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## **DISCLOSURE AND INSIDER TRADING POLICY**

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## TABLE OF CONTENTS

	Page
1. OBJECTIVE OF THE POLICY .....	1
2. MATERIAL INFORMATION.....	1
2.1 What is “material information”? .....	1
2.2 Who is responsible for identifying material information?.....	3
3. DISCLOSURE OF MATERIAL INFORMATION .....	3
3.1 When must material information be disclosed? .....	3
3.2 How is material information disclosed? .....	5
3.3 Accurate and complete material information .....	5
3.4 Rumours .....	7
4. SELECTIVE DISCLOSURE OF INFORMATION .....	7
4.1 What is selective disclosure?.....	7
4.2 What should be done in the event of selective disclosure? .....	8
4.3 How can selective disclosure be avoided and confidentiality maintained?.....	9
5. ARCHIVING DISCLOSED INFORMATION .....	12
6. FORWARD-LOOKING INFORMATION.....	12
7. ELECTRONIC COMMUNICATIONS.....	13
7.1 Fibrek website.....	13
7.2 Chat rooms, discussion forums and electronic mail.....	16
8. INSIDER TRADING.....	16
8.1 Use of privileged information .....	16
8.2 Restrictions on trading.....	17
8.3 Insider reports.....	18
9. IMPLEMENTATION OF THE POLICY.....	19

## 1. OBJECTIVE OF THE POLICY

Fibretek Inc. (“Fibretek”) believed it was important to develop a policy regarding the disclosure of material information and insider trading in order to ensure that:

- (i) Fibretek’s material information is disclosed in a consistent, effective, timely manner and on a large scale; and
- (ii) the information disclosed is complete and accurate and fairly presents in all material respects Fibretek’s financial condition, results of operations and cash flows.

Fibretek also wishes to ensure that every person who invests in Fibretek securities receives complete and accurate information, in all material respects, and equal access to all material information likely to affect their investment decisions.

This policy was established based on requirements stipulated in the Policy Statement on Timely Disclosure of the Toronto Stock Exchange (the “Exchange”), National Policy 51-201 of the Canadian Securities Administrators (the “CSA”), National Instrument 55-104 of the CSA, the *Securities Act* (Québec) and the *Securities Act* (Ontario).

In particular, the policy covers disclosure documents filed with the applicable securities regulatory authorities, written communications, press releases, information provided to security holders, written presentations by senior management and information found on Fibretek’s website. The policy also applies to oral statements made during meetings, conferences or conference calls with analysts, investors, security holders and the media.

## 2. MATERIAL INFORMATION

### 2.1 What is “material information”?

Material information is any information relating to the business and affairs of Fibretek that results in or would reasonably be expected to result in a significant change in the market price or value of Fibretek’s securities. Material information consists of both “material changes”<sup>1</sup> and “material facts”<sup>2</sup> relating to the business and affairs of Fibretek.

It is Fibretek’s responsibility to determine what information is material in the context of its activities. Fibretek must take into account a number of factors when determining which information is material, including the nature of the information

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<sup>1</sup> A material change is a change in the business, operations or capital of Fibretek that would reasonably be expected to have a significant effect on the market price or value of Fibretek’s securities or, it is a decision to implement such a change made by the board of directors or by senior management of Fibretek who believe that confirmation of the decision by the directors is probable.

<sup>2</sup> A material fact means a fact that would reasonably be expected to have a significant effect on the market price or value of Fibretek’s securities or of a security to be issued.

itself, the volatility of Fibrek's securities, prevailing market conditions, the size of its earnings, assets and capitalization and the nature of its operations. Fibrek's ongoing monitoring and assessment of market reaction to different disclosure will assist the organization in making materiality judgements. If there is doubt about whether particular information is material, the CSA advises companies to err on the side of caution. The Exchange also encourages listed companies to consult its market surveillance division when in doubt.

