

**ENERCARE SOLUTIONS INC.**

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**INSIDER TRADING POLICY**

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## **Enercare Inc. and Enercare Solutions Inc.**

### **Insider Trading Policy**

#### **A. INTRODUCTION**

1. This Insider Trading Policy ("Policy") applies to all trades in Enercare Solutions Inc.'s ("Enercare Solutions") securities by all officers and directors of Enercare Solutions and Enercare Inc. ("Enercare"), and together with Enercare Solutions, the "Corporation") and their major subsidiaries and significant shareholders. It also applies to all employees of the Corporation and its major subsidiaries and to all individuals who have entered into consulting arrangements with the Corporation or are independent contractors to the Corporation pursuant to an agreement with the Corporation who, in each case, are designated as "non-technical insiders" of the Corporation pursuant to section B.
2. This Policy imposes restrictions beyond those imposed by law by requiring pre-clearance of trades in securities. Its purpose is to ensure that reporting insiders and non-technical insiders do not abuse, and do not place themselves under suspicion of abusing, undisclosed material information that they may have or be thought to have, especially in periods leading up to an announcement of Enercare Solutions' financial results.
3. Observance of this Policy does not dispense with the need to observe the law relating to trading in securities of Enercare Solutions in Canada or in any other jurisdiction to which the reporting insider or non-technical insider may be subject.
4. The legal restrictions in respect of trading in securities may, in certain circumstances (e.g., proposed acquisitions), apply to securities of other public companies (see section G).
5. A summary of the application of this Policy to those more common transactions is given in section J.
6. Insiders are strongly advised to consult the Corporation's Chief Legal Officer, Chief Financial Officer ("CFO") or President and Chief Executive Officer ("CEO") if they are in any doubt as to the interpretation or application of this Policy.
7. The Corporation's Board of Directors will review this Policy at least annually, or otherwise as the Board of Directors deems appropriate.
8. This Policy shall be posted on the Corporation's website.

#### **B. INSIDERS**

1. The following persons and companies are reporting insiders of Enercare Solutions for the purpose of this Policy:
  - (a) the CEO, CFO or Chief Operating Officer of Enercare Solutions, of a significant shareholder of Enercare Solutions or of a major subsidiary of Enercare Solutions;
  - (b) a director of Enercare Solutions, of a significant shareholder of Enercare Solutions or of a major subsidiary of Enercare Solutions;
  - (c) a person responsible for a principal business unit, division or function of Enercare Solutions;
  - (d) a significant shareholder of Enercare Solutions;
  - (e) a significant shareholder of Enercare Solutions based on post-conversion beneficial ownership of Enercare Solutions' securities, and the Chief Executive Officer, Chief Financial Officer or Chief Operating Officer and every director of the significant shareholder based on post-conversion beneficial ownership;
  - (f) a management company that provides significant management or administrative services to Enercare Solutions or a major subsidiary of Enercare Solutions, every director of the

management company, every Chief Executive Officer, Chief Financial Officer or Chief Operating Officer of the management company, and every significant shareholder of the management company;

- (g) an individual performing functions similar to the functions performed by any of the insiders described in paragraphs (a) to (f);
- (h) Enercare Solutions itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; or
- (i) any other person that
  - (i) in the ordinary course receives or has access to undisclosed material information about Enercare Solutions; and
  - (ii) directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of Enercare Solutions, but does not include a director or officer of a significant shareholder, or a director or officer of a subsidiary of a significant shareholder, in respect of securities of Enercare Solutions if the director or officer
    - a. does not in the ordinary course receive or have access to undisclosed material information about Enercare Solutions; and
    - b. is not a reporting insider of Enercare Solutions in any capacity other than as a director or officer of the significant shareholder or a subsidiary of the significant shareholder.

The Chief Legal Officer shall retain a list of reporting insiders.

## 2. Non-technical Insiders

The reporting insiders of Enercare Solutions are responsible for designating as non-technical insiders those persons working under their control regardless of seniority, who have access to undisclosed material information in the course of their duties. All designations of non-technical insiders must be reported to the Chief Legal Officer who shall retain a list of all non-technical insiders of which he or she is advised.

Without limiting the above, non-technical insiders include the following persons:

- (a) any employee, contractor or consultant of the Corporation and any of its subsidiaries who has regular access to undisclosed material information about Enercare Solutions and has been notified that he or she is considered a non-technical insider for the purposes of the trading restrictions in this Policy; and
- (b) any employee, contractor or consultant of the Corporation and any of its subsidiaries working on a project or other matter through which he or she obtains, or may obtain, undisclosed material information about Enercare Solutions and has been notified that he or she is considered a non-technical insider for the purposes of the trading restrictions in this Policy.

