

 <p>MAKING <i>Life</i> BETTER</p>	<b>DISCLOSURE AND CONFIDENTIALITY POLICY</b>	Version	1.0
		Revision Date	1 Jan 2019
		Effective Date:	1 Jan 2019
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## **PURPOSE**

The purpose of this disclosure and confidentiality (the “**Policy**”) of The Green Organic Dutchman Holdings Ltd. (the “**Corporation**”) is to ensure that:

- (a) the Corporation complies with its timely disclosure obligations as required under applicable Canadian securities laws, including the *Securities Act* (Ontario) (the “**Securities Act**”);
- (b) the Corporation prevents the selective disclosure of material changes to analysts, institutional investors, market professionals and others;
- (c) documents released by the Corporation or public oral statements made by a person with actual, implied or apparent authority to speak on behalf of the Corporation that relates to the business and affairs of the Corporation do not contain a misrepresentation;
- (d) all persons to whom this Policy applies understand their obligations to preserve the confidentiality of Undisclosed Material Information (as defined below);
- (e) the Chief Executive Officer and the Chief Financial Officer receive reports prior to executing their certifications related to the Corporation’s Core Documents (as defined below) setting out the evaluation, findings and conclusions of the Disclosure Committee regarding the effectiveness of the Corporation’s disclosure controls and procedures and the Disclosure Committee’s assessment of the quality of the disclosure made in the Core Documents.

## **SCOPE**

This Policy will be administered and implemented by the Disclosure Committee, which consists of the Chief Executive Officer, the Chief Financial Officer, General Counsel and the VP Investor Relations. The groups of persons to whom this Policy apply are listed in the attached “Schedule 1”. Each section of the Policy that imposes restrictions and obligations will describe which groups of persons are subject to that section. References in this Policy to “any person to whom this Policy applies” or similar references are intended to include persons in all of the groups listed in “Schedule 1”.

### **1. AUTHORIZED SPOKESPERSONS**

1.01 Unless otherwise authorized by the Disclosure Committee, only the members of the Disclosure Committee are authorized to make public oral statements, initiate contacts with analysts, the media and investors. However, the individuals (“**Spokespersons**”) listed below (but only these individuals) are authorized to respond to analysts, the media and investors on behalf of the Corporation and only with respect to the areas noted opposite their respective names. The list may be changed by the Disclosure Committee from time to time.

<u>Spokesperson</u>	<u>Area</u>
Chief Executive Officer	All Areas
President	All Areas
Chief Financial Officer	All Areas

<u>Spokesperson</u>	<u>Area</u>
General Counsel	All Areas
VP Investor Relations	All Areas

1.02 Any person (other than Spokespersons) to whom this Policy applies who is approached by the media, an analyst, investor or any other member of the public to comment on the business and affairs of the Corporation, must refer all inquiries to the Chief Executive Officer and must immediately notify the Chief Executive Officer that the approach was made.

## **2. PREPARATION AND RELEASE OF DOCUMENTS**

2.01 The procedures in this section apply to all Directors, Officers, Employees and Contractors.

2.02 A **“Document”** means any public written communication, including a communication prepared and transmitted in electronic form:

(a) that is required to be filed with the Ontario Securities Commission (the **“OSC”**) or any other securities regulatory authority in Canada, either on the System for Electronic Document Analysis and Retrieval (**“SEDAR”**) web site at [www.sedar.com](http://www.sedar.com) or otherwise;

(b) that is not required to be filed with the OSC or any other securities regulatory authority in Canada, or on the SEDAR web site, but is so filed;

(c) that is filed or required to be filed with a government or an agency of a government under applicable law or with any stock exchange or similar institution under its bylaws, rules or regulations; or

(d) the content of which would reasonably be expected to affect the market price or value of the securities of the Corporation.

2.03 A **“misrepresentation”** means:

(a) an untrue statement of a material fact; or

(b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the circumstances in which it is made.

