



**CANLAN ICE SPORTS CORP.**

**NOTICE OF ANNUAL GENERAL MEETING  
AND INFORMATION CIRCULAR**

Notice is hereby given that the annual general meeting of the shareholders of Canlan Ice Sports Corp. will be held on June 15, 2011 at 10:00 a.m. (Vancouver time) at the Four Seasons Hotel, 791 West Georgia Street, Vancouver, British Columbia, for the following purposes:

1. To receive the annual financial statements and the auditor's report for the year ended December 31, 2010.
2. To increase the number of directors to eight.
3. To elect eight directors for the ensuing year.
4. To appoint the auditor for the ensuing year, and to authorize the directors to fix the auditor's remuneration.
5. To transact such other business as may properly come before the meeting.

DATED at Burnaby, British Columbia, this 16th day of May, 2011.

BY ORDER OF THE BOARD

/s/ Michael F. Gellard

Michael F. Gellard  
Senior Vice President and  
Chief Financial Officer

IF YOU ARE UNABLE TO ATTEND THE MEETING, PLEASE FILL IN, SIGN, DATE AND RETURN THE ENCLOSED PROXY WITHIN THE TIME STATED IN THE ENCLOSED INFORMATION CIRCULAR TO COMPUTERSHARE INVESTOR SERVICES INC., 9<sup>TH</sup> FLOOR, 100 UNIVERSITY AVENUE, TORONTO, ONTARIO M5J 2Y1.

**CANLAN ICE SPORTS CORP.**  
**INFORMATION CIRCULAR**  
**FOR ANNUAL GENERAL MEETING**  
**TO BE HELD ON JUNE 15, 2011**

Dated and with information as at May 16, 2011

**Solicitation of Proxies**

**This Information Circular is furnished in connection with the solicitation of proxies by the management (the “Management”) of Canlan Ice Sports Corp. (the “Company”) to be used at the Annual General Meeting of the shareholders of the Company to be held on June 15, 2011, at 10:00 a.m. (Vancouver time) (the “Meeting”) and any adjournment thereof.**

Solicitation is being made by mail, which may be supplemented by telephone or other personal contact to be made, without special compensation, by directors, officers and regular employees of the Company. The Company will bear the cost of solicitation of proxies by Management.

**Appointment and Revocation of Proxies**

**The persons named in the enclosed proxy are directors and officers of the Company. A shareholder has the right to appoint a person other than either of the named persons, who need not be a shareholder, to attend and act on the shareholder’s behalf.** If a shareholder does not wish to appoint either of the named persons, the shareholder should strike out their names and insert in the blank space provided the name of the person the shareholder wishes to have act as the shareholder’s proxy. A shareholder who has given a proxy may revoke it: (a) by signing a proxy bearing a later date and depositing that proxy as described below under the heading “Deposit of Proxy”; or (b) by signing and dating a written notice of revocation (in the same manner as is described below for signing and dating a proxy) and delivering that written notice of revocation either to the registered office of the Company at 1900-1040 West Georgia Street, Vancouver, B.C. V6E 4H3 at any time up to and including the last business day preceding the day of the Meeting (or any adjournment thereof) at which the proxy is to be used, or to the chairman of the Meeting on the day of the Meeting (or any adjournment thereof); or (c) by attending the Meeting (or any adjournment thereof) in person and by participating in a poll, which will automatically revoke the proxy with respect to matters which have not been dealt with by the Meeting prior to the attendance and participation in a poll by the shareholder.

**Validity of Proxies**

A proxy will not be valid unless, in the case of an individual shareholder, it is dated and signed by the shareholder or by the shareholder’s attorney duly authorized by the shareholder in writing or, in the case of a corporate shareholder, it is dated and executed either under the corporate seal of the corporate shareholder or by a duly authorized officer or officers of, or attorney for, the corporation. If the proxy is executed by an attorney or, in the case of a corporate shareholder, if the proxy is executed by an officer, officers or attorney but is not executed under corporate seal,

then the instrument (or a notarial copy thereof) empowering the attorney, officer or officers to execute the proxy must accompany the proxy.

### **Deposit of Proxies**

A proxy must be deposited at Computershare Trust Company of Canada, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 before 1:00 p.m. (Eastern Daylight Time) on June 13, 2011.

### **Voting of Proxies**

The Common shares represented by proxies will, if the instructions are certain, be voted or withheld from voting in accordance with the instructions of the shareholder on any poll that may be called for and, where a choice has been specified in the proxy with respect to any of the matters to be acted upon, will be voted as specified. **If no choice has been specified in connection with any of the matters to be acted upon, then the proxy will confer discretionary authority upon the named proxyholder to vote the Common shares represented by the Proxy in favour of the matters to be acted upon.** The proxy also confers discretionary authority upon the nominee to act and vote as the nominee sees fit with respect to amendments or variations to matters identified in the notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof.

