



## DISCLOSURE POLICY

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The officers and directors of Canopy Growth Corporation, inclusive of its subsidiaries, (the "Company") are responsible for ensuring that the Company meets its continuous disclosure obligations and will encourage each other, all employees and other influential persons to disclose any undisclosed material information to them.

Under U.S. Securities and Exchange Commission rules, the Company is required to maintain disclosure controls and procedures, as defined in Exchange Act Rules 13a-15 and 15d-15, designed to ensure that the information required to be disclosed by the Company in the Disclosure Statements is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Accordingly, the objective of this disclosure policy (the "Policy") is to provide guidance to ensure that the Company maintains disclosure controls and procedures, including by ensuring that:

- a) all material information required to be disclosed by the Company is recorded, processed, summarized and disclosed publicly on a timely basis;
- b) reasonable investigation occurs to reduce the risk of material misrepresentations;
- c) reasonable investigation occurs to reduce the risk of undisclosed material information; and
- d) prompt corrected disclosure is made if material information is undisclosed or if material misrepresentations are known to have been made publicly.

The Policy extends to all employees, officers, directors and any third parties working on behalf of the Company and its subsidiaries. The Policy often refers only to "employees"; however, in addition to employees, it is also applicable to officers, directors and third parties.

The policy covers disclosures in documents filed with securities regulators, written statements made in the Company's annual and quarterly reports, news releases and other communications to shareholders, presentations by senior management, information contained on the Company's website and other electronic communications. It also extends to oral statements made in



meetings and telephone conversations with analysts, investors and shareholders, interviews with the media and speeches, press conferences and conference calls and any other public disclosures reasonably expected to affect the market price of the Company's securities.

It is important to understand that any statement made by the Company, whether contained or in a formal mandated report or an informal communication, may be subject to applicable securities laws where such statements could reasonably be expected to affect the market price of the Company's securities.

This means that if the statements made by the Company are found to be misleading, the Company, as well as the persons involved in the making of the misleading statement, may be subject to enforcement action by securities regulatory authorities or civil action. Statements can violate securities rules by being either untrue or misleading, including being misleading as the result of omitted information.

Statements made by an employee who is not formally designated as a Company spokesperson may be viewed as made on behalf of the Company. Therefore, all employees are required to familiarize themselves with this Policy and comply with it.

## **1. RELEVANT POLICIES**

This Policy should be read in conjunction with the Company's Code of Business Conduct and Ethics, Whistleblower Protection Policy] Insider Trading Policy, Form 8-K Disclosure Compliance Policy and Regulation Full Disclosure ("FD") Disclosure Policy. Copies of the Code of Business Conduct and Ethics, Whistleblower Protection Policy, Insider Trading Policy, Form 8-K Disclosure Compliance Policy and Regulation FD Disclosure Policy are posted on the Company's website.

## **2. DEFINITION OF MATERIAL INFORMATION**

Various sections of the Policy refer to the term "material information." For the purposes of this Policy, material information refers to any information that, if made public, would reasonably be expected to affect the market price or the value of any of the Company's listed securities, or a reasonable investor's decisions regarding those securities. As stated in "Determinations as to materiality" below, the Disclosure Committee shall determine whether information is material. Employees do not bear the burden of assessing materiality; accordingly, employees are required to inform the Disclosure Committee of any circumstances or events that could reasonably be considered to be material information within the context of this Policy .

For the purposes of this Policy, "undisclosed material information" includes material information (as defined above) not previously disclosed to the public by the Company. You should presume that information is "undisclosed" unless you can point to the official release of that information by the Company in at least one of the following ways:

- a) publicly available filings with the U.S. Securities and Exchange Commission or securities regulatory authorities;
- b) issuance of press releases via major newswire, such as Dow Jones or Reuters;
- c) meetings with members of the press and the public or
- d) posting the information on the Company's website at [canopygrowth.com/investors/news-releases](http://canopygrowth.com/investors/news-releases)



### 3. DISCLOSURE COMMITTEE

The Company has established a Disclosure Committee to assist the Company and the Company's Chief Executive Officer and Chief Financial Officer in establishing, maintaining, reviewing and evaluating controls and other procedures designed to ensure that information required to be disclosed by the Company in its publicly-filed reports (including, without limitation, periodic and current reports, proxy statements, information statements, registration statements and any other information filed with securities regulatory authorities is recorded, processed, summarized and reported within the time period(s) specified in applicable rules and forms, and that the Company's public disclosures are materially accurate and complete and otherwise comply with or exceed applicable disclosure requirements. The members of the Disclosure Committee are the incumbents of the following positions: CEO; Chief Legal Officer; Chief Financial Officer; Chief Strategy Officer; Chief Human Resources Officer; Chief Accounting Officer; Chief Communications Officer, Vice President of Treasury and Tax. The Committee will be chaired by the Chief Financial Officer. Other employees may serve at the direction and pleasure of the Chair.

