

**LXRANDCO, INC.**  
**(the “Corporation”)**

***DISCLOSURE AND CONFIDENTIAL INFORMATION POLICY***

The following Disclosure and Confidential Information Policy (the “**Policy**”) was adopted by the board of director of the Corporation on [August 14](#), 2017.

Securities legislation and the rules of the stock exchange on which securities of the Corporation are listed impose various requirements on the Corporation, its subsidiaries and affiliates (collectively, the “**LXR Entities**”), and each of their respective directors, managers, officers and employees and other persons in similar relationships (collectively, “**LXR Personnel**”) relating to disclosure of material information. The objective of this Policy is to ensure that communications with the investing public about the Corporation are:

- timely, factual, accurate, balanced; and
- broadly disseminated in accordance with all applicable legal and regulatory requirements.

This Policy is to be made available to all LXR Personnel upon its adoption and to all new LXR Personnel at the start of their employment or other relationship with the Corporation. The Corporation may change this Policy and the procedures that it contemplates as may be necessary to carry out the purposes of this Policy and applicable legal requirements. This Policy will be distributed to LXR Personnel. Any individual who violates this Policy may face disciplinary action up to and including immediate termination of employment. The violation of this Policy may also violate certain securities laws, which could expose directors, officers or employees to personal liability. If it appears that an individual may have violated such securities laws, the Corporation may refer the matter to the appropriate regulatory authorities, which could lead to fines or other penalties.

Obeying the law, both in letter and in spirit, is the foundation on which the Corporation’s ethical standards are built and is critical to the Corporation’s reputation and continued success. All LXR Personnel must respect and obey the laws of the various jurisdictions in which the LXR Entities operate and avoid even the appearance of impropriety. Although not all LXR Personnel are expected to know the details of these laws, it is important to know enough to determine when to seek advice from executive members or other appropriate personnel. The Chief Executive Officer or Executive Chairman of the Corporation are available to assist LXR Personnel in determining applicable legal requirements and to seek the advice of legal counsel where appropriate.

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## 1. Procedures and Guidelines Governing Confidentiality

### A. Principles of Confidentiality

The protection of confidentiality is vital to the operations and affairs of the Corporation. Securities legislation expressly prohibits LXR Personnel from disclosing material, non-public information concerning (i) the LXR Entities, or (ii) any other company in respect of which LXR Personnel may receive material, non-public information, to any person except in the necessary course of business.

Because it may be difficult to determine what information is confidential, all information received by and relating to the LXR Entities (as well as information learned about others while acting on behalf of the LXR Entities) should be treated as if it were confidential. As a general guideline, LXR Personnel should not discuss the affairs of the LXR Entities with, or make information about the LXR Entities available to, outsiders. Except as contemplated in this Policy, no LXR Personnel should disclose any confidential information or material, non-public information unless that disclosure is required as part of his or her regular duties. Where that information is to be disclosed to third parties, the LXR Entities may want to take specific steps to preserve the confidentiality of the information, including requiring the recipient of the information to sign an appropriate form of confidentiality agreement. All inquiries from outsiders regarding confidential or material, non-public information about the LXR Entities should be referred to a member of the Disclosure Committee (as defined below), who will arrange a response.

No LXR Personnel should provide trading advice of any kind about the LXR Entities to anyone, in particular while possessing material, non-public information about the LXR Entities, except that LXR Personnel should advise others not to trade in securities of the Corporation if that trading might violate applicable laws or regulations or this Policy.

### B. Guidelines for Maintaining Confidentiality

**General Guidelines.** To protect the confidentiality of information, the following general guidelines should be followed on all matters (more stringent measures may be adopted for particularly sensitive matters at the discretion of the responsible individual):

- only those third parties that clearly have been authorized should be provided with confidential information;
- confidential information should not be discussed in public places such as elevators, hallways, restaurants, health clubs, taxis or the subway;
- documents containing confidential information should not be read, discarded or carried in public places in a manner that may allow others to read them;
- documents containing confidential information should not be left unattended in public places, such as meeting rooms, reception areas or washrooms;
- persons from outside the LXR Entities should not be allowed to use or be in an area unattended where documents containing confidential information might be read by them;
- persons from outside the LXR Entities should not be told whether a special “trading blackout period” has been designated; and

- shredding boxes should be used for the disposal of all non-public documents.