The following are examples of the types of events or information which are likely to be material, thus requiring prompt disclosure. This list is not exhaustive.

- (i) changes in security ownership that may affect control of Fibrek;
- (ii) major reorganizations, amalgamations or mergers;
- (iii) take-over bids, issuer bids or insider bids;
- (iv) public or private sale of additional securities;
- (v) planned repurchases or redemptions of securities;
- (vi) planned splits of common shares or offerings of warrants or rights to buy shares;
- (vii) any share consolidation, share exchange or stock dividend;
- (viii) changes in dividend policies or payments;
- (ix) possible initiation of a proxy fight;
- (x) material modifications to rights of security holders;
- (xi) significant increase or decrease in near-term earnings prospects;
- (xii) development of a new product and/or developments affecting Fibrek's resources, technology, products or markets;
- (xiii) entering into or loss of a significant contract;
- (xiv) a significant change in Fibrek's capital investment plans or corporate objectives;
- (xv) a significant change in Fibrek management;
- (xvi) significant acquisitions or dispositions of assets, property or joint venture interests;
- (xvii) commencement of, or developments in, material legal proceedings or regulatory matters;
- (xviii) major labour disputes or a disputes with a major contractors or suppliers;

- (xix) waivers of corporate ethics and conduct rules for officers, directors and other key employees;
- (xx) borrowing or lending of a significant amount of money;
- (xxi) any mortgaging or encumbering of Fibrek's assets
- (xxii) defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors;
- (xxiii) changes in rating agency decisions;
- (xxiv) significant new credit agreements;
- (xxv) de-listing of Fibrek's securities or their movement from one quotation system or exchange to another;
- (xxvi) acquisitions of other companies, including take-over bid for, or merger with, another company;
- (xxvii) any other developments relating to the business and affairs of Fibrek that would reasonably be expected to significantly affect the market price or value of securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

## **2.2 Who is responsible for identifying material information?**

Fibrek is responsible for regularly identifying the information it is required to disclose to the public. The President and Chief Executive Officer, the Vice President and Chief Financial Officer, the Vice President Legal Affairs and Corporate Secretary and the Vice President Change Management and Supply Chain are responsible for determining whether an information is material or not.

In order for such officers to identify material information in a timely fashion, all Fibrek officers must keep the President and Chief Executive Officer and/or the Vice President and Chief Financial Officer and/or the Vice President Legal Affairs and Corporate Secretary and/or the Vice President Change Management and Supply Chain informed of all significant developments that could affect Fibrek. Should a disagreement arise as to what constitutes material information, the Chairman of the Board or the Chairman of the Audit Committee must be notified immediately of such disagreement.

## **3. DISCLOSURE OF MATERIAL INFORMATION**

### **3.1 When must material information be disclosed?**

#### *General rule*

Fibrek is required to disclose material information concerning its business and affairs forthwith upon the information becoming known to management or as

soon as a development is approved by the Board of Directors, or in the case of information previously known by management, forthwith upon becoming apparent that the information is material.<sup>3</sup> Immediate release of material information is necessary (i) to ensure that it is promptly available to all investors and (ii) to reduce the risk of persons with access to such information acting upon undisclosed information.

The announcement of an intention to proceed with a transaction or activity should be made as soon as Fibrek's Board of Directors makes that decision. In addition, if no final decision has been made regarding a change in Fibrek's activities, prompt disclosure may be required if the information regarding the change has circulated or if the trading of Fibrek's securities seems to have been influenced by rumours (in this regard, please see paragraph 3.4 below).

Disclosure of material information must be handled carefully and in a timely fashion by Fibrek, since either premature or late disclosure may be damaging to the credibility and reputation of Fibrek in the securities market.