The Disclosure Committee is responsible for:

- a) implementation of this Policy and the education of employees, officers and directors on matters related to this Policy and promoting an environment that encourages disclosure (e.g., employees must not anticipate being dismissed for disclosing that they have inadvertently made a misrepresentation but rather should receive positive feedback for promptly informing the Disclosure Committee of the misrepresentation).
- b) assisting in designing, establishing and maintaining controls and other procedures that are designed to ensure that (i) information required to be disclosed by the Company to securities regulatory authorities and other written non-reportable information that the Company voluntarily discloses to the investment community and the public is recorded, processed, summarized and reported accurately on a timely basis, (ii) financial information disclosed by the Company fairly presents in all material respects the financial condition of the Company, and (iii) information is communicated to the Company's management, including its principal executive and principal financial officers as appropriate to allow timely decisions regarding required and voluntary disclosure.;
- c) helping ensure that information that is or potentially could be material (taking into account applicable standards of materiality) or that otherwise is or potentially could be required to be disclosed by the Company is promptly communicated to the Disclosure Committee for its review;
- d) reviewing information communicated to the Company and to determine, in its good faith business judgment, whether such information is material or is otherwise required to be disclosed by the Company;
- e) helping determine, in its good faith business judgment, the nature and timing of any disclosure requirements the Company may have with respect to such information and, if disclosure is required, to assist in the preparation, review and timely filing or release of such disclosure;
- f) monitoring the integrity and effectiveness of the Company's Disclosure Controls and Procedures (as defined below) on an ongoing basis, and reporting on its conclusions to the CEO and CFO, including the recommendations of the Disclosure Committee, if any, for improving the design or operation of the Company's disclosure controls and procedures;
- g) reviewing and supervising the preparation of the Company's: (i) reports and statements filed by the Company pursuant to securities legislation, regulations and rules including all Form 8-Ks, Form 10-Qs



and Form 10-Ks filed with the U.S. Securities and Exchange Commission (collectively, together with any amendments thereto, the “SEC Reports”); (ii) press releases covering the Company’s financial performance; and (iii) presentations to analysts, the investment community, rating agencies and lenders;

- h) establishing policies governing (i) press releases and other communications to shareholders and the public (other than press releases covering the Company’s financial performance); and (ii) information to be included on the Company’s website or otherwise electronically communicated to the public (collectively, together with the items set out in paragraph (d) above, the “Disclosure Statements”);
- i) prior to the filing of Form 10-Ks and Form 10-Qs, confirming to the CEO and CFO that the Disclosure Committee has followed the Disclosure Committee’s procedures and policies and assisted the CEO and CFO in the evaluation of the effectiveness of the Disclosure Controls for the reporting period;
- j) maintaining written records of the Disclosure Controls and Procedures followed in connection with the preparation, approval and dissemination of the Disclosure Statements;
- k) evaluating the effectiveness of the Company’s Disclosure Controls and Procedures as of the end of each quarter and year end in accordance with Rule 13a-15(b) of the U.S. Securities Exchange Act of 1934, as amended; and
- l) regularly considering and discussing any matters, business trends, regulatory developments, or compliance matters that could possibly be relevant to the Company’s external disclosures.

The Disclosure Committee shall have full access to all Company books, records, facilities, and personnel, including its internal auditors and the Audit Committee of the Board, as are necessary or appropriate to perform its duties, and shall seek and obtain all such advice from the Company’s external advisors as the Disclosure Committee deems necessary. The Disclosure Committee shall meet no less than once each quarter and as frequently as circumstances dictate taking into account the Company’s current and periodic reporting obligations and shall maintain the minutes of its meetings.

