p><b>15. Number of Women on the Board and in Executive Officer Positions</b></p> <p>(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.</p>	<p>As at the date hereof, Horizon North has two women on its Board (25%). Two women are proposed to be elected as directors at the Horizon North Meeting. Should they be elected to the Board, Horizon North would then continue to have two women on its Board (25%).</p>
<p>(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.</p>	<p>As at the date hereof, one of the executive officers of Horizon North is a women (8%).</p>

**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 he or she serves 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 the 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, or 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 Compensation Committee; and
    - (iii) 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 Compensation Committee reports regarding governance issues and the nomination process and recommendations regarding nominees and candidates for election to the Board and reports regarding recommendations with respect to corporate goals and objectives, CEO compensation and Board assessments and compensation; ;
    - (iii) Health, Safety and Environment Committee reports regarding health, safety and environmental issues, including the evaluation of Horizon North'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 Corporate Governance and 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 Compensation 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 Compensation 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 Compensation 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 Compensation 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 Compensation 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) management's 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.

