

# ADENTRA INC.

## POLICY STATEMENT

### Disclosure of Material Information and Insider Trading

#### I. PURPOSE

The purpose of this Policy Statement is to detail the legal obligations of employees of ADENTRA Inc. (the "Corporation") and its subsidiaries regarding the disclosure of material information about the Corporation and its subsidiaries and the trading in securities of the Corporation held by such employees.

#### II. OVERVIEW

Securities laws contain very strict provisions regarding the trading in securities of public entities such as the Corporation by people who have the benefit of material information about the Corporation and its subsidiaries, its business or prospects that has not been disclosed to the public. It is illegal for anyone with knowledge of material information affecting a public entity that has not been publicly disclosed to purchase or sell securities of that entity. It is also illegal for anyone to inform any other person of material non-public information, except in the necessary course of business. Therefore, insiders and employees with knowledge of confidential or material information about the Corporation and subsidiaries are prohibited from trading in securities of the Corporation until the information has been fully disclosed and a reasonable period has passed for the information to be widely disseminated.

#### III. MATERIAL NONPUBLIC INFORMATION

Information is "material" if it would reasonably be expected to have a significant effect on the market price or value of the Corporation's securities. In general, information is material if its disclosure to the public would affect an investor's decision to purchase or sell the Corporation's securities. The Corporation must disclose material information to the public immediately. This principle applies to both corporate information (e.g. supply, production, sales, revenues, profits) and to market information (e.g. involvement in a takeover bid, amalgamation, major acquisition.) In most cases, information concerning the following events relating to the Corporation or its subsidiaries should be presumed to be "material":

- Changes in previously disclosed financial information.
- Unexpected or unusual gains or losses in major operations.
- Declaration of stock splits and stock dividends.
- Mergers, acquisitions or takeovers (including related negotiations).
- Proposed issuances of new securities.
- Significant changes in operations, including material curtailment plans.

- Significant increases or declines in backlog orders or the award or execution of a significant new contract.
- Significant new products to be introduced.
- Extraordinary borrowings.
- Major litigation.
- Default of debt covenants or financial liquidity problems.
- Significant changes in management.
- The purchase or sale of substantial assets.

This list is not exhaustive and other types of information may be considered material. Before conducting a trade, employees should carefully consider how regulators and others might view the transaction with the benefit of hindsight.

#### **IV. NO “TIPPING” OF MATERIAL, NONPUBLIC INFORMATION**

It is illegal to privately disclose or “tip” material non-public information to another person who subsequently uses that information to trade in the Corporation’s securities or otherwise to profit. To reduce the chances of inadvertent tipping, any non-public information that might be considered material should not be discussed with any person outside the Corporation.

Employees should be discreet with non-public information and refrain from discussing it in public places where it can be overheard, such as elevators, restaurants, taxis and airplanes. Likewise, care should be taken to protect sensitive information from access by unauthorized persons (for example, by allowing sensitive information displayed on a laptop to be viewed by someone on an airplane).

#### **V. INSIDER TRADING**

##### *Application*

The insider trading policy applies to directors and officers of the Corporation and its subsidiaries, any securityholder that owns 10% or more of the issued voting shares (or securities exchangeable for such shares) and employees (at all levels), auditors, outside counsel, underwriters, printers and others who acquire directly confidential material information about the Corporation as well as tippees who acquire such information indirectly through those persons. Such persons are “insiders” for the purpose of this Policy. The rules apply to any direct or indirect trade in a security of the Corporation including trades in shares and debentures as well as options and rights.

##### *Liability*

An insider who wants to buy or sell shares should be careful about when he or she buys or sells. An insider who trades in securities of the Corporation while the insider is aware of material undisclosed information is putting both the Corporation and the insider at risk for civil and quasi-criminal liability.

The insider could be liable to account for the full amount of any profit made or loss avoided on the trade, as well as pay a fine equal to the greater of \$5 million or three times the profit made or loss avoided.

## **VI. POLICY - TRADING RESTRICTIONS AND BLACKOUT PERIODS**

It is illegal for anyone to purchase or sell securities of any public entity with knowledge of material information affecting that entity that has not been publicly disclosed. Except in the necessary course of business, it is also illegal for anyone to inform any other person of material non-public information.

Therefore, all directors, officers, senior management and employees with knowledge of confidential or material information about the Corporation, its subsidiaries or counter-parties in negotiations of material potential transactions, are prohibited from trading securities of the Corporation, its subsidiaries or any counter-party until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated.

The following policies regarding specific trading restrictions and blackout periods have been adopted by the Corporation.

### **1. Financial Statement Preparation Periods**

No trade in any security of the Corporation is allowed by any director, officer and senior management of the Corporation and its subsidiaries (collectively "Corporate Insiders"), and employees of the Corporation and its subsidiaries involved in the preparation of the Corporation's financial statements, during periods when financial statements are prepared, but results have not yet been publicly disclosed.

Pursuant to this policy, no trade in securities of the Corporation is allowed by Corporate Insiders and such employees for the period from a quarter-end until three (3) days following the press release of the results for such quarter.

### **2. Other Information**

No trade in securities of the Corporation is allowed by any, director, officer or employee of the Corporation and its subsidiaries for any material information (that does not include an anticipated monthly cash dividend), is not generally disclosed from the day such material information becomes known until three (3) days after the issue of such a press release.

If material information is announced through a press release, the regular three (3) day post-announcement blackout period may be extended for a further period of time as determined by a member of the Management Team in order to allow the market time to absorb the information. The amount of time required will vary from time to time.

### **3. Special Block-out Periods**

No trade in securities of the Corporation is allowed by any director, officer or employee of the Corporation during any other period (a "Special Block-Out-Period") when the CEO, CFO, or legal counsel designates that a trade cannot be made in the securities of the Corporation.

#### 4. Corporate Insiders

All Corporate Insiders must contact either the President or the Chair of the Board of directors, before entering into any trade of securities of the Corporation.

##### **Reporting**

Corporate Insiders of the Corporation or any of its subsidiaries, or any holder of 10% or more of the Corporation's shares (or securities exchangeable for 10% or more of the Corporation's shares), must file an insider trading report with the securities regulatory authorities within 10 days of completing the trade.

All insider reports must be filed electronically. It is the Corporate Insider's responsibility to ensure that the reports are filed on a timely basis. The CFO can assist with this process if required.