**Special Measures.** While judgment and care should be exercised at all times, the individual responsible for a particularly sensitive matter should consider whether other steps would be appropriate to minimize the risk of the confidentiality of information being compromised. Those steps might include:

- restricting access to the information within the LXR Entities;
- marking all envelopes or packages containing sensitive materials as confidential and for opening by the addressee only;
- securing or coding all communications that will be sent electronically;
- storing sensitive information on computers in a manner that limits the risk that unauthorized operators might gain access;
- logging-off computers when away from the terminal for any substantial period;
- omitting names of parties and other identifying information from preliminary drafts of documents for sensitive matters;
- holding of telephone and other conversations (and particularly those on speaker phones) regarding a confidential matter behind closed doors; and
- assigning to any new confidential matter a code or other non-identifying name.

## **2. Procedures and Guidelines Governing Disclosure**

### **A. Disclosure Committee**

The Corporation's disclosure committee (the "**Disclosure Committee**") will consist of the Executive Chair, Chief Executive Officer, Chief Financial Officer and such other senior members of management that the Corporation's Executive Chair may determine. The Disclosure Committee may invite other LXR Personnel, when deemed advisable, to assist in the discussion and consideration of its duties.

The Disclosure Committee is responsible for ensuring that all securities regulatory disclosure requirements are met and for overseeing the Corporation's disclosure practices. This responsibility includes the design, implementation and regular evaluation of the Corporation's disclosure controls and procedures to ensure that information required to be disclosed in Corporation filings is made known to the Disclosure Committee and recorded, processed, summarized and reported within the required time periods.

It is essential that the Disclosure Committee be kept fully apprised of all pending material developments in order to evaluate and discuss those events to determine the appropriateness and timing for public release of information. The Disclosure Committee will identify appropriate industry and Corporation disclosure benchmarks for a preliminary assessment of materiality and timely disclosure, taking into consideration such factors as the nature of the information, historical volatility of the Corporation's securities, and prevailing market conditions. Guided by these benchmarks, the Disclosure Committee will use experience and judgment to determine the timing for public release of material information.

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**B. Material Information**

For the purposes of this Policy, “material information” means any information relating to the business and affairs of the Corporation that would reasonably be expected to result in a significant change in the market price or value of the Corporation’s securities or that would reasonably be expected to have a significant influence on a reasonable investor’s investment decisions. Material information consists of both material facts and material changes relating to the Corporation’s business and affairs.

While it is not possible to identify all information that would be considered to be “material”, the following developments would ordinarily be considered by the Toronto Stock Exchange (“TSX”), among others:

- changes in the ownership of securities that may affect control of the Corporation;
- changes in structure, such as reorganizations, amalgamations, etc.;
- take-over bids or issuer bids;
- major acquisitions or dispositions;
- changes in capital structure;
- borrowing of a significant amount of funds;
- public or private sale of additional securities;
- entering into or loss of significant contracts;
- firm evidence of significant increases or decreases in near-term earnings prospects;
- changes in capital investment plans or objectives;
- significant changes in management;
- significant litigation;
- major labour disputes or disputes with major contractors or suppliers;
- events of default under financing or other agreements; and
- any other developments relating to the business and affairs of the Corporation that would reasonably be expected to significantly affect the market price or value of any of the Corporation’s securities or that would reasonably be expected to have a significant influence on a reasonable investor’s investment decisions.

**C. Disclosure Principles**

In complying with the requirement to immediately disclose all material information under applicable laws and stock exchange rules, the Corporation will adhere to the following basic disclosure principles:

- Material information will be publicly disclosed immediately via news release.

