

March 14, 2018

AUTOCANADA INC.
JOINT DISCLOSURE, CONFIDENTIALITY, TRADING AND ANTI-
HEDGING POLICY
- AND -
TERMS OF REFERENCE OF THE DISCLOSURE COMMITTEE

The Terms of Reference:

These terms of reference and policy establish procedures that are designed to assist the disclosure committee (the “**Disclosure Committee**”) of AutoCanada Inc. (“**ACI**” or the “**Company**”) in carrying out its mandate which is to: (i) permit the disclosure of ACI to the public in an informative, timely and broadly disseminated manner; (ii) ensure that non-publicly disclosed information remains confidential; (iii) ensure that trading of ACI’s securities by directors, officers and employees of ACI, and their respective subsidiaries, remains in compliance with applicable securities laws; and (iv) administer the Joint Disclosure, Confidentiality and Trading Policy (the “**Policy**”). The implementation of the Policy and related procedures is important to developing sound disclosure practices and maintaining investor confidence, as well as complying with securities laws and the Exchange’s rules on disclosure and trading.

Definitions Used in this Policy:

Certain defined terms used in this Policy are set out in **Schedule “A”**.

Terms of this Policy:

If there is any question or concern with respect to the application of this Policy, a Disclosure Officer (as defined in Section 2 below) should be contacted for guidance.

Memorandum to Policy Participants

A memorandum to be provided to all directors, officers, consultants and employees of ACI and its subsidiaries (collectively the “**Policy Participants**”) entitled “*Disclosure of Material Information and Insider Trading Policy*”, is attached as Schedule “C”. This memorandum shall be provided at time of appointment and once every two years.

**PART I DISCLOSURE
COMMITTEE**

1. Purpose

The purpose of the Disclosure Committee is to:

- (a) ensure that written and oral communications to the public, legal and regulatory authorities and applicable exchanges about ACI are:
 - (i) timely, factual and accurate;
 - (ii) broadly disseminated in accordance with all applicable legal, regulatory and exchange requirements; and
 - (iii) reviewed and approved by the Disclosure Committee prior to their distribution;

- (b) regularly conduct reasonable investigations of all disclosure to be released to ensure that there are no reasonable grounds to believe that:
 - (i) documents or oral statement contain misrepresentations; and
 - (ii) ACI is failing to make timely disclosure;
- (c) assist ACI in disseminating, updating and enforcing the Policy;
- (d) ensure that ACI takes immediate steps to rectify failures to make timely disclosure and correct any misrepresentations in any publicly disclosed documents or public oral statements;
- (e) assist the President and Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) in meeting their obligations to:
 - (i) certify the disclosure in ACI’s annual and interim filings;
 - (ii) oversee ACI’s disclosure controls and procedures;
 - (iii) ensure timely collection and evaluation of financial and non-financial information;
 - (iv) capture information that is relevant to an assessment of the need to disclose developments and risks that pertain to ACI’s businesses; and
 - (v) certify that they have conducted an evaluation of the effectiveness of ACI’s disclosure controls and procedures as of the end of the period covered by ACI’s annual filings;
- (f) assist ACI with:
 - (i) designing and operating ACI’s disclosure controls and procedures;
 - (ii) conducting an annual evaluation of ACI’s disclosure controls and procedures; and
 - (iii) disclosing, in ACI’s annual management discussion and analysis, the Disclosure Committee’s conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on the evaluation conducted; and
- (g) encourage ACI to comply with the disclosure standards contained in National Policy 51-201 - *Disclosure Standards* (as well as any successor or related policies) regarding timely disclosure, selective disclosure, issues of materiality, risks associated with certain disclosure and best disclosure practices.

2. Composition

The Disclosure Committee will be comprised of the CEO, CFO and General Counsel together with such additional directors and executive officers as may be appointed to the Disclosure Committee by the Board (herein the “Disclosure Officers”).

3. Meetings

- (a) The Disclosure Committee is responsible to meet as often as required to discharge its duties.
- (b) The Chairman of the Disclosure Committee (who shall be the General Counsel unless otherwise determined by the Board) will, in consultation with the members, determine the schedule, time and place of meetings.
- (c) A quorum for a meeting of the Disclosure Committee shall be a majority of members present in person or by telephone conference call.
- (d) The Disclosure Committee has the authority to delegate authority to individuals or sub-committees of the Disclosure Committee.
- (e) The Disclosure Committee is responsible to report to the Board regarding its activities, findings and recommendations each Board Meeting, and to maintain minutes of each meeting.

4. Duties

The duties of the Disclosure Committee are to:

- (a) determine, in accordance with the policies and procedures set out in these Terms of Reference:
 - (i) when developments justify public disclosure;
 - (ii) the appropriateness and timing for public release of material information;
 - (iii) when information should remain confidential; and
 - (iv) what steps ACI will take to control information that should remain confidential;
- (b) ensure that the Disclosure Committee is kept fully apprised of all pending material developments relating to ACI;
- (c) review, prior to disclosure being filed or oral statements being made, all documents filed with securities regulators, written statements made in ACI's annual and quarterly reports, news releases, letters to shareholders, presentations by executive officers, information contained on ACI's website, electronic communications by ACI, oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls and all publicly disclosed documents regarding ACI;
- (d) designate authorized spokespersons (in addition to the CEO, CFO and General Counsel) to make announcements on behalf of ACI;
- (e) ensure that the consent of experts is received prior to the inclusion of an expert's report, or a summary or statement therefrom, in a disclosure document or public oral statement;

- (f) consider whether to respond, if requested by the Exchange, to market rumours causing price volatility; and
- (g) determine the length of blackout and quiet periods and the parties to whom they apply to prevent trading on undisclosed material information.

5. Discharging Duties

In discharging its duties the Disclosure Committee will:

- (a) take the lead role in coordinating the gathering, evaluation and review of information necessary to carry out its purpose and duties and organizing the drafting of ACI's disclosure documents using the information that it has gathered;
- (b) ensure that:
 - (i) all information relevant to ACI's disclosure obligations are reported to the persons responsible for the evaluation and dissemination of the information;
 - (ii) quarterly and annual reports are drafted sufficiently in advance of their filing deadlines to permit time for thoughtful review prior to filing;
 - (iii) drafts are circulated back down through the reporting channels from which the information came, as well as up through senior management for their review;
 - (iv) reviewers review the entire report so that the report is thoroughly vetted and cross-checked and no important information is omitted; and
 - (v) the CEO and CFO have a checklist to assist them in determining what they have to do to complete their certification of interim and annual financial statements;
- (c) maintain a list of the participants involved in the preparation of each of the reports to be filed with securities regulatory authorities and the persons to whom drafts of the report have been circulated for review;
- (d) identify any material:
 - (i) weaknesses in the disclosure controls and procedures and any other deficiency that would significantly adversely affect ACI's ability to collect, process or disclose required information on a timely basis; and
 - (ii) changes in disclosure controls and procedures, including corrective actions that ACI has taken or is taking with regard to the identified weaknesses or deficiencies; and
- (e) ensure the CEO and CFO, in conducting their review of the effectiveness of ACI's disclosure controls and procedures, are reviewing the performance of the disclosure process in terms of identified weaknesses and mistakes as well as evaluating ways that ACI's systems can evolve with its business so that weaknesses do not arise in the future, in particular with respect to:

