

# TEXAS RARE EARTH RESOURCES CORP.

## CORPORATE DISCLOSURE AND CONFIDENTIALITY POLICY

### OBJECTIVES AND SCOPE OF THE POLICY

The officers and directors of Texas Rare Earth Resources Corp. (the “**Company**”, which terms shall include any subsidiaries of the Company) are responsible for ensuring that the Company meets its public reporting obligations and will encourage each other, all employees, consultants, contractors, agents and affiliates (as such term is defined in applicable securities laws and regulations) to convey any significant undisclosed information to them. The objective of this disclosure and confidentiality policy (the “**Policy**”) is to provide guidance to ensure that:

1. all material information is disclosed publicly on a timely basis;
2. reasonable investigation occurs to reduce the risk of material misrepresentations;
3. reasonable investigation occurs to reduce the risk of material undisclosed information; and
4. prompt corrected disclosure is made if material information is undisclosed or if material misrepresentations are known to have been made publicly.

For the purpose of this Policy “material undisclosed information” includes information not previously disclosed as well as corrective action with respect to known material misrepresentations.

The Policy extends to all employees, officers, directors, experts and any contractors, consultants or agents working on behalf of the Company.

The Policy covers, without limitation, disclosures in documents filed with or furnished to the United States Securities and Exchange Commission (the “**SEC**”) and other applicable 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 web site and other electronic communications including email, SMS text messages, and social networking web sites (“**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 or influence a reasonable investor’s decisions to buy, sell or hold those securities.

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

This means that if the statements made by the Company or its representative 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 persons not formally designated as Company spokespersons may be viewed as made on behalf of the Company. Therefore, all persons governed by this Policy as described above must familiarize themselves with this Policy and comply with it.

### **RELEVANT POLICIES**

This Policy should be read in conjunction with the Company's Code of Business and Ethical Conduct, the Company's Insider Trading Policy Statement and the Company's Whistleblower Policy. Copies of the Code of Business and Ethical Conduct, the Insider Trading Policy Statement and Whistleblower Policy are posted on the Company's web site or may be obtained from the Company's head office.

### **DEFINITION OF MATERIAL INFORMATION**

Various sections of this Policy refer to the term "material information". For the purposes of this Policy, material information refers to any information relating to the business and affairs of the Company and its subsidiaries that (i) results in, or would reasonably be expected to result in, a significant change in the market price or the value of any of the Company's listed securities, or (ii) would influence a reasonable investor's decisions regarding those securities. The Company's Disclosure Committee (described below), with assistance from outside advisors and ultimately stock exchange market surveillance, will determine whether or not information is material. Those governed by this Policy should not bear the burden of assessing materiality and should therefore bring all undisclosed information that they believe may be "material information" to the attention of the Disclosure Committee.

### **DISCLOSURE COMMITTEE**

The Company has established a Disclosure Committee to assume responsibility for the Company's disclosure practices. The members of the Disclosure Committee are the Chairman of the Board, the Chairman of the Audit Committee and the Chief Executive Officer and such other persons the Board deems necessary.

The Disclosure Committee is responsible for:

- (a) implementation of this Policy and the education of employees, officers and directors, experts, contractors, consultants and agents 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 made a misrepresentation but rather should receive positive feedback for promptly informing the Disclosure Committee of the misrepresentation);
- (b) 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 accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure ("**Disclosure Controls and Procedures**");

- (c) monitoring the integrity and effectiveness of the Company's Disclosure Controls and Procedures on an ongoing basis and reporting findings to the Chief Executive Officer and Chief Financial Officer;
- (d) reviewing and supervising the preparation of the Company's (i) financial statements, management discussion and analysis ("MD&A"), and all related financial reports, annual reports, management proxy circulars, material change reports, and all other reports and statements filed by the Company pursuant to applicable securities legislation, regulations and rules, (ii) news releases and other communications to shareholders and the public, (iii) presentations to analysts, the investment community, rating agencies and lenders, and (iv) information to be included on the Company's web site or otherwise made public through Electronic Communications (collectively, the "**Disclosure Statements**");
- (e) maintaining written records of the Disclosure Controls and Procedures followed in connection with the preparation, approval and dissemination of the Disclosure Statements;
- (f) evaluating the effectiveness of the Company's Disclosure Controls and Procedures as of the end of each quarter and as of year end; and
- (g) making any required communications or disclosures, through the Company's authorized spokespersons, (i) to applicable regulatory authorities, including applicable securities regulatory authorities and stock exchanges, regarding disclosure of material information, unusual market activity or non-compliance with the corporate governance requirements of applicable securities regulatory authorities and stock exchanges, and (ii) to the public regarding any notification of deficiency from applicable securities regulatory authorities and stock exchanges.