- Disclosure must include any information the omission of which would make the rest of the disclosure misleading.
- Unfavourable material information must be disclosed as promptly and completely as favourable information.
- The materiality of information cannot be altered by breaking down the information into smaller, non-material components.
- There must be no selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an investor meeting or during a telephone conversation with an analyst). If previously undisclosed material information is inadvertently disclosed, this information must be broadly disclosed immediately via news release.
- Disclosure should be consistent among all audiences, including the investment community, the media, customers, and employees. For clarity, material information must not be disclosed to the Corporation's employees prior to the dissemination and filing of a disclosure news release.
- Derivative information (information extracted from a document filed on behalf of another person or company), which is included in a document or oral statement, should reference the document that was the source of the information.
- Disclosure of material information at an analyst or shareholder meeting, a press conference or conference call, on the Corporation's website, or via social networking sites must be preceded by a news release.
- Disclosure must be corrected immediately if the Corporation subsequently learns that earlier disclosure contained a material error at the time it was given.

#### **D. Rumours**

The Corporation does not comment, affirmatively or negatively, on rumours. This policy also applies to rumours on the Internet, including social networking sites.

Should market surveillance request that the Corporation make a definitive statement in response to a market rumour 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 rumour is true in whole or in part, the rumour might be evidence of a leak, and the Corporation will immediately issue a news release disclosing the relevant material information.

#### **E. Disclosure Procedures**

**Approval of Disclosure.** All written and oral disclosure, including news releases, should be approved, before public disclosure by at least two members of the Disclosure Committee, one of whom must be the Executive Chair. In exceptional circumstances, the Executive Chair or the Chief Executive Officer may approve press releases for issuance where other Disclosure Committee members are unavailable and immediate release is required to comply with securities legislation, rules and regulation. The board of directors of the Corporation (the "**Board**") should review and approve, before public disclosure, all substantive materials filed with securities regulators, other than press releases. The Board should be

provided with all material, non-routine press releases in advance of their issuance. The Audit Committee should review and recommend for approval by the Board, before public disclosure, financial statements, management's discussion and analysis, earnings press releases and any other disclosure derived from the financial statements. Financial results will be publicly released promptly following approval by the Board.

**Corporation Spokespersons.** The **[Executive Chair / Chief Executive Officer]** or a designate will appoint LXR Personnel (spokespersons) who are responsible for communication with the investment community, regulators, the media, and the public. Individuals who are not authorized spokespersons must not respond under any circumstances to inquiries from a stock exchange or other securities regulatory authority, the investment community, the media, or others, unless specifically asked to do so by an authorized spokesperson.

**News Release Procedures.** Once the Disclosure Committee determines that a development is material, it will authorize the issuance of a news release. Should a material statement inadvertently be made in a selective forum, the Corporation will immediately issue a news release to fully disclose that information. If the inadvertent disclosure occurs during business hours, the Corporation must call market surveillance to discuss and/or request a halt in trading while the news release is written. News releases will be disseminated through a newswire service that provides simultaneous national distribution. Full-text news releases will be transmitted to all stock exchange members, relevant regulatory bodies, major business wires and national financial media. News releases will be posted on the Corporation's website after confirmation of dissemination over the newswire (see "Electronic Communications" below). If the subject of a news release is a material change (as defined under Canadian securities laws) for the Corporation, a material change report will also be filed with applicable securities regulators within 10 days of the issue of the news release.

**TSX Notification.** When the TSX is open for trading, prior notice of a press release announcing material information must be provided to the Investment Industry Regulatory Organization of Canada ("**IIROC**") which will determine if a halt in trading is necessary to provide time for the market to digest the news. If a press release announcing material information is issued outside of trading hours, IIROC should be notified before the market opens.

## **F. Electronic Communications**

**General.** This Policy also applies to electronic communications. Accordingly, the Disclosure Committee is also responsible for ensuring that postings on the Corporation's website are reviewed and approved and that such disclosure is accurate, complete, up-to-date, and in compliance with relevant securities laws. Posting information on the Corporation's website or disseminating it through social media networks does not constitute adequate disclosure of information that is considered material non-public information. Any such postings will be preceded by the issuance of a news release.