The Co-Chairs of the Disclosure Committee will report to the Board of Directors on an annual basis on the effectiveness of this Policy and, if appropriate, recommend changes to improve effectiveness and/or to comply with changing regulatory requirements.

## **4. DISCLOSURE RESPONSIBILITIES**

### **4.1. COMPANY SPOKESPERSONS**

At the discretion of the Chair of the Board, in order to prevent unauthorized disclosure of material information and to ensure that a consistent message is delivered by the Company, the Company has designated authorized spokespersons responsible for communications with the financial community, investors, shareholders, regulators and the media.

The Company’s authorized spokespersons are:

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Chief Communications Officer;



Specific persons as may be designated from time to time by the CEO or the Disclosure Committee any inquiries from the financial community, investors, shareholders and trade or other media shall be referred to the Chief Communications Officers, CEO, CFO or other designated spokes as appropriate. Subject matter experts are, from time to time, authorized to speak to the media about non-financial matters. To the extent practicable, authorized spokespersons should contact the Investor Relations or Corporate Communications departments before having conversations with the financial community, investors, shareholders, regulators and the media.

#### **4.2. DETERMINATIONS AS TO MATERIALITY**

The Disclosure Committee shall determine whether information is material information. In making a determination, the Disclosure Committee will consider whether there is a substantial likelihood that a reasonable investor would consider the information important in determining whether to trade in the Company's securities or the information, if made public, likely would affect the market price of the Company's securities.

It is essential to keep the Disclosure Committee fully apprised of all pending material Company developments in order to evaluate and to determine the appropriateness and timing for public release of information. Accordingly, all employees of the Company must inform (i.e. via email to Chief legal officer: [legal@canopygrowth.com](mailto:legal@canopygrowth.com)) the Disclosure Committee of any circumstances or events that could reasonably be considered material information within the context of this Policy.

#### **4.3. PRIMARY DISCLOSURE RESPONSIBILITIES INVESTOR RELATIONS**

Investor Relations, at the direction of the CEO and in consultation with the CFO, Chief Accounting Officer, and Chief Legal Officer, has primary responsibility for overseeing the dissemination of Company press releases related to financial information or material changes, communications with analysts and the media, responses to investors and speeches by Company executives, except as noted below. Inquiries from analysts and investors and related media will initially be directed to and dealt with by Investor Relations.

Chief Financial Officer

The CFO, in consultation with the CEO, and the Chief Legal Officer, has primary responsibility for overseeing the preparation of the reports and statements filed by the Company pursuant to securities legislation (including the SEC Reports) and all related financial reports, except that responsibility for management proxy circulars and Form 8-Ks may be delegated to the Chief Legal Officer.

Chief Legal Officer

The Chief Legal Officer, in consultation with the CEO and CFO, has primary responsibility for overseeing the filing and assembly of the Company's disclosure documents required to be filed with securities regulatory authorities (including the SEC Reports), as well as the preparation of management proxy circulars and other continuous disclosure documents to the extent delegated by the CFO.

Communications



Corporate Communications, at the direction of the CEO, is responsible for all monitoring activities related to mainstream and social media to identify and correct material misrepresentation on an ongoing basis. Corporate Communications acts as the primary point of contact for all media interactions related to financial and non-financial media opportunities to act as a central coordination point for information shared by the Company and its spokespeople on all topics.

## **5. DISCLOSURE CONTROLS AND PROCEDURES**

The Disclosure Committee shall establish procedures and timetables to be followed by the Company and its employees for the preparation, review and dissemination of Disclosure Statements as set forth below (“Disclosure Controls and Procedures”). The Disclosure Committee may elect to, at any time, adopt modified controls and procedures, provided that such modified controls and procedures are, in the opinion of the Disclosure Committee, satisfactory to ensure that Disclosure Statements are disclosed in compliance with this Policy.

The Disclosure Controls and Procedures will involve the following:

- a) identification of all continuous disclosure requirements under securities laws, rules and policies applicable to the Company;
- b) identification of the individuals responsible for preparing reportable information and individuals responsible for reviewing reports to verify disclosure made with respect to their areas of responsibility or expertise;
- c) establishment of timetables for the preparation and review of reportable information;
- d) procedures for obtaining “sign-off” on disclosure of reportable information;
- e) validation by the Finance Department, prior to its release, of financial information that is disclosed in the Disclosure Statements or other communications to shareholders or the investment community;
- f) procedures for the identification and timely reporting to the Disclosure Committee of information which may constitute material information, or which may constitute a material change to previously disclosed material information, including the identification of individuals who have authority to take actions which may constitute material information or who are likely to learn first about events outside the control of the Company that may give rise to material information;
- g) procedures for the identification and reporting to the Disclosure Committee of any fraud, whether material, that involves management or other employees who have a significant role in the Company’s internal controls;
- h) documenting the procedures followed with respect to the release of each disclosure made in writing and for the review of any disclosure made orally; and
- i) ongoing evaluation of the Company’s disclosure controls and procedures.