The Disclosure Committee shall have full access to all Company books, records, facilities, and personnel. The Disclosure Committee may adopt policies and procedures for carrying out its responsibilities. The Disclosure Committee shall meet as frequently as circumstances dictate and shall maintain minutes of its meetings. The Disclosure Committee may, in its sole discretion and at the Company's expense, retain outside advisors to assist with the performance of its duties.

The Disclosure Committee will report to the Audit Committee of 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.

## **DISCLOSURE RESPONSIBILITIES**

### **Company Spokespersons**

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:

- the Chief Executive Officer; and
- specific persons as may be designated from time to time by the Chief Executive Officer or the Disclosure Committee.

Any inquiries from the financial community, investors, shareholders and trade or other media shall be referred to the Chief Executive Officer.

### **Determinations as to Materiality**

The Disclosure Committee, in consultation with the Company's Board of Directors (the "**Board**"), should determine whether information is material. In making a determination, the Committee will consider all relevant factors, including the information that has previously been disclosed by the Company.

It is essential to keep the Disclosure Committee fully apprised of all pending material Company developments in order to assist the Disclosure Committee in evaluating and determining the appropriateness and timing for public release of information and to avoid the risk of selective disclosure. Accordingly, those governed by this Policy shall inform the Disclosure Committee of any circumstances or events that could reasonably be considered to be "material information" as described in this Policy.

### **Primary Disclosure Responsibilities**

The Chief Financial Officer, in consultation with legal counsel, has primary responsibility for overseeing the preparation of the MD&A, financial statements and all related financial reports, the filing and assembly of the Company's disclosure documents filed with applicable securities regulatory authorities, including the financial statements, MD&A, annual reports, management proxy circulars and all other reports and statements filed by the Company pursuant to securities legislation.

### **Disclosure Regarding Internal Control Over Financial Reporting**

The Chief Executive Officer and Chief Financial Officer are responsible for (i) ensuring that the Company maintains adequate internal control over financial reporting in compliance with the requirements of the United States Sarbanes-Oxley Act of 2002 and any similar securities laws and regulations, (ii) if required by applicable securities laws and regulations, evaluating the Company's internal control over financial reporting as of the end of each year and providing a report on the effectiveness of such internal control over financial reporting, and (iii) taking certain other required actions and making certain other related disclosure in accordance with applicable securities laws and regulations.

### **DISCLOSURE CONTROLS AND PROCEDURES**

The Disclosure Committee shall establish procedures and timetables to be followed by the Company and all relevant persons for the preparation, review and dissemination of Disclosure Statements. 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 prepared and disclosed in compliance with this Policy.

The Disclosure Controls and Procedures will involve the following:

- (a) identification of all disclosure and filing requirements under securities laws, rules, regulations 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) procedures for the identification and timely reporting to the Disclosure Committee of information that may constitute material information or that may constitute a material change to previously disclosed material information, including the identification of individuals who have authority to take actions that 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;
- (f) procedures for the identification and reporting to the Disclosure Committee of any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting;
- (g) 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
- (h) ongoing evaluation of the Company’s Disclosure Controls and Procedures.

## **DISCLOSURE GUIDELINES**

### **Immediate Disclosure**

Disclosure shall be made without delay when material information becomes known or when it is apparent that the known information is material based on reasonable investigation. Immediate release is necessary to ensure that material information is promptly available to all investors, to reduce the risk of selective disclosure, and to reduce the risk of persons with access to the information acting upon undisclosed information. Immediate disclosure is also required, in many instances, by securities laws and exchange regulations.

### **Extent of Disclosure**

Disclosure must include all relevant information and must not omit any information that would make the rest of the disclosure misleading.

Both favorable and unfavorable information must be disclosed in the same timely and accurate manner. Reluctance or refusal to release unfavorable 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 unfavorable information will have similar detrimental effects, and are likewise prohibited.

### **Disclosure of Intended Corporate Actions**

Many developments must be disclosed before an event actually occurs, if the development itself gives rise to material information. Announcements of an intention to proceed with a transaction or activity should be made when a decision has been taken by the Board of Directors or by senior management, with the expectation of concurrence from the Board of Directors. Updates with respect to intended corporate actions should be announced at least every 30 days 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.