## C. PROHIBITION ON TRADING IN SECURITIES OF ENERCARE SOLUTIONS

1. Reporting insiders and non-technical insiders must not trade any securities of Enercare Solutions:
  - (a) on considerations of a short term nature or by way of call or put options;
  - (b) during a Closed Period;
  - (c) at any time when he or she is in possession of undisclosed material information in relation to those securities; or
  - (d) otherwise where clearance to trade is not given under the provisions of this Policy (see section D).

**D. CLEARANCE TO TRADE**

## 1. General

In addition to obligations of reporting insiders and non-technical insiders contained in section E1 with respect to those in a special relationship with them and/or the Corporation but subject to section J(b), reporting insiders and non-technical insiders must not trade in any securities of Enercare Solutions without first applying for and receiving written clearance.

Attached to this Policy as Appendix B is a form which must be submitted to the Chief Legal Officer by all reporting insiders and non-technical insiders seeking clearance to trade. Consideration and a written response will be given to applications as soon as possible.

If clearance is granted, the reporting insider or non-technical insider, as the case may be, must notify the Chief Legal Officer as soon as he/she has purchased or sold the securities by dating, completing, signing and returning the applicable part of the lower portion of the form attached as Appendix B.

In recognition of the fact that circumstances may change, clearance to trade will have a maximum validity of two (2) trading days (or to the beginning of the next Closed Period, if sooner).

Regardless of whether the trade is completed within the two (2) trading day period, the reporting insider or non-technical insider, as applicable, must notify the Chief Legal Officer by dating, completing, signing and returning the applicable part of the lower portion of the form attached as Appendix B.

Trades by the Chief Legal Officer must be pre-cleared with, and reported to, the CEO.

## 2. Exceptional Circumstances

In exceptional circumstances where it is the only reasonable course of action available to a reporting insider or non-technical insider, clearance may be given for him/her/it to sell (but not to purchase) securities when he/she/it would otherwise be prohibited from doing so (for example, to meet a pressing financial commitment on the part of the reporting insider or non-technical insider that cannot otherwise be satisfied). The determination of whether circumstances are exceptional for this purpose will be made by the person responsible for giving clearance.

**E. DEALINGS BY PERSONS IN A SPECIAL RELATIONSHIP**

1. Reporting insiders and non-technical insiders must (so far as it is consistent with his/her/its duties of confidentiality to the Corporation) use all reasonable efforts to prohibit trading in any securities of Enercare Solutions at any time when he/she/it is prohibited from trading under this Policy by or on behalf of any person in a special relationship with him/her/it and/or the Corporation.
2. For the purposes of the above paragraph, reporting insiders and non-technical insiders must advise all persons or companies (i) in a special relationship with him/her/it or (ii) in a special relationship with the Corporation and with whom they have contact:
  - (a) that trading restrictions apply to the securities of Enercare Solutions;
  - (b) of the Closed Periods during which trading cannot take place;

- (c) of any other periods when the reporting insider or non-technical insider knows that he/she/it is not himself/herself/itself free to deal under the provisions of this Policy unless his/her or its duty of confidentiality to the Corporation prohibits him/her/it from disclosing such periods; and
- (d) that they must inform him/her/it immediately after they have traded securities of Enercare Solutions.

Having taken the above action, reporting insiders and non-technical insiders must, when possible, seek prior clearance, under section D above, for the persons or companies in a special relationship to trade.

Notwithstanding the foregoing, reporting insiders and non-technical insiders need not (i) advise a person in a special relationship with the Corporation that they must inform him/her/it immediately after they have traded securities of Enercare Solutions or (ii) seek prior clearance, under section D above, for a person in a special relationship to trade, if such person is in a special relationship with the Corporation solely by virtue of their being a director, officer or employee of a company that is engaging in or proposes to engage in any business or professional activity with or on behalf of the Corporation.

#### **F. INSIDER ACTING AS TRUSTEE**

If an insider is a trustee of a trust and there is any likelihood of the trust trading in the securities of Enercare Solutions, he or she should seek the advice of the CEO or Chief Legal Officer, as the provisions of this Policy may apply as if the trading was on his or her own account.