- (i) inaccuracies or omissions identified during the review phase of the reporting process to determine the source and cause so that any patterns in the errors are identified and addressed;
- (ii) any comments received from securities regulatory authorities on ACI's filings, as well as questions asked by investors and analysts (especially recurring questions) are identified and addressed;
- (iii) the sources used in the gathering process, including an evaluation of the people involved, are determined to continue to be the best source for information as personnel and responsibilities change;
- (iv) the sources used continue to devote adequate time and attention to the disclosure process; and
- (v) the time allowed for each step of the process, including all necessary reviews, continues to be adequate.

6. Responsibilities

The Disclosure Committee is responsible to make arrangements for:

- (a) the maintenance of a file containing all public information about ACI including continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and investors, and newspaper articles regarding ACI;
- (b) regular updates to and monitoring of ACI's website to ensure the information is accurate, complete, up-to-date and securities law compliant;
- (c) ensuring all links from ACI website to a third party website include an advisory that the reader is leaving ACI's website and that ACI is not responsible for the contents of the linked site;
- (d) ensuring investor relations material on the website include a notice that advises the reader that the information posted was accurate at the time of posting but may be outdated by subsequent disclosure;
- (e) ensuring all data posted to the website, including text and audiovisual material, contain dates of issuance or posting if required;
- (f) ensuring records with respect to the date that material information is posted and/or removed from ACI's website are retained for at least two years; and
- (g) ensuring responses to electronic inquiries contain only information that has already been publicly disclosed.

PART II DISCLOSURE

7. Timely Disclosure

ACI will publicly disclose Material Information immediately upon it becoming apparent that the information is material except in restricted circumstances where immediate release of the information would be unduly detrimental to the interests of ACI (and where ACI complies with any confidential filing obligations and maintains confidentiality of the information). Unusual trading marked by significant changes in the price or trading volumes of ACI's securities prior to the announcement of Material Information may embarrass ACI and may damage its reputation with the investing public.

8. Disclosure Officers

For purposes of this Policy, the CEO, CFO and General Counsel have been designated as the Disclosure Officers. The names of these individuals will be given to the market surveillance divisions of the Exchange as ACI contacts.

Except as may otherwise be determined by the Board, the members of the Disclosure Committee are the only individuals authorized to communicate with analysts, the media and investors about information concerning ACI. Policy Participants who are not members of the Disclosure Committee should refer all calls from the financial community, securityholders and media to a Disclosure Officer. If it is appropriate for another Policy Participant to discuss information about ACI, the Policy Participant shall first seek permission from a Disclosure Officer regarding the nature of the information to be discussed and, afterwards, advise the Disclosure Officer of what actually was discussed. Policy Participants may not communicate Undisclosed Material Information unless they have prior permission from a Disclosure Officer, which permission will not be given unless the provisions of Part II of this Policy are complied with.

In addition, if any Policy Participant becomes aware of any information that may constitute Material Information, the Policy Participant must advise a Disclosure Officer as soon as possible.

The Disclosure Officers as well as corporate counsel must continue to be fully apprised of ACI developments in order that they be in a position to evaluate and discuss those events that may impact on the disclosure process, e.g., the status of any merger activities, material operational developments, extraordinary transactions, major management changes, etc. The directors must also be kept aware of all material developments and significant information disseminated to the public. The Disclosure Committee shall meet regularly and minutes of such meetings shall be presented to the Board of Directors at regular Board meetings.

9. What Constitutes Material Information?

Information is material if it would reasonably be expected to result in a significant change in the market price or value of any of ACI's securities. A good rule of thumb is that if the information would influence a Policy Participant's decision to buy or sell securities of ACI, the information is probably material. If a Policy Participant is unsure whether or not information is material, the Policy Participant should immediately contact a Disclosure Officer before disclosing it to anyone. Policy Participants should err on the side of caution in such matters. If the Disclosure Officer is unable to determine whether or not the information is material, he may convene a meeting of senior management and, if necessary, the Disclosure Committee, or the directors, to determine if the information is material, whether or not it should be disclosed or remain confidential, and if the information needs to be disclosed, the method for disseminating the information.

As set out in Schedule “A”, a “**Material Change**” is defined as a change in the business, operations or capital of ACI that would reasonably be expected to have a significant effect on the market price or value of any of the securities of ACI and includes a decision to implement the change by the directors of ACI or by senior management of ACI who believe that confirmation of the decision by the directors, as applicable, is probable.

Developments, whether actual or proposed, which are likely to give rise to material information and thus to require prompt disclosure may include, but are not limited to those events listed on **Schedule “B”**.

10. Basic Disclosure Rules

All public disclosure of Material Information pursuant to this Policy must be made by way of press release disseminated through a widely circulated newswire service company.

In order to maintain consistent and accurate disclosure about ACI, the following principles should generally be followed:

- (a) half truths are misleading. Disclosure must include any information without which the rest of the disclosure would be misleading;
- (b) unfavourable information must be disclosed as promptly and completely as favourable information;
- (c) no selective disclosure. Previously undisclosed information may not be disclosed to selected persons; if there is disclosure it must be made widely, i.e. by way of a press release;
- (d) disclosure must be updated if earlier disclosure has become misleading as a result of intervening events; and
- (e) if Material Information is to be announced at an analyst or securityholders’ meeting or a press conference or other forum, any such announcement must be coordinated with an advance general public announcement by a press release containing the relevant information.

The Disclosure Officers should conduct reasonable investigations to ensure that releases or public oral statements do not contain misrepresentations.

ACI has developed and intends to maintain a routine procedure for all corporate communications. The procedure consists of drafting a press release, circulating it for review to at least two of the members of the Disclosure Committee, as well as to the directors (with respect to announcements involving “earnings guidance” or financial results), together with other officers as appropriate, alerting the Exchange and disseminating the release through a national wire service and other distribution channels so as to effect broad dissemination to the public. A minimum of two members of the Disclosure Committee shall approve all press releases.

The following general guidelines should be considered for the preparation and dissemination of news releases:

- (a) avoid Friday afternoon releases;
- (b) be sure there is a news value to the story;
- (c) graphs are more interesting than spreadsheets;
- (d) tabular data is more interesting than text;
- (e) be clear and specific with assumptions and numbers;
- (f) do not hide negative facts; and
- (g) with the exception of Material Changes requiring immediate disclosure, news releases should be released prior to the market opening whenever possible.