#### *Exception*

Fibrek may exceptionally delay the disclosure of material information and temporarily keep the information confidential if its management concludes, after consulting with the Board of Directors, that immediate disclosure of the information would be unduly detrimental to the interests of Fibrek (e.g. would prejudice its ability to pursue a strategy or specific objectives, would prejudice the successful completion of ongoing negotiations or would prejudice its ability to complete a transaction). Keeping material information confidential can only be justified where the potential harm to Fibrek or its investors caused by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure. Confidentiality must not be maintained for a lengthy period of time by Fibrek. Although disclosure of material information can be delayed, Fibrek must nevertheless file a material change report at such time, on a confidential basis, with regulatory authorities.

When disclosure of a material information is delayed, Fibrek management must take all necessary measures to keep the information confidential (in this regard, please see paragraph 4.3 below) and to ensure that no trading is carried out on Fibrek's securities by insiders or by any person with knowledge of the information until said information has been generally disclosed. During the period before material information is disclosed, Fibrek management must closely monitor market activity in Fibrek's securities to ensure there is no unusual market activity (in this regard, please see paragraph 3.4 below). Management will review its decision to maintain the information confidential on a regular basis (at least every 10 days).

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<sup>3</sup> If the material information relates to a material change, once the information has been disclosed, a material change report must be filed with the securities authorities of competent jurisdiction within 10 days of the date on which the change occurred.

### **3.2 How is material information disclosed?**

As soon as information is identified as being material, Fibrek management must immediately issue a press release in order to disseminate the information. Where a press release containing material information is to be released during trading hours, Fibrek must notify the Exchange's market surveillance division prior to the issuance of the press release. The Exchange's market surveillance staff will then be able to determine whether trading of Fibrek's securities should be temporarily halted. If the press release is released outside trading hours, Fibrek should advise market surveillance division before trading opens.

The press release must outline the facts with impartiality (i.e. in a balanced and complete manner, neither overemphasizing favourable news nor underemphasizing unfavourable news) without including unnecessary details, exaggerated reports or promotional statements. The content of the press releases should enable media personnel, analysts and investors to appreciate the true substance and importance of the information and any observations on future events regarding Fibrek's affairs should be kept to a strict minimum.

Fibrek management must determine whether a given document must be filed with the applicable securities regulatory authorities in connection with the material information and, where appropriate, ensure that such document is prepared and filed.

To ensure that the entire financial community is aware of the press release at the same time, a wire service or a news release agency that provides national and simultaneous coverage must be used. Fibrek must use the same dissemination method for all press releases.

It should be noted that an issuer's decision to post material information on its website is not considered an adequate method of disclosing the information. However, once the material information is disclosed via a press release, Fibrek will post it on its website, where appropriate (in this regard, please see section 7 below).

### **3.3 Accurate and complete material information**

Fibrek has implemented certain measures to ensure that the information disclosed is complete and accurate and fairly presents, in all material respects, its financial condition, results of operations and cash flows.

#### **Disclosure controls and procedures and internal control over financial reporting**

The President and Chief Executive Officer and the Vice President and Chief Financial Officer are responsible for establishing and maintaining (or causing to be established and maintained under their supervision) disclosure controls and procedures and internal control over financial reporting (which can include

controls and other procedures currently used by Fibrek) (the “Internal Controls”) and which are designed to ensure that:

- (i) the information required to be disclosed by Fibrek in the documents filed with the CSA is recorded, processed, summarized and reported, in all material respects, accurately and within the applicable time periods; and
- (ii) the information is collected and communicated to Fibrek management so that timely decisions may be made regarding the required disclosure and Fibrek’s continuous disclosure obligations may be met.

The President and Chief Executive Officer and the Vice President and Chief Financial Officer, as applicable, can document (or cause to be documented) Internal Controls, which will be audited on a regular basis to assess effectiveness and ensure filing of all certificates required under applicable securities laws.

### **Certification**

The officers and other Fibrek employees designated from time to time by the Vice President and Chief Financial Officer must provide the President and Chief Executive Officer and the Vice President and Chief Financial Officer with a certificate (in the form and substance provided for from time to time by the Vice President and Chief Financial Officer) so that they may sign any certificate required under applicable securities laws.