#### **G. PROHIBITION ON TRADING IN SECURITIES OF OTHER PUBLIC ENTITIES**

Illegal insider trading in securities of another public issuer and illegal tipping by directors, officers and other employees of the Corporation of undisclosed material information relating to another issuer can bring the Corporation into disrepute. Accordingly, neither the Corporation nor a director, officer or other employee of the Corporation who is a person in a special relationship with another issuer and who possess undisclosed material information relating to that other issuer may trade securities of the other issuer while they possess the undisclosed material information, or engage in tipping of the undisclosed material information relating to the other issuer.

With regard to other public entities' securities, there will be no formal clearance procedure to trade (as outlined in section D) unless specifically advised.

#### **H. OBSERVANCE OF INSIDER TRADING LAW**

##### **1. General**

Under the *Securities Act* (Ontario) it is an offence for an individual who has undisclosed material information as an insider to:

- (a) trade in securities of Enercare Solutions;
- (b) inform others of the undisclosed material information unless disclosure is necessary in the course of business; or
- (c) recommend or encourage, other than in the necessary course of business, another person or company to purchase or sell securities of Enercare Solutions.

Under Ontario securities law, there are harsh penalties for breaches of the rules governing insider trading. Essentially, the fine is a minimum equal to the profit made or loss avoided and

a maximum equal to the greater of \$5,000,000 and three times the profit made or loss avoided. As well, penalties can include imprisonment for up to five years less a day.

## 2. Reporting of Insiders and Trades

Immediately after becoming an insider of Enercare Solutions each reporting insider who holds securities of Enercare Solutions must complete and file all insider reports required by the securities regulators and provide evidence of same to the Chief Legal Officer or provide to the Chief Legal Officer the requisite information to complete the relevant filing(s). The Chief Legal Officer must, in turn, file the report(s) with the applicable regulator(s) in a timely fashion. To the extent you wish guidance as to the nature of the filings required, please contact the Chief Legal Officer.

Upon completing a trade, each reporting insider must, as described in section D1, notify the Chief Legal Officer or CEO, as applicable, by dating, completing, signing and returning the applicable part of the lower portion of the form attached as Appendix B and must complete all insider reports required by the securities regulators and provide evidence of same to the Chief Legal Officer or CEO, as applicable, or provide to the Chief Legal Officer or CEO, as applicable, the requisite information to complete the relevant filing(s). The Chief Legal Officer or CEO, as applicable, must, in turn, file the report(s) with the applicable regulator(s) in a timely fashion.

Reporting insiders are responsible for ensuring that their individual profile on file with securities regulators remains up to date. Without limiting this obligation, upon ceasing to be a reporting insider of Enercare Solutions each reporting insider who holds (or in the past held) securities of Enercare Solutions must complete and file all documentation necessary to update his/her/its personal profile to indicate that he/she/it is no longer a reporting insider of Enercare Solutions.

Insiders requiring assistance with this updating should contact the Chief Legal Officer.

The above obligations are in addition to any contained in section D1.

## I. TRADING IN BREACH OF THE POLICY

Any trading in breach of the law or this Policy will be regarded as a serious offence.

## J. APPLICATION OF THE POLICY TO MORE COMMON TRANSACTIONS

The following summary provides guidance on the more common transactions which reporting insiders, non-technical insiders and persons in a special relationship may wish to carry out:

### (a) Transactions subject to this Policy - prior clearance required

- (i) The acquisition or disposal of securities of Enercare Solutions, however held.
- (ii) The transfer of securities of Enercare Solutions for no consideration.

### (b) Transactions allowed at any time without prior clearance

- (i) The transfer of securities of Enercare Solutions by a reporting insider or non-technical insider into the name of the reporting insider's or non-technical insider's spouse and/or children under the age of 18 provided such spouse or child resides in the same home as the reporting insider or non-technical insider.

If the transaction contemplated does not appear above, you are strongly advised to consult the Chief Legal Officer.

## K. DEFINITIONS

“**associates**” where used to indicate a relationship with any person, means:

- (a) any company of which such person beneficially owns, directly or indirectly, voting securities carrying more than 10 per cent of the voting rights attached to all voting securities of the company for the time being outstanding;
- (b) any partner of that person;
- (c) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity;
- (d) any relative of that person who resides in the same home as that person;
- (e) any person who resides in the same home as that person and to whom that person is married or with whom that person is living in a conjugal relationship outside marriage; or
- (f) any relative of a person mentioned in clause (e) who has the same home as that person.

