

# ALGOMA CENTRAL CORPORATION

## INSIDER TRADING POLICY

### INTRODUCTION

The purpose of this policy is to maintain an open and fair process intended to protect the investment of all Algoma Central Corporation's (the "Corporation") securities holders and to ensure that the investing public has equal access to information relating to the Corporation. This policy is also specifically designed to prevent individuals with greater access to information from taking advantage of that situation for their own financial gain to the detriment of the Corporation's securities holders and the investing public.

Insider trading liability arises when individuals in a special relationship with an issuer obtain knowledge of an undisclosed material fact and use that information to their own financial advantage. Similarly, where these same individuals share material information with others who are in a position to use the information for their own financial gain, tipping liabilities arise.

Insider trading and tipping are prohibited both by Canadian securities laws and this policy. Restricted Persons are expected to respect both the letter and the spirit of this policy. Violations of this policy and Canadian securities laws will not be tolerated by the Corporation and may lead to the dismissal or severance of the Restricted Person from the Corporation.

Blackout and Quiet Periods are designed to maintain the current standard of integrity of trading by all Directors, Senior Officers, and Employees of the Corporation. Blackout and Quiet Periods establish clear guidelines for these individuals to follow should they decide to trade securities in a situation where sensitive information has not yet been publicly disclosed. This policy also sets out guidelines for how material information is to be treated during an established Quiet Period.

### RELEVANT DEFINITIONS

For the purposes of this policy:

**Blackout Period** refers to a period of time during which no Restricted Person shall trade in the securities of the Corporation, except with the approval of the Corporation's Trading Officer.

**Material Information** includes any information that would, or could reasonably be expected to, significantly affect the market price or value of the Corporation's securities, or would be otherwise important to an investor deciding whether to buy or sell the Corporation's securities. In determining whether information is material, an individual should consider the nature of the information, current market fluctuations in the price of the shares of the Corporation's stock and the volatility of the value of the Corporation's securities.

**Quiet Period** refers to the period commencing the first day of the month following the quarter and ending when the quarterly financial information relating to such quarter is publicly released.

**Reporting Insider** refers to any Director, Senior Officer or Employee of the Corporation, or any subsidiary, with knowledge of previously undisclosed material information or a material change pertaining to the Corporation. For *Securities Act* purposes, this term also includes any individual not already set out herein, who owns securities of the Corporation, either directly or indirectly, to which more than 10% of all voting rights of the Corporation are attached.

**Restricted Persons** are those employees, in addition to the Directors and Senior Officers of the Corporation, who are in possession of undisclosed material information relating to the Corporation or any other corporation or business entity with which the Corporation is doing business.

**Security** includes shares, options, subscriptions or other interests in or to a security and includes puts, calls, or other rights or obligations to purchase or sell securities, the market price of which varies materially proportionately with the market price of the securities of the Corporation.

**Tipping** involves the disclosure of otherwise undisclosed material information outside of the requirement to disclose such information in the ordinary course of business.

**Trading** is defined as any act in furtherance of a trade as defined in the *Securities Act of Ontario*, from time to time, and is generally defined as the acquisition or disposition of shares or other securities of the Corporation.

**Trading Officer** is an individual(s), appointed by the Board of Directors as an expert in the area of securities law, to whom any questions pertaining to a trade or an intended trade in the securities of the Corporation should be addressed. The Trading Officer is also the individual through whom any questionable trades should be cleared prior to trading.

## **POLICIES**

### **i. Insider Trading**

No Restricted Person may trade in the Corporation's securities unless that individual is satisfied that he or she possesses no material information that has not been previously publicly disclosed. Similarly, such individuals are prohibited from trading in the securities of any other issuer doing business with the Corporation where they believe that they have material information about that issuer which is not publicly disclosed.