2.04 The Securities Act distinguishes between **“core documents”** and **“non-core documents”**. For the purpose of this Policy, the following documents are **“Core Documents”**:

(a) prospectuses;

(b) take-over bid circulars;

(c) issuer bid circulars;

(d) directors' circulars;

(e) rights offering circulars;

(f) management's discussion and analysis (**“MD&A”**);

(g) annual information forms;

(h) information circulars;

(i) annual financial statements;

- (j) interim financial statements; and
  - (k) material change reports.
- 2.05 Prior to the time that any Document is to be released to the public, filed with the OSC, any other securities regulatory authority in Canada, or filed on SEDAR, the following procedures must be observed:
- (a) the Document must be prepared in consultation with, and be reviewed by, personnel in all applicable internal departments of the Corporation, and input from external experts and advisors should be obtained as necessary;
  - (b) any Core Document, other than a material change report, must be reviewed and approved by the Disclosure Committee;
  - (c) any news release must be reviewed and approved by the Disclosure Committee;
  - (d) any material change report must be reviewed and approved by the Chief Financial Officer and the Corporation's General Counsel;
  - (e) in the event a report, statement or opinion of any expert is included or summarized in a Document, the written consent of the expert to the use of the report, statement or opinion or extract and the specific form of disclosure shall be obtained. In addition, the Disclosure Committee must be satisfied that:
    - (i) there are no reasonable grounds to believe that there is a misrepresentation in the part of the Document made on the authority of the expert; and
    - (ii) the part of the Document fairly represents the expert report, statement or opinion.
  - (f) Core Documents, other than material change reports, must be provided to the Directors sufficiently in advance of the time they are to be filed or released to allow the Directors to review and comment on such documents. It is recognized that the requirement to make prompt disclosure of Material Changes by way of news releases may make it difficult to have certain news releases and material change reports reviewed by the Directors; and
  - (g) in the case of interim financial statements, annual financial statements and interim and annual MD&A, such documents must be reviewed and approved by the Audit Committee in accordance with the Audit Committee Charter following approval of the Disclosure Committee and prior to submission to the Board of Directors as a whole.
- 2.06 In the event that a Document contains any Forward-Looking Information (as defined below) this information must be specifically identified as such and the following additional disclosure shall be provided in written form proximate to each place in the Document where the Forward-Looking Information appears:
- (a) reasonable cautionary language identifying the Forward-Looking Information as such;
  - (b) identifying the material factors that could cause actual results to differ materially from expected results from a conclusion, forecast or projection in the Forward-Looking Information; and
  - (c) a statement of the material factors or assumptions that were applied in the Forward-Looking Information.

- 2.07 **“Forward-Looking Information”** means all disclosure regarding possible events, conditions or results (including future-oriented financial information with respect to prospective results of operations, a prospective financial position or prospective changes in financial position that is based on assumptions about future economic conditions and courses of action) that is presented as either a forecast or a projection. An example would be the discussion of trends and prospects for the Corporation in its MD&A.

### **3. PUBLIC ORAL STATEMENTS**

- 3.01 The procedures in this section apply to all Directors, Officers, Employees, Contractors and Spokespersons and any other person with actual or implied authority to make a public oral statement.

- 3.02 A **“public oral statement”** is any oral statement made in circumstances in which a reasonable person would believe that information contained in the statement will become generally disclosed. Examples include speeches, presentations, news conferences, interviews and discussions with analysts where the Corporation’s business and affairs, prospects or financial condition is discussed. The following procedures should be observed in respect of any public oral statements made by or on behalf of the Corporation:

(a) such public oral statements should be made only by the Spokespersons authorized by this Policy to make public oral statements on behalf of the Corporation;

(b) any public oral statement referring to a statement, report or opinion of an expert in whole or in part must have the prior written consent of said expert prior to a Spokesperson making a public oral statement related thereto;

(c) the Spokespersons must ensure that any public oral statements on behalf of the Corporation do not contain a misrepresentation and comply with Section 13 of this Policy (Avoiding Selective Disclosure) and Section 2.06 of this Policy (Forward-Looking Information);

(d) when available, a transcript or electronic recording of all speeches, interviews and other public oral statements made by any Spokesperson shall be made and furnished to the Chief Financial Officer immediately following the making of such public oral statement; and

(e) the applicable persons described above shall review the transcript and/or electronic recording of each public oral statement made by or on behalf of the Corporation to ensure that the public oral statement does not contain a misrepresentation. If such public oral statements are found to contain a misrepresentation, the person shall advise the Disclosure Committee and the Corporation shall immediately issue a correcting news release.

