

**Newfoundland Capital Corporation Limited**

**Policy on Corporate Disclosure, Confidentiality and Insider Trading**

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CONFIDENTIALITY AND INSIDER TRADING**

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# NEWFOUNDLAND CAPITAL CORPORATION LIMITED

## POLICY ON CORPORATE DISCLOSURE, CONFIDENTIALITY AND INSIDER TRADING

### INTRODUCTION

Communications to the investing public about Newfoundland Capital Corporation Limited (“NCC”) and its subsidiaries must be timely, factual, accurate and broadly disseminated in accordance with all applicable securities laws and other legal and regulatory requirements. Such laws and regulatory requirements also require reporting by persons who are Reporting Insiders (as defined below) and restrict trading by persons who have Material Information (as defined below) about NCC which is not publicly disclosed.

The purpose of this Policy on Corporate Disclosure, Confidentiality and Insider Trading (the “Policy”) is to assist NCC, its Insiders and Restricted Parties (both defined below) in complying with such applicable laws and regulatory requirements and good standards.

References to NCC includes Newfoundland Capital Corporation Limited and all of its subsidiaries.

### Scope of Application

The policies and procedures contained in this Policy apply to NCC and its Insiders and Restricted Parties. The exceptions are the policy and procedures contained in this statement that relate to insider reporting which are stated to apply only to persons who are Reporting Insiders of NCC. Any questions relating to the application of policies and procedures contained in this Policy should be directed to the corporate secretary of NCC.

### Importance of the Policy

Failure to observe the Policy may be a breach of applicable securities or other laws and could have a negative impact on the business and operations of NCC. **It may also result in disciplinary action; including, where appropriate, termination of employment and regulatory action.**

### TERMINOLOGY

“*Confidential Information*” means undisclosed Material Information and commercially or competitively sensitive information concerning the business and affairs of NCC, including information concerning the finances, employees, technology, processes, facilities, products, suppliers, customers and markets of NCC.

“*CEO*” means the chief executive officer and any other individual who acts as chief executive officer for NCC or acts in a similar capacity for NCC.

“*CFO*” means the chief financial officer and any other individual who acts as chief financial officer for NCC or acts in a similar capacity for NCC.

“*COO*” means a chief operating officer and any other individual who acts as chief operating officer for NCC or acts in a similar capacity for NCC.

“*Disclosure Committee*” or “*Committee*” means the Disclosure Committee of NCC established by the Board, consisting of the president and chief executive officer, the chief financial officer and corporate secretary and the chair of the audit and governance committee, or as may be otherwise determined by the Board.

“*Insider*” means:

- (a) Every director or officer of NCC;
- (b) Every director or officer of a person or company that is itself an Insider or subsidiary of NCC;
- (c) a person or company that has
  - (A) beneficial ownership of, or control or direction over, directly or indirectly, or
  - (B) a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of NCC carrying more than ten per cent of the voting rights attached to all NCC's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person or company as underwriter in the course of a distribution,
- (d) NCC where it has purchased, redeemed or otherwise a security of its own issue, for so long as it continues to hold that security;
- (e) a Significant Shareholder based on post-conversion beneficial ownership of NCC's Securities and the CEO, CFO, COO and every director of the Significant Shareholder based on post-conversion beneficial ownership; or
- (f) a management company that provides significant management or administrative services to NCC or a major subsidiary of NCC, every director of the management company, every CEO, CFO and CEO of the management company, and every Significant Shareholder of the management company.

“*Reporting Insider*” means an Insider of NCC if the Insider is:

- (a) The CEO, CFO or COO of NCC, of a Significant Shareholder of NCC or of a major subsidiary of NCC;
- (b) a director of NCC, of a Significant Shareholder of NCC or of a major subsidiary of NCC;
- (c) a person or company responsible for a principal business unit, division or function of NCC;

- (d) a Significant Shareholder of NCC;
- (e) a Significant Shareholder based on post-conversion beneficial ownership of NCC's securities and the CEO, CFO, COO and every director of the Significant Shareholder based on post-conversion beneficial ownership;
- (f) a management company that provides significant management or administrative services to NCC or a major subsidiary of NCC, every director of the management company, every CEO, CFO and CEO of the management company, and every Significant Shareholder of the management company;
- (g) an individual performing functions similar to the functions performed by any of the insiders described in paragraphs (a) to (f);
- (h) NCC 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
- (i) any other Insider of NCC that:
  - (i) in the ordinary course of business has access to undisclosed Material Information (as defined below) concerning NCC prior to general disclosure; and
  - (ii) directly, or indirectly, exercises, or has the ability to exercise, significant power or influence over the business operations, capital or development of NCC.

A “*Reporting Insider*” must file insider reports about changes in its beneficial ownership of, or control or direction over securities of NCC, as well as interests in Related Financial Instruments (as defined below).

“*Non-Reporting Insider*” means an Insider who is not a Reporting Insider.

“*Material Information*” means information concerning the business and affairs of NCC that would reasonably be expected to have a significant effect on the market price or value of any Securities of NCC or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

“*Related Financial Instruments*” means:

- (a) an instrument, agreement, security or exchange contract the value, market price or payment obligations of which are derived from, referenced to or based on the value, market price or payment obligations of a security, or,
- (b) any other instrument, agreement, or understanding that affects, directly or indirectly, a person or company's economic interest in a security or an exchange contract.