### **Non-registered Shareholders**

Only registered shareholders and their duly appointed proxyholders are permitted to vote at the Meeting. If your shares are registered in the name of a nominee (e.g. a trust company, securities broker, or other financial institution), then you are a non-registered shareholder, and you must instruct your nominee how you wish your shares to be voted.

Your nominee is required to seek your instructions as to how to vote your shares. Typically, a nominee will provide a non-registered shareholder with either: (a) a voting instruction form for completion and execution by the non-registered shareholder; or (b) a proxy form, executed by the nominee, but otherwise uncompleted. You must follow the instructions provided to you by your nominee to ensure that the shares you beneficially own are voted in accordance with your wishes.

If you are a non-registered shareholder and you wish to attend the Meeting to vote in person, then you must follow the instructions on the voting instruction form, or the form of proxy, setting out how to appoint yourself as the person entitled to attend the Meeting and vote your shares.

### **Interests of Certain Persons in Matters to be Acted Upon**

Management of the Company is not aware of any direct or indirect material interest of any director or executive officer of the Company, or any respective associates or affiliates, in any matter to be acted upon other than as disclosed in this Information Circular.

## Voting Shares and Principal Holders of Voting Shares

The Company's issued and outstanding share capital consists of 13,337,448 Common shares without par value. Each Common share is entitled to one vote. Shareholders as of May 16, 2011, will be entitled to vote at the Meeting. To the knowledge of the Company's directors and executive officers, the only person who currently beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10 per cent or more of the voting rights attached to the securities of the Company is Bartrac Investments Ltd., of 504-1367 West Broadway, Vancouver, which beneficially owns 10,075,947 Commons shares; this is approximately 75.5% of the outstanding Common shares.

## Election of Directors

The eight nominees in the list which follows are proposed for election as directors of the Company. Each nominee, other than Mr. Bullis and Mr. D'Souza, is currently a director of the Company. Each nominee is ordinarily resident in Canada. Each director elected will hold office until the next annual general meeting, or until the director's successor is elected or appointed:

<b>Name, Province of Residence and Position with the Company</b>	<b>Date became a Director of the Company</b>	<b>Current Principal Occupation</b>	<b>Number of Common Shares Currently Beneficially Owned or Controlled or Directed</b>
Charles G. Allen (1) Ontario, Director	November 2006	Private investor	12,200
W. Grant Ballantyne British Columbia, Director and Chairman	December 1998	Chairman of the Company	6,250
Frank D. Barker (2) (3) British Columbia, Director	May 1986	Partner, Kinetic Capital Partners, which is engaged in private equity investments	15,000
Geoffrey J. Barker (2) (3) British Columbia, Director	May 1987	V.P. Properties & Development, Bartrac Holdings Ltd., which is engaged in real estate development	365
William G. Bullis British Columbia, None	Nominee	Retired (5)	0
Victor D'Souza (4) Ontario, None	Nominee	Managing director of Reignite Capital Corporation, which provides management consulting and capital to mid-market companies (6)	0
William B. Pattison (1) British Columbia, Director	May 1986	President, Pattison Information Inc., which is engaged in real estate consulting	5,000
Joey St-Aubin Ontario, Director, President and CEO	March 2009	President and CEO of the Company	9,300

### Notes:

- (1) Member of the Audit Committee.

- (2) Member of the Compensation Committee.
- (3) Member of the Governance and Nominating Committee.
- (4) In October of 2006, Cantar Pool Products Limited, a wholly-owned subsidiary of Polyair Inter Pack Inc. ("Polyair"), a company listed on the TSX, filed for protection under the Companies' Creditors Arrangement Act. Mr. D'Souza was at that time the CEO of Polyair and a director and officer of the subsidiary. The proposal to creditors was accepted and approved in January of 2007.
- (5) Principal occupation for the past 5 years prior to retirement – President and CEO of BCAA, a member services organization.
- (6) Principal occupation for the past 5 years prior to assuming current occupation – CEO of Polyair Inter Pack Inc., a manufacturer of packaging products, from 2006 to 2009.

## **Compensation Discussion and Analysis**

### Overview

The Compensation Committee is responsible for making recommendations to the board concerning the compensation to be paid to the Company's senior management, directors and chairs of board committees.