ACI recognizes that posting information to its website will not, by itself, ordinarily satisfy the “generally disclosed” requirement of securities legislation. ACI will, however, endeavour to concurrently post to its website all documents filed on SEDAR in an effort to improve investor access to its information. Where practicable, ACI will also endeavor to post on its website all supplemental information that is given to analysts, institutional investors and other market professionals such as data books, fact sheets, slides of investor presentations or other relevant materials.

Any news release containing “earnings guidance” or financial information based on ACI’s financial statements (prior to the release of such financial statements) must be approved by the Audit Committee of ACI prior to dissemination. Where feasible, ACI will endeavor to issue earnings news releases concurrently with the filing of its quarterly or annual financial statements (or otherwise make those financial statements available, for example, by including them as part of the news release).

News releases must be disseminated:

- (a) through an approved news wire service that provides simultaneous national and/or international distribution;
- (b) to the Exchange, where required;
- (c) to relevant regulatory bodies; and
- (d) to major business wires, national financial media and, at the option of ACI, the local media in areas where ACI has its headquarters or operations.

11. Conference Calls; Industry Conferences

Conference calls may be held for quarterly and annual earnings and major corporate developments, where discussion of key aspects is 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. Such calls will be preceded by a press release containing all relevant Material Information. At the beginning of the call, an ACI spokesperson will provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing, if applicable, the assumptions, sensitivities and a discussion of the risks and uncertainties.

ACI will provide advance public notice of the conference call and webcast by issuing a press release announcing the date and time, the subject matter of the call and providing information on how interested parties may access the call and webcast and information regarding the availability of any archived webcast or transcript of the call. In addition, ACI may send invitations to analysts, institutional investors, the media and others invited to participate. A tape recording of the conference call and/or an archived audio webcast or transcript on the Internet will be made available to the extent possible following the call for a reasonable period of time (generally a minimum of thirty (30) days), for anyone interested in listening to a replay.

In advance of an analyst conference call or industry conference, to the extent practicable, ACI will endeavor to script comments and responses to anticipated questions to identify Material Information that should be publicly disclosed and will limit comments and responses to non-material information and debriefing should be conducted to review what was actually said and a record of what was said should be filed in ACI's disclosure record. If there was any unintentional selective disclosure, immediate steps should be taken to make a full public announcement.

12. Forward-Looking Information and "Earnings Guidance"

Subject to the approval and disclosure procedures provided elsewhere in this Policy, ACI may provide limited forward-looking information to enable securityholders and the investment community to better evaluate ACI and its prospects. ACI will ensure that such statements are identified as forward-looking. Moreover, meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in the statements and a description of the factors or assumptions that were used in making the forward-looking statements will accompany such statements.

ACI, to the extent practicable in the circumstances, will update forward-looking statements that continue to be material and that change materially.

Should ACI determine during the quarter that earnings or distributable cash will be out of the range of the current estimates (particularly if any of these items will likely be below the range), ACI may consider issuing a broadly disseminated press release, followed by individual or group calls to analysts and significant investors, at management's discretion, explaining this and the reason or reasons why. This would be done to avoid "earnings surprises" to the extent possible.

Public Oral Statements

If forward-looking information is provided in a public oral statement, the individual making the public oral statement must:

- (a) make a cautionary statement that the oral statement contains forward-looking information;
- (b) state that the actual results could differ materially from a conclusion, forecast or projection in the forward-looking information;
- (c) state that certain material factors or assumptions were applied in drawing a conclusion or making a forecast or project as reflected in the forward-looking information; and

- (d) state that additional information about the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the forward-looking information, and that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward looking information is contained in a readily-available document or in a portion of such document and identify that document or that portion of the document.

Forward-Looking Information - Written Public Disclosure

ACI will not disclose forward looking information unless required by law to do so or unless the disclosure will enhance a reasonable investor's investment decision, whether positively or negatively.

Individuals responsible for disclosing forward-looking information will have a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

If forward-looking information is disclosed, such forward-looking information will:

- (a) if deemed material, be broadly disseminated via news release;
- (b) be clearly identified as forward looking;
- (c) identify, in a statement accompanying the forward-looking information, all material factors or assumptions that were applied in drawing the conclusion or making a forecast or projection;
- (d) be accompanied by a reasonable, meaningful cautionary statement that identifies, in very specific terms, the risks, uncertainties and material factors that may cause the actual results to differ materially from the conclusion, forecast or projection in the statement, including a sensitivity analysis to indicate the extent to which different business conditions from the underlying assumptions may affect the actual outcome;
- (e) be accompanied by a statement that disclaims ACI's intention or obligation to update or revise the forward-looking information, except as required under applicable securities laws, whether as a result of new information, future events or otherwise, provided that in the event subsequent events prove past statements about current trends to be materially off target, ACI may choose to issue a news release explaining the reasons for the difference and update its guidance on the anticipated impact on revenue and earnings (or other key metrics); and
- (f) in any case, where required under applicable securities laws, ACI will provide updates to forward looking information.

Consent of Experts

Prior to releasing a document or making a public oral statement that includes, summarizes or quotes from a report, statement or opinion made by a person or company whose profession gives authority to a statement made in a professional capacity by the person or company including, without limitation, an accountant, actuary, appraiser, auditor, engineer, financial analyst, geologist or lawyer (an "Expert"), ACI must obtain the consent of the Expert to the inclusion, summary or quote from the report, statement or opinion made by the Expert.

13. Correction of Selective Disclosure

If previously Undisclosed Material Information has been inadvertently disclosed to an analyst or any other person, the information must be publicly disclosed immediately by way of press release. The Exchange should be contacted and a halt in trading in ACI's securities should be requested pending the issuance of the press release. Pending the public release of the Material Information, the parties who have knowledge of the information should be advised that the information is material and has not been generally disclosed.

14. Rumors

Rumors can cause unusual market activity. ACI will respond consistently to market rumors in the following manner: "It is our policy not to comment on market rumors or speculation". If market activity indicates that trading is being unduly influenced by rumors, the Exchange may request, or ACI may determine, that a clarifying statement be made through a press release. A trading halt may be instituted or requested pending an announcement by ACI. If the rumor is true, either in whole or in part, immediate disclosure will generally be required. The determination to make disclosure will be made by the Disclosure Committee.

15. Contact with Analysts and Others; Analyst Reports

ACI recognizes that meetings with analysts and significant investors are an important element of ACI's investor relations program. ACI will meet with analysts and investors on an individual or small group basis (including participating in industry conferences) as needed and will initiate contacts or respond to calls in a timely, consistent and accurate fashion in accordance with the requirements of this Policy. ACI recognizes, however, that private meetings with analysts and other small group meetings carry with them the risk of inadvertent selective disclosure, which should be avoided. After an interview, press conference, discussion with an analyst or visit to ACI's office by an analyst, a debriefing should be conducted to review what was actually said and a record of what was said should be filed in the disclosure record.