## **6. DISCLOSURE GUIDELINES**

### **6.1. TIMELY DISCLOSURE**

Disclosure will be made without delay when material information becomes known or when it is apparent that the known information is material based on reasonable investigation. Prompt release is necessary to ensure



that it is promptly available to all investors and to reduce the risk of persons with access to the information acting upon undisclosed information.

## **6.2. EXTENT OF DISCLOSURE**

Disclosure must include all relevant information and must not omit any information that would make the rest of the disclosure misleading. Unfavorable information must be disclosed in as timely and accurate a manner as favourable information. Reluctance or refusal to release unfavourable information or an attempt to disguise it may give rise to liability and endangers the integrity of the information and the Company's reputation. Changes in accounting methods to mask unfavourable information will have similar detrimental effects.

## **6.3. CEO and CFO SOX Sections 302 and 906 Certification Requirements**

Section 302 of the Sarbanes-Oxley Act of 2002 ("SOX") requires both the CEO and CFO to personally certify in each Form 10-K and Form 10-Q the financial and other information contained therein. The CEO and CFO are also required to certify that: they are responsible for establishing, maintaining and regularly evaluating the effectiveness of the Company's internal controls; they have made certain disclosures to the Company's auditors and the Audit Committee of the Board of Directors about the Company's internal controls; and they have included information in the Company's Form 10-Qs and Form 10-Ks about their evaluation and whether there have been significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the evaluation.

In addition, Section 906 of SOX requires that the CEO and CFO each personally certify in each Form 10-K and 10-Q that contains financial statements that the Form 10-K or 10-Q fully complies with the requirements of the SEC, and the information contained in the Form 10-K or 10-Q fairly presents, in all material respects, the Company's financial condition and results of operations.

## **6.4. DISCLOSURE OF INTENDED CORPORATE ACTIONS**

Many developments must be disclosed before an event actually occurs, if the development itself gives rise to material information. While material information must be released in a timely manner, judgment must be exercised as to the timing and propriety of news releases concerning corporate developments to avoid the potential for misleading or premature disclosure. Announcements of an intention to proceed with a transaction or activity should not be made unless the Company has the ability to carry out the intent (even though proceeding may be subject to contingencies). Updates with respect to intended corporate actions should be announced when appropriate until the intended event actually occurs, unless the original announcement indicates that an update will be disclosed on another indicated date. In addition, prompt disclosure is required of any material change to the proposed transaction or to the previously disclosed information.

## **6.5. INFORMATION UPDATES**

Prompt disclosure shall be made of significant changes to previously disclosed material information where the information becomes misleading as a result of subsequent events. If information was true at the time of its release but subsequently changes without becoming misleading, no updates are required.



## **6.6. NO SELECTIVE DISCLOSURE**

There must be no selective disclosure of material information to third parties. If selective disclosure inadvertently occurs, the information shall be disclosed immediately to the public by issuing a press release. Pending such disclosure, the Company shall contact the Toronto Stock Exchange (“TSX”), and Investment Industry Regulatory Organization of Canada (“IIROC”) and, if necessary, request that trading in the Company’s securities be halted on the TSX and the Nasdaq Stock Market (“Nasdaq”). Please refer to the Company’s Regulations FD Disclosure Policy.