**Use of the Corporation's Website.** **[All financial statements documents will be provided in the Investor Information section of the Corporation's website. All information posted, including text and audiovisual material, will show the date the material was issued. The Corporation will ensure that all links from the Corporation website to third party websites are approved by a member of the Disclosure Committee. All third party links will open in a new browser window to emphasize that the user has left the Corporation's website.]**

**Use of Social Media.** Given the Corporation's ongoing disclosure obligations as a reporting issuer under Canadian securities laws, the broad reach of social media, the permanence of any postings and the almost

limitless potential to further distribute such postings, there are serious risks to the Corporation if social media is not used responsibly. These risks are evolving but include damage to the Corporation's reputation, potential breaches of the law, damages for negligence, harassment or libel, and other potential claims against the Corporation and/or LXR Personnel. Accordingly, it is the Corporation's policy not to disseminate material undisclosed information about or in any way related to the Corporation on the Internet in or through any social media forum. LXR Personnel are also prohibited from discussing, publishing or disseminating information about or in any way related to the Corporation on the Internet in or through any social media forum without prior approval from a member of the Disclosure Committee.

#### **G. Dealing with the Investment Community**

The Corporation recognizes that meetings with analysts and significant investors are an important element of its investor relations program. Face-to-face meetings help to build goodwill and can be essential for the investment community to assess the quality of senior management.

Spokespersons may meet with analysts and investors individually or in small groups and will initiate contacts or respond to analyst and investor calls in a timely, consistent, and accurate fashion in accordance with this Policy. All analysts will receive fair treatment regardless of whether they are currently recommending buying or selling the Corporation's securities.

Care must be taken that material information is not inadvertently disclosed in PowerPoint™ or other visual and printed materials that may be used or distributed at meetings. The Corporation will provide only non-material information through individual and group meetings, in addition to previously publicly disclosed information, recognizing that an analyst or investor might construct this information into a mosaic that could result in material information.

The Corporation will make available to individual investors or reporters the same sort of detailed, non-material information that it has provided to analysts and institutional investors and may facilitate such access by posting this information on its website. Where presentations or other materials are used and posted on the Corporation's website, they will be dated and the Corporation will routinely archive or remove outdated materials.

Spokespersons will keep notes of any non-routine telephone conversations with analysts and investors and when practicable more than one Corporation representative, including the Chief Executive Officer, should be present at all individual and group meetings. A debriefing will be held after these meetings and if it is determined that previously undisclosed material information has been selectively disclosed, the Corporation will take steps to immediately disclose the information broadly via news release.

**Quiet Periods.** To avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, the Corporation will observe quiet periods prior to quarterly earnings announcements or when material changes are pending. Regular quiet periods will commence two weeks prior to the scheduled release of results for a fiscal quarter or year and shall continue until the Corporation releases its financial results for such period or year. During a quiet period, the Corporation will not initiate any meetings or telephone contacts with analysts and investors, but will respond to unsolicited inquiries concerning factual matters. If the Corporation is invited to participate, during a quiet period, in investment meetings or conferences organized by others, the Disclosure Committee will determine, on a case-by-case basis, if it is advisable to accept these invitations. If accepted, extreme caution will be exercised to avoid selective disclosure of any material, non-public information.

**Conference Calls.** Conference calls may be held for quarterly earnings and for major corporate developments as determined by the Disclosure Committee. All conference calls will be 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 will be preceded by a news release containing all relevant material information. At the beginning of the call, a Corporation spokesperson will provide appropriate cautionary language regarding any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities, and a full discussion of the risks and uncertainties applicable to the news. The Corporation will provide advance notice of the conference call and webcast by issuing a news release announcing the date, time, and topic as well as information on how interested parties can access the call and webcast. These details will be provided on the Corporation's website. In addition, the Corporation might send invitations to analysts, institutional investors, the media, and others. Any non-material supplemental information provided to participants will also be posted to the website for others to view. No material undisclosed information will be discussed on the conference call. The Disclosure Committee will hold a debriefing meeting after the conference call and if it determines that selective disclosure of previously undisclosed material information or misleading disclosure has occurred, the Corporation will immediately disclose or correct the information broadly via news release.