(f) Where a public oral statement contains Forward-Looking Information, the Spokesperson must, prior to making such a public oral statement make the following cautionary statement indicating that the public oral statement contains Forward-Looking Information;

“Some of my commentary may contain forward-looking information, therefore, you are cautioned that the Corporation’s actual results could differ materially from my conclusions, forecasts or projections. I refer you to the section entitled “Description of the Business – Risk Factors” in our most MD&A available on SEDAR which sets out certain material factors that could cause actual results to differ.”

#### **4. DISCLOSURE CONTROLS AND PROCEDURES**

4.01 The Chief Executive Officer and Chief Financial Officer have designed the Corporation's disclosure controls and procedures which will be implemented and monitored by the Disclosure Committee. In accordance with the disclosure controls and procedures:

(a) The Disclosure Committee shall assign responsibility to the appropriate individuals to draft the required disclosures in the Core Documents and shall develop a timeline to ensure the drafting and review is conducted in a timely manner.

(b) The Disclosure Committee shall review new developments, key risks and business challenges or areas of concern for special attention during the drafting process.

(c) All personnel who are requested to have direct input into the preparation of Core Documents will be provided with instructions and such other additional information as they may require to ensure that they are familiar with the Corporation's obligations, the importance of compliant and accurate disclosure and the reliance which is being placed upon them.

(d) The Disclosure Committee shall meet as many times as may be necessary to review the draft, consider all comments raised by members of the Disclosure Committee and other reviewers. Concerns will be addressed with outside counsel and the independent auditors, as necessary.

(e) Where it considers it necessary or advisable, the Disclosure Committee will have portions of Core Documents reviewed by another knowledgeable person. Financial information in the Core Documents shall undergo a second internal review by the auditors where appropriate (e.g.) financial statements, MD&A, annual information forms and business acquisition reports.

(f) To serve as an additional record of the procedures employed, and to emphasize the importance of accurate and reliable information in the Corporation's material public disclosures, the Disclosure Committee shall ask the appropriate persons to provide his or her confirmation that all Material Information has been brought forward to the Disclosure Committee. Each will be asked to provide their certification in a form to be approved by the Disclosure Committee.

(g) Operations personnel will be required to provide their confirmation, as appropriate, that all Material Information has been communicated to the responsible executive officers.

(h) Once the Disclosure Committee has agreed upon a final draft, the Disclosure Committee shall report to the Chief Executive Officer and the Chief Financial Officer:

- (i) that it has followed the disclosure controls and procedures;
- (ii) the Disclosure Committee's findings and conclusions regarding the effectiveness of the Corporation's disclosure controls and procedures; and
- (iii) the Disclosure Committee's assessment of the quality of the disclosures made in the Corporation's Core Documents,

and the Disclosure Committee shall meet with the Chief Executive Officer and/or the Chief Financial Officer to discuss any questions, which either may have, and to report in person, upon the request of the Chief Executive Officer and/or the Chief Financial Officer.

(i) If for any reason the Disclosure Committee cannot agree upon its report, it shall meet with the Chief Executive Officer and the Chief Financial Officer to discuss its procedures and the issues which remain outstanding.