The Company has adopted a Compensation Committee Charter, which charges the Compensation Committee with responsibility for development and review of a set of compensation guidelines. The following factors are among those the Committee must consider when determining the compensation to be paid to directors:

- market practices for comparable companies.
- the need to ensure that the compensation paid to directors does not compromise the independence of any of the directors.

The following factors are among those the Committee must consider when determining the compensation to be paid to executive officers:

- performance by the individual
- performance by the Company
- the need to ensure that compensation is at a level that allows the Company to attract and retain the calibre of individuals it needs to achieve its desired growth and performance targets

The Compensation Committee has determined that it is appropriate to maintain a degree of flexibility and subjectivity in applying these factors, rather than taking a strictly formulaic approach to determining the appropriate compensation for directors and executive officers.

In determining the appropriate amounts and components of the compensation to be paid to directors and executive officers, the Company seeks to:

- provide total compensation which is closely linked to the Company's performance and to individual performance

- align the interests of the Company's executives with those of its shareholders through potential stock ownership or an equivalent whose value is linked to the stock price
- ensure that compensation and benefits are at levels which enable the Company to attract and retain the calibre of executives it needs to achieve its desired growth targets and performance targets

### Components of Compensation

The Company believes that the best interests of shareholders will be served if the annual total cash compensation paid to its executive officers comprises a combination of guaranteed base salary and a variable cash incentive component linked to corporate and divisional performance. Cash compensation accounts for approximately 94% of the total compensation paid to the Company's executives. The remaining 6% is comprised of fixed perquisites and benefits.

### Base Salary

The base salaries paid to the Company's executive officers are based upon the Company's assessment of the salaries required to attract and retain the calibre of executives it needs to achieve its desired growth and performance targets.

### Bonuses

The Company has a bonus program in place for its named executive officers, several of its executive officers and some other designated employees. The bonus program is based on the achievement of targets set in the Company's annual operating plan ("AOP"). Where in any given year the Company exceeds its AOP target, the Company makes available for bonus payments an amount equal to 25% of the total earnings before interest, taxes, depreciation and amortization. The monies set aside for bonuses are then divided among the eligible participants on a pro-rata basis based on each participant's salary. The Compensation Committee then reviews the performance of each participant and determines on a scale of 0%, 25%, 50%, 75% and 100% the entitlement to the allocated bonus based on the individual participant's participation in the success of the Company. None of the named executive officers received a bonus in 2010.

### Retirement allowance

The Company has established a director retirement allowance for directors with 10 or more years of service. Eligible retiring directors will be entitled to receive an amount equal to one month for each year of service, based on the most recent annual fees paid to that director at the time of retirement.

### Long-term incentives

The Compensation Committee believes that, from time to time, it is appropriate to award longer term incentives in the form of stock options or stock-related vehicles (e.g. SARs). The amount and terms of any outstanding longer term incentives are taken into account when the Company considers whether and how many new longer term incentives to grant. The Company does not

currently have a stock option plan, primarily as a result of the limited liquidity of the Company's shares, as indicated by the low trading volume of those shares on the TSX.

Perquisites and benefits

The Company also provides certain executive benefits and perquisites, as the Compensation Committee has determined that doing so is necessary to offer fully competitive opportunities to its executives. These perquisites tend to be relatively modest, and form a small percentage of the total compensation paid to the named executive officers – during 2010, the only such benefits were car allowances of between \$6,000 and \$8,400 paid to three of the named executive officers.

**Summary Compensation Table**

The following table sets out all compensation paid during the financial year ended December 31, 2010, to the Chief Executive Officer, the Chief Financial Officer and each of the three most highly compensated executive officers of the Company (other than the Chief Executive Officer and the Chief Financial Officer) whose total compensation exceeded \$150,000 during the financial year ended December 31, 2010 (collectively, the “named executive officers”):

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) (1)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Joey St-Aubin President and Chief Executive Officer	2010	225,000	n/a	35,713	0	n/a	9,000 (2)	8,400 (3)	278,113
	2009	225,000	n/a	0	0	n/a	n/a	8,400 (3)	233,400
	2008	180,000	n/a	5,456	15,941	n/a	n/a	8,400 (3)	209,797
Michael F. Gellard Senior Vice President and Chief Financial Officer	2010	210,000	n/a	35,713	0	n/a	10,171 (2)	0	255,884
	2009	210,000	n/a	0	0	n/a	n/a	0	210,000
	2008	190,000	n/a	5,456	16,826	n/a	n/a	10,000 (4)	222,282
Arthur Dickson Senior Vice President – Corporate Development	2010	160,000	n/a	35,713	0	n/a	8,193 (2)	6,000 (3)	209,906
	2009	160,000	n/a	0	0	n/a	n/a	6,000 (3)	166,000
	2008	154,000	n/a	0	13,638	n/a	n/a	6,000 (3)	173,638
Mark Faubert Senior Vice President – Operations	2010	145,000	n/a	35,713	0	n/a	7,488 (2)	8,000 (3)	196,201
	2009	145,000	n/a	0	0	n/a	n/a	8,000 (3)	153,000
	2008	125,000	n/a	0	11,546	n/a	n/a	7,200 (3)	143,746
Ivan Wu Vice President – Finance and Contoller	2010	145,000	n/a	35,713	0	n/a	7,615 (2)	0	188,328
	2009	145,000	n/a	0	0	n/a	n/a	0	145,000
	2008	125,000	n/a	0	11,070	n/a	n/a	0	136,070