The Disclosure Officers should avoid getting involved in the contents of an analyst's report, except to correct factual errors. Confirmation of or attempting to influence an analyst's opinions or conclusions may be considered to be selective by ACI. "No comment" is an acceptable answer to questions that cannot be answered without violating the rule against selective disclosure. With regard to responding to financial models or drafts of analysts' reports, it is ACI's policy to review, on request, the model or report for publicly disclosed factual content only (not "soft" information) and to give guidance only when assumptions have been made on the basis of incorrect public data that render unrealistic conclusions. It is imperative that the control of this process be centralized through the CFO. ACI should confirm in writing that its review has been limited to publicly available factual information and detail what information (if any) has been provided. ACI will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with an analyst's model or earnings estimate. Meetings with analysts may include general discussions regarding ACI's prospects, business environment, management philosophy and long-term strategy but should avoid discussions regarding non-publicly disclosed Material Information.

ACI will generally not redistribute analyst reports to persons outside of ACI (including by posting such reports on its website).

ACI will consider including in its regular periodic disclosures (such as its quarterly and annual management's discussion and analysis disclosure) details about topics of interest to analysts, investors and other market participants as a means of providing more information to the marketplace generally and limiting its "selective disclosure" risks.

ACI may only provide non-Material Information through individual and group meetings in addition to regular publicly disclosed information. In addition, analyst reports should not be re-distributed to persons outside ACI.

16. Quiet Periods

In order to limit the potential for selective disclosure (and the perception or appearance of selective disclosure), ACI will observe a "quiet period" during which time there will be no comment on analysts' earnings or other estimates or any other comments with respect to the current financial period's operations or expected results. The quiet period will normally commence on the day following the end of the financial period and end on the issuance of a press release disclosing the results for the period.

17. Notification of Market Surveillance

When the Exchange is open for trading, advance notice of a press release announcing Material Information must be provided to the market surveillance department (or similar department) of the Exchange to determine if a halt in trading is necessary to provide time for the market to digest the news. When a press release announcing Material Information is issued outside of trading hours, the market surveillance department of the Exchange should be notified before the market opens. Copies of all press releases should be supplied to the market surveillance department of the Exchange and to the relevant securities regulators immediately.

18. Electronic Communications; ACI Website

This Policy also applies to electronic communications, including ACI's website. Accordingly, officers and personnel responsible for written and oral public disclosures will also be responsible for electronic communications.

The CFO is responsible for updating the investor relations section of ACI's website and for monitoring all information placed on the website to ensure that it is accurate, complete, up-to-date and in compliance with relevant securities laws.

Disclosure on ACI's website alone does not constitute adequate disclosure of information that is considered Undisclosed Material Information. Any disclosure of Material Information on the website will be preceded by the issuance of a press release. ACI will, however, endeavour to concurrently post to its website all documents filed on SEDAR in an effort to improve investor access to its information. Where practicable, ACI will also endeavour to post on its website all supplemental information that is given to analysts, institutional investors and other market professionals such as data books, fact sheets, slides of investor presentations or other relevant materials.

The CFO is also responsible for responses to electronic inquiries. Only public information or information which could otherwise be provided in accordance with this Policy will be utilized in responding to electronic inquiries.

In order to ensure that no Undisclosed Material Information is inadvertently disclosed, Policy Participants may not participate in Internet chat rooms or newsgroup discussions on matters pertaining to ACI's activities or its securities. Policy Participants who encounter a discussion pertaining to ACI should advise the CFO promptly, so that discussion may be monitored, if determined appropriate.

ACI will not host or link to chat rooms, bulletin boards or news groups and will not link to or post analyst's reports on its website.

PART III CONFIDENTIALITY

19. When Information May Be Kept Confidential

Where the immediate disclosure of Material Information would be unduly detrimental to the interests of ACI, its disclosure may be delayed and kept confidential temporarily if so directed by the Disclosure Committee. Keeping information confidential can only be justified where the potential harm to ACI or to investors caused by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure and where confidentiality of the information is maintained.

Examples of circumstances in which disclosure might be unduly detrimental to the interests of ACI include: (i) where the release of information would prejudice the ability of ACI to pursue specific and limited objectives or to complete a transaction or series of transactions that are underway; (ii) where the disclosure of the information would provide competitors with confidential corporate information that would be of significant benefit to them; and (iii) where the disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations.

All decisions to keep Material Information confidential must be made by either the senior management or the directors of ACI. In such circumstances, ACI will comply with any obligation to make a confidential filing with applicable securities regulators and maintain confidentiality of the information.

A confidential material change report must be filed with applicable securities regulators if material information is not disclosed to the public.

In order to prevent the misuse or inadvertent disclosure of material information, the following procedures shall be followed by ACI with respect to confidential Material Information:

- (a) documents and files containing confidential information should be kept in a safe place to which access is restricted exclusively to individuals who "need to know";
- (b) confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis;
- (c) confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them;
- (d) transmission of documents by electronic means should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions;
- (e) unnecessary copying of confidential documents should be avoided and extra copies of confidential documents should be destroyed;

- (f) documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded; and
- (g) access to confidential electronic data should be restricted through the use of passwords.

20. Access to Confidential Information

Policy Participants will be given access to confidential information on an “as needed” basis only and must not disclose that information to anyone except with the prior approval of a Disclosure Officer and where such disclosure is in the necessary course of business (e.g., discussions with ACI’s bankers or advisers where the disclosure of the confidential information is necessary and the persons receiving it understand that it is to be kept confidential). Other circumstances where disclosure may be considered in the “necessary course of business” may include communications with: (i) vendors, suppliers or strategic partners; (ii) employees, officers and directors; (iii) lenders, legal counsel, auditors, financial advisors and underwriters; (iv) parties to negotiations (e.g., in connection with a private placement or acquisition); (v) labour unions and industry associations; (vi) government agencies and non-governmental regulators; and (vii) credit rating agencies. Selective disclosure of Material Information to an analyst, institutional investor or other market professional is not generally considered in the “necessary course of business”. Policy Participants must not discuss confidential information in situations where they may be overheard or participate in discussions regarding decisions by others about investments in ACI.

21. Disclosure of Confidential Information

In the event that confidential information, or rumors respecting the same, is divulged in any manner (other than in the necessary course of business), ACI is required to make an immediate announcement on the matter. The Exchange must be notified of the announcement in advance in the usual manner.