“*Restricted Parties*” means any employee or consultant who is not considered an Insider but has knowledge of Material Information that is not yet made public.

“*Significant Shareholder*” means a person or company 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 of NCC’s outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person or company as underwriter in the course of a distribution.

“*Securities*” means any securities of NCC including without limitation class A common shares, class B common shares, preferred shares, options, warrant rights, debentures or bonds of NCC.

“*Spokespersons*” means the chairman of the Board, president and chief executive officer, chief operating officer, chief financial officer and corporate secretary or such other persons as may be designated by the Board.

“*TSX*” means the Toronto Stock Exchange.

## DISCLOSURE COMMITTEE MANDATE

(the “Mandate”)

### Responsibilities

The Disclosure Committee and Spokespersons are responsible for implementing and overseeing NCC’s disclosure practices, all as may be necessary or desirable; and all with a view to the best interests of NCC and its shareholders and compliance with applicable legal and regulatory requirements and good standards; including being responsible for:

- (a) Overseeing, monitoring and evaluation of disclosure matters;
- (b) Determining when developments justify and require public disclosure as Material Information;
- (c) Approving the form and content of disclosure and making the required disclosure;
- (d) Informing all Insiders and Restricted Parties of their responsibilities as outlined in this Policy;
- (e) Distributing this Policy to such persons; and
- (f) Periodically reviewing and updating this Policy for review and approval by the Board.

The Committee shall determine when developments justify public disclosure. The Committee shall meet regularly to review and discuss past events and anticipated future events so as the Committee is regularly informed and fully aware of all corporate developments. It is essential that the Committee be kept fully apprised of all material NCC developments in order to evaluate and discuss those events and to determine the appropriateness and timing for public release of information. Accordingly, all Insiders and Restricted Parties of NCC must report all developments which may be considered material to the Committee. If it is decided that the information should remain confidential (in keeping with securities and stock exchange rules), the Committee shall determine how that inside information shall be controlled. All material written and material oral public disclosure shall be reviewed and approved by at least two members of the Committee.

The Committee shall review and update, if necessary, this Mandate not less frequently than annually with any changing regulatory requirements. The Committee shall report to the Board on a regular basis and also as circumstances reasonably require.

The corporate secretary’s responsibilities shall include:

- The day-to-day administration of the responsibilities of the Committee including annually obtaining signed acknowledgement from all Insiders and Restricted Parties that they have read and understood the Policy;

- Monitoring developments or new information that may reasonably be assumed to put into question or may reasonably be seen to imminently involve or in fact involve Material Information for public disclosure; and, when it would be reasonable to assume so, seeking the advice of outside counsel thereon and guidance from the other members of the Committee, other members of senior management and members of the Board;
- Keeping the members of the Committee and the Board well informed on such monitoring;
- Obtaining guidance in a timely manner from members of the Committee on their views on any such developments or new information;
- Calling a meeting of the Committee when prudent to do so to duly deliberate on determining whether or not any such development or any new information is imminently or in fact Material Information;
- As soon as reasonably possible in respect of such Committee meeting, inform any unattainable absent member of the Committee of such development or new information;
- Taking reasonable steps to have a timely decision made on whether facts surrounding developments and new information involve imminently or in fact Material Information ;
- If it is not reasonably possible to convene in sufficient time a meeting with a quorum of the Committee, then using his best efforts to have at least one other member of the Committee (provided such member does not have a perceived or actual conflict of interest on the matter) to make a determination with him on the matter for immediate reporting to members of the Board for their views and input and as may reasonably be necessary calling a meeting of the Board on the matter;
- If no such meeting of the Board is possible in sufficient time, obtaining a consensus on the matter from reasonably available Directors who have no conflicts of interest and following up with the Directors as soon as reasonably possible;
- Following similar procedures as outlined above if any proposed insider trading matter reasonably warrants taking any or all of such procedures;
- Being responsible for directing all communications with required stock exchanges and securities commissions.

If at any time, there is a disagreement among the Committee members as to whether certain information is Material Information, any Committee member may request further information from outside counsel and/or request the issue be placed before the Board (if time permits) for its

final determination as to whether information is Material Information that needs to be publicly disclosed or otherwise seek a consensus from reasonably available members of the Board who have no conflict of interest on the matter.

### **Constitution of Disclosure Committee**

The Committee shall be appointed by the Board and shall consist of the president and chief executive officer, the chief financial officer and corporate secretary and the chair of the audit and governance committee, or as may be otherwise determined by the Board.