Notes:

- (1) The grant date fair value of the SARs has been calculated using the Black-Scholes model.
- (2) Contributions made by the Company under the Company-sponsored RRSP program..

- (3) Car allowances.
- (4) Special bonus relating to his handling of the Company's 2008 re-financing.

### **Incentive Plan Awards**

The Company has adopted a director and employee stock appreciation rights plan; pursuant to the plan, the board may grant stock appreciation rights ("SARs") to directors and employees to promote the profitability and growth of the Company by facilitating the efforts of the Company to obtain and retain directors and key employees. The plan provides an incentive for directors and key employees to work to increase the value of the Company's shares.

The maximum period for which any SARs granted under the plan are exercisable is five years – the most recent grants expire three years after the grant date. One-third of all SARs granted to date vested, or will vest, on each of the first three anniversaries of the grant date. On exercise, the holder is entitled to receive an amount for each SAR exercised equal to the difference between the exercise amount established on the date of the grant (which cannot be less than the 10-day average closing market price of the Common shares on the day before the grant) and the 10-day average closing market price of the Common shares on the day before exercise.

The following SARs granted to directors and named executive officers are currently outstanding:

- 35,000 SARs were granted to Mr. Allen on November 28, 2006. These SARs have an exercise price of \$1.20. All of these SARs have now vested and all expire on November 28, 2011.
- 35,250 SARs were granted to each of Mr. St-Aubin and Mr. Gellard on November 25, 2008, in recognition of the contribution each had made to the Company's recent performance and as an incentive to retain these two key employees. These SARs have an exercise price of \$0.80. One-third of these SARs vests on each of the first three anniversaries of the grant date and all expire on November 25, 2013.
- 35,000 SARs were granted to Mr. Ballantyne on April 15, 2009. These SARs have an exercise price of \$1.50. One-third of these SARs vests on each of the first three anniversaries of the grant date and all expire on April 15, 2014.
- 52,750 SARs were granted to each of the named executive officers on November 30, 2010, and 35,000 SARs were granted to each of four directors on the same date. All of these SARs have an exercise price of \$2.00. One-third of these SARs vests on each of the first three anniversaries of the grant date and all expire on November 30, 2013.

The 52,750 SARs granted to each of named executive officers and the 35,000 SARs granted to each of four directors on November 23, 2005, were exercised during 2010 before the November 23, 2010, expiry date. These SARs all had an exercise price of \$1.20.

The following table sets out details relating to all outstanding SARs granted to the named executive officers as of December 31, 2010:

Name	Number of securities underlying unexercised SARs (#)	SARs exercise prices (\$)	SARs expiration dates	Value of unexercised in-the-money SARs (\$)
Joey St-Aubin	0	2.00 0.80	November 30, 2013 November 25, 2013	3,692 (1) 44,767 (2)
Michael F. Gellard	0	2.00 0.80	November 30, 2013 November 25, 2013	3,692 (1) 44,767 (2)
Arthur Dickson	0	2.00	November 30, 2013	3,692 (1)
Mark Faubert	0	2.00	November 30, 2013	3,692 (1)
Ivan Wu	0	2.00	November 30, 2013	3,692 (1)

Notes:

- (1) 52,750 SARs were granted to each on November 30, 2010 – the value is based on a year-end 10-day average closing market price of \$2.07 and an exercise price of \$2.00.
- (2) 35,250 SARs were granted to each on November 25, 2008 – the value is based on a year-end 10-day average closing market price of \$2.07 and an exercise price of \$0.80.