While material information must be released immediately, judgment must be exercised as to the timing and propriety of news releases concerning corporate developments to avoid the potential for misleading, incomplete 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 its intent (even though proceeding may be subject to contingencies).

### **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, but may be warranted depending on the circumstances.

### **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 news release. Pending such disclosure, the Company shall contact all stock exchanges on which the Company's securities are listed (the "Exchanges") and, if necessary, request that trading in the Company's securities be halted.

### **Stock Exchange Notification**

The Exchanges must be notified and supplied with an advance copy of all proposed news releases. While the Exchanges may permit certain news releases to be issued after the close of trading, the Exchanges generally require immediate disclosure, which may require issuance of the news release during trading hours. Where an announcement is made after the Exchanges have closed and prior notification to the Exchanges has not been made, the Exchanges should be advised before the next opening of trading.

### **News Releases**

All material information shall be publicly disclosed via news release. Announcements of material information should be factual and balanced, neither over-emphasizing favorable news nor under-emphasizing unfavorable 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.

Financial results releases will be issued promptly following Board approval of the annual and interim financial statements. All news releases disclosing the Company's financial results shall be reviewed by the Company's Audit Committee prior to any public disclosure.

News releases will be disseminated through an approved news wire service that provides 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 Exchanges and all relevant regulatory bodies, to the major business wires and to national financial media. News releases will be posted on the Company's web site promptly after release over the news wire.

## **Delaying Disclosure of Material Information**

Despite any statement to the contrary in this Policy, under 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 would prejudice the ability of the Company to pursue its legitimate corporate objectives, such as:

- where a release would prejudice the ability to pursue specific and limited objectives or to complete a transaction that is under way (e.g., mergers and acquisitions);
- 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 or service or details on its features might be withheld, unless available to competitors from other sources); and
- 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.

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 unfavorable consequences of delaying disclosure. Under the Amex rules, in certain limited circumstances the Company may not be required to make public disclosure of material events, such as where it is possible to maintain confidentiality of those events and (i) immediate public disclosure would prejudice the ability of the Company to pursue its legitimate corporate objectives, or (ii) when the facts are in a state of flux and a more appropriate moment for disclosure is imminent.

In circumstances where material information has not yet been publicly disclosed, the material information must be kept completely confidential (see “Maintaining Confidentiality”). Disclosure should be confined to the highest possible echelons of management and should be disclosed to officers, employees and others on a “need to know” basis only. Distribution of paperwork and other data should be held to a minimum. When the information must be disclosed more broadly to Company personnel or others, their attention should be drawn to its confidential nature and to the restrictions that apply to its use, including the prohibition on insider trading. Documents containing the material information should be marked as “Confidential”. It may be appropriate to require each person who gains access to the information to report any transaction which he or she effects in the Company's securities to the Company. If counsel, accountants, financial or public relations advisers or other outsiders are consulted, steps should be taken to ensure that they maintain similar precautions within their respective organizations to maintain confidentiality.

If rumors concerning such information should develop, immediate public disclosure is necessary.

## **Forward-looking Information**

Should the Company elect to disclose “forward-looking information” or “forward-looking statements” (as such terms are defined in applicable securities laws and regulations and as referred to together herein as “**FLI**”), in Disclosure Statements the following guidelines will be observed:

- (a) 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) and, if required filed with or furnished to applicable securities regulators.

- (b) The document or oral statement containing the FLI will contain the following cautionary language, proximate to the FLI:
  - (i) a statement identifying the FLI as “forward-looking information” or a “forward-looking statement”;
  - (ii) a statement identifying specific material factors that could cause actual results to differ materially from a forecast or projection in the FLI; and
  - (iii) a statement of the specific material factors or assumptions that were applied in making a forecast or projection in the FLI.
- (c) 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.
- (d) There must be a reasonable basis for making the forecasts or projections in the FLI.
- (e) 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 incorrect, the Company may choose to issue a news release explaining the reasons for the difference. In such a case, the Company will update its guidance on the anticipated impact on financial results (or other key metrics).

## **Rumors**

Rumors surrounding the Company may arise from time to time that may affect the Company’s stock price. It is the Company’s policy not to comment, affirmatively or negatively, on rumors. This also applies to rumors on the Internet. Until the Company has conducted a reasonable investigation to ascertain whether there is validity to a particular rumor, the Company’s spokespersons will respond consistently to those rumors, stating, “It is our policy not to comment on market rumors or speculation”.