### **Meetings and Proceedings of the Disclosure Committee**

- (1) This Policy and the By-Laws of the Corporation and such other procedures, not inconsistent therewith, as the Committee may adopt from time to time, shall govern the meetings and procedures of the Committee.
- (2) Two members of the Committee shall constitute a quorum for meetings of the Committee.
- (3) As necessary or desirable, the Committee chair may request certain members of management, external legal counsel, external auditors or any other advisors be present or absent at a meeting of the Committee or any portion thereof.
- (4) The Committee is to meet quarterly and as many additional times as the Committee or the Board determines to be necessary.
- (5) Meetings can be called by the chair of the Committee, the chair of the Board or any member of the Committee.
- (6) Minutes of each meeting must be prepared and circulated to the Board. The corporate secretary shall be responsible for the recording of minutes, which must be approved by a majority of the Committee members prior to submission to the Board. The Committee shall report regularly to the Board. Specifically, the Committee shall review with the full Board any material issues considered by the Committee.
- (7) The Committee shall periodically meet with the audit and governance committee.

## **DISCLOSURE**

It is fundamental to the laws and regulatory requirements that everyone investing in Securities have equal access to information that may affect their investment decisions. Under such requirements and timely disclosure policies of the TSX, NCC must disclose publicly through the news media all Material Information relating to NCC immediately upon the information becoming known to management or, if the information is already known to management, immediately upon management becoming aware that the information is material. In certain limited circumstances, disclosure of Material Information may be delayed for reasons of corporate confidentiality. In these cases, the TSX market surveillance shall be notified and, if the Material Information is also a material change, a confidential material change report shall be filed.

### **Policy**

Except in limited circumstances where disclosure would be unduly detrimental to NCC and where it is permitted under applicable securities legislation and TSX regulations to refrain from immediately distributing Material Information and NCC has complied with the requirements of such laws, regulations and practices, NCC shall immediately disclose all Material Information by way of a press release. NCC shall follow up the press release by filing with applicable securities regulators a material change report where required under applicable securities laws. Both the press release and, where applicable, the material change report must be filed with securities regulatory authorities via SEDAR together with applicable fees.

### **Examples of Material Changes**

The following are examples of the types of events or information which may be Material Information. This list is not exhaustive and the Committee must exercise judgment in making materiality determination with the help of NCC's advisors where necessary:

- (a) Changes in corporate structure (e.g. changes in share ownership that may affect control, major reorganizations, amalgamations, mergers, take-over bids or issuer bids);
- (b) Changes in capital structure (e.g. sale of additional securities, planned repurchases or redemptions, planned share splits or consolidations, changes in dividend policies, possible initiation of a proxy fight, or material modifications to rights of security holders);
- (c) Changes in financial results (e.g. a significant increase or decrease in near-term earnings prospects, unexpected changes in the financial results for any periods, shifts in financial circumstances such as cash flow reductions, major asset write offs or write downs, changes in the value or composition of NCC's assets, material changes in accounting policy);
- (d) Changes in business and operations (e.g. developments affecting NCC'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, significant changes in management, material legal proceedings, waivers or corporate ethics and conduct rules for officers, Directors and other key employees, any notice that reliance on a prior audit is no longer permissible, delisting or other changes to the listing of securities);

- (e) Acquisitions or dispositions (e.g. significant acquisitions or disposition of assets, property or joint venture interest, acquisitions of other companies, including a take-over bid for, or merger with another company); or
- (f) Changes in credit arrangements (e.g. borrowing or lending of a significant amount of money, mortgaging or encumbering of NCC's assets, defaults under debt obligations, agreements to restructure debt or planned enforcement procedures by a bank or other creditor, changes in rating agency decisions or significant new credit arrangements) .

Disclosure is required only if a development or activity represents Material Information. It is the responsibility of the Committee, with assistance from legal counsel where necessary, to determine whether a development or activity is Material Information. This involves taking into consideration both the likelihood that the development or activity shall occur and the magnitude of the development or activity in the context of the business and affairs of NCC.

This Policy covers disclosures in documents filed with securities regulators and financial and non-financial disclosure such as:

- (a) Management's discussion & analysis of financial condition and results of operations ("MD&A");
- (b) Written statements made in NCC's annual and quarterly reports;
- (c) News releases;
- (d) Letters to shareholders;
- (e) Presentations by senior management; and,
- (f) Information contained on NCC's website and any other electronic communications.

Oral statements made during meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls are all covered under this Policy.

## **Procedures**

***No Selective Disclosure*** Disclosure shall not be made on a selective basis. Therefore, undisclosed Material Information must not be disclosed to selected individuals prior to being generally disclosed by a press release except in the necessary course of business whereby NCC

releases information to other parties who are bound by confidentiality obligations. The announcement of undisclosed Material Information at a press conference or at a meeting of shareholders, analysts or other investors shall be accompanied by simultaneous general public disclosure. If undisclosed Material Information is inadvertently disclosed selectively, the information shall immediately be disclosed by the Committee by way of a press release.

If NCC has determined that it shall be reporting results materially below or above publicly held expectations, it shall disclose the information in a news release in order to enable discussion without risk of selective disclosure.

In order to avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, NCC shall observe a quarterly quiet period, during which NCC shall not initiate or participate in any meetings or telephone contacts with analysts and investors and no earnings guidance shall be provided to anyone, other than responding to unsolicited inquiries concerning factual matters. The quiet period normally commences on the first day of the month following the end of a quarter and ends with the issuance of a news release disclosing quarterly results.

Disclosure must be consistent among all audiences, including the media, customers, employees and the investment community.