**Reviewing Analyst Reports and Financial Models.** Upon request, the Corporation may review analysts' draft research reports or financial models for factual accuracy based on publicly disclosed information. The Corporation will not confirm or attempt to influence an analyst's opinions or conclusions and will not express comfort or discomfort with the analyst's financial model and earnings estimates. To avoid appearing to endorse an analyst's report or model, the Corporation will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed strictly for factual accuracy.

**Limits on Distributing Analyst Reports.** Analyst reports are proprietary products of the analyst's firm. Distributing, referring to or providing links to analyst reports might be viewed as an endorsement by the Corporation. For these reasons, the Corporation will not, on its own volition, distribute analyst reports through any means to persons outside of the Corporation or generally to employees, including posting such reports on its website. Notwithstanding the foregoing, the Corporation may distribute analyst reports to its directors and senior officers to assist them in monitoring the effectiveness of the Corporation's communications, in understanding how the marketplace values the Corporation and its competitors, and how corporate developments affect the analysis. Analyst reports may also be provided to the Corporation's financial and professional advisors in the necessary course of business. The Corporation may post on its website a listing of the investment firms and analysts who provide research coverage on the Corporation. If provided, this list must be a complete listing, regardless of the recommendation, and will not include links to the analysts' publications.

**Shareholder Interaction with the Board.** Generally, it is management's responsibility to communicate with shareholders. However, if shareholders want to communicate directly with the board about non-trivial concerns, the Corporation will facilitate access. Appropriate topics for Board/shareholder dialogue include shareholder proposals, governance philosophy, board policies and procedures, business strategy, whistleblower issues, executive and director compensation, and fundamental business decisions like mergers, acquisitions, divestitures, and capitalization issues. To guard against selective disclosure, directors should be familiar with this Policy, briefed on the Corporation's public disclosure record, and given guidelines on what constitutes materiality.



**Presentations by Employees.** Employees who are invited to make speeches or presentations about the Corporation to industry groups, at technical conferences or other forums should receive the approval of the Disclosure Committee before accepting such invitations. Presentation materials must not contain undisclosed financial and operational results, subject matter of a competitive or strategic nature, or information that could affect the Corporation's reputation or share price and should be provided to the Disclosure Committee for review and approval in advance of being presented.

#### **H. Forward Looking-Information**

Should the Corporation elect or disclose forward-looking information in continuous disclosure documents, speeches, conference calls or otherwise, the following requirements must be met:

- the Corporation must have a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
- the information, if deemed material, must be broadly disseminated via news release, in accordance with this Policy;
- any document containing forward-looking information must contain, proximate to that information:
  - reasonable cautionary language identifying the forward-looking information as such, and identifying in very specific terms, relevant material risk factors and uncertainties that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information;
  - a statement of the relevant material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, including where appropriate a sensitivity analysis to indicate the extent to which different business conditions from the underlying assumptions may affect the actual outcome;
  - the Corporation's policy for updating forward-looking information, which is that the Corporation disclaims any intention or obligation to update or revise the forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law; and
  - a statement regarding the purpose of presenting the material, including cautionary language that the information may not be appropriate for other purposes;
- when making a public oral statement, the person must:
  - make a cautionary statement that the oral statement contains forward-looking information;
  - state that the actual results could differ materially from a conclusion, forecast or projection in the forward-looking information;

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- state that certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information; and
  - state that additional information is contained in a readily-available document or in a portion of such a document and identify that document or that portion of the document.

#### **I. Consult Disclosure Committee for Guidance**

This policy may not cover all circumstances and exceptions may be justified from time to time. Any LXR Personnel who are unsure about the application or interpretation of this Policy to a specific situation (including whether the information that they possess is material or non-public) should contact the Corporation's Executive Chair or Chief Executive Officer for guidance.

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