The Exchanges rules may require that the Company issue a clarifying statement or denial in response to rumors. Should the Exchanges request that the Company make a clarifying statement in response to a market rumor that is causing significant volatility in the stock, the Disclosure Committee will consider the matter and decide whether to make a Policy exception. If the Company becomes aware of a rumor or report, true or false, that contains information that is likely to have, or has had, an effect on the trading in its securities, or would be likely to have a bearing on investment decisions, the Company will publicly clarify the rumor or report as promptly as possible. If the rumor is true, in whole or in part, the Company will immediately issue a news release disclosing the relevant material information. In the case of a material rumor containing erroneous or incomplete information which has been circulated, an announcement will be made denying the rumor and setting forth facts sufficient to clarify any misleading aspects of the rumor.

If rumors develop concerning information, the disclosure of which had been appropriately delayed (as set forth under the heading “Delaying Disclosure of Material Information”), immediate public disclosure will be made.

### **Conference Calls**

Conference calls may 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. Any such 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 forward-looking statements 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 and forward-looking statements.

The Company may invite analysts, institutional investors, the media and others to participate in conference calls. Any non-material supplemental information provided to participants will also be posted to the Company’s web site for others to view. 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.

The Disclosure Committee will hold a debriefing meeting 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.

### **Managing Expectations**

If it is likely the Company will report 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 any position on analysts’ financial results estimates (see “Reviewing Analyst Draft Reports and Models” below).

### **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, except in accordance with applicable securities laws and unless 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 needed 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 material undisclosed 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.

### **Reviewing Analyst Draft Reports and Models**

Generally, the Company will not review analysts' draft research reports or models. However, in order to prevent dissemination of inaccurate information, the Company may, as necessary, review a report or model for the purpose of pointing out errors in fact based on publicly disclosed information. With respect to an analyst's estimates or projections, the Company's policy is not to comment on or question an analyst's assumptions unless they are not realistic in view of previously disclosed historical information or other publicly available information. The Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will limit its comments on the analyst's model and financial results estimates as described above. Under no circumstances should the designated spokesperson comment on any forecasts, projections or other forward-looking information contained in a draft analyst's report or model.

In order to avoid appearing to "endorse" an analyst's report or model, the Company will only comment orally or will attach a disclaimer to written comments. A record of the Company's comments together with a copy of the draft analyst's report shall be kept by the Chief Financial Officer. Subject to the foregoing, the Company shall not retain any draft analysts' reports or models provided to it.

### **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 web site. The Company may post on its web site as complete a list as practical, 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 web sites or publications.

### **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 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 or other stock repurchase program in which the Company would reasonably be asked to explain why it has decided to buy back its own securities.

### **Quiet Periods**

In order to avoid selective disclosure or the perception or appearance of selective disclosure, at the discretion of the Company's Disclosure Committee, the Company may observe a quiet period, during which the Company will not discuss the Company's expected financial performance with anyone, including investment analysts, investors or financial media, other than to respond to unsolicited inquiries concerning publicly disclosed factual matters or historical information.

The quiet period commences at the end of a quarter or year-end and ends at the close of business on the business day following the issuance of a news release disclosing material quarterly or annual financial results. 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 and, if required, furnished to the applicable securities regulators.

### **Market Activity**

Whenever unusual market action takes place in the Company's securities, the Company will make inquiries to determine whether rumors or other conditions requiring corrective action exist, and, if so, take whatever action is appropriate. The Company will consider in particular: (i) whether any information about its affairs which would account for the action has recently been publicly disclosed; (ii) whether there is any information of this type that has not been publicly disclosed (in which case the unusual market action may signify that a "leak" has occurred); and (iii) whether the Company is the subject of a rumor or report.

If the Company determines that the market action results from material information that has already been publicly disseminated, generally no further announcement will be made. If, however, the market action indicates that such information may have been misinterpreted, the Company may issue a clarifying announcement. If the market action results from the "leak" of previously undisclosed information, the information in question will be promptly disseminated to the public. If the market action results from a false rumor or report, the Company will follow the approach outlined under the heading "Rumors" above. Finally, if the Company is unable to determine the cause of the market action, the Company may issue a "no news" release (i.e., announce that there has been no material development in the Company's business and affairs not previously disclosed or, to its knowledge, any other reason to account for the unusual market action).

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 by the Disclosure Committee. Any unusual market activity will be reported to the Exchanges immediately.

The names and phone numbers of the Chief Executive Officer and the Chief Financial Officer should be given to the Exchanges for contact in the event of unusual trading in Company securities.

