



INSIDER TRADING POLICY

ID #: 80-ADM-D-12

Revision Level: 0 – 22FEB21

Created By: Legal Department

Approved By: Senior Legal Counsel

1. Introduction

ABC Technologies Holdings Inc. (the “**Company**”) encourages all its employees, officers, and directors to become shareholders of the Company on a long-term investment basis. Since Company Personnel (as defined below) may, from time to time, become aware of important corporate developments, significant plans or other material information before such matters are made public, the Company has established this Policy to assist such individuals in complying with the applicable legal requirements and prohibitions. This policy applies to trading of the Company’s securities as well as the securities of publicly traded companies with which we have a business relationship.

Each of the following is against the law, may expose applicable individuals to criminal prosecution or civil lawsuits, can harm their reputation, and could result in the termination of their employment or appointment with the Company:

- (a) trading securities of the Company while in possession of information (i) that has not been generally disclosed and (ii) the disclosure of which would reasonably be expected to have a significant effect on the market price or value of the Company’s securities or that could affect the decision of a reasonable investor (known as “**insider trading**”);
- (b) subject to limited exceptions described in this Policy, disclosing such information to a third party before it has been generally disclosed (known as “**tipping**”); or
- (c) subject to limited exceptions described in this Policy, recommending, or encouraging a third party to purchase or sell the Company’s securities while in possession of such information (known as “**recommending**”).

Such actions can also result in a lack of confidence in the market for the Company’s securities, harming both the Company and its shareholders.

The procedures and restrictions set forth in this Policy are only a general framework, designed to assist Company Personnel in understanding and not engaging in insider trading, tipping or recommending, or otherwise being perceived as having violated such prohibitions under law and to protect the Company’s reputation for integrity and ethical conduct. However, Company Personnel have the ultimate responsibility for complying with applicable laws and should obtain additional guidance, including independent legal advice, as may be appropriate for their own circumstances.

The Company’s Board of Directors will designate one or more individuals from time to time as Insider Trading Policy Administrator(s) for the purpose of administering this Policy. At the date hereof, the designated Insider Trading Policy Administrator is Ryan Conacher, Senior Legal Counsel. This Policy has been reviewed and approved by the Company’s Board of Directors and will be reviewed periodically by the Company’s Board of Directors or a subcommittee thereof. Any amendments to this Policy will be subject to approval by the Company’s Board of Directors.

Any questions regarding this policy can be directed to Insider Trading Policy Administrator at ryan.conacher@abctech.com.

2. Application

2.1 Persons that are Subject to this Policy

The following persons are required to observe and comply with this Policy:

- (a) all directors, officers and employees of the Company or its subsidiaries; and
- (b) partnerships, trusts, corporations, RRSPs and similar entities over which any of the above-mentioned individuals exercise control or direction.

For the purposes of this Policy, the persons listed above are collectively referred to as “**Company Personnel**”.

Company Personnel should also be aware that while this Policy only applies to the foregoing persons, the laws underlying the procedures and restrictions set forth in this Policy are also generally applicable to, among others, associates of Company Personnel (such as family members who reside in the same home as any Company Personnel), persons retained by or engaged in business or professional activity with or on behalf of the Company or any of its subsidiaries (such as a consultant, independent contractor or adviser), and further insiders of the Company (such as 10% shareholders and their directors and officers).

2.2 Trades that are Subject to this Policy

Under this Policy, all references to trading in securities of the Company include:

- (a) any sale or purchase of securities of the Company, including pursuant to the exercise of stock options; and
- (b) any derivatives-based or other transaction, agreement, arrangement or understanding, or material amendment or termination thereof, that would be required to be reported in accordance with applicable laws or regulations (including National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*, Part XXI of the *Securities Act* (Ontario) and the guidance in Staff Notice 55-312 – *Insider Reporting Guidelines for Certain Derivative Transactions (Equity Monetization)*).

3. Inside Information

“**Inside Information**” means:

- (a) a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of the securities of the Company (which includes any decision to implement such a change by the Company’s Board of Directors or by senior management who believe that confirmation of the decision by the Company’s Board of Directors is probable);

- (b) a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of the Company; or
- (c) any information that could affect the decision of a reasonable investor to buy, sell or hold securities of the Company,

in each case, which has not been generally disclosed to the public. Examples of information that may constitute Inside Information are set out in Schedule "A" attached hereto. **It is the responsibility of any Company Personnel contemplating a trade in securities of the Company (or any discussion concerning the Company or its securities) to determine prior to such trade (or discussion) whether he or she is aware of any information that constitutes Inside Information. If in doubt, the individual should consult with the Insider Trading Policy Administrator. In addition, Section 6.1 of this Policy requires that certain Company Personnel pre-clear trades in securities of the Company.**

