

# **ALGOMA CENTRAL CORPORATION**

## **CORPORATE DISCLOSURE POLICY**

### **PURPOSE**

Algoma Central Corporation and subsidiaries, joint ventures and partnerships (the “Corporation” or “Algoma”) are committed to a corporate disclosure policy that will ensure timely and effective communication of all material information to investors. This policy is designed to achieve this goal by setting out clear policies and procedures that can easily be followed by every Director, Officer and/or Employee of the Corporation when dealing with the Corporation’s communication issues.

### **APPLICATION**

This policy applies to the conduct of directors, officers, managers and employees of the Corporation and to all methods that the Corporation uses to communicate with the investing public, including:

- Written statements including annual reports, interim reports, other regulatory documents to be filed with SEDAR, press releases, letters to shareholders, speeches by senior management, investor presentations and the Corporation’s Internet web page;
- Oral statements including individual or group meetings, telephone conversations, interviews and news conferences.

### **RELATED RULES AND GUIDELINES**

The Canadian Securities Administrators (“CSA”) issued continuous disclosure requirements for reporting issuers and is set out in National Instrument 51-102. (Appendix A) The CSA and the Toronto Stock Exchange (“TSX”), (Part IV of the TSX Corporation Manual) (Appendix B), both have timely disclosure policy statements requiring issuers to disclose all material information (whether positive or negative) pertaining to the Corporation immediately upon the information becoming known to management. In certain limited circumstances, disclosure of material information about the Corporation may be delayed for reasons of corporate confidentiality.

Disclosure is only required where such information is considered material. Although management may have actual knowledge of a fact or event relating to the Corporation, disclosure of same is necessary as soon as management becomes aware that such information is material.

## **DISCLOSURE COMMITTEE**

The Corporation's Disclosure Committee shall be responsible for overseeing the disclosure practices of the Corporation and will include the President and Chief Executive Officer, the Vice President, Finance and Chief Financial Officer, and the Director - Treasury.

The Committee's responsibilities include:

- maintaining an awareness and understanding of governing disclosure rules and guidelines, including any new or pending developments;
- ascertaining whether corporate developments constitute material information and, if so, ensuring compliance with the procedures outlined in this policy;
- developing and implementing procedures to regularly review, update and correct corporate disclosure information, including information on the Internet web site;
- ensure material information is communicated to the Audit Committee and Board of Directors
- bringing this policy to the attention of the Corporation's directors, management and staff on a regular basis;
- monitoring compliance with this policy and undertaking reviews of any violations, including assessment and implementation of appropriate consequences and remedial actions;
- reviewing this policy at least annually and updating as necessary and appropriate to ensure compliance with prevailing rules and guidelines.

## **SPOKESPERSONS**

The following individuals have been identified by the Corporation as Spokespersons for the purposes of this policy:

- the President & Chief Executive Officer; or
- the Vice President, Finance and Chief Financial Officer;
- Employees other than authorized spokespersons should not respond to requests for Corporation information from the investing public unless specifically asked to do so by an authorized spokesperson. Any such requests should be referred to a Spokesperson.

## **MATERIALITY**

Determining whether or not information is material involves taking into account both the likelihood that the event or activity will occur and the magnitude or effect thereof within the context of the business of the Corporation. A fact is generally considered material when it will affect the market price or value of the Corporation's securities or when the fact could reasonably be expected to have a significant effect on the market price or value of the Corporation's securities. Decisions on the materiality of information are to be made within the context of the Corporation's overall business affairs.

Generally, information will be considered "material" if:

- i) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision regarding the Corporation's publicly traded securities;
- ii) there is substantial likelihood that a reasonable investor would view the information as having significantly altered the "total mix" of available information about the Corporation; or
- iii) the public disclosure of that information would reasonably be expected to have a significant impact on the market price or value of the Corporation's publicly traded securities.

Where it is uncertain whether information is material or whether information needs to be publicly disclosed, the Disclosure Committee should be consulted.

Actual or proposed developments or activities that are likely to require disclosure include:

- changes in corporate structure, such as changes in share ownership that may affect corporate control, take-over bids and insider bids;
- reorganizations, amalgamations or mergers;
- changes in capital structure, such as the public or private sale of securities;
- changes in financial results, such as a significant increase or decrease in earnings, prospects or unexpected changes in the financial results for any period;
- any material change in the Corporation's accounting policies or procedures;
- borrowing significant amounts of money or mortgaging or otherwise encumbering any of the Corporation's assets;
- significant new credit arrangements;
- entering into or losing significant contracts;
- development of new products or markets;

- significant changes in management;
- significant litigation;
- events of default under financing or other agreements;
- major labour disputes or disputes with major contractors or suppliers; or
- entering into agreements to purchase or sell companies or significant assets.

## **PROCESS AND RESPONSIBILITIES**

### **General**

The Corporation will publicly disclose all material information relating to the Corporation immediately upon the information becoming known by management or recognized by management as being material information. Unfavourable material information will be disclosed as promptly and completely as favourable information.

### **Confidential Information**

This policy will be in effect in all circumstances *except* on the rare occasion where disclosure of such information would be unduly detrimental to the Corporation or its shareholders or where otherwise dictated by law. Additionally, disclosure shall include any information, which, if omitted, would render the rest of the information disclosed misleading in the light of the circumstances in which it was made.

Such circumstances will be infrequent and in the necessary course of business, and justified by assessment that harm to the Corporation's business from immediate disclosure will outweigh the general benefit to the market of immediate disclosure. In such cases, the Corporation may withhold public disclosure for a limited period of time but it must ensure the information remains confidential. In addition, the Corporation must make a confidential filing with the securities commission.