***Form of Disclosure*** Disclosure shall be made by way of a press release through the Canada Newswire Corporate Disclosure Network or such other news service that is acceptable to the TSX and approved by the Committee and Spokespersons. The press release should include the name and contact information for at least one of the Spokespersons. The press release must also be filed with securities regulators via SEDAR. For material changes, the Committee must also arrange if applicable for a material change report to be prepared, approved and filed via SEDAR together with applicable filing fees within 10 days after the material change occurs. News releases shall be posted on NCC's web site immediately after release over the news wire. The news release page of the web site 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 news releases.

***Content of Disclosure*** Announcements of material changes must be factual and balanced. Unfavourable news must be disclosed just as promptly and completely as favourable news. The press release should contain enough detail to enable investors to understand the substance and importance of the change it is disclosing. Disclosure must not be misleading, whether by omission of relevant information or otherwise. Unnecessary details such as exaggerated reports or promotional commentary must be avoided.

***Timing of Disclosure*** Announcements of material changes must be made as soon as possible after a determination is made that the change is Material Information. For any change initiated by NCC which creates Material Information, the change generally occurs once the decision has been made to implement the change, particularly where the change does not require third party approval. This may happen even before the Board approves the change, if management believes that it is probable that they shall do so.

***Determining Materiality*** *Material Information is any information relating to the business and affairs of NCC that results in, or would reasonably be expected to result in, a significant change in the market price or value of NCC's Securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.* In making materiality judgments, it is necessary to take into account a number of factors that cannot be captured in a standard test. These include the nature of the information itself, the volatility of NCC's Securities and prevailing market conditions. The materiality of a particular event or piece of information may vary between companies according to their size, the nature of their operations and many other factors. An event that is "significant" or "major" for a smaller company may not be material to a larger company. Under volatile market conditions, apparently insignificant variances between earnings, projections and actual results can have a significant impact on the share price once released. Accordingly, the Committee and Spokespersons must be familiar with the market for Securities of NCC and must monitor the market's reaction to any information relating to NCC that is publicly disclosed. If there is doubt as to whether particular information is material, securities regulators encourage companies to err on the side of materiality and release information publicly.

***External Changes*** NCC is not generally required to interpret the impact of external political, economic and social developments on its affairs. However, if an external development shall have or has had a direct affect on the business and affairs of NCC that is both material and uncharacteristic of the affect generally experienced by other companies engaged in the same business or industry, NCC should explain the particular impact on it.

***Regulatory Approval*** If disclosure is to be made when the TSX is open for trading, NCC shall provide a copy of the press release in advance of its release to the market surveillance department of the TSX and contact the market surveillance department to confirm that it is appropriate to release. In certain circumstances, the TSX may require trading halt pending news. If disclosure is made when the TSX is not open for trading, NCC should, if possible, follow the above procedure and, if the above procedure is not convenient, must notify the TSX market surveillance department of the press release at least an hour before the TSX re-opens for trading.

***Financial Disclosure*** All financial disclosure, including annual and interim financial statements and MD&A, must be approved by the audit and governance committee or the Board prior to public release. NCC shall announce financial results by press release immediately following their approval by the Board on a quarterly basis (annual basis in the case of the fourth quarter).

***Briefing and Debriefing Spokespersons*** Before meeting with or speaking to the media, shareholders, analysts and others who make or influence investment decisions, the Spokespersons shall brief themselves on any undisclosed Material, with the assistance of members of the Committee. The Spokespersons must avoid responding to questions in a way that requires them to disclose previously undisclosed Material.

***Disclosure File*** The Committee shall maintain a file containing public information about NCC, including media releases, press reports, analyst reports and summaries of analyst, investor and media discussions.

***Rumours*** NCC shall maintain a “no comment” policy with respect to market rumours and make sure that the policy is applied consistently. If, for example, NCC comments to dispel rumours that are untrue, silence in other cases may suggest that a rumour is true. This “no comment” policy is subject to any requirement in a specific circumstance by the TSX or another securities regulatory authority to make a clarifying statement where trading in NCC’s Securities appears to be heavily influenced by rumours. If Material Information has been leaked and appears to be affecting trading activity, an announcement should be made. This includes contacting the TSX and co-ordinating a trading halt pending the issuance of a news release.

***Confidential Disclosure*** If the Committee determines that disclosure of undisclosed Material Information would be unduly detrimental to NCC (for example if release of the information would prejudice negotiations in a corporate transaction), then the information shall not be publicly disclosed but a confidential material change report shall be filed with applicable securities regulators. In this case, the Committee shall periodically (at least every 10 days) review its decision to keep the information confidential and advise the applicable securities regulators of the status of the confidential filing.

***Public Conference Calls*** At present, NCC does not hold any public conference calls for the purpose of releasing its quarterly earnings or other major corporate developments but nevertheless has established a policy for such calls. The policy is as follows:

Conference calls may be held for quarterly earnings and major corporate developments, whereby discussion of key aspects 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 shall be preceded by a news release containing all relevant Material Information. At the beginning of the call, a NCC Spokesperson shall provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties.