22. Disclosure of Information to Outsiders

Before a meeting with other parties at which Undisclosed Material Information of ACI may be discussed in compliance with this Policy, the other parties should be told that they must not divulge that information to anyone else, other than in the necessary course of business, and that they may not trade in ACI’s securities until after the information is publicly disclosed and a reasonable period of time for its dissemination has passed. In such circumstances, the feasibility of having such parties enter into a confidentiality agreement with ACI should be considered.

PART IV TRADING POLICY

23. General Prohibition

No Policy Participants may trade in the securities of ACI when they are aware of Undisclosed Material Information. In addition, Policy Participants are prohibited from informing, or “tipping”, anyone else about that information. This prohibition extends to other securities whose price or value may reasonably be expected to be affected by changes in the price of ACI’s securities and includes the granting or exercise of options. Rapid buying and selling by Policy Participants of ACI’s securities is strongly discouraged because of the possible perception of trading on Undisclosed Material Information. Policy Participants must contact a Disclosure Officer to obtain permission before executing any trades in securities of ACI (which includes exercise of options).

24. Undisclosed Material Information of Other Companies

Where Policy Participants become aware of Undisclosed Material Information concerning another public company, they may not trade in the securities of that company until the information is publicly disclosed and a reasonable period of time for its dissemination has passed. Generally, a “reasonable period of time” will be two (2) business days; however, it may be shorter or longer depending upon the particular market following of that other company. A Disclosure Officer should be consulted to determine what would be a “reasonable period of time” in the circumstances.

25. Restricted Persons

Policy Participants who are Restricted Persons are prohibited from trading whenever there are Pending Material Developments, even if they are unaware of the details of the same. In the circumstances where there is Pending Material Information with respect to ACI, a confidential memo will be sent to all Restricted Persons, as well as to other Policy Participants if it is determined appropriate, informing them of the Blackout Period with respect to such Pending Material Development at which time they shall cease trading until further notice. No reason for the trading restriction will be provided.

As an alternative to a total prohibition on trading during a Blackout Period, senior management may make the determination that trades may occur during the Blackout Period but only with the express prior approval by the Disclosure Officer of each such trade. This alternative will only be available during a Blackout Period if the written notice of such Blackout Period so states.

Senior management is responsible for making the determination as to when a pending transaction would constitute a Pending Material Development. As guidance, a Blackout Period must at least commence once negotiations on a proposed transaction have progressed to a point where it reasonably could be expected that the market price of ACI’s securities would materially change if the status of the transaction were publicly disclosed.

26. Blackout Period

No Policy Participant shall trade in ACI’s securities when Material Information has not been disclosed and for a reasonable period of time following the disclosure of that information. Generally, a “reasonable period of time” will be two (2) business days. The purpose of the Blackout Period is to allow the market to fully reflect the Material Information in the price of ACI’s securities. The Disclosure Officers, in consultation with the Disclosure Committee, will be responsible for setting the length of the Blackout Period and notifying Policy Participants of it.

The Disclosure Officer will consider setting, and advising of, specific and routine Blackout Periods for routine and scheduled announcements regarding Material Information.

A Blackout Period will, in any event, commence on the last day of an interim or annual financial period and end on the business day following the issuance of a press release disclosing the results for the period.

Blackout periods may also be prescribed from time to time by ACI as a result of special circumstances relating to ACI pursuant to which persons in special relationship with ACI would be precluded from trading in securities of ACI. All parties with knowledge of such special circumstances would be covered by the blackout. Such parties may include external advisors such as legal counsel, investment bankers and counter-parties in negotiations of material potential transactions.

27. Hedging Prohibition

No Policy Participant may purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in the market value of ACI securities or share-based or option-based awards granted by ACI as compensation or held, directly or indirectly, by the Policy Participant.

In addition, subject to certain limited exceptions, the *Canada Business Corporations Act* prohibits a director or officer of ACI or its subsidiaries or a person employed or retained by ACI from knowingly selling securities of ACI, directly or indirectly, where such person does not own or has not fully paid for the securities being sold or from knowingly selling a call or buying a put in respect of securities of ACI.

28. Insider Trading Reports

Directors, senior officers and persons beneficially owning or controlling 10% or more of the voting rights of ACI are required to file insider trading reports within five (5) days of a change in their ownership position in any securities of ACI (this includes the grant of options or other convertible securities to such persons or the exercise by them of such options or convertible securities). Such persons are also required to file an “initial” insider report within ten (10) days of the date on which the person or ACI became an insider (an initial report is not required, however, when a person becomes an insider if he/she has no direct or indirect beneficial ownership, control or direction over any securities of ACI). If a person falls into one of these categories, that person likely will be required to file insider trading reports in other provinces and should consult the Disclosure Officer as soon as possible whenever the individual trades securities to confirm his/her statutory obligations. These reports are to be filed electronically using the System for Electronic Disclosure by Insiders (“SEDI”). The CFO can assist with the filing of these reports.

29. Penalties

When Policy Participants violate this Policy it causes embarrassment to ACI. As a result, ACI may take its own disciplinary actions, which could result in termination of employment or implementation of a probationary period. ACI is also entitled to pursue legal remedies through the courts. If appropriate, ACI will also report the matter to the appropriate regulatory authorities.

The prohibition against trading on (or informing other with respect to) Undisclosed Material Information as set forth in Canadian securities legislation can be enforced through a wide range of penalties, including: (i) fines and penal sanctions; (ii) civil actions for damages; (iii) an accounting to ACI for any benefit or advantage received; and (iv) administrative sanctions by securities commissions, such as cease trade orders and removal of exemptions.

30. Policy Review and Oversight

ACI will review this Policy as required to ensure that it is achieving its purpose. Based on the results of the review, the Policy may be revised accordingly. The CFO of ACI shall be responsible for initiating the review.

The CFO, subject to the approval of the directors of ACI, shall have overall responsibility for developing and implementing this Policy, monitoring the effectiveness of and compliance with this Policy, educating ACI's directors, officers and employees about the Policy and monitoring ACI's website.

SCHEDULE “A”

DEFINITIONS

“**Blackout Period**” means the period during which Policy Participants are prohibited from trading in ACI’s securities;

“**Disclosure Officers**” means the individuals who are responsible for communicating with analysts, the news media and investors and ensuring that other Policy Participants do not communicate confidential information about ACI, and whom Policy Participants may contact to determine whether or not they may execute trades in the market or reveal Undisclosed Material Information in the necessary course of business;

“**Exchange**” means the Toronto Stock Exchange and any other stock exchange on which securities of ACI are listed from time to time;

“**Material Change**” means a change in the business, operations or capital of ACI that would reasonably be expected to have a significant effect on the market price or value of any of the securities of ACI and includes a decision to implement the change by the directors of ACI, or by senior management of ACI who believe that confirmation of the decision by the directors is probable;

“**Material Fact**” means a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of ACI’s securities;

“**Material Information**” means any information (Material Fact or Material Change) relating to the business and affairs of ACI that results in or would reasonably be expected to result in a significant change in the market price or value of any of ACI’s securities;

“**Pending Material Developments**” means a proposed transaction of ACI that would constitute Material Information; however, a decision to proceed with the transaction has not been made by the directors or by senior management, although there is an expectation of occurrence from the directors;

“**Policy Participants**” means all directors, officers of, and individuals currently employed by ACI, and its subsidiaries;

“**Restricted Persons**” means:

- (b) Directors of ACI and its officers and senior management; and
- (c) Policy Participants who are routinely in possession of Undisclosed Material information; and

“**Undisclosed Material Information**” means Material Information pertaining to ACI that has not been publicly disclosed or information that has been publicly disclosed, but a reasonable period of time for its dissemination has not passed.