## 5. TIMELY DISCLOSURE OF MATERIAL INFORMATION

- 5.01 **“Material Information”** consists of both “material facts” and “material changes”. A **“material fact”** means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of the Corporation. A **“material change”** means a change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Corporation and includes a decision to implement such a change if such a decision is made by the Board or by senior management of the Corporation who believe that confirmation of the decision by the Board is probable.
- 5.02 Any person to whom this Policy applies who becomes aware of information that has the possibility of being Material Information must immediately disclose that information to the Chief Executive Officer or the Chief Financial Officer and the Chief Executive Officer or Chief Financial Officer shall advise the Disclosure Committee. “Schedule 2” attached hereto lists examples of Material Information.
- 5.03 Upon the occurrence of any change that may constitute a material change in respect of the Corporation or upon the Disclosure Committee, the Disclosure Committee, in consultation with such other advisors as it may consider necessary, shall:
- (a) consider whether the event constitutes a material change;
  - (b) if it does constitute a material change, prepare a news release and a material change report describing the material change as required under applicable laws;
  - (c) determine whether a reasonable basis exists for filing the material change report on a confidential basis. In general, filings will not be made on a confidential basis although, in exceptional circumstances (such as disclosure related to a potential acquisition), confidential disclosure may be appropriate;
  - (d) to the extent practicable, circulate the draft news release and material change report to the members of the Board and senior management together, if applicable, with the recommendation that it be filed on a confidential basis;
  - (e) if applicable, following approval by the Disclosure Committee, file the material change report on a confidential basis and when the basis for confidentiality ceases to exist, and the event remains material, issue a news release and file a material change report in compliance with applicable securities laws, including the Securities Act. During the period of time while a confidential material change has not been publicly disclosed, the Corporation shall not release a document or make a public oral statement that, due to the undisclosed material change, contains a misrepresentation.
- 5.04 News releases disclosing Material Information will be transmitted to stock exchanges upon which Corporation securities are listed, relevant regulatory bodies and major news wire services that disseminate financial news to the financial press. News releases must be pre-cleared by the relevant stock exchange if issued during trading hours or one hour after trading hours.

## **6. INTERNET CHAT ROOMS AND BULLETIN BOARDS**

- 6.01 Directors, Officers, Employees and Contractors must not discuss or post any information relating to the Corporation or any of its subsidiaries or trading in securities of the Corporation in Internet chat rooms, newsgroups or bulletin boards.

## **7. RUMOURS**

- 7.01 The Corporation shall not comment, affirmatively or negatively, on rumours. This also applies to rumours on the Internet. Spokespersons will respond consistently to those rumours, saying "It is our policy not to comment on market rumours or speculation." However, if a rumour is correct in whole or part, immediate disclosure of the relevant Material Information must be made by the Corporation and a trading halt will be instituted pending release and dissemination of the information. Also, if the Toronto Stock Exchange or a securities regulatory authority requests that the Corporation make a statement in response to a market rumour, the Disclosure Committee will consider the matter and make a recommendation to the Chief Executive Officer as to the nature and context of any response.

## **8. ONLINE COMMUNICATIONS AND SOCIAL MEDIA**

- 8.01 The Corporation recognizes that websites and other channels available on the Internet, including social media (such as Facebook, LinkedIn and Twitter) are communication tools available to companies and their directors, officers and employees for disclosure and communication purposes and that many of the Corporation's directors, officers and employees use online communication for both professional and personal purposes. Online communications are an extension of the Corporation's formal corporate disclosure record, and as such, the securities laws and stock exchange rules applying to disclosure of information apply equally to information posted on the Corporation's website and distributed by other electronic means, including through social media. As a result, care must be taken that any disclosure with regard to the Corporation through the Corporation's website or social media accounts, or by our directors, officers and employees through their personal social media accounts, complies with this Policy and all applicable securities laws and stock exchange rules.
- 8.02 The Corporation may from time to time disclose Material Information through social media, provided that, in each case, such disclosure shall be generally disclosed specifically preceded by a news release disclosing that information. The Corporation will alert the market of any social media that we intend to adopt from time to time for disclosure purposes and advise the market and investors to follow us through those social media networks.
- 8.03 The Corporation's directors, officers and employees must not disclose any Material Information with respect to the Corporation through personal social media accounts and may only disclose non-Material Information with express permission from the Disclosure Committee. For the purposes of this Policy, "**social media**" (and its applications) consist of Web-based tools used to generate, publish and discuss user-generated content and to connect with other users. Current social media tools consist of social networks (such as Facebook and LinkedIn), online communities (such as Twitter), blogs, forums, wikis, virtual worlds and content hosting sites and other platforms (such as YouTube, Instagram and Snapchat). Notwithstanding the foregoing, social media is an emerging technology that changes frequently and as such, all present and future forms of collaborative, online communications are within the scope of the Policy.