## **6.7. STOCK EXCHANGE NOTIFICATION**

If the TSX is open for trading at the time of the proposed announcement of material information, prior notice of a news release announcing material information must be provided to Market Surveillance monitored by IIROC to enable a trading halt, if deemed necessary by IIROC. If a news release announcing material information is issued outside of trading hours, IIROC must be notified before the market opens if it is reasonably possible to do so. The Company shall also comply with Nasdaq Listing Rule 5250(b), which requires that, except in unusual circumstances, the Company make prompt disclosure to the public through any Regulation FD compliant method of disclosure of any material information that would reasonably be expected to affect the value of its securities or influence investors' decisions. Under Nasdaq Listing Rule 5250(b), the Company must, prior to the release of material information, provide notice of such disclosure to Nasdaq's MarketWatch Department at least ten minutes prior to public announcement and the public release of the material information is made between 7:00 a.m. to 8:00 p.m. If the public release of the material information is made outside the hours of 7:00 a.m. to 8:00 p.m, the Company must notify MarketWatch of the material information prior to 6:50 a.m. ET.

## **6.8. PRESS RELEASES**

Announcements of material information in press releases should be factual and balanced, neither over-emphasizing favourable news nor underemphasizing unfavourable news. News releases should contain sufficient detail to enable media personnel and investors to appreciate the true substance and importance of the information so that investors may make informed investment decisions. The guiding principle should be to communicate clearly and accurately the nature of the information.

Earnings releases will be issued promptly following board approval of the annual and interim financial statements. All news releases disclosing the Company’s earnings will be reviewed by the Company’s audit committee prior to any public disclosure.

News releases will be disseminated through one or more news wire service(s) that provide simultaneous national and/or international distribution. The news wire services used by the Company must result in the dissemination of the full text of the news release to the TSX, Nasdaq, IIROC and any other relevant regulatory bodies, to the major business wires and to national financial media. News releases will be posted on the Company’s website promptly after release over such news wire(s).

## **6.9. MATERIAL CHANGE REPORTS**





The Company must file a report with appropriate regulatory authorities concerning any material change as soon as practicable and in any event within 10 days of the date on which the change occurs.

#### **6.10. DELAYING DISCLOSURE OF MATERIAL INFORMATION**

Despite any statement to the contrary in this Policy, in certain circumstances, the disclosure of material information may be delayed and kept confidential temporarily where immediate release of the information would be unduly detrimental to the interests of the Company or any of its subsidiaries, such as;

- a) where a release would prejudice the ability to pursue specific and limited legitimate corporate objectives or to complete a transaction that is under way (e.g., mergers and acquisitions);
- b) where disclosure would provide competitors with confidential corporate information that would be of significant benefit to them, if the detriment resulting from disclosure would outweigh the detriment to the market in not having access to the information (e.g., a decision to release a new product offering, unless available to competitors from other sources);
- c) where disclosure of ongoing negotiations would prejudice successful completion; if the situation is likely to stabilize within a short period, disclosure may be delayed until a definitive announcement can be made; or
- d) where a matter is being reviewed or investigated by the Ontario Securities Commission or another regulatory authority and, upon conclusion of such review or investigation, a material restatement may be required.

It is a policy of the TSX and IROC that withholding material information on the basis that disclosure would be unduly detrimental must be infrequent and can be justified only where the potential harm to the Company or to investors caused by immediate disclosure may reasonably be considered to outweigh the unfavourable consequences of delaying disclosure. The TSX and IROC discourage delaying for a lengthy period of time, since it is unlikely that confidentiality can be maintained beyond the short term. Nasdaq Listing Rule 5250(b) provides that, in unusual cases, the Company may not be required to make public disclosure of material information; for example, where it is possible to maintain confidentiality of those events and immediate public disclosure would prejudice the ability of the Company to pursue its legitimate corporate objectives.

Where the confidential material information constitutes a material change, a confidential material change report will be filed with securities commissions as required.

In circumstances where material information has not yet been publicly disclosed, the material information must be kept completely confidential (see “MAINTAINING CONFIDENTIALITY”). It must not be disclosed to anybody, except in the necessary course of business. Documents containing the material information should be marked as “confidential.” In particular, certain precautions must be taken where confidential material information is disclosed in the necessary course of business. (See “MAINTAINING CONFIDENTIALITY — Disclosure made in the necessary course of business”). Please also refer to the Company’s Form 8-K Disclosure Compliance Policy.

#### **6.11. CYBERSECURITY**

The Chief Financial Officer shall promptly notify the Chair of the Disclosure Committee and the Audit Committee if he or she has an objectively reasonable belief that a cybersecurity incident may have a significant



impact on the Company's operations, share value or reputation. If the Chair of the Disclosure Committee believes the cybersecurity incident may have a material impact on the Company, then the Chair, in consultation with the Audit Committee, will convene a meeting of the Disclosure Committee as promptly as practicable to determine whether such information should be disclosed by the Company on Form 8-K or by any other means as required under applicable law and as determined by the Disclosure Committee to be appropriate under the circumstances.