“**Closed Period**” means the period commencing with the first day of the calendar quarter (i.e., January 1, April 1, July 1 and October 1, based on Enercare Solutions’ current fiscal calendar) until and including two full trading days after the announcement of Enercare Solutions’ annual or quarterly results (e.g., if the quarterly results are issued publicly before markets open on a Tuesday, the Closed Period would normally include that Tuesday and Wednesday).

“**company**” means any corporation, incorporated association, incorporated syndicate or other incorporated organization.

“**director**” means director of a company or person and includes a trustee of a trust and persons acting in capacities similar to that of a director of a company or a trustee of a trust.

“**generally disclosed**” means the dissemination of information to the public in a manner calculated to effectively reach the marketplace and the passage of a reasonable amount of time (generally at least 24 hours but it could be longer or shorter, depending on the circumstances) for the public to analyze the information, and generally disclose means to disseminate information in this manner.

“**major subsidiary**” means a subsidiary of Enercare Solutions if

- (a) the assets of the subsidiary, as included in Enercare Solutions’ most recent annual audited or interim balance sheet, or, for a period relating to a financial year beginning on or after January 1, 2011, a statement of financial position, are 30 per cent or more of the consolidated assets of Enercare Solutions reported on that balance sheet or statement of financial position, as the case may be, or
- (b) the revenue of the subsidiary, as included in Enercare Solutions’ most recent annual audited or interim income statement, or, for a period relating to a financial year beginning on or after January 1, 2011, a statement of comprehensive income, is 30 per cent or more of the consolidated revenue of Enercare Solutions reported on that statement.

“**material change**” with respect to Enercare Solutions means a change in the business, operations or capital of Enercare Solutions that would reasonably be expected to have a significant effect on the market price or value of any of the securities of Enercare Solutions and includes a decision by the directors or by senior management (where management believes that director confirmation of the decision is probable) to implement such a change.

**“material fact”** means any fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of any of the securities of Enercare Solutions.

**“non-technical insider”** means any person designated as such pursuant to section B2.

**“officer”** means the chair, any vice-chair of the board of directors/trustees, the president, any vice-president, the secretary, the assistant secretary, the treasurer, the assistant treasurer, and the general manager of a company, and any other person designated an officer of a company by by-law or similar authority, or any individual acting in a similar capacity on behalf of a company or person.

**“person”** means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative.

**“post-conversion beneficial ownership”** shall be interpreted as follows: a person is considered to have, as of a given date, post-conversion beneficial ownership of a security, including an unissued security, if the person is the beneficial owner of a security convertible into the security within 60 days following that date or has a right or obligation permitting or requiring the person, whether or not on conditions, to acquire beneficial ownership of the security within 60 days, by a single transaction or a series of linked transactions.

**“reporting insider”** means any person designated as such pursuant to section B2.

**“securities”** means any securities of a person and includes any instrument, agreement, security or exchange contract the value, market price or payment obligations of which are derived from, referred to or based on the value, market price or payment obligations of a security or any other instrument, agreement or understanding that affects, directly or indirectly, a person’s economic interest in the security. In respect of Enercare Solutions, securities include its shares, securities exchangeable into shares or debt securities.

**“senior officer”** means (a) the chair or a vice-chair of the board of directors, the president, a vice-president, the secretary, the treasurer or the general manager of a company or person or any other individual who performs functions for a company or person similar to those normally performed by an individual occupying any such office, and (b) each of the five highest paid employees of the company or person, including any individual referred to in clause (a).

**“significant shareholder”** means a person that has beneficial ownership of, or control or direction over, whether direct or indirect, or a combination of beneficial ownership of, and control or direction over, whether direct or indirect, securities of Enercare Solutions carrying more than 10 per cent of the voting rights attached to all of Enercare Solutions’ outstanding voting securities, calculated as follows: (i) the voting securities owned by a person, and Enercare Solutions’ outstanding voting securities, each include voting securities in respect of which a person has post-conversion beneficial ownership, and (ii) a person may exclude any securities held by the person as underwriter in the course of a distribution.

**“special relationship”** – where used to indicate a relationship with any person (including the Corporation) means:

(a) Family members

- Spouses, common law spouses or other relatives that reside in a person’s home.



(b) Persons and companies providing services

- A person that is engaging in or proposes to engage in any business or professional activity with or on behalf of the Corporation; and
- Directors, officers and employees of the Corporation or directors, officers and employees of a person described in the paragraph above.

(c) Associates and affiliates

- Associates and affiliates of the person.

(d) Miscellaneous

- Persons or companies that learn of undisclosed material information while they are in a special relationship with the Corporation or learned of undisclosed material information from a person described in (a)–(c) above, who knows or ought reasonably to have known that such other person is in a special relationship with the Corporation.