### **Information review**

#### *Core Documents*

Fibrek has established a disclosure committee (the “Disclosure Committee”) which is governed by the *Fibrek Disclosure Committee Charter* (the “Charter”).

In accordance with the Charter, the Disclosure Committee is responsible for reviewing all core documents identified in Appendix A (the “Core Documents”) to ensure that they are accurate and complete, in all material respects, and that they are filed in on a timely basis.

These documents must not contain misrepresentations (i.e. an untrue statement of material facts or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made).

No Core Document may be filed or issued without having been reviewed by the Disclosure Committee and by Fibrek’s Audit Committee.

#### *Non-Core Documents*

The President and Chief Executive Officer, the Vice President and Chief Financial Officer, the Vice President Legal Affairs and Corporate Secretary and the Vice President Change Management and Supply Chain are responsible for

ensuring that non-core documents identified in Appendix B (the “Non-Core Documents”) are accurate and complete. No Non-Core Documents may be filed or issued without having been reviewed by such persons.

### **3.4 Rumours**

As a general rule, Fibrek shall refrain from commenting on market or internet rumours in order to avoid any selective disclosure of information (in this regard, please see section 4 below). If the Exchange requires that a statement be made by Fibrek regarding the authenticity of rumours causing significant volatility in Fibrek securities, Fibrek management will take appropriate measures to quickly issue a clarifying statement through a press release.

## **4. SELECTIVE DISCLOSURE OF INFORMATION**

### **4.1 What is selective disclosure?**

Except as set forth below, neither Fibrek nor any person or company in a special relationship with Fibrek may inform anyone of a material information before it has been generally disclosed (in this regard, please see paragraph 8.1 below). Doing otherwise would constitute selective disclosure of information.

However, the legislation allows for an exception to this principle to prevent normal business activities of an issuer from being hindered. As a result, Fibrek may selectively disclose information provided that the disclosure is carried out in the necessary course of business. However, whether a particular disclosure is being made in the necessary course of business constitutes a question of fact. According to the CSA, the following parties could generally benefit from this exception:

- (i) Fibrek vendors, suppliers or strategic partners on issues such as research and development, sales, marketing and supply contracts;
- (ii) Fibrek employees, officers and board members;
- (iii) Fibrek’s lenders, legal counsel, auditors, underwriters and financial and other professional advisors;
- (iv) parties negotiating with Fibrek;
- (v) Fibrek’s labour unions and industry associations;
- (vi) government agencies and non-governmental regulators; and
- (vii) credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency’s ratings generally are or will be publicly available).

In addition, disclosures made to effect a take-over bid, business combination, acquisition or in connection with a private placement in order to raise financing

would generally involve the transmission of information in the necessary course of business. Communications to controlling shareholders may also, in certain circumstances, be considered in the necessary course of business. However, material information that is otherwise provided to private placement investors and controlling shareholders should be generally disclosed at the earliest opportunity.

Nevertheless, the CSA specify that the necessary course of business exception does not generally permit an issuer to make a selective disclosure of information to analysts, the media or institutional investors.

When Fibrek discloses material information under the necessary course of business exception, it must ensure those receiving the information understand that they cannot pass the information onto anyone else (except in the necessary course of business) nor trade on the information until it has been generally disclosed.<sup>4</sup>

#### **4.2 What should be done in the event of selective disclosure?**

In the event of unintentional selective disclosure of material information, Fibrek must take immediate steps to ensure that a full public announcement is made. The CSA suggest that, pending the issuance of a press release, an issuer that has made an unintentional selective disclosure of information should ask the Exchange to halt trading of its securities and inform the parties who have knowledge of the information that it represents material information that has not been generally disclosed.