SCHEDULE “B”

EXAMPLES OF POTENTIALLY MATERIAL INFORMATION

The following are examples of the types of events or information that may be material. This list is not exhaustive.

Changes in ACI Structure

- changes in security ownership that may affect control of ACI
- 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 securities or offerings of warrants or rights to buy securities
- any security consolidation, security exchange, or security dividend or distribution
- changes in ACI’s distribution payments or policies
- the possible initiation of a proxy fight
- material modifications to 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
- material changes in the value or composition of ACI’s assets
- any material change in ACI’s accounting policies

Changes in Business and Operations

- any development that affects ACI’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 losses of significant contracts or business

- changes to the board directors or executive management, including the departure of the CEO, CFO, COO (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or material regulatory matters
- waivers of ethics and conduct rules for directors, officers and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of ACI'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 entities, including a take-over bid for, or merger with, another entity; it being understood that an acquisition of a single dealership would not be considered material unless otherwise determined by the Disclosure Committee.

Changes in Credit Arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of ACI'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

Other

- any other developments relating to the business and affairs of ACI that would reasonably be expected to significantly affect the market price or value of any of ACI's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

SCHEDULE “C”

AUTOCANADA INC.

Disclosure of Material Information and Insider Trading Policy

If you have any questions regarding the contents of this Policy and how it applies to you or you are unsure whether or not you may trade in a given circumstance, you should contact a Disclosure Officer for assistance.

Purpose

The purpose of this Policy is to:

1. summarize the procedures for timely disclosure of material information about AutoCanada Inc. (“ACI”) to the public;
2. set out the trading restrictions that certain persons are subject to under applicable securities legislation;
3. establish procedures to insure that non-public information remains confidential; and
4. establish a policy governing investments in ACI’s shares and the reporting thereof which is consistent with applicable legislation and the goals of ACI.

This Policy is not intended to discourage investment in ACI’s shares. Rather, it is intended to highlight the obligations and the restrictions imposed on insiders and other persons and ensure compliance with Canadian securities legislation and to protect ACI, its subsidiaries and their respective directors, officers, consultants and employees from the very serious liabilities and penalties that could result from violations of such laws.

Each director, officer, consultant and employee of ACI, and its subsidiaries (each a “Policy Participant”) is responsible for ensuring compliance with applicable securities legislation and this Policy. All Policy Participants who violate this Policy may face disciplinary action up to and including termination of his or her employment or relationship with ACI without notice. The violation of this Policy may also violate securities laws which may require ACI to make a report with the appropriate regulatory authority who has the power to impose penalties.

Definitions

Certain defined terms used in this Policy have the meanings set out below:

“Blackout Period” means the period during which Policy Participants are prohibited from trading in ACI’s securities;

“Disclosure Officers” means the individuals who are responsible for communicating with analysts, the news media and investors and ensuring that other Policy Participants do not communicate confidential information about ACI;

“Exchange” means the Toronto Stock Exchange and any other stock exchange on which securities of ACI are listed from time to time;

“Material Change” means a change in the business, operations or capital of ACI that would reasonably be expected to have a significant effect on the market price or value of any of the securities of ACI and includes a decision to implement the change by the directors of ACI or by senior management of ACI who believe that confirmation of the decision by the directors is probable;

“Material Fact” means a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of ACI’s securities;

“Material Information” means any information (Material Fact or Material Change) relating to the business and affairs of ACI that results in or would reasonably be expected to result in a significant change in the market price or value of any of ACI’s securities;

“Pending Material Developments” means a proposed transaction of ACI that would constitute Material Information; however, a decision to proceed with the transaction has not been made by the directors or by senior management, although there is an expectation of occurrence from the directors;

“Policy Participants” means all directors, officers of, and individuals currently employed by ACI, and its subsidiaries;

“Restricted Persons” means:

- (a) directors of ACI and its officers and senior management; and
- (b) Policy Participants who are routinely in possession of Undisclosed Material Information; and

“Undisclosed Material Information” means Material Information pertaining to ACI that has not been publicly disclosed or information that has been publicly disclosed, but a reasonable period of time for its dissemination has not passed.

1. Corporate Disclosure

This section summarizes the procedures for disclosure of information about ACI to the public. It covers disclosures in documents filed with the securities regulators and written statements made in ACI’s annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on ACI’s web site and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

Designated Spokespersons/Disclosure Officers

The Disclosure Committee and the Disclosure Officers are governed by the Joint Disclosure, Confidentiality and Trading Policy which details the policies and procedures of ACI with respect to corporate disclosure. The following section briefly summarizes these policies and procedures but any Policy Participant or other person designated as a spokesperson of ACI or otherwise authorized to speak on behalf of ACI should obtain, read and understand the Joint Disclosure, Confidentiality and Trading Policy.

For purposes of this Policy, the CEO, CFO and General Counsel have been designated as the Disclosure Officers. Individuals holding these offices may, from time to time, designate others within ACI to speak on behalf of ACI as back-ups or to respond to specific inquiries.

Except as may otherwise be determined by the Board, the members of the Disclosure Committee are the only individuals authorized to communicate with analysts, the media and investors about information concerning ACI. Policy Participants who are not members of the Disclosure Committee should refer all calls from the financial community, securityholders and media to a Disclosure Officer. If it is appropriate for another Policy Participant to discuss information about ACI, the Policy Participant shall first seek permission from a Disclosure Officer regarding the nature of the information to be discussed and, afterwards, advise the Disclosure Officer of what actually was discussed. Policy Participants may not communicate Undisclosed Material Information unless they have prior permission from a Disclosure Officer.

The Disclosure Committee will set benchmarks for a preliminary assessment of materiality and will determine when developments justify public disclosure. The Disclosure Committee will meet as conditions dictate. It is essential that the Disclosure Officers be kept fully apprised of all pending material developments relating to ACI in order to evaluate and discuss those events and to determine the appropriateness and timing for public release of information. If it is deemed that the information should remain confidential, the Disclosure Officers will determine how that inside information will be controlled.