4. Prohibition Against Trading on Inside Information

Company Personnel must not purchase, sell or otherwise trade in securities of the Company with the knowledge of Inside Information until:

- (a) completion of two full trading days after the disclosure to the public of the Inside Information, in compliance with the Company's Disclosure Policy (for example if public disclosure is made before the commencement of trading on day 1, the prohibition applies until the commencement of trading on day 3, while if public disclosure is made after the commencement of trading on day 1 (including after the end of trading on day 1), the prohibition applies until the commencement of trading on day 4); or
- (b) the Inside Information ceases to be material and Company Personnel are so advised by the Insider Trading Policy Administrator (e.g. a potential transaction that was the subject of the information is abandoned).

In addition, Company Personnel must not make any trades in securities of the Company during the blackout periods described in Section 6 of this Policy.

5. Prohibition Against Speculating, Short-Selling and Hedging

Certain types of trades in securities of the Company by Company Personnel can raise particular concerns about potential breaches of applicable securities law or that the interests of the persons making the trade are not aligned with those of the Company. Company Personnel are therefore prohibited at any time from, directly or indirectly, undertaking any of the following activities:

- (a) speculating in securities of the Company, which may include buying with the intention of quickly reselling such securities, or selling securities of the Company with the intention of quickly buying such securities (other than in connection with the acquisition and sale of shares issued under the Company's stock option plan or any other Company benefit plan or arrangement);
- (b) buying the Company's securities on margin;

- (c) short selling a security of the Company or any other arrangement that results in a gain only if the value of the Company's securities declines in the future;
- (d) selling a "call option" giving the holder an option to purchase securities of the Company;
- (e) buying a "put option" giving the holder an option to sell securities of the Company; and
- (f) purchasing financial instruments, including 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 securities of the Company (or equivalents such as share units, the value of which is derived from equity securities of the Company) held, directly or indirectly, by such Company Personnel, including equity securities granted as compensation.

6. Restrictions on Trading of Company Securities

6.1 Trading Pre-Clearance

To assist each of the Company Personnel specified below to avoid any trade in securities of the Company that may contravene or be perceived to contravene applicable securities laws, these individuals are required to notify, and obtain written pre-clearance from, the Insider Trading Policy Administrator of any proposed trade of securities of the Company **before effecting the trade** in order to confirm that there is no Inside Information that has not been generally disclosed:

- (a) Company Personnel who are "Reporting Insiders" of the Company (as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*) (i.e., Company Personnel who are required to report their insider trading activities on the electronic filing system known as SEDI);
- (b) any employee who reports directly to the Chief Executive Officer or Chief Financial Officer;
- (c) a member of the finance staff; and
- (d) an individual that is notified by the Insider Trading Policy Administrator that the individual's trades in securities of the Company will be subject to pre-clearance in accordance with this Policy.

Notification is required not only for trades by the foregoing Company Personnel, but also for any proposed trades by any other person if such Company Personnel has control or direction over such securities (for example, if Company Personnel have the authority to direct the sale or acquisition of Company securities by a personal holding company, spouse or minor children).

Such pre-clearance may be requested by completing the trade notice set out in Schedule "B" (the "**Trade Notice**") to this Policy and sending it by email to the Insider Trading Policy Administrator. Such a request must be made sufficiently far in advance of the date of the proposed transaction in order to allow the Insider Trading Policy Administrator to properly consider the request. If a Reporting Insider who has requested pre-clearance for a proposed trade has not received such

pre-clearance from the Insider Trading Policy Administrator by the date of the proposed transaction, the Reporting Insider may not proceed with such trade.

The Insider Trading Policy Administrator is under no obligation to approve a trade submitted for pre-clearance, and may determine not to permit the trade. The Insider Trading Policy Administrator himself or herself may not trade in Company securities unless the Chief Executive Officer has approved the trade(s) in accordance with the procedures set forth above.

If any Company Personnel has any doubt with respect to whether they are a Reporting Insider, they should contact the Insider Trading Policy Administrator.

6.2 Scheduled Blackout Periods

No person that is required to file a Trade Notice with the Insider Trading Policy Administrator shall trade in securities of the Company during the period commencing on the 15th day of the last month of each fiscal quarter and ending upon completion of two full trading days following the date on which a press release has been issued in respect of the Company's interim or annual financial statements (otherwise known as a "**blackout period**").

The trading restrictions described above also apply to the exercise of stock options granted under the Company's stock option plan.