#### **6.12. FORWARD-LOOKING INFORMATION**

Should the Company elect to disclose forward-looking information ("FLI") in Disclosure Statements, the following guidelines will be observed:

The information, if deemed material, will be broadly disseminated via news release, in accordance with this Policy (i.e., at or before the time of disclosing the FLI).

The document or oral statement containing the FLI will contain the following cautionary language, proximate to the FLI:

- a) A statement identifying the FLI as "forward-looking information."
- b) A statement identifying specific material factors that could cause actual results to differ materially from a forecast or projection in the FLI or, where appropriate, directing a reader to the disclosure of risk factors in the Company's publicly filed documents.
- c) A statement of the specific material factors or assumptions that were applied in making a forecast or projection in the FLI.

This cautionary language should go beyond mere boilerplate. The Company's warnings should be substantive and tailored to the specific future estimates or opinions that are being forecast. There must be a reasonable basis for making the forecasts or projections in the FLI.

The disclosure of FLI will be accompanied by a statement that disclaims the Company's intention or obligation to update or revise the FLI, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws, rules, or policies. Notwithstanding this disclaimer, should subsequent events prove past statements about current trends to be materially off target, the Company may choose to issue a news release explaining the reasons for the difference.

#### **6.13. CONFERENCE CALLS**

Conference calls will be held for quarterly earnings and major corporate developments, whereby discussion of such information is accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a webcast over the Internet. The call will be preceded by the distribution of a news release containing all relevant material information. At the beginning of the call, a Company spokesperson will provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a discussion of the risks and uncertainties associated with such forward-looking information.

The Company will publicly announce conference calls in which analysts, institutional investors, the media and others may participate. A tape recording of the conference call and/or an archived audio webcast on the



Internet will be made available following the call for a minimum of 30 days, for anyone interested in listening to a replay.

Select Disclosure Committee members will debrief immediately after the conference call and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Company will immediately issue a news release disclosing the relevant material information.

#### **6.14. MANAGING EXPECTATIONS**

If the Company will likely be reporting results materially below or above publicly held expectations in the near future, such as in the next fiscal quarter, the Disclosure Committee will consider disclosing this information in a news release. The Company will not confirm or express comfort on analyst earnings estimates (see “Reviewing analyst draft reports and models” on the following page).

#### **6.15. CONTACTS WITH ANALYSTS, INVESTORS AND THE MEDIA**

The Company will not disseminate material information at an analyst or shareholder meeting or a press conference unless the Company’s announcement has been preceded by a news release.

The Company will not provide material non-public information to financial analysts and/or selected investors, whether or not a confidentiality agreement has been entered into with such financial analysts and investors, or to the media.

The Company recognizes that meetings with analysts and significant investors are an important element of the Company’s investor relations program. The Company will meet with analysts and investors on an individual or small group basis as appropriate and will initiate contacts or respond to analyst and investor calls in a timely, consistent, and accurate fashion in accordance with this Policy.

The Company will provide only non-material information through individual and group meetings, in addition to regular publicly disclosed information. The information disclosed by the Company must not result in inadvertent selective disclosure of material information. However, the Company is not prohibited from disclosing non-material information to an analyst or investor even if the analyst or investor has, through other sources, access to other information concerning the Company or the industry that together with the information disclosed by the Company is undisclosed material information about the Company. Note that the disclosure of information in small, non-material components may nevertheless result in inadvertent selective disclosure of material information if the non-material components considered in their totality would constitute material information.

The Company may maintain a frequently asked questions section on its website and will provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts, investors, and the media.

#### **6.16. DISTRIBUTING ANALYST REPORTS**

Analyst reports are proprietary products of the analyst’s firm. Re-circulating a report by an analyst may be viewed as an endorsement by the Company of the report. For these reasons, the Company will not provide



analyst reports through any means to persons outside of the Company, including posting such information on its website. The Company may post on the Investor Relations website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Company. If provided, such list will not include links to the analysts' or any other third-party websites or publications.