The following table sets out information for the named executive officers who had SARs that vested or were exercised during the year ended December 31, 2010:

Name	Option-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Joey St-Aubin	12,455 (1)	46,631 (2)
Michael F. Gellard	12,455 (1)	44,286 (2)
Arthur Dickson	0	44,838 (2)
Mark Faubert	0	42,206 (2)
Ivan Wu	0	45,381 (2)

Notes:

- (1) 35,250 SARs were granted to each on November 25, 2008, with one-third vesting on November 25, 2010 – the value is based on the 10-day average closing market price of \$1.86 on the vesting date and an exercise price of \$0.80.
- (2) Based on the difference between the exercise price of \$1.20 established on the date of grant and the 10-day average closing market price on the exercise dates.

### Pension Plan Benefits

A Company-sponsored RRSP program became effective as of January 1, 2010. The benefits of the program are available to full-time employees who have been working for the Company for at least one year. Under the program, the Company will match RRSP contributions made by an employee to the following limits: (a) up to 2% of earnings for employees with between one and three years service; and (b) up to 4% of earnings for employees with four or more years of service.

The Company paid a total of \$42,469 under the program on behalf of the named executive officers during 2010.

### Termination and Change of Control Benefits

Mr. St-Aubin was appointed as President and Chief Executive Officer of the Company as of January 1, 2009. Mr. St-Aubin's employment contract provides that he will receive a payment equivalent to one year's salary if the Company terminates his employment. Based on his current salary, this would amount to a severance payment of \$225,000. Mr. St-Aubin's employment contract does not include a change of control provision.

The Company does not have termination or change of control provisions in its agreements with any of its other named executive officers.

### Director Compensation

The following table provides information concerning the compensation paid to all of the Company's directors during 2010:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards(\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Charles G. Allen	23,000	0	0	0	n/a	0	23,000
W. Grant Ballantyne	25,000	0	0	0	n/a	0	25,000
Frank D. Barker	16,000	0	23,696 (2) (3)	0	n/a	0	39,696
Geoffrey J. Barker	14,750	0	23,696 (2) (3)	0	n/a	0	38,446
Edwin Cohen	16,500	0	23,696 (2) (3)	0	n/a	0	40,196
William B. Pattison	17,750	0	23,696 (2) (3)	0	n/a	0	41,443
Joey St-Aubin (1)	0	0	0	0	n/a	0	0

Notes:

- (1) Mr. St-Aubin did not receive any additional compensation for acting as a director during 2010. The compensation he received for acting as President and Chief Executive Officer is set out above.
- (2) The grant date fair value of the SARs has been calculated using the Black-Scholes model.
- (3) 35,000 SARs were granted to each director on November 30, 2010 at an exercise price of \$2.00.

Mr. Ballantyne was paid \$25,000 for acting as Chairman of the Board during 2010. Mr. Cohen was paid a base fee of \$4,000, and Mr. Allen, Mr. Frank Barker, Mr. Geoffrey Barker and Mr. Pattison were each paid a base fee of \$6,000, for acting as directors during 2010. The Company also paid those five directors the following additional fees:

- Mr. Allen received \$7,000 for attending 7 board meetings, \$5,000 for acting as Chairman of the Audit Committee, \$4,500 for attending 6 Audit Committee meetings and a travel allowance of \$500
- Mr. Frank Barker received \$7,000 for attending 7 board meetings, \$1,500 for attending 2 Compensation Committee and Governance and Nominating Committee meetings, \$1000 for a special project and a travel allowance of \$500
- Mr. Geoffrey Barker received \$7,000 for attending 7 board meetings, \$1,500 for attending 2 Compensation Committee and Governance and Nominating Committee meetings and a travel allowance of \$250
- Mr. Cohen received \$6,000 for attending 6 board meetings, \$4,500 for attending 6 Audit Committee meetings, \$1,500 for attending 2 Compensation Committee and Governance and Nominating Committee meetings and a travel allowance of \$500
- Mr. Pattison received \$7,000 for attending 7 board meetings, \$4,500 for attending 6 Audit Committee meetings and a travel allowance of \$250

The following table sets out details relating to all outstanding SARs granted to the directors as of December 31, 2010:

<b>Name</b>	<b>Number of securities underlying unexercised SARs (#)</b>	<b>SARs exercise prices (\$)</b>	<b>SARs expiration dates</b>	<b>Value of unexercised in-the-money SARs (\$)</b>
Charles G. Allen	0	1.20	November 28, 2011	30,450 (2)
W. Grant Ballantyne	0	1.50	April 15, 2014	19,950 (3)
Frank D. Barker	0	2.00	November 30, 2013	2,450 (4)
Geoffrey J. Barker	0	2.00	November 30, 2013	2,450 (4)
Edwin Cohen	0	2.00	November 30, 2013	2,450 (4)
William B. Pattison	0	2.00	November 30, 2013	2,450 (4)
Joey St-Aubin (1)	0	0	n/a	0

Notes:

- (1) Mr. St-Aubin did not receive any additional compensation for acting as a director during 2010. The compensation he received for acting as President and Chief Executive Officer is set out above.
- (2) 35,000 SARs were granted to Mr. Allen on November 28, 2006 – the value is based on a year-end 10-day average closing market price of \$2.07.
- (3) 35,000 SARs were granted to Mr. Ballantyne on April 15, 2009, at an exercise price of \$1.50 – the value is based on a year-end 10-day average closing price of \$2.07.
- (4) 35,000 SARs were granted to each director on November 30, 2010, at an exercise price of \$2.00 – the values are based on a year-end 10-day average closing market price of \$2.07.