6.3 Extraordinary Blackout Periods

Additional blackout periods may be prescribed from time to time by the Insider Trading Policy Administrator at any time when it is determined there may be Inside Information concerning the Company that makes it inappropriate for individuals required to file a Trade Notice with the Insider Trading Policy Administrator to be trading. In such circumstances, the Insider Trading Policy Administrator will issue a notice instructing the affected individuals not to trade in securities of the Company until further notice. This notice will contain a reminder that the fact that there is a restriction on trading may itself constitute Inside Information or information that may lead to rumours and must be kept confidential. Failure of the Insider Trading Policy Administrator to designate/notify a person as being subject to an extraordinary blackout will not relieve that person of the obligation not to trade while aware of material non-public information.

6.4 Discretionary Exemptions

Individuals subject to a blackout period who wish to trade securities of the Company may apply to the Insider Trading Policy Administrator for an exemption from this Policy which permits them to trade securities of the Company during the blackout period. Any such request should describe the nature of and reasons for the proposed trade. The Insider Trading Policy Administrator will consider such requests and inform the requisitioning individual whether or not the proposed trade may be made. The requisitioning individual may not make any such trade until he or she has received the specific approval from the Insider Trading Policy Administrator. For the avoidance of doubt, the Insider Trading Policy Administrator is under no obligation to approve such trade request and under no circumstances will an exemption be granted during an extraordinary blackout period.

7. Prohibitions Against Tipping and Recommending

Inside Information is to be kept strictly confidential by all Company Personnel until after it has been generally disclosed to the public. Discussing Inside Information within the hearing of, or leaving it exposed to, any person who has no need to know is to be avoided at all times.

Company Personnel with knowledge of Inside Information shall not recommend or encourage any other person to trade in the securities of the Company (other than as required in the necessary course of business), regardless of whether the Inside Information is specifically communicated by Company Personnel to such person.

If any Company Personnel has any doubt with respect to whether any information is Inside Information or whether disclosure of Inside Information, or recommending or encouraging trading in Company securities, is in the necessary course of business, the individual is required to contact the Insider Trading Policy Administrator.

8. Securities of Other Companies

In the course of the Company's business, Company Personnel may obtain information about another publicly-traded issuer that has not been generally disclosed to the public, including such an issuer in respect of which the Company is considering or evaluating whether, or proposing, to (a) make a take-over bid, (b) become a party to a reorganization, amalgamation, merger, arrangement or similar business combination or (c) acquire a substantial portion of the property. The restrictions set out in this Policy apply to all Company Personnel with respect to trading in the securities of another issuer while in possession of such information, communicating such information to any person, and recommending or encouraging any person to trade in securities of such another publicly-traded issuer, whether such issuer's securities are publicly-traded within Canada or otherwise.

9. Reporting Requirements

The directors, certain officers and certain other employees of the Company and its subsidiaries are "Reporting Insiders" under applicable securities laws. Reporting Insiders are required to file reports (generally within 5 days) of any direct or indirect beneficial ownership of, or control or direction over, securities of the Company and of any change in such ownership, control or direction with Canadian securities regulatory authorities pursuant to the electronic filing system known as SEDI. In addition, Reporting Insiders must also file reports in respect of interest in, or right or obligation associated with, a related financial instrument (i.e., a derivative) involving a security of the Company, as well as any monetization transaction, secured loan with recourse limited to securities of the Company, or similar arrangement, trade or transaction that changes the Reporting Insider's economic exposure to or interest in securities of the Company, which may not necessarily involve a purchase or sale.

The Company will assist any Reporting Insider in the preparation and filing of insider reports upon a timely request, however, it is the responsibility of each Reporting Insider (and not the Company or its advisers) to comply with these reporting requirements. Reporting Insiders are required to provide the Insider Trading Policy Administrator with a copy of any insider report completed by the Reporting Insider concurrent with or in advance of its filing.

Some officers of the Company or its subsidiaries may be eligible to be exempted by applicable securities law from the requirements to file insider reports.

A person that is uncertain as to whether he or she is a Reporting Insider of the Company or whether he or she may be eligible to be exempted from these requirements should contact the Insider Trading Policy Administrator. Reporting Insiders who are exempted from these requirements remain subject to all of the other provisions of applicable securities law and this Policy.

10. Penalties and Civil Liability

10.1 Insider Trading, Tipping and Recommending Prohibitions

The applicable securities laws that impose insider trading, tipping and recommending prohibitions also impose substantial penalties and civil liability for any breach of those prohibitions, namely, depending on the violation:

- (a) fines of up to \$5,000,000 and four times the profit made or loss avoided;
- (b) prison sentences for a term not exceeding 10 years for insider trading, and five years for tipping or recommending;
- (c) civil liability for compensation to the seller or purchaser of the relevant securities for damages as a result of the trade;
- (d) public interest orders such as trading bans and bans against acting as a director or officer of a public issuer and acting as or becoming a registrant.