#### **6.17. COMMENTARY ON THE COMPANY'S STOCK PRICE**

The Company, its employees and Board of Directors will not comment publicly on the value of the Company's securities. The Company must not be providing any implicit or explicit recommendations to investors to trade in the Company's securities. There are many elements that impact the market price of the Company's stock, many of which the Company has little or no influence on. Accordingly, commentary on the Company's value of the Company's securities should be left to industry and financial analysts, institutional investors, financial media, and other experts not engaged by the Company.

The sole exception is in a Normal Course Issuer Bid in which the Company would reasonably be asked to explain why it has decided to buy back its own shares.

#### **6.18. QUIET PERIODS**

In order to avoid selective disclosure or the perception or appearance of selective disclosure, the Company will observe a quarterly quiet period, during which the Company will not initiate and will endeavour to discourage any discussions, meetings or telephone contacts with investment analysts or investors or financial media other than to respond to unsolicited inquiries concerning factual matters or historical information. The Company will endeavour to have discussions with industry analysts and participation in industry conferences outside of the quiet period whenever practicable. Where that is not practicable, however, and such discussions or participation occur during the quiet period, the Company will be cognizant of the importance of its obligations during that time, and in particular avoid any selective disclosure or the perception or appearance of selective disclosure.

The quiet period commences on the first day of the month following the end of a quarter and ends after the issuance of a news release disclosing quarterly results. In addition, for the period of 14 days prior to the end of a quarter, the Company will not discuss the Company's expected financial performance with anyone, including investment analysts, investors, or financial media. In the event the Company issues a news release announcing that it will likely be reporting results materially below or above publicly held expectations, the Company may discuss the content of that announcement during the quiet period provided no further material information is discussed other than as disclosed in the news release.

#### **6.19. MARKET ACTIVITY**

During the period commencing when it is determined that the Company has an obligation to disclose material information until the time the material information is disclosed, market activity in the Company's securities will be closely monitored. Any unusual market activity will be reported to Nasdaq, the TSX and IIROC immediately. The names and phone numbers of the CFO and CLO will be given to the TSX and IIROC for contact in the event of unusual trading in Company securities.

#### **6.20. DISTRIBUTION OF INFORMATION DURING OR IN ANTICIPATION OF A PUBLIC OFFERING**



The dissemination of material information prior to any public offering must be carefully coordinated so that it cannot be viewed as “preparing” the market. Care must also be taken to ensure that any information that is released during the course of any public offering is consistent with the Company’s prospectus or other offering documents. The CFO will coordinate the Company’s disclosure during any such periods.

## **7. MAINTAINING CONFIDENTIALITY**

Any employee privy to confidential information concerning the Company is prohibited from communicating such confidential information to anyone else, unless required to do so in the necessary course of business. In this regard, please refer to the Company’s Insider Trading Policy. Efforts will be made to limit access to such confidential information to only those who need to know the information and such persons will be advised that the information is to be kept confidential.

Outside parties privy to undisclosed material information concerning the Company will be told that they must not divulge such information to anyone else, other than in the necessary course of business and that they may not trade in the Company’s securities until the information is publicly disclosed. Such outside parties may also be asked to confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

Each employee of the Company has also entered into specific, personal obligations with respect to confidentiality in their individual employment agreements with the Company and must ensure they observe and comply with such obligations at all times. Further, the Company has implemented various confidentiality, access and security processes, policies and controls which apply to all Company employees, contractors, consultants, casual and agency staff, and agents. The processes, policies and controls must also be observed and complied with at all times.

For those persons to which this policy applies that are not employees, in order to prevent the misuse or inadvertent disclosure of 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, such as elevators, hallways, restaurants, airplanes, or taxis.
- c) Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
- d) Ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
- e) Transmission of documents by electronic means, such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- f) Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
- g) Access to confidential electronic data should be restricted through the use of passwords.



## **7.1. DISCLOSURE MADE IN THE NECESSARY COURSE OF BUSINESS**

There may be circumstances where selective disclosure is required in the necessary course of business, such as with:

- a) vendors, suppliers or strategic partners on issues such as R&D, sales and marketing and supply contracts
- b) employees, officers and directors;
- c) lenders, legal counsel, auditors, financial advisors and underwriters;
- d) parties to negotiations;
- e) industry associations;
- f) government agencies and non-governmental regulators; and
- g) credit rating agencies.