The following table sets out information for the directors who had SARs that vested or were exercised during the year ended December 31, 2010:

<b>Name</b>	<b>Option-based awards – value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – value earned during the year (\$)</b>
W. Grant Ballantyne	5,367 (1)	0
Frank D. Barker	0	28,070 (2)
Geoffrey J. Barker	0	28,070 (2)
Edwin Cohen	0	19,250 (2)
William B. Pattison	0	28,070 (2)

Notes:

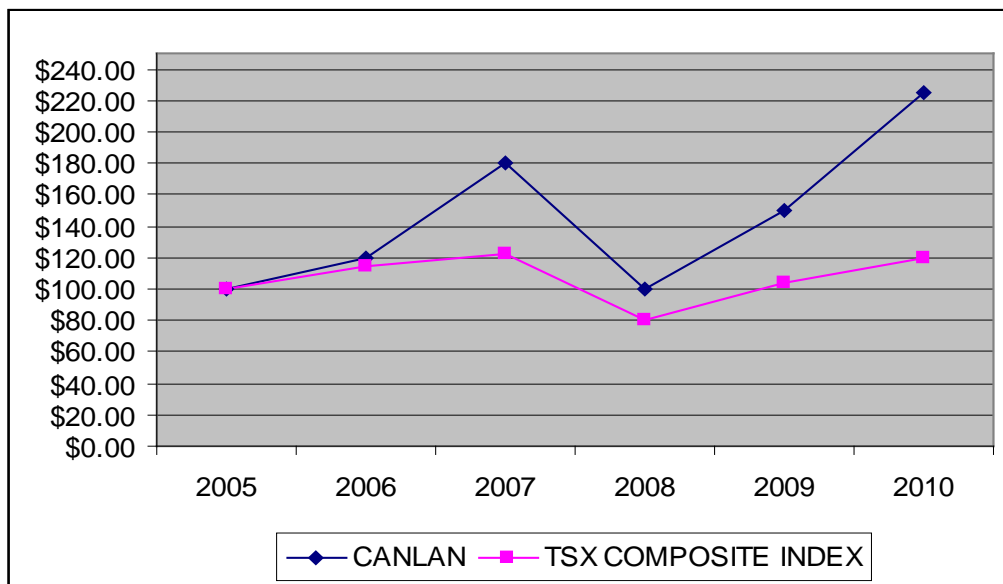
- (1) 35,000 SARs were granted to Mr. Ballantyne on April 15, 2009, at an exercise price of \$1.50, and with the first one-third vesting on April 15, 2010 – the value is based on the 10-day average closing market price of \$1.96 on the vesting date.
- (2) Based on the difference between the exercise price of \$1.20 established on the date of grant and the 10-day average closing market price on the exercise dates.

### Director and Officer Liability Insurance

Director and officer liability insurance is in effect for the benefit of the Company and its subsidiaries and its directors and officers against liability incurred by such directors and officers in their capacity as directors and officers, subject to restrictions contained in the *Business Corporations Act* (British Columbia). The total premium, which was borne by the Company, amounted to \$20,875 in 2010. The policy provides coverage of approximately \$5,000,000 to each director and officer, subject to a maximum total liability of approximately \$5,000,000 in any policy year. Each claim is subject to a deductible of \$50,000 in respect of any loss by the Company because of indemnification requirements.

### Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return over the last 5 years with the cumulative total return on the TSX Composite Index, assuming reinvestment of dividends at 100% of the market price on each of the dividend payment dates. The Company did not pay dividends during this period.



Total return on \$100 invested in December, 2005:

	2005	2006	2007	2008	2009	2010
CANLAN	100.00	120.00	180.00	100.00	150.00	225.00
TSX COMPOSITE INDEX	100.00	114.51	122.72	79.73	104.21	119.25

## **Statement of Corporate Governance Practices**

### Corporate Governance Disclosure

The following disclosure is provided in accordance with the requirements of National Instrument 58-101: "Disclosure of Corporate Governance Practices".