Where a company is found to have committed an offence, the directors, officers and supervisory Company Personnel of the company may be subject to the same or additional penalties.

10.2 Insider Trade Reporting

Failure to file an accurate insider report within the required time period is also an offence under securities laws and may result in one or more of the following:

- (a) the imposition of a late filing fee;
- (b) the Reporting Insider being identified as a late filer on a public database of late filers maintained by certain securities regulatory authorities;
- (c) the issuance of a cease trade order that prohibits the Reporting Insider from directly or indirectly trading in or acquiring securities or related financial instruments of the applicable issuer or any publicly-traded issuer in Canada until the failure to file is corrected or a specified period of time has elapsed; or
- (d) in appropriate circumstances, enforcement proceedings.

11. Enforcement

All directors, officers and employees of the Company and its subsidiaries will be provided with a copy of this Policy, and shall execute the certification set out in Schedule "C" regarding acknowledgement of and compliance with the procedures and restrictions set forth in this Policy. It is a condition of their appointment or employment that each of these persons at all times abide by the standards, requirements and procedures set out in this Policy unless a written authorization

to proceed otherwise is received from the Insider Trading Policy Administrator. Any such person who violates this Policy may face disciplinary action up to and including termination of his or her employment or appointment with the Company without notice. The violation of this Policy may also violate certain securities laws, corporate law and/or criminal laws. If it appears that a director, officer or employee may have violated such laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

* * * * *

Should you have any questions or wish information concerning the above, please contact the Insider Trading Policy Administrator.

SCHEDULE "A"

Common Examples of Potential Inside Information

The following examples are not exhaustive:

- proposed major reorganizations, amalgamations, or mergers
- proposed significant public or private sale of additional securities
- planned significant repurchases or redemptions of securities
- planned stock splits or offerings of warrants or rights to buy shares
- proposed share consolidation, share exchange, or stock dividend
- proposed significant acquisitions or dispositions of assets or subsidiaries
- proposed significant acquisitions of other companies
- bankruptcy or receivership
- changes to executive management or control of the company
- commencement of, or developments in, material legal proceedings or regulatory matters
- proposed listing or de-listing of company securities on a quotation system or exchange
- pending change in the company's auditors
- results of the submission of matters to a vote of securityholders
- borrowing or lending of a significant amount of money outside the ordinary course of business
- defaults under material obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- significant new credit arrangements
- any other development that significantly affects or is expected to significantly affect the company's financial condition, financial performance, cash flows or objectives

SCHEDULE "B"

Trade Notice

TO: **[INSIDER TRADING POLICY ADMINISTRATOR]**, as Insider Trading Policy Administrator

RE: ABC Technologies Holdings Inc. Insider Trading Policy

I propose to cause or direct the **[acquisition/disposition]** of securities of ABC Technologies Holdings Inc. (the "**Company**") in the amount of up to **[NUMBER OF SECURITIES]** (the "**Proposed Trade**").

In accordance with the Company's Insider Trading Policy (the "**Policy**"), I hereby certify that:

1. I have read and understand the Policy.
2. I do not have knowledge of Inside Information (as defined in the Policy) which has not been generally disclosed.
3. I agree that the Proposed Trade will not be completed until pre-clearance is received from the Insider Trading Policy Administrator designated under the Policy (as evidenced by his or her signature below).
4. I agree that if pre-clearance is received for the Proposed Trade, it will, unless otherwise specified, be effective until the conclusion of the fifth trading day following the day on which pre-clearance is granted ("**Trading Window**"). If the Proposed Trade is not completed within such time, I acknowledge that it will be necessary to reapply for pre-clearance.
5. I understand that the Trading Window may be "closed" at any time at which it is determined there may be Inside Information concerning the Company that makes it inappropriate for Company personnel to be trading. I understand that the fact that the Trading Window has been "closed" is itself Inside Information that should not be disclosed to or discussed with anyone.
6. I understand that if pre-clearance is denied, that fact is itself Inside Information that should not be disclosed to or discussed with anyone.

DATED: _____, 20____

Applicant Name:

Applicant Title:

PRE-CLEARED ON _____, 20____

BY:

Name:

Title:

SCHEDULE "C"

Certification – Insider Trading Policy of ABC Technologies Holdings Inc.

The undersigned hereby certifies that he/she has read and understands the Company's Insider Trading Policy, a copy of which is attached hereto, and agrees to comply with the procedures and restrictions set forth therein.

Date: _____

Signature: _____

Name: _____
(please print)