NCC shall provide advance notice of the public conference call and webcast by issuing a news release announcing the date and time and providing information on how interested parties may access the call and webcast. In addition, NCC may send invitations to analysts, institutional investors, the media and others invited to participate. Any non-material supplemental information provided to participants shall also be posted to the web site for others to view. A tape recording of the conference call and/or disclosure thereof on NCC’s website shall be made available following the call for a minimum of thirty (30) days, for anyone interested in listening to a replay.

Management shall hold a debriefing meeting immediately after the public conference call and if such debriefing uncovers selective disclosure of previously undisclosed Material Information, NCC shall immediately broadly disclose such Information via new release.

***Analyst Discussion*** NCC recognizes that discussions with analysts and significant investors are an important element of NCC’s investor relations program. Spokespersons may meet with analysts and investors on a small group or, if necessary, individual basis as needed and shall respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this policy. Spokespersons shall in respect of previously undisclosed information provide

only non-Material Information in these discussions, in addition to other already existing publicly disclosed information; recognizing however that an analyst or investor may construct any of this information into a mosaic that could be material or meaningful to the analyst or investor. Spokespersons shall not alter the materiality of information by breaking down the information into smaller non-material components. Spokespersons shall avoid any discussions with analysts or other investors during blackout periods.

The corporate secretary shall be responsible for keeping track of material telephone conversations with analysts and investor presentations. Where practicable, more than one NCC representative shall be present at all individual and group meetings, when and if possible. A debriefing shall be held after such meetings and if such debriefing uncovers selective disclosure of previously undisclosed Material Information, NCC shall immediately disclose such Material Information broadly via news release.

***Reviewing Analyst Draft Reports and Models*** Analyst reports are proprietary products of the analyst's firm. The Committee may review an analyst report or model for the purpose of pointing out errors in fact based on publicly disclosed information. If an analyst inquires with respect to his or her estimates, the Committee may question an analyst's assumptions if the estimate is significantly outside the range of estimates and/or NCC's published earnings guidance (if any). Spokespersons shall, in responding, limit their comments to non-Material Information being disclosed, in addition to other already existing publicly disclosed information. Committee members and/or Spokespersons shall not confirm, or attempt to influence, an analyst's opinions or conclusions and shall not express comfort with the analysts model and earnings estimates. NCC shall not distribute, circulate, post on its web site or otherwise endorse any analyst report.

***Forward-looking Information*** Where any public disclosure is made by way of continuous disclosure documents, speeches, conference calls or otherwise by NCC which contains forward-looking information, the following guidelines shall be observed:

1. The information, if Material Information, shall be broadly disseminated via news release, in accordance with this disclosure policy.
2. The information may be published only if there is a reasonable basis for drawing the conclusions or making the forecast or projection set out in the forward-looking information.
3. The information, whether delivered orally or in writing, shall be clearly identified as forward looking.
4. The information, whether delivered orally or in writing, shall be accompanied by a statement proximate to that information that identifies, in very specific terms, (a) the risks and uncertainties that may realistically cause the actual results to differ materially from those projected in the statement, including a sensitivity analysis to indicate the extent to which different business conditions from the underlying assumptions may affect the actual outcome, and (b) the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information. If the

information is delivered orally, the oral information must be accompanied by an oral statement to the effect that “additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statement is contained in a readily available written document” and must identify that document.

5. The information, whether delivered orally or in writing, shall be accompanied by a statement that disclaims NCC’s intention or obligation to update or revise the forward-looking information, whether as a result of new information, future events or otherwise. Notwithstanding this disclaimer, should subsequent events prove past statements about current trends to be materially off target, NCC may choose to issue a news release explaining the reasons for the difference. In this case, NCC shall update its guidance on the anticipated impact on revenue and earnings (or other key metrics).

If NCC has issued a forecast or projection in connection with an offering document covered by Parts 4A or 4B of National Instrument 51-102, in respect of corporations disclosing forward-looking information, NCC shall update that forecast or projection periodically, as required by National Instrument 51-102.

***Earnings Guidance*** Disclosure of earnings forecasts and other financial forecasts is not required except where a significant unexpected increase or decrease in earnings is likely in the short-term. It is not NCC’s policy to provide earnings guidance. However, Spokespersons may, with the approval of the Committee and the Board, provide earnings guidance if they consider it to be in the best interests of NCC and its shareholders. In this case, the following guidelines shall be observed:

1. The information, if Material Information shall be broadly disseminated by a news release in accordance with this disclosure policy.
2. The Material Information shall be clearly identified as forward looking with the necessary cautionary statement in accordance with the above-noted forward-looking information guidelines.
3. Any earnings guidance should be in the form of a range rather than a specific number.

### **Responsibility for Electronic Communications**

This Policy also applies to electronic communications. Accordingly, officers and personnel responsible for written and oral public disclosures shall also be responsible for electronic communications.

The corporate secretary is responsible for updating the investor relations section of the Company’s web site and is responsible, along with the general counsel, for monitoring information placed on the web site for accuracy, completeness, being up-to-date and in compliance with relevant securities laws.