## 9. WEBSITE

9.01 The Chief Executive Officer of the Corporation, is responsible for creating and maintaining the Corporation's website. The Corporation's website must be maintained in accordance with the following:

- (a) the following information must be included on the website:
  - (i) all Material Information that has previously been Generally Disclosed (as defined below), including, without limitation, all documents filed on SEDAR or a link to those documents on SEDAR;
  - (ii) all non-Material Information that is given to analysts, institutional investors and other market professionals (such as fact sheets, fact books, slides of investor presentations, materials distributed at analyst and industry conferences);
  - (iii) web replays of shareholder meetings or analysts' conferences; and
  - (iv) all news releases or a link to those news releases;
- (b) the following information must not be included on the website;
  - (i) financial analyst reports;
  - (ii) investor relations information, that is authorized by a third party, unless the information was prepared on behalf of the Corporation, or is general in nature and not specific to the Corporation;
  - (iii) media articles about the Corporation's business.
  - (iv) the website must contain an e-mail link to an investor relations contact for the Corporation to facilitate communication with investors;
- (c) the website must contain a cautionary statement that advises the reader that the website may include Forward-Looking-Information and that information posted was accurate at the time of posting but may be superseded by subsequent disclosures;
- (d) the website must include a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent disclosures;
- (e) inaccurate information must be promptly removed from the website and a correction must be posted;
- (f) information contained on the website must be removed or updated when it is no longer current;
- (g) a list of all financial analysts known to follow the Corporation may be posted on the investor relations page, but as contemplated in section 9.01 (b)(i) financial analysts' reports must not be posted on the Corporation's website or linked to the Corporation's website;
- (h) the website must contain a list of all social media accounts and Internet addresses maintained by the Corporation;
- (i) all links from the Corporation's website must be approved by the Chief Executive Officer and all links must include a notice that advises the reader that he or she is leaving the Corporation's website and that the Corporation is not responsible for the contents of the other site; and

- (j) while no links will be created from the Corporation's website to chat rooms, newsgroups or bulletin boards, pre-approved and publicly disclosed information posted on external websites may be referenced on the Corporation's website with authorization by the Chief Executive Officer.
- 9.02 All information on the Corporation's website will be retained for a period of six years from the date of issue.
- 9.03 If the Corporation is considering a distribution of its securities, the content of the website must be reviewed with the Corporation's corporate counsel before and during the offering to ensure compliance with applicable securities laws.

**10. CONFIDENTIALITY OF UNDISCLOSED MATERIAL INFORMATION**

- 10.01 **"Undisclosed Material Information"** of the Corporation is Material Information about the Corporation that has not been **"Generally Disclosed"**, that is, disseminated to the public by way of a news release together with the passage of a reasonable amount of time (24 hours, unless otherwise advised that the period is longer or shorter, depending on the circumstances) for the public to analyze the information.
- 10.02 Any person to whom this Policy applies and who has knowledge of Undisclosed Material Information must treat the Material Information as confidential until the Material Information has been Generally Disclosed.
- 10.03 Undisclosed Material Information shall not be disclosed to anyone except in the necessary course of business. If Undisclosed Material Information has been disclosed in the necessary course of business, anyone so informed must clearly understand that it is to be kept confidential, and, in appropriate circumstances, execute a confidentiality agreement. When in doubt, all persons to whom this Policy applies must consult with the Chief Financial Officer to determine whether disclosure in a particular circumstance is in the necessary course of business. For greater certainty, disclosure to analysts, institutional investors, other market professionals and members of the press and other media will not be considered to be in the necessary course of business. **"Tipping"**, which refers to the disclosure of Undisclosed Material Information to third parties outside the necessary course of business, is prohibited.
- 10.04 In order to prevent the misuse of inadvertent disclosure of Undisclosed Material Information, the procedures set forth below should be observed at all times:
  - (a) Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who "need to know" that information in the necessary course of business and code names should be used if necessary;
  - (b) Confidential matters should not be discussed in places where the discussion may be overheard;
  - (c) Transmission of documents containing Undisclosed Material Information by electronic means will be made only where it is reasonable to believe that the transmission can be made and received under secure conditions; and
  - (d) Unnecessary copying of documents containing Undisclosed Material Information must be avoided and extra copies of documents must be promptly removed from meeting rooms and work areas at the conclusion of the meeting and must be destroyed if no longer required.