In addition, if any Policy Participant becomes aware of any information that may constitute Material Information, the Policy Participant must advise a Disclosure Officer as soon as possible.

Summary of Corporate Disclosure Policies and Procedures

Companies are required by securities law to immediately disclose “material changes” in their business. Upon

the occurrence of a Material Change, ACI will immediately issue a news release and if applicable, file a material change report with the appropriate regulatory authorities. In the event that the Disclosure Committee determines that such disclosure would be unduly detrimental to ACI, the information will immediately be brought to the attention of the directors and will be kept confidential until a Disclosure Officer determines it appropriate to publicly disclose. In such circumstances, the Disclosure Committee will cause a confidential material change report to be filed with the applicable regulatory authorities and will periodically review its decision to keep the information confidential.

2. Trading Restrictions

Securities legislation prohibits any person or entity in a “special relationship” with ACI from either:

1. purchasing or selling ACI’s securities (including shares and options to acquire shares) with the knowledge of a Material Fact or Material Change concerning ACI that has not been generally disclosed; or
2. informing (or “tipping”), other than when necessary in the course of business, another person or entity of a Material Fact or Material Change concerning ACI before the Material Fact or Material Change has been generally disclosed.

This prohibition applies to any of the following persons or entities who are deemed to have a “**special relationship**” with ACI:

1. directors, officers and employees of ACI and its subsidiaries;
2. directors or senior officers of a corporation that is an insider (as defined in a later section of this Policy) of ACI;
3. any person or company beneficially owning or controlling securities carrying more than 10% of the voting rights of ACI;

4. an “associate” or “affiliate” of ACI (as defined under applicable securities legislation);
5. persons or companies who learn of a Material Fact or Material Change concerning ACI from any person in a special relationship to ACI and ought reasonably to have known that the other person or company was in a special relationship with ACI;
6. any person or company that has engaged in, is engaging in or is proposing to engage in any business or professional activity for or on behalf of ACI; and
7. any person who is associated with a person in a special relationship, including any family member, spouse or any other person living with such person, is also deemed to be a person in a special relationship with ACI, and is subject to the same legal obligations and duties.

Trading Prohibitions

In light of the foregoing, all directors, officers, consultants and employees of ACI and those other persons deemed to have a “special relationship” with ACI, or those associated with a person in a “special relationship”, will be subject to the following prohibitions relating to investments in ACI’s securities:

1. if one has knowledge of a Material Fact or Material Change related to the affairs of ACI or any public issuer involved in a transaction with ACI which is not generally known, no purchase or sale of securities of ACI or such other public issuer may be made until the information has been generally disclosed to the public and the Blackout Periods set forth below have expired;
2. knowledge of a Material Fact or Material Change must not be conveyed to any other person for the purpose of assisting that person in trading securities;
3. the practice of selling “short” securities of ACI at any time is not permitted;
4. the practice of buying or selling a “call” or “put” or any other derivative security in respect of the securities of ACI is not permitted;
5. in order to avoid the inadvertent breach of these policies, open or standing buy or sell orders for ACI’s securities should not be provided or maintained with securities dealers or other persons;
6. trading is prohibited in the event that ACI has provided notice of a pending Material Fact or Material Change until the information has been generally disclosed to the public and the Blackout Periods set forth below have expired; and
7. at no time should an individual trade securities of ACI if he/she believes that they have information that could be judged by an outsider or ACI as Undisclosed Material Information.

For purposes of this Policy, a “public issuer” includes any issuer, whether a trust, corporation or otherwise, whose securities are traded in a public market, whether on a stock exchange or “over the counter”.

The above prohibitions and the insider reporting obligations provided below apply equally to the trading of shares and the trading or exercising of options or other securities of ACI.

The securities laws and this Policy extend to trading in the securities of other firms when possessing material non-public information about another public entity through one's employment at ACI. An example would be material non-public information learned about a customer or vendor of ACI or other public entity with which ACI may be negotiating a transaction including but not limited to an acquisition, investment, or sale. If you are aware of non-public information concerning another public entity, you must not disclose that information to persons outside ACI and you must not trade in securities of the other entity until such information has been publicly disclosed or until any study of such an acquisition by ACI has been permanently terminated. Information that is not material to ACI may nevertheless be material to the other firm, and trading in the securities of the other firm could under these circumstances be a violation of securities laws.

Material Information

Material information includes Material Changes and Material Facts. You should assume that information is material if an investor might consider the information to be important in deciding whether to buy, sell or hold securities of ACI. Some (not all) of the matters which may be material are earnings forecasts, possible acquisitions or joint ventures, acquisition or loss of a significant contract, distribution or dividend actions, significant financing developments, major personnel changes, major litigation developments and the status of labour negotiations.

Examples of Potentially Material Information

The following are examples of the types of events or information that may be material. This list is not exhaustive.

Changes in Company Structure

- changes in security ownership that may affect control of ACI
- 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 securities or offerings of warrants or rights to buy securities
- any security consolidation, security exchange, or security dividend or distribution
- the possible initiation of a proxy fight
- material modifications to 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

- material changes in the value or composition of ACI's assets
- any material change in ACI's accounting policies

Changes in Business and Operations

- any development that affects ACI'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 losses of significant contracts or business
- changes to the board of directors or executive management, including the departure of the CEO, CFO, COO (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or material regulatory matters
- waivers of ethics and conduct rules for directors, officers and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of ACI'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 entities, including a take-over bid for, or merger with, another entity; it being understood that an acquisition or disposition of a single dealership would not be considered material unless otherwise determined by the Disclosure Committee

Changes in Credit Arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of ACI'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

Other

- any other developments relating to the business and affairs of ACI that would reasonably be expected to significantly affect the market price or value of any of ACI's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

Undisclosed Material Information of Other Companies

Where Policy Participants become aware of Undisclosed Material Information concerning another public company, they may not trade in the securities of that company until the information is publicly disclosed and a reasonable period of time for its dissemination has passed. Generally, a “reasonable period of time” will be two (2) business days; however, it may be shorter or longer depending upon the particular market following of that other company. A Disclosure Officer should be consulted to determine what would be a “reasonable period of time” in the circumstances.

Restricted Persons

Policy Participants who are Restricted Persons are prohibited from trading whenever there are Pending Material Developments, even if they are unaware of the details of the same. In the circumstances where there is Pending Material Information with respect to ACI, a confidential memo will be sent to all Restricted Persons, as well as to other Policy Participants if it is determined appropriate, informing them of the Blackout Period with respect to such Pending Material Development at which time they shall cease trading until further notice. No reason for the trading restriction will be provided.

As an alternative to a total prohibition on trading during a Blackout Period, senior management may make the determination that trades may occur during the Blackout Period but only with the express prior approval by the Disclosure Officer of each such trade. This alternative will only be available during a Blackout Period if the written notice of such Blackout Period so states.