If, at any time or in any circumstance, confidential material information is inadvertently divulged in a way that results in selective disclosure to any member of the investing public, the Disclosure Committee will initiate a process to ensure full public disclosure and dissemination.

### **Forms of Disclosure**

The Corporation will publicly disclose all material information under the following forms:

- press releases
- annual report to shareholders (including management's discussion and analysis and annual audited financial statements)
- quarterly reports to shareholders (including management's discussion and analysis)

- annual information form
- annual information circular
- Corporation's website
- Presentations to Shareholders and Analysts

## **Content**

Disclosure must be factual and balanced and contain sufficient detail to enable the media and investors to understand the substance and importance of the information such that investors may make informed decisions relative to their shareholdings or potential shareholdings. In addition, disclosure must be provided where appropriate or where required to ensure that prior disclosure is not misleading.

## **No Selective Disclosure**

Disclosure should not be made on a selective basis. Disclosure in an individual or group meeting does not constitute adequate public disclosure of material information. The announcement of undisclosed material information at a press conference or shareholder, analyst or investor meetings should be accompanied by simultaneous general public disclosure of the same information by way of media press release. If information is mistakenly disclosed in a selective manner, the information should immediately be publicly disclosed through the Corporation's standard media disclosure policy.

In order to avoid any potential for, or the perception or appearance of, selective disclosure, the Corporation shall observe a "quiet period" commencing at the latest on the first day following the end of each financial reporting period until the release of the relevant financial results. During quiet periods, the Corporation shall not initiate meetings or other communications with analysts, investors, or the media and shall refrain from discussing matters relating to financial results or financial performance of the Corporation, unless otherwise approved by the Disclosure Committee and/or required by applicable securities laws or stock exchange rules.

## **Response to Rumours or Speculation**

It is the policy of the Corporation to not comment, either negatively or affirmatively, on market rumours or speculation. If a Spokesperson is approached about a market rumour or similar speculation that Spokesperson should respond by stating that it is the Corporation's policy not to comment on market rumours or speculation.

## **Internet Website**

The Corporation has an Internet website *www.algonet.com* that contains information about the Corporation, its businesses and other areas of interest to the public.

The “Investor Relations” section of the Corporation’s website will contain all timely disclosure and material information documents, including Annual and Interim Reports and stock quotes and charts.

The Director-Treasury has ongoing responsibility for ensuring that information in the “Investor Relations” section of the Corporation’s website is up-to-date.

The Disclosure Committee has a broader, oversight responsibility for this section of the website to ensure that appropriate standards of care are being applied for disclosures of information via this medium.

### **Forecasting of Financial and Other Information**

The Corporation should not, without the express consent of the Board of Directors, provide forecasts of future earnings or other future financial results. The Corporation may, however, offer information and guidance to investors that are consistent with or complementary to any other information that has been previously publicly disclosed. Where the Corporation decides to release non-financial forward-looking information, the information should be clearly identified as forward looking and be broadly disseminated by a media press release. Furthermore, the information should detail all material assumptions used in preparing the information as well as details of any risks or uncertainties that may cause the actual results to materially differ from those projected in the information. The Corporation should also make its best efforts to keep such forward looking information current, but should also issue a statement with the media press release indicating that the Corporation neither intends nor is obligated to update the information.

Where such information is off-target, the Corporation should issue a media press release indicating that there is a material difference between the actual and projected results and provide an explanation for such differences.

### **Procedure**

- All potentially significant developments should be reviewed in a timely manner by the Disclosure Committee, as they become known, in order to determine whether or not they are material to the investing public.
- In making this determination, the Disclosure Committee shall refer to this policy and the definitions provided herein.
- In cases where it is unclear whether or not the information is material or where there is uncertainty regarding the necessity of immediate public disclosure, the Corporation should contact Market Surveillance at the TSX.
- When information has been determined to be material, one of the Spokespersons will initiate the disclosure process.
- Disclosure will normally be made by way of a timely media release through an approved and recognized news wire service.

- The release should include the name and contact information of the relevant Spokesperson(s) and will be added to the Corporation's website concurrently with the release to the media.
- Where the media press release includes disclosure of information based on the Corporation's financial statements, the release must first be approved by the Board's Audit Committee.
- During trading hours, the Corporation will give the TSX's Market Surveillance Division prior notice of the material information and provide a copy of the proposed media press release *before* public disclosure is made.
- Having done so, the Corporation will respect any direction from the TSX's Market Surveillance Division regarding the substance or timing of the media press release.
- If the disclosure is made outside of trading hours, the media press release should be provided to the TSX's Market Surveillance Division before the TSX re-opens.
- Any media press release disclosing a material change should be filed on SEDAR as soon as possible with the relevant securities authorities in addition to the applicable Material Change Report.
- Similar information shall also be filed on SEDAR with the relevant regulatory authorities in any other jurisdiction in Canada where the Corporation is listed or is a Reporting Issuer.

## **COMMUNICATION AND ENFORCEMENT**

New directors, officers and employees will be advised of this disclosure policy and its importance. This disclosure policy will be brought to the attention of all employees on an annual basis.

An employee who violates this disclosure policy may face disciplinary action.

## **EFFECTIVE DATE**

This policy as amended has been approved by the Corporation's Audit Committee on February 18, 2009.

## **Revision History:**

1. Original issued & approved – September 7, 2005
2. Revision issued and approved- March 1, 2006
3. Revision issued and approved – February 29, 2008

4. Revision issued and approved – February 18, 2009

4.5. Reviewed – no changes required – February 17, 2010