### **Distribution of Information during or in Anticipation of a Public Offering**

The dissemination of material information prior to or during the course of any public offering is generally prohibited and if made, 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 such period is consistent with the Company's prospectus or other offering documents. The Chief Financial Officer will coordinate the Company's disclosure during any such periods.

### **MAINTAINING CONFIDENTIALITY**

Any person subject to this Policy that is privy to confidential information concerning the Company is prohibited from communicating such confidential information to anyone else unless expressly authorized by the Disclosure Committee and permitted by applicable law. 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. With respect to material non-public information

about the Company, persons subject to this Policy are prohibited from communicating such information to anyone inside or outside of the Company (except for disclosure inside the Company that is made in the necessary course of a person's employment with the Company). For more information, please refer to the Company's Insider Trading Policy Statement.

Outside parties privy to undisclosed material information concerning the Company will be told that they must not divulge such information to anyone else, 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 nondisclosure in the form of a written confidentiality agreement.

### **Procedures for Maintaining Confidentiality**

In order to prevent the misuse or inadvertent disclosure of material information, the procedures set forth below should be observed at all times:

- Documents and files containing confidential information shall be kept in a safe place to which access is restricted to individuals who "need to know" that information and have executed any necessary confidentiality agreements (or are otherwise subject to a duty to maintain confidentiality), and code names should be used if necessary.
- Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
- Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
- Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
- Transmission of documents by electronic means, such as by email or 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.
- 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.
- Access to confidential electronic data should be restricted through the use of passwords.

### **Exceptions to Confidentiality Requirements**

There are circumstances where selective disclosure is required in order to enable the Company to complete certain transactions. Except for disclosure made to (i) employees, officers and directors of the Company (including, without limitation, experts, consultants, contractors and agents), (ii) to persons with a duty of trust or confidence to the issuer (such as an attorney, investment banker, or accountants) or (iii) applicable regulatory authorities and credit rating agencies, which shall be permitted, disclosure of material non-public information may be disclosed only to a person who expressly agrees to maintain the disclosed information in confidence. In such cases, the Company shall make clear to the recipient the confidential nature of the information and shall obtain the recipient's express undertaking not to

disclose the information or engage in any trading in the Company's securities until the information has been publicly disclosed.

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

1. when the undertaking was made and by whom; and
2. what information the undertaking covers.

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

### **DISCLOSURE RECORD**

The Chief Financial Officer will maintain for six years a file containing all public information about the Company, including continuous disclosure documents, filings with securities regulators, news releases, analysts' reports, and transcripts or tape recordings of conference calls. The Chief Financial Officer will also maintain a copy of all material back-up information relating to public disclosures.

### **THE COMPANY'S WEB SITE AND ELECTRONIC COMMUNICATIONS**

This Policy also applies to electronic communications through the Company's web site, the Internet and email, social media web sites and SMS text messages.

#### **The Company's Web site**

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

Appropriate disclaimers will be posted on the Company's web site and other steps will be taken to the effect that the disclosure of information on the Company's web site does not constitute an offering of securities contrary to any applicable securities laws or rules, where applicable.

Investor relations material shall be contained within a separate section of the Company's web site 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 web site, including text and audio-visual material, shall show the date such material was issued. The Chief Financial Officer will maintain records indicating the date that material information is posted and/or removed from the investor relations web site. The minimum retention period for material corporate information on the web site shall be six years.

The Disclosure Committee shall implement and maintain a procedure for regularly reviewing the information on its web site for accuracy, completeness and currency. News releases and securities filings shall be moved from the "current" to "historical" sections as time passes and the Company shall ensure that new releases are posted to the web site as material developments occur. The Chief Financial Officer shall also be responsible for responses to electronic inquiries.

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

### **Participation in Chat Rooms, News Groups, or Social Networking Web Sites**

Employees, officers and directors, as well as experts, consultants, contractors and agents, are prohibited from participating in Internet chat rooms, news groups, and social networking web site discussions on matters pertaining to the Company or its securities. This includes communicating any corporate information via social networking or SMS text messaging sites, whether accessed from a work or other location.

### **INQUIRIES**

Any questions regarding the application of this Policy should be referred to the Chief Financial Officer.

### **COMMUNICATION AND ENFORCEMENT**

This Policy will be provided to all employees, officers, directors, experts, contractors, consultants and agents of the Company and 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, director, expert, consultant, contractor or agent 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, director, expert, contractor, consultant or agent 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.