The corporate secretary, with the approval of the Committee, must approve all links from NCC's web site to a third party web site. Any such links shall include a notice that advises the reader that he or she is leaving NCC's web site and that NCC is not responsible for the contents of the other site.

Investor relations material shall be contained within a separate section of NCC's web site. All data posted to the web site, including text and audiovisual material, shall show the date such material was issued. Any material changes in information must be updated immediately. The Committee shall maintain a log indicating the date that Material Information is posted and/or removed from the investor relations web site. The minimum retention period for Material Information on the web site shall be two years.

Disclosure on NCC's web site alone does not constitute adequate disclosure of information that is considered Material Information. Any disclosures of Material Information on this web site shall be preceded by the issuance of a news release.

The corporate secretary shall also be responsible for responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this Policy shall be utilized in responding to electronic inquiries.

In order to ensure that no material undisclosed information is inadvertently disclosed, employees are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to NCC's activities or its securities. Employees who encounter a discussion pertaining to NCC should immediately advise a member of the Committee, so the discussion may be monitored.

### **Managing Expectations**

NCC shall attempt to ensure, through its regular public dissemination of quantitative and qualitative information, that those analysts' estimates of which it is aware, are in line with NCC's own expectations. NCC shall not confirm, or attempt to influence, an analyst's opinions or conclusions and shall not provide comfort with analysts' models and earnings estimates.

If NCC has determined that it will be reporting results materially below or above publicly held expectations, the Disclosure Policy Committee shall be responsible for complying with any regulatory timely disclosure requirements in respect thereof.

### **Communication and Enforcement**

This Policy extends to all Insiders and Restricted Parties and to all spokespersons authorized to speak on their behalf. New Insiders and Restricted Parties shall be provided with a copy of this Policy and shall be educated about its importance. This Policy shall be circulated to all Insiders and Restricted Parties on an annual basis and whenever changes are made.

## CONFIDENTIALITY

### Confidentiality Policy

Insiders and Restricted Parties are prohibited from disclosing or using Confidential Information except in the *necessary course of business*.

The *necessary course of business* exception exists so as not to unduly interfere with NCC's ordinary business activities. For example, the *necessary course of business* exception would generally cover communications with:

- (a) Vendors, suppliers or strategic partners on issues such as research and development, sales and marketing, and supply contracts;
- (b) Employees, officers and Directors where necessary for their function;
- (c) Lenders, legal counsel, auditors, underwriters, financial and other professional advisors to NCC where relevant to their service;
- (d) Parties to negotiations;
- (e) Labour unions and industry associations;
- (f) Government agencies and non-government regulators; and
- (g) Credit rating agencies.

### Procedures

In order to prevent the misuse or disclosure of Confidential Information, the procedures outlined below should be observed at all times:

***All Information Confidential*** All internal information concerning the business and affairs of NCC must be considered and treated as Confidential Information, except information that has been publicly disclosed through a media release or some other public disclosure such as NCC's quarterly or annual reports, information circular or annual information form.

***Confidentiality Agreements*** In appropriate circumstances, third parties with access to Confidential Information may be required to sign confidentiality agreements with NCC. This is particularly the case for third party business negotiation or where a non-professional third party (such as a supplier) has access to significant Confidential Information.

***Confidential Notification*** Outside parties privy to Confidential Information shall be told that they must not divulge such information to anyone else, other than in the necessary course of business; and shall sign an appropriate confidentiality agreement when reasonably appropriate or necessary. Further, if the Confidential Information is also undisclosed Material Information, they shall also be advised that they may not trade in Securities until the Material Information is publicly disclosed by press release by NCC.

***Safeguard Information*** 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, streets, restaurants, airplanes or taxis.
- (c) To the extent possible, confidential matters should not be discussed on wireless telephones or other wireless devices.
- (d) Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
- (e) Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
- (f) Visitors must not be left alone in offices containing Confidential Information.
- (g) Transmission of documents by electronic means, such as by fax or directly from one computer or electronic communication instrument to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- (h) All reasonable care must be taken to ensure that communications by electronic means, such as by faxes or directly from one computer or electronic communication instrument to another, containing Confidential Information are sent to the intended recipient, including double-checking the address or number before delivery.
- (i) 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.
- (j) Access to confidential electronic data should be restricted through the use of passwords.

***No Influencing Decisions*** All reasonable care must be taken to avoid influencing or appearing to influence investment decisions by others with respect to Securities. For example, participating in discussions concerning the Securities at an investment club or responding to questions about whether or not now is a good time to buy or sell Securities is inappropriate.

***Spokespersons Sole Communicators*** The Spokespersons are the only persons authorized to communicate with the media, shareholders, analysts and others who make or influence investments on behalf of NCC. All other persons are prohibited from communicating with the

public on behalf of NCC without the express permission of one of the Spokespersons or the Committee. All requests for information about NCC from the media, shareholders, analysts and others who make or influence investments must be referred to one of the Spokespersons or the Committee.

***Need to Know*** Confidential Information must only be disclosed (including to other employees) on a need-to-know basis.

***Electronic Communication*** All Confidential Information being transmitted over the internet should be secured by the strongest encryption and validation methods available. Where practicable, persons should avoid using e-mail or cellular phones to transmit significant Confidential Information.