Senior management is responsible for making the determination as to when a pending transaction would constitute a Pending Material Development. As guidance, a Blackout Period must at least commence once negotiations on a proposed transaction have progressed to a point where it reasonably could be expected that the market price of ACI’s securities would materially change if the status of the transaction were publicly disclosed.

Blackout Period

No Policy Participant shall trade in ACI’s securities when Material Information has not been disclosed and for a reasonable period of time following the disclosure of that information. Generally, a “reasonable period of time” will be two (2) business days. The purpose of the Blackout Period is to allow the market to fully reflect the Material Information in the price of ACI’s securities. The Disclosure Officers, in consultation with the Disclosure Committee, will be responsible for setting the length of the Blackout Period and notifying Policy Participants of it.

The Disclosure Officers will consider setting, and advising of, specific and routine Blackout Periods for routine and scheduled announcements regarding Material Information.

A Blackout Period will, in any event, commence on the last day of an interim or annual financial period and end on the business day following the issuance of a press release disclosing the results for the period.

If you are unsure whether or not you may trade in a given circumstance, you should contact a Disclosure Officer to determine if the particular information is or is not material.

Blackout periods may also be prescribed from time to time by ACI as a result of special circumstances relating to ACI pursuant to which persons in special relationship with ACI would be precluded from trading in securities of ACI. All parties with knowledge of such special circumstances would be covered by the blackout. Such parties may include external advisors such as legal counsel, investment bankers and counter-parties in negotiations of material potential transactions.

3. Tipping and Confidential Information

“Tipping” is informing another person of a material fact or material change concerning ACI before the Material Fact or Material Change has been generally disclosed to the public or recommending to anyone the purchase or sale of any securities on the basis of such information. Tipping is a violation of securities laws which could result in liability to ACI, a director, officer or employee, even if such individual derived no benefit from the trading of someone else.

It is the duty of all persons to whom this Policy applies to maintain the confidentiality of non-public information belonging or relating to ACI for a minimum of two (2) full days after an announcement has been made by ACI with respect to such information. Non-public information belonging or relating to ACI may not be disclosed to others outside of ACI except as required in the performance of regular duties for ACI and in accordance with this Policy.

Policy Participants should not discuss ACI’s business with others under circumstances in which non-public information could be disclosed. In particular, ACI’s business must not be discussed in internet chat groups or bulletin boards, particularly those that focus on investment matters. Such discussions may result in charges of tipping or that the person involved is improperly promoting ACI’s stock, both of which are violations of securities laws.

4. Insider Reporting Obligations

Under current securities legislation, a person who becomes an insider of ACI must file an insider report within ten (10) days of the date of becoming an insider. **An insider report should be completed and filed immediately disclosing your holdings of any securities of ACI including shares and options to acquire shares if you are a defined insider and have not already filed an insider report.** In addition, an insider who’s direct or indirect beneficial ownership of or control or direction over securities of ACI changes, must file an insider report of the change within five (5) days of the date of the change. For example, an insider report must be filed upon being granted options to acquire shares and also upon the exercise, cancellation or expiry of options.

Only “reporting insiders”, as defined in securities legislation, are required to file insider reports. This includes directors, significant shareholders and certain senior officers that ordinarily have access to Material Undisclosed Information. Employees who are not otherwise insiders or responsible for a principal business unit, division or function are not required to file insider reports.

Electronic Filing of Insider Reports

All insider reports must be filed electronically pursuant to the System for Electronic Disclosure by Insiders (“SEDI”) via an Internet website at www.sedi.ca and may no longer be filed in a paper format.

Every insider is required to complete an insider profile by completing the on-line form on the SEDI website. This insider profile will request information regarding the insider including the insider’s name, address and telephone number, names of the entities for which the individual is an insider and the date the insider last filed an insider report in paper format.

It is each insider’s personal responsibility to ensure that all requisite insider trading reports are filed with the appropriate securities commissions within the statutory time limits (ten (10) days from the date of becoming an insider or five (5) days from the date of any subsequent trade).

In addition to the above reporting requirements, insiders shall report all trades to the CFO of ACI by delivering a copy of the insider trading report filed with the applicable securities commissions at the time of such filing by email to the CFO. The CFO will maintain a register of insider share positions in ACI.

5. Communication

If requested by ACI to satisfy the requirements of an applicable regulatory authority, any person to whom this Policy applies shall cooperate fully and promptly provide such other documentation or information, including a full trading history in ACI's securities, as may be required.

New directors, officers, consultants and employees will be provided with a copy of this Policy and will be directed to review this Policy. This Policy will be circulated to all directors, officers, consultants and employees whenever changes are made and otherwise as determined by the directors of ACI.

If you have any questions regarding the contents of this Policy and how it applies to you or you are unsure whether or not you may trade in a given circumstance, you should contact the CFO or General Counsel for assistance.

6. Enforcement

Canadian Enforcement

Penal Sanctions

The securities acts in Canada contain penal sanctions for both trading on or informing others of inside information. While the penalties vary among jurisdictions, offenders are typically personally liable to prosecution and, upon conviction, to a fine not exceeding one million dollars or two years in jail, or both. The prohibitions with respect to informing often permit the defence that the information was given in the necessary course of business. There is also a defence with respect to both the trading and informing offenses that the person reasonably believed the material had been generally disclosed. **The availability of possible defences is no justification for breaching the terms of this Policy or applicable laws. If you have any questions regarding possible defences, contact the CFO or General Counsel immediately.**

Administrative Sanctions

There are several administrative sanctions that might be applied by a securities commission in the context of insider trading or informing. For example, a securities commission may issue a cease trade order against a senior officer who has engaged in insider trading.

Civil Actions

Canadian securities acts generally provide for an action for damages against a person trading on material inside information by the person with whom the trade was made.

As with the penal sanction, there is a defence of reasonable belief that the Material Information had been generally disclosed. There is an additional defence that the Material Information ought to reasonably have been known to the plaintiff.

An action for damages can also be brought against a person who informed another of the inside information. The action can be brought by anyone who sold securities to or purchased securities from a person who obtained the inside information from the informer.

Any director, officer, consultant or employee violating insider trading laws may, in addition, be subject to lawsuits by any third party who purchased or sold the securities at the same time as the director, officer, consultant or employee. ACI likewise may be liable for the violation.

In addition, ACI itself can bring an action against an insider, affiliate or associate of ACI where that person either bought or sold securities with knowledge of Material Information or informed another of the Material Information, before the information was publicly disclosed. The action is for an accounting to ACI of every benefit or advantage received by such insider, affiliate or associate, or by the “tippee”.

Sanctions by ACI

In addition to the above referenced sanctions, ACI may impose its own disciplinary action, including dismissal for cause, for violation of this Policy.