**11. EARNINGS GUIDANCE**

- 11.01 Spokespersons must never provide any information relating to expected revenues, net income or profit, earnings per share, expenditure levels, and other information commonly referred to as earnings guidance ("**Earnings Guidance**").

**12. QUIET PERIOD**

- 12.01 Each period (1) beginning on the first day following the end of each fiscal quarter and each fiscal year, and (2) ending when the earnings for that quarter or year have been Generally Disclosed by way of a news release, will be a "**Quiet Period**". During a Quiet Period, Spokespersons must not provide any comments with respect to the financial results for the current fiscal quarter or current fiscal year. Notwithstanding these restrictions, the Corporation may Generally Disclose Forward-Looking Information during the Quiet Period when the Forward-Looking Information constitutes Material Information, which is otherwise required to be disclosed under applicable securities laws. During a Quiet Period, Spokespersons may respond to unsolicited inquiries about information either that is not Material Information or that has been Generally Disclosed.

**13. AVOIDING SELECTIVE DISCLOSURE**

- 13.01 When participating in shareholder meetings, news conferences, social media, the Corporation's official analysts' conferences and private meetings with analysts or institutional investors, Spokespersons must only disclose information that either (1) is not Material Information or (2) is Material Information but has previously been Generally Disclosed. For greater certainty, acceptable topics of discussion include the Corporation's business prospects (subject to the provisions of this Policy), the business environment, management's philosophy and long-term strategy. Any selective disclosure of Undisclosed Material Information, including Earnings Guidance, is not permitted.
- 13.02 To protect against selective disclosure, the procedures outlined in Section 3 (Public Oral Statements), Section 88.01 (Online Communications and Social Media) and Section 9 (Websites) must be followed.
- 13.03 If Material Information that has not been Generally Disclosed is inadvertently disclosed, the Corporation shall contact the parties to whom the Material Information was disclosed and inform them: (a) that the information is Undisclosed Material Information, and (b) of their legal obligations with respect to the Material Information.

**14. ANALYST REPORTS**

- 14.01 When reviewing analysts' reports, comments of Directors, Officers, Employees and Contractors must be limited to identifying factual information that has been Generally Disclosed that may affect an analyst's model and pointing out inaccuracies or omissions with respect to factual information that has been Generally Disclosed.
- 14.02 Any comments must contain a disclaimer that the report was reviewed for factual accuracy only. No comfort or guidance shall be expressed on the analysts' earnings models or earnings estimates and no attempt shall be made to influence an analyst's opinion or conclusion.
- 14.03 As contemplated in Section 9.01 (b)(i), Financial Analysts' reports shall not be posted on or linked from the Corporation's website.
- 14.04 The Corporation may from time to time give Forward-Looking Information through voluntary disclosure by way of a news release, provided that the cautionary language described in Section

2.062.06 accompanies the information.

### **15. COMMITMENT**

- 15.01 To demonstrate our determination and commitment to the purposes of this Policy, the Corporation asks each Employee to review this Policy periodically throughout the year. Take the opportunity to discuss with management any circumstances that may have arisen that could be a breach of this Policy.
- 15.02 The following individuals are required to acknowledge they have read this Policy annually: Directors and Officers. Employees are required to sign the Policy when they are engaged or when the Policy is significantly revised.

### **REVISION HISTORY**

<b>Version</b>	<b>Version Date</b>	<b>Material Changes</b>	
1	January 1, 2019	N/A	
<b>Policy Owner:</b>	Legal		
<b>Policy Effective Date:</b>	January 1, 2019		
<b>Initial Approvals:</b>	<b>Compliance:</b> 	<b>General Counsel:</b> Anna Stewart	<b>President/CEO:</b> Csaba Reider

## SCHEDULE 1

### Individuals and Entities to Whom this Policy Applies

This Policy applies to Contractors, Directors, Employees, Officers, Persons in a Special Relationship with the Corporation and Reporting Insiders.