### Committees of the Board

The board of directors has established three committees: the Compensation Committee, the Governance and Nominating Committee and the Audit Committee. The board of directors has also adopted written Corporate Governance Guidelines, a Compensation Committee Charter, a Governance and Nominating Committee Charter, an Audit Committee Charter and a Code of Conduct and Business Ethics. Copies of these documents are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

During 2010, Geoffrey Barker, Frank Barker and Edwin Cohen were the members of the Compensation Committee and of the Governance and Nominating Committee, and Charles Allen, Edwin Cohen and William Pattison were the members of the Audit Committee.

### Board of Directors

Based upon the criteria set out in National Instrument 52-110, Joey St-Aubin, as a current executive officer, and Grant Ballantyne, as an executive officer during 2008, are not independent directors. Frank Barker and Geoffrey Barker are not independent directors due to their interests in the Company's principal shareholder. Charles Allen, Edwin Cohen and William Pattison are all independent directors.

Two of the current directors who are proposed for re-election are independent and four are not independent. The two nominees proposed for election for the first time are both independent. If all of the proposed nominees are elected, then the board will have an equal number of independent and non-independent directors. The chairman of the board is not an independent director.

Although the Company's Corporate Governance Guidelines permit the independent directors to hold meetings at which the non-independent directors and members of management are not in attendance, the independent directors have not held such meeting and have not scheduled any such meetings. In order to facilitate the exercise of independent judgment in carrying out its responsibilities, each board member is responsible for reviewing and evaluating the performance of management. The Company's Corporate Governance Guidelines permit the independent directors to hold meetings without management or the non-independent directors being present, to facilitate open and candid discussions among the independent directors. Further, the Corporate Governance Guidelines provide that the independent directors will elect a "lead director" from among themselves, who will meet with the Chief Executive Officer of the Company to discuss any issues raised at meetings of the independent directors.

All of the directors but one attended the 7 board meetings held during 2010; Mr. Cohen attended 6 of the 7 meetings. All of the directors attended both meetings held to date in 2011.

#### Directorships of Other Reporting Issuers

Mr. Allen and Mr. Ballantyne are both also directors of TeraGo Inc. Mr. Cohen is also a director of Northampton Group Inc. and Mr. D'Souza is also a director of Surrey Capital Corp.

#### Board Mandate

The board of directors is responsible for the stewardship of the Company, and for providing independent, effective leadership and oversight of the management of the Company and its business. This includes responsibility for:

- Reviewing, approving and monitoring the progress of the Company's strategic plan.
- Adopting and monitoring compliance with a code of business conduct & ethics, and setting the ethical tone for the Company and its management and employees.
- Adopting a long-term plan for the composition of the board.
- Establishing criteria for the selection of, and seeking out, potential board candidates.
- Determining the independence of the members of the board.
- Establishing procedures for the orientation of new directors and the continuing education of all directors.
- Evaluating the performance of the board and of the individual directors.
- Meeting regularly to carry out its duties.
- Appointing and evaluating the performance of the Audit Committee, the Compensation Committee, and the Governance and Nominating Committee, and evaluating the performance of the chairs of each of those committees.
- Appointing and evaluating the performance of the Chairman of the board.
- Appointing, evaluating the performance of, and determining the appropriate compensation for the Chief Executive Officer and the other members of senior management.
- Preparing and monitoring the progress of a succession plan for the Chief Executive Officer and the other members of senior management.
- Ensuring that an external communications policy is in place and that the Company has procedures in place for receiving and responding to feedback from stakeholders.

- Ensuring that appropriate internal controls are in place.

### Position Descriptions

The board of directors has developed written position descriptions for the Chairman, the Chief Executive Officer and the chairs of the board committees.

### Orientation and Continuing Education

Pursuant to the Company's Corporate Governance Guidelines, management is to establish an orientation program for new directors that provides new directors with information about the Company and its business, and about the roles of the board of directors and its committees. The Governance and Nominating Committee oversee this orientation program.

Members of the board may ask management to prepare, or to arrange the preparation of, educational materials for the board on matters relevant to the Company and its business, to ensure that the board members' knowledge and understanding of the Company's business remains current.

The Company has adopted a Governance and Nominating Committee Charter, which charges the Governance and Nominating Committee with responsibility for overseeing the establishment by management of an orientation program for new directors. As part of that program, management provides new directors with an information package concerning the Company's current business and the roles of the board and its committees in advancing the Company's businesses. The Company also provides detailed financial information for the most recent year and interim period, in addition to requiring the President and Chief Executive Officer to meet separately with the new director to discuss the business operations and to answer any questions.