## INSIDER TRADING AND TIPPING POLICY

Securities laws prohibit “insider trading” and impose restrictions on trading in the Securities of NCC while in possession of undisclosed Material Information relating to NCC. It is the policy of NCC to maintain the highest standards with respect to trading of its Securities by its Insiders and Restricted Parties. Such trading must comply with the insider trading requirements of the various provincial securities commissions, the TSX and applicable securities legislation. The purpose of the rules set out in this insider trading policy is to prevent persons in possession of, or who have knowledge of Material Information not generally disclosed to the public from taking advantage of such information (whether intentionally or otherwise) through trading in Securities. These policies are also intended to give some assurance that the Insiders and Restricted Parties act, and are perceived to act, in accordance with applicable laws and in the highest standards of ethical and professional behaviour.

The Directors are of the opinion that it is in the best interest of NCC that Insiders and Restricted Parties hold Securities, and acknowledge that these persons should be entitled to trade in the Securities within the parameters prescribed by law.

This insider trading policy is not intended to provide an in-depth legal analysis of insider trading rules, but rather to serve as a guideline for the purpose of limiting the possibility of illegal or inappropriate use of corporate information. The responsibility for complying with this insider trading policy and the relevant insider trading and other securities laws and regulations lies with each individual Insider and Restricted Party, each of whom is expected to be familiar with this Policy and such laws and regulations and to comply fully therewith. Insiders and Restricted Parties will be notified in writing or by electronic media to advise them of the commencement and terminations of the blackout periods. *Insiders and Restricted Parties are required to acknowledge reading and understanding the confidentiality requirements of this Policy expected of them and this insider trading policy applicable to them and to provide their binding agreement to comply therewith by signing the acknowledgement and agreement attached as Appendix “C” hereto.*

### Policy

*Insiders and Restricted Parties shall not trade in Securities if such trade is made with knowledge of any publicly undisclosed Material Information relating to NCC which if publicly disclosed could reasonably be expected to result in a significant change in the market price or value of Securities or that would reasonably be expected to have significant influence on a reasonable investors investment decisions.*

Insiders and Restricted Parties of NCC are prohibited from informing another person or company, entity or organization (other than in the necessary course of business) of Material Information with respect to NCC before it has been generally disclosed (generally known as “tipping”). A person, company, entity or organization (“tippee”) who learns of undisclosed Material Information regarding NCC from any other person, company, entity or organization in a special relationship with NCC including another tippee, and who knows or ought reasonably to have known that the other person, company, entity or organization was in a special relationship with NCC, is also prohibited from purchasing or selling Securities or from informing another person, company, entity or organization of the undisclosed Material Information. Insiders of

NCC must comply with the more restrictive terms of this anti-tipping policy and the insider trading policy of any company, entity or organization of which NCC is an Insider in respect of any trading in the securities of such company, entity or organization.

## **Procedures**

**Material Information** The prohibitions on insider trading and tipping only apply when the Material Information has not been publicly disclosed. As a general rule, information shall be considered public on the day after it is broadly disseminated by press release.

**Authorization to trade in Securities by Insiders and Restricted Parties** All Insiders and Restricted Parties must notify the corporate secretary, who is a member of the Committee, of their intention to execute any transaction in the Securities of NCC and request approval of such transaction. In considering an application from an Insider or Restricted Party to transact in the Securities of NCC, the corporate secretary shall consider the nature of the trade and whether there is any undisclosed Material Information or the imminency thereof related to NCC or its Securities. The application will be denied if there is any undisclosed Material Information or may be denied if there is such imminency. (The right to trade in NCC Securities granted by the corporate secretary is valid for seven days from the date of authorization.) If there is any reasonable doubt on the matter, the corporate secretary shall seek legal counsel advice and have the Committee immediately address the matter.

**Blackout Period** Insiders and Restricted Parties must refrain from trading in Securities:

- (a) During the period commencing fourteen (14) calendar days after the end of a fiscal quarter or year end and ending on the second business day following the announcement of annual and quarterly earnings of NCC;
- (b) During the period commencing seven (7) calendar days before and ending on the second business day following the date of each Board meeting of NCC; or
- (c) Whenever the Committee has issued any notice to such Directors and officers of NCC, Insiders and Restricted Parties implementing a blackout period which may or may not relate to pending announcements.

Notwithstanding the foregoing, Insiders and Restricted Parties may trade in Securities at any time if:

- They are not in possession of undisclosed Material Information relating to NCC or its Securities; and
- Such trade is approved in advance by the corporate secretary who is a member of the Committee.

In considering an application from an Insider or Restricted Party to trade during a blackout period, the corporate secretary shall consider the nature of the trade and whether there is any undisclosed Material Information or the imminency thereof related to NCC or its Securities. If there is any undisclosed Material Information the application will be denied. If there is any

imminency of any undisclosed Material Information the application may be denied. If there is any reasonable doubt on the matter, the corporate secretary shall seek legal counsel advice and have the Committee immediately address the matter. (The right to trade in NCC Securities granted by the corporate secretary is valid for seven days from the date of authorization unless otherwise advised in writing by the corporate secretary or his assignee.)