**“Contractors”** means independent contractors (who are engaged in an employee-like capacity) of the Corporation or any of its subsidiaries;

**“Directors”** means directors of the Corporation;

**“Employees”** means full-time, part-time, contract or secondment employees of the Corporation or any of its subsidiaries;

**“Officers”** means officers of the Corporation or any of its subsidiaries;

**“Persons in a Special Relationship with the Corporation”** means:

1. Directors, Officers, Employees and Contractors;
2. 10% Shareholders;
3. directors, officers, employees and contractors of 10% Shareholders;
4. members of an operating or advisory committee of the Corporation or any of its subsidiaries;
5. directors, officers, partners and employees of a Corporation that is engaging in any business or professional activity with the Corporation or any of its subsidiaries and who routinely comes into contact with Material Information;
6. persons or companies that learned of Material Information with respect to the Corporation from a person or Corporation described in (1) through (5) of this definition and knew or ought reasonably to have known that the other person or Corporation was in such a special relationship; and
7. spouses, live-in partners or relatives of any of the individuals referred to in (1) through (6) who reside in the same household as that individual; and

**“Reporting Insider”** means an insider of the Corporation if the insider is

1. the CEO, CFO or COO of the Corporation, of a significant shareholder of the Corporation or of a major subsidiary of the Corporation;
2. a director of the Corporation, of a significant shareholder of the Corporation or of a major subsidiary of the Corporation;
3. a person or Corporation responsible for a principal business unit, division or function of the Corporation;
4. a significant shareholder of the Corporation;
5. a significant shareholder based on post-conversion beneficial ownership of the Corporation’s securities and the CEO, CFO, COO and every director of the significant shareholder based on post-conversion beneficial ownership;
6. a management Corporation that provides significant management or administrative services to the Corporation or a major subsidiary of the Corporation, every director of the management

Corporation, every CEO, CFO and COO of the management Corporation, and every significant shareholder of the management Corporation;

7. an individual performing function similar to the functions performed by any of the insiders described in paragraphs 1.1(a) to 1.1(e);
8. the Corporation itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; or
9. any other insider that
  - (a) in the ordinary course receives or has access to information as to material facts or material changes concerning the Corporation before the material facts or material changes are generally disclosed; and
  - (b) directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the Corporation;

**“significant shareholder”** means a person that has beneficial ownership of, or control or direction over, whether direct or indirect, or a combination of beneficial ownership of, and control or direction over, whether direct or indirect, securities of an issuer carrying more than 10 per cent of the voting rights attached to all the Corporation’s outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person or Corporation as underwriter in the course of a distribution.

A Corporation is considered to be a “Subsidiary” of another Corporation if it is controlled by (1) that other Corporation, (2) that other and one or more companies, each of which is controlled by that other, or (3) two or more companies, each of which is controlled by that other; or it is a subsidiary of a Corporation that is that other’s subsidiary. In general, a Corporation will control another Corporation when the first Corporation owns more than 50% of the outstanding voting securities of that other Corporation.

## **SCHEDULE 2**

### **Examples of Information that may be Material**

(Based on National Policy 51-201)

#### **Changes in corporate structure**

- changes in share ownership that may affect control of the Corporation
- changes in corporate structure, such as reorganizations, amalgamations, or mergers, or a change of name
- take-over bids, issuer bids, or insider bids

#### **Changes in capital structure**

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a Corporation's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

#### **Changes in financial results**

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the Corporation's assets
- any material change in the Corporation's accounting policies

#### **Changes in business and operations**

- any development that affects the Corporation's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- changes to the Board or executive management, including the departure of the Corporation's Chairman, CEO, CFO (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees

- any notice that reliance on a prior audit is no longer permissible
- de-listing of the Corporation's securities or their movement from one quotation system or exchange to another

**Acquisitions and dispositions**

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another Corporation

**Changes in credit arrangements**

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the Corporation's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

**RECEIPT AND ACKNOWLEDGEMENT**

I, \_\_\_\_\_, hereby acknowledge that I have received and read

(Print Name)

a copy of the "Disclosure and Confidentiality Policy" and agree to comply with its terms. I understand that violation of tipping laws or regulations may subject me to severe civil and/or criminal penalties, and that violation of the terms of the above-noted policy may subject me to discipline by the Corporation up to and including termination.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date