Disclosure in the “necessary course of business” does not extend to the media, analysts, institutional investors or other market professionals. Where the Company determines it is required to disclose non-public information “in the necessary course of business”, it will clearly identify to the recipient the confidential nature of the information and will obtain the recipient’s express undertaking not to disclose the information or engage in any trading in the Company’s securities.

If the Company relies on an express oral undertaking, the Company will maintain a written record indicating:

- a) when the undertaking was made and by whom; and
- b) what information the undertaking covers.

Any confidentiality arrangements should remain in effect until the Company either determines that the information is not non-public material information or makes widespread dissemination of the material information.

Notwithstanding the foregoing, nothing contained in this Policy limits employees’ ability to file a charge or complaint with a governmental regulatory agency and nothing herein limits their ability to communicate with any such agencies or otherwise participate in any investigation or proceeding that may be conducted by any such agency, including providing documents or other information, without notice to the Company.

## **8. TRADING RESTRICTIONS AND BLACKOUT PERIODS**

It is illegal for employees and other “special relationship” persons with knowledge of material information affecting the Company that has not been publicly disclosed to purchase or sell securities of the Company.

Except in the necessary course of business, it is also illegal for anyone to inform any other person of non-public material information. These restrictions are described in more detail in the Company’s Insider Trading Policy, which applies to all employees, officers and directors and their related persons.

Standard trading blackout periods apply to the Company’s Directors and Officers and those employees, consultants, agents and contractors designated by the Company to participate in the preparation of the



Company's financial statements or who are privy to non-public material financial and operational information relating to the Company. In addition, blackout periods may be prescribed from time to time as a result of special circumstances relating to the Company pursuant to which insiders of the Company would be precluded from trading in securities of the Company. These restrictions are described in more detail in the Insider Trading Policy.

## **9. DISCLOSURE RECORD**

The CFO will maintain, in accordance with its standard document retention policies, a file containing all public information about the Company, including continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls, and newspaper articles.

## **10. THE COMPANY'S WEBSITE AND ELECTRONIC COMMUNICATIONS**

This Policy also applies to electronic communications through the Company's website, the Internet and email.

### **10.1. THE COMPANY'S WEBSITE**

The Company may supplement its distribution of material information through disclosures maintained on the Company's website. However, disclosure on the Company's website does not constitute adequate dissemination of material information. Any disclosure of material information on the Company's website must be preceded by the issuance of a news release.

Appropriate disclaimers will be posted on the Company's website and other steps will be taken to the effect that the disclosure of information on the Company's website does not constitute an offering of securities contrary to local securities laws or rules.

Investor relations material shall be contained within a separate section of the Company's website and shall include a notice that advises the reader that the information posted was accurate at the time of posting but may be superseded by subsequent disclosures. All data posted to the website, including text and audio-visual material, shall show the date such material was issued. Investor Relations will maintain records indicating the date that material information is posted and/or removed from the website. The minimum retention period for material corporate information on the website shall be five years.

The Disclosure Committee shall implement and maintain a procedure for regularly reviewing press releases, and other formal, public disclosures of material information on its website for accuracy, completeness, and currency. Press releases posted on the Company's website shall be clearly dated to avoid any question as to whether any such press release speaks as of a date later than its date of publication. The Company shall ensure that new releases are posted to the website as material developments occur. Investor Relations shall also be responsible for responses to electronic inquiries.

The Disclosure Committee must approve all links from the Company website to a third-party website. Any such links will include a notice that advises the reader that he or she is leaving the Company's website and that the Company is not responsible for the contents of the other site.



## **11. INQUIRIES**

Please refer by email any questions regarding the application of this Policy to a member of the Disclosure Committee.

## **12. COMMUNICATION AND ENFORCEMENT**

This Policy will be provided to all employees, officers and directors of the Company and its subsidiaries, all experts working on behalf of the Company or its subsidiaries, and those authorized to speak on the Company's behalf. A revised version of this Policy will be circulated to all such persons whenever changes are made.

Any employee, officer or director who violates this Policy may face disciplinary action up to and including termination of his or her employment or position with the Company without notice. The violation of this Policy may also violate certain securities laws. If it appears that an employee, officer or director may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

## **13. AMENDMENTS**

This Policy has been adopted by the Company's Board of Directors and is administered by the Disclosure Committee. Any substantive amendment to the terms of this Policy must be approved by the Board of Directors.