Although securities legislation does not provide for a safe harbour for the unintentional selective disclosure of material information, the CSA will consider a number of mitigating factors in a selective disclosure enforcement proceeding, including:

- (i) whether and to what extent Fibrek has implemented, maintained and followed reasonable policies and procedures to prevent contraventions of the provisions prohibiting selective disclosure of information;
- (ii) whether any selective disclosure was unintentional;
- (iii) what steps were taken by Fibrek following the unintentional disclosure of information in order to remedy the situation.

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<sup>4</sup> The legislation does not define the expression "generally disclosed" but insider trading court decisions state that information has been generally disclosed if it has been disseminated in a manner calculated to effectively reach the marketplace and if public investors have been given a reasonable amount of time to analyze the information. The "reasonable period of time" will depend on a number of factors, including the circumstances in which the event arises, the nature and complexity of the information, the nature of the market for the issuer's securities and the manner used to release the information.

#### **4.3 How can selective disclosure be avoided and confidentiality maintained?**

FibreK will take the following measures to avoid selective disclosure and to maintain confidential treatment of material information before it is generally disclosed:

##### **Spokesperson**

FibreK's President and Chief Executive Officer, Vice President and Chief Financial Officer and Vice President Change Management and Supply Chain will be the sole authorized spokespersons for Fibrek when dealing with the financial community, regulatory authorities and the media. The spokespersons can at times designate other Fibrek representatives to speak on behalf of Fibrek or to answer specific questions from the business community, regulatory authorities or the media. All employees who are not authorized Fibrek spokespersons must refrain from answering any questions regarding Fibrek (unless they received prior authorization to do so by an authorized spokesperson) and must refer all questions to the authorized spokespersons.

##### **Access and transmission of information**

Wherever possible, Fibrek and its representatives must:

- (i) limit access to material information to individuals who need to know the information and who are informed of the confidential nature of the information and reminded that they cannot trade in Fibrek securities until the information has been generally disclosed;
- (ii) limit the use of e-mail when dealing with confidential information and carry out all transmission of the information in a secure manner;
- (iii) keep documents containing confidential information in secure locations;
- (iv) refrain from discussing confidential issues in public places; and
- (v) refrain from making several copies of a confidential document and destroy all extra copies.

##### **When dealing with analysts**

FibreK acknowledges that regular meetings with analysts and major investors are a significant part of its public relations program with respect to investors. However, Fibrek will observe the following rules when dealing with analysts and major investors:

### *Private meetings*

FibreK representatives will not discuss undisclosed material information during private meetings with analysts, whether or not such analysts are bound by a confidentiality agreement.<sup>5</sup>

FibreK representatives who hold private meetings with financial analysts and investors will meet in advance to prepare answers to possible questions. Prior to the meeting, the President and Chief Executive Officer and the Vice President and Chief Financial Officer must review statements and responses to anticipated questions. If necessary, such statements and responses should also be reviewed by the Vice President Legal Affairs and Corporate Secretary and the Vice President Change Management and Supply Chain and Fibrek's other advisors. Whenever possible, the Vice President and Chief Financial Officer will attend each private meeting to ensure the consistency of Fibrek's answers and to ensure that minutes of the meeting are prepared. The President and Chief Executive Officer and the Vice President and Chief Financial Officer are responsible for examining the minutes as soon as possible following the meeting, in order to establish whether or not any unintentional selective disclosure of information occurred during the meeting. If so, Fibrek shall issue immediately a press release to fully disclose the information in accordance with this policy.

### *Conference calls*

A conference call will be organized to announce Fibrek's quarterly results or material corporate developments.

The following rules must be observed during all conference calls with investors, analysts and the media with respect to the disclosure of material information:

- (i) a press release containing material information must first have been disseminated through a widely circulated news or wire service. The press release must provide advance notice of the date, time and subject matter of the conference call and must indicate how people may access the call;
- (ii) when possible, Fibrek representatives participating in the conference call will meet before the conference call to discuss and script statements and responses to anticipated questions. The President and Chief Executive Officer, the Vice President and Chief Financial Officer, the Vice President Legal Affairs and Corporate Secretary and the Vice President Change Management and Supply Chain are responsible for reviewing the statements, the answers to possible questions and the script prior to the conference call;
- (iii) the conference call must be organized so that some participants are only able to listen and others can participate by asking questions;

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<sup>5</sup> No exception has been provided for regarding the application of provisions prohibiting the disclosure of material information to an analyst under a confidentiality agreement.