“**trade**” or “**trading**” means any purchase or sale of a security of Enercare Solutions, and includes any other change in the beneficial ownership of, or control or direction over, whether direct or indirect, a security of Enercare Solutions but does not include a trade pursuant to an automatic securities purchase plan (including a dividend reinvestment plan) that is exempt from the customary insider reporting requirements of National Instrument 55-104 - Insider Reporting Requirements and Exemptions, as replaced or amended from time to time (including any successor rule or policy thereto) provided the entering into, amendment, suspension or termination of such a plan shall constitute a trade for purposes of this Policy.

“**trading day**” means a day on which the trading in the securities of Enercare Solutions is not halted or suspended.

“**undisclosed material information**” means material changes and material facts which have not been generally disclosed. Examples of undisclosed material information include:

- Annual and quarterly results of Enercare Solutions;
- Dividends and any changes in the distribution policy of Enercare Solutions;
- Significant acquisitions and dispositions by Enercare Solutions;
- Major new developments in Enercare Solutions’ sphere of activity;
- Significant changes to Enercare Solutions’ business or financial performance or its financial condition;
- Significant restructurings relating to Enercare Solutions;
- Changes to the directors of Enercare Solutions;
- Capital – proposed changes in structure including the issue and/or redemption and/or repurchase of securities of Enercare Solutions;
- Notifications of major interests in the securities of Enercare Solutions; and
- Material litigation.

Examples of information that may be material under securities law are reproduced in Appendix A attached to this Policy (references in Appendix A to the “company” should be read as reference to “Enercare Solutions”).

**L. REVIEW OF INSIDER TRADING POLICY**

This Policy shall be reviewed by the Board of Directors annually or otherwise as it deems appropriate. In conducting the review, the Board of Directors will consult with the CEO, and with the Chief Legal Officer as required, to ensure continued compliance with regulatory standards for policies of this nature.

Last reviewed by the Board of Directors on November 19, 2018.

## APPENDIX A

### EXAMPLES OF INFORMATION THAT MAY BE MATERIAL

#### Reproduced from National Policy 51-201 of the Canadian Securities Regulatory Authorities

##### **Changes in corporate structure**

- changes in share ownership that may affect control of the company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

##### **Changes in capital structure**

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

##### **Changes in financial results**

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company's assets
- any material change in the company's accounting policies

##### **Changes in business and operations**

- any development that affects the company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the Board of Directors or executive management, including the departure of the company's CEO, CFO, COO or President (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another

##### **Acquisitions and dispositions**

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

##### **Changes in credit arrangements**

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

**APPENDIX B**  
**Securities Trading Clearance and Notification Form**

This form has been prepared to help **reporting insiders** and **non-technical insiders** of the **Corporation** to **trade** in **securities** of **Enercare Solutions** in accordance with securities regulation. Such **reporting insiders** and **non-technical insiders** are required to complete this form after reading the Insider Trading Policy, and fax or email to the attention of the Chief Legal Officer of the **Corporation**.

**PRE-TRADING - OBTAINING CLEARANCE TO TRADE**

BOLD TERMS HEREIN SHALL HAVE THE MEANING SET OUT IN THE POLICY.

Name (please print): .....

Telephone/Fax: .....

I wish to carry out the following **trade** in the **securities** of Enercare Solutions Inc.:

.....

.....

.....

*(please detail the nature (i.e., buy/sell) and timing of the proposed transaction and in whose name it is being carried out).*

I confirm that I am not in possession of any **undisclosed material information**.

Signed: .....

Date: .....

It is your obligation to comply with Section H of the Policy and provide the requisite reports/information to the Chief Legal Officer in order to ensure that all filings necessary to comply with applicable securities laws are made in a timely fashion.

Clearance given for a period of two (2) trading days from the date hereof.

Signed: .....

Date: .....

Name: .....

Position: .....

POST-TRADING - NOTIFICATION OF TRADE

Please complete this when the trade has been completed or not completed (as the case may be) and forward a copy to the Chief Legal Officer.

I confirm that the above trade was carried out as follows:

Date of transaction: .....

*\*must utilize the date of purchase or sale and not the settlement date (which is three (3) to five (5) days later)*

Number of Securities: .....

Price (if applicable): .....

Signed: .....

Date: .....

or

I confirm that the above trade was not completed in the two (2) trading day period for which clearance to complete was obtained.

Signed: .....

Date: .....