***Employee Share Purchase Plan*** For purchases under NCC's share purchase plan which are automatic in nature, Insiders and Restricted Parties may continue to purchase shares in the normal course during blackout periods. No dispositions of shares through the plan may take place by Insiders or Restricted Parties during a blackout period. Also for purchases under the plan which are automatic in nature or in respect of which NCC has advised the Reporting Insider that NCC has filed an "Issuer Grant Report", the Reporting Insiders who are directors or officers of NCC need not report purchases within five (5) days provided that they include any plan purchases on an insider trading report at the earlier of the following times:

- (a) at the same time Securities are disposed of or transferred, such insider trading report to be made within five (5) days of the disposal or transfer; and
- (b) by March 31 of the next calendar year.

***Executive Stock Option Plan*** Insider trading reports, specifically required, must be made within five (5) days in respect of the grant, exercise or expiration of any option granted under the Executive Stock Option Plan, except if NCC has advised the Reporting Insider that NCC has filed an "Issuer Grant Report" in respect of such grant, exercise or expiration, in which case the Reporting Insiders report at the earlier of the following times:

- (a) at the same time Securities are disposed of or transferred, such insider trading report to be made within five (5) days of the disposal or transfer; and
- (b) by March 31 of the next calendar year.

***Share Appreciation Rights Plan*** Insider trading reports, specifically required, must be made within five (5) days in respect of the grant, exercise or expiration of any share appreciation rights granted under the SAR Plan, except if NCC has advised the Reporting Insider that NCC has filed an "Issuer Grant Report" in respect of such grant, exercise or expiration, in which case the Reporting Insiders report at the earlier of the following times:

- (a) at the same time such share appreciation rights are exercised, such insider trading report to be made within five (5) days of the disposal or transfer; and
- (b) by March 31 of the next calendar year.

The exercise of share appreciation rights is subject to blackout periods described above.

**General Trading Restrictions** Insiders and Restricted Parties shall not trade in Securities, if such trade:

- (a) Relates to the making of a short-term investment (less than six months) in the Securities;
- (b) Is made during the “blackout period” unless there has been prior approval as permitted by this Policy and/or unless permitted for purchases under NCC’s employee share purchase plan;
- (c) Involves selling, directly or indirectly, Securities that such person does not own (short selling);
- (d) Involves trading in “puts” or “calls” with respect to the Securities;
- (e) Involves any person acting alone or together with any other person, company, entity or organization, directly or indirectly, engaging in any activity; or
  - (i) that is or appears to be contrary to the interests of NCC or its ongoing success;
  - (ii) that creates or may create a false or misleading appearance of trading activity in the Securities;
  - (iii) that has a direct or indirect effect of setting an artificial price for the Securities;
  - (iv) that otherwise interferes with the free determination by the market of the market price for Securities ; or
  - (v) is not pre-authorized in accordance with this Policy as described above.

**Trading Restrictions** In addition to the general trading restrictions previously listed, Insiders and Restricted Parties shall not trade in Securities if such trade is made:

- (a) Without prior approval of a member of the Disclosure Committee to determine whether there are any important developments pending which need to be made public before an Insider could properly participate in the market; or
- (b) When public disclosure of all Material Information relating to the business and affairs of NCC has not been made by NCC.

## INSIDER REPORTING

### Policy

All Reporting Insiders are required to file insider trading reports within five (5) days following the date when he or she became a Reporting Insider, disclosing any direct or indirect beneficial ownership of or control over Securities. However, no insider trading report is required if the Reporting Insider does not directly or indirectly have ownership of or control over Securities. In addition, unless an alternate filing has taken place as described under “Employee Share Purchase Plan”, “Executive Stock Option Plan” or “Share Appreciation Rights Plan” above, each Reporting Insider is required to file a report disclosing any purchase, acquisition or change in beneficial ownership of, or control or direction over Securities or exercising of share appreciation rights within five (5) days of the trade, exercise or change.

### Reporting Procedures

**Responsibility of Reporting** Reporting Insiders are responsible for their own preparation and filing of their insider trading reports within the prescribed time limits. If requested, the corporate secretary shall assist Reporting Insiders with their reporting obligations.

**Copy to NCC** Reporting Insiders must deliver a copy of all insider reports to the corporate secretary.

**Exempt List** National Instrument 55-104 provides certain reporting exemptions; however these exemptions relate only to filing requirements and not to the prohibitions on improper trading and tipping. Each year following completion of the annual report, the corporate secretary shall apply the tests contained in NI 55-104 to the corporate structure and determine the persons who are exempt from reporting insider trading. The corporate secretary shall maintain a list of those Reporting Insiders, Non-Reporting Insiders and Restricted Parties of NCC who must comply with the insider trading reporting requirements for the current fiscal year and those Reporting Insiders, Non-Reporting Insiders and Restricted Parties of NCC who are exempt, and notify the relevant persons of any changes in their reporting status. If any Insider or Restricted Party requires additional information with respect to National instrument 55-104 they are advised to contact the Corporate Secretary.

**SEDI** Reporting Insiders must file their insider trading reports online at [www.sedi.ca](http://www.sedi.ca).