### **ii. Confidentiality and Tipping**

Disclosure of material information will be made in a timely manner by the Corporation's spokespersons in accordance with the Corporation's Disclosure Policy. No Restricted Person shall disclose or discuss any material information that has not yet been publicly disclosed except as is required in the ordinary course of business. Furthermore, all persons to whom the information is properly disclosed as required in the ordinary course of business must be told that such information is to be kept confidential. This prohibition is particularly important where the party to which the information is improperly disclosed uses the information to trade securities. This prohibition also applies to passing information to parties who may not use it when trading

securities but may pass the information along to *another* party who may use the information to trade such securities.

### **iii. Blackout Period**

The Corporation shall declare reporting Blackout Periods in connection with each interim quarterly report and each fiscal year report. The Reporting Blackout Period shall be based on the period during which a Restricted Person has or can be reasonably expected to have, Material Information. In addition, ad-hoc Blackout Periods may be prescribed from time to time by the President and Chief Executive Officer or the Chief Financial Officer due to special circumstances relating to the Corporation.

The reporting Blackout Period for Restricted Persons other than Directors (with the exception of the Chief Executive Officer, who shall not be considered a Director for purposes of this Policy) shall commence on the ninth business day following the quarter-end and end upon the disclosure of quarterly or annual earnings. The reporting Blackout Period for Restricted Persons who are Directors shall commence on the day that is seven calendar days before the meeting of the Directors at which quarterly or annual earnings reports are submitted for approval and end upon the disclosure of such earnings.

Any Restricted Person wishing to trade during a Blackout Period should obtain the approval of the Trading Officer. Such trading may be permitted where the Trading Officer is satisfied that there is no material undisclosed information and that there is a compelling reason to permit the trade.

### **iv. Quiet Period**

No Restricted Person who has access to material information shall disclose such information to any investor, analyst or market participant during a Quiet Period. Examples of such information would include, among other things, projected or anticipated quarterly results, commenting on market rumours, etc. Responding to investor or analysts' routine inquiries with respect to publicly available information during any Quiet Period is not prohibited by this policy.

### **v. Insider Reporting**

In accordance with securities law, Reporting Insiders are required to complete and file Form 55-102F6, an insider trading report, with the Ontario Securities Commission within five days of any change in holdings of securities in the Corporation. A copy of this report should also be simultaneously filed with the Corporation's Trading Officer. Any person requiring assistance with this report is encouraged to contact the Trading Officer. The Corporation's Trading Officer is the Corporation's Chief Financial Officer, Peter. D. Winkley. Mr. Winkley can be reached by phone at 905.687.7897, or by electronic mail to peter.winkley@algonet.com.

## **PROCEDURES**

- i. All Restricted Persons who wish to trade securities of the Corporation or any other public company doing business with the Corporation but are uncertain as to whether they have undisclosed information about the Corporation, or any other issuer doing business with

the Corporation, must contact the Trading Officer. It is the responsibility of the Trading Officer to determine whether the information is material and whether it has already been publicly disclosed.

- ii. The President and Chief Executive Officer of the Corporation, after consultation with the Trading Officer, will designate those employees who, in addition to the Directors and Officers of the Corporation, are to be considered Restricted Persons.
- iii. All Restricted Persons should contact the Trading Officer prior to making a trade in order to confirm that they have not been exposed to material information about the Corporation that would affect the propriety of the trade. The Trading Officer shall consult with the President and Chief Executive Officer prior to making a trade in order to confirm that he or she is not in possession of material information about the Corporation that would affect the propriety of the trade.
- iv. Restricted Persons shall not trade the securities of the Corporation or any other issuer doing business with the Corporation should the Trading Officer determine that such person is in possession of previously undisclosed material information or otherwise advise the Restricted Person against such trade.
- v. Any Restricted Person who is uncertain as to whether a Blackout Period is in effect should contact the Trading Officer for clarification.
- vi. Any Restricted Person who wishes to disclose material information during a Blackout or Quiet Period must first obtain the approval of the Corporation's Trading Officer. Any eventual disclosure must be made in accordance with the Corporation's Disclosure Policy.