### Ethical Business Conduct

The Company has a written Code of Conduct and Business Ethics which is made available to all directors, officer and employees of the Company through the Company's "intranet". The board of directors has delegated the task of monitoring compliance with this code to the Governance and Nominating Committee. However, only the board of directors may grant a waiver from compliance with the terms of this code.

### Nomination of Directors

The Governance and Nominating Committee is responsible for developing a set of corporate governance guidelines, helping the board develop a long-term plan for the composition of the board, identifying qualified individuals for membership on the board, recommending to the board any new director nominees, and evaluating the performance of the board, the committees, and the committee chairs.

The Governance and Nominating Committee is also responsible for identifying qualified individuals for membership on the board of directors. In carrying out that responsibility, the Committee develops and reviews a long-term plan for the composition of the board of directors,

which takes into consideration the competencies that the board of director, as a whole, should possess, including:

- the competency and skills possessed by current board members.
- the competency and skills that each new nominee will bring to the board.
- if each new nominee can devote sufficient time and resources to his duties as a director.

The Corporate Governance Guidelines adopted by the Company provide that the opinions of all committees members must be treated with respect, on the belief that committees are best served by an open and frank exchange of views. Management believes that the independent director who serves on the Governance and Nominating Committee has been provided with an environment that facilitates his ability to ensure that the nominating process for new directors is in the best interests of the Company. All board members are canvassed for proposals when new members are being considered. The resulting list is then reviewed and discussed as part of the committee's considerations. Members of the existing board are encouraged to meet with new board members.

Based upon the criteria set out in National Instrument 52-110, Mr. Cohen is currently the sole independent director on the Governance and Nominating Committee.

#### Compensation

The Compensation Committee is responsible for making recommendations to the board concerning the compensation to be paid to the Company's senior management, the directors and the chairs of committees of the board. Further, the Compensation Committee is responsible for administering any benefit plans adopted by the Company and preparing and reviewing the Company's succession plan.

Based upon the criteria set out in National Instrument 52-110, Mr. Cohen is currently the sole independent director on the Compensation Committee.

#### Assessments

The Governance and Nominating Committee of the board is responsible for conducting an annual performance review of the board, and the committees of the board, in accordance with the policies and procedures developed by the Governance and Nominating Committee.

The Governance and Nominating Committee is charged with responsibility for development and review of policies and procedures for annual performance reviews of the board of directors, each committee, the chair of each committee, and each individual director, and for reporting the results of its reviews to the board.

### Audit Committee

The Audit Committee is responsible for helping the board meet its financial reporting responsibilities, and for providing oversight of the integrity of the Company's financial statements and financial reporting procedures, including its internal accounting controls and procedures. The Audit Committee is authorized to communicate directly with the Company's external auditor.

Based upon the criteria set out in National Instrument 52-110, all three members of the Audit Committee are independent directors.

### **Communications**

Communications with shareholders are handled by:

Michael F. Gellard,  
Senior Vice President and Chief Financial Officer  
Canlan Ice Sports Corp.  
6501 Sprott Street  
Burnaby, B.C., V5B 3B8  
(604) 736-9152 (Local 108)  
mgellard@icesports.com

### **Increase Number of Directors**

Management believes that it is appropriate to increase the number of directors to eight, to allow the Company to take advantage of the skills and experience that Mr. Bullis and Mr. D'Souza will bring to the board.

Shareholders will be asked to pass the following resolution:

“Resolved that the number of directors be increased by one to eight.”

**Management recommends that shareholders vote in favour of the above resolution.**

### **Appointment of Auditor**

The Management of the Company proposes to nominate KPMG LLP, chartered accountants, as auditor of the Company, to hold office until the next annual general meeting, and to request authority for the directors to fix their remuneration.

KPMG LLP was first appointed auditor of the Company on January 6, 1997.

As part of the Company's corporate governance practices, all services provided by the auditors are pre-approved by the Audit Committee and comply with professional standards and securities regulations governing auditor independence.

### **Additional Information**

Additional information concerning the Company is available on the SEDAR website at [www.Sedar.com](http://www.Sedar.com). Financial information for the Company is provided in the financial statements and MD&A for the year ended December 31, 2010. Shareholders may obtain the Company's financial statements and MD&A by contacting Michael F. Gellard at the address above under the heading "Communications".

Information in respect of the Company's Audit Committee, as required to be disclosed pursuant to National Instrument 52-110, is contained in Item 8 of the Company's most recent Annual Information Form.

### **Board Approval**

The contents of this Information Circular and the sending thereof to the shareholders of the Company have been approved by the board of directors of the Company.