- (iv) a recording of the conference call must be available for at least two weeks following the call;
- (v) before the conference call begins, a Fibrek spokesperson will make a statement notifying participants that some forward-looking information may be discussed (in this regard, please see section 6 below);
- (vi) if a Fibrek representative is of the opinion that there has been selective disclosure of a material information or that there has been a misrepresentation during the conference call, the President and Chief Executive Officer, the Vice President and Chief Financial Officer, the Vice President Legal Affairs and Corporate Secretary and the Vice President Change Management and Supply Chain will meet immediately after the call to determine if a press release should be issued to fully disclose or correct the information, all in accordance with this policy.

### *Analyst reports*

When reviewing analyst reports, Fibrek representatives may only comment on publicly disclosed factual information regarding Fibrek that may affect the analyst's model or point out material inaccuracies or omissions with reference to publicly available information regarding Fibrek. Under no circumstances may Fibrek confirm or attempt to influence an analyst's opinion or conclusions or express an opinion regarding an analyst's model or result estimates. To avoid giving the impression that it endorses an analyst's report, Fibrek must provide its comments verbally or accompany its written comments with a text indicating that only the factual aspects of the report were revised by Fibrek.

### *Distribution of analyst reports*

In order to avoid possible problems arising from the content of analyst reports (misleading information, the legal responsibility of the content, etc.), Fibrek will not distribute analyst reports to anyone (other than its officers and directors to assist them in their duties), will not post the reports on its website, and will not make use of an analyst report or any information provided by third parties with respect to Fibrek's business activities.

However, a complete list of all the analysts who have published a report concerning Fibrek (regardless of their recommendation) as well as their contact information can be posted on Fibrek's website, where appropriate, so that investors are able to contact the analysts directly. The list must be accompanied by a warning stating that Fibrek does not endorse the statements made in the analyst reports. In addition, the list must not provide a link to the analysts' or third parties' websites or reports.

### **Quiet periods**

Fibrek will observe quiet periods prior to quarterly earnings announcements or when material changes are pending. Regular quiet periods will commence on the

first day following the end of a quarter and end with the issuance of a press release disclosing results for the quarter just ended.

During a quiet period, Fibrek will not initiate any meetings or telephone contacts with analysts, the media and investors, but will respond to unsolicited inquiries from such persons concerning factual matters, provided it concerns publicly available or non-material information. Should inquiries be made concerning expected results, Fibrek and its spokespersons will clearly state to participants that Fibrek will not discuss matters relating to earnings prospects.

## **5. ARCHIVING DISCLOSED INFORMATION**

Fibrek's Vice President Change Management and Supply Chain is responsible for keeping all information regarding Fibrek that is generally disclosed (through traditional or electronic media) over a period of five years, including continuous disclosure documents, press releases, analyst reports as well as minutes of conference calls, meetings and other conversations or meetings with analysts or investors.

## **6. FORWARD-LOOKING INFORMATION**

Should Fibrek decide to disclose forward-looking information<sup>6</sup> (orally or in writing), the information must be accompanied by a statement that:

- (i) indicates that the information is of a forward-looking nature;
- (ii) takes into account the existence of risks, uncertainties and other factors that could make Fibrek's actual results differ considerably from those presented in forward-looking statements;
- (iii) refers to one or several documents that describe the risks, uncertainties and other factors that affect Fibrek or its industry; and
- (iv) indicates the principal assumptions used to prepare the forward-looking information.

This statement must be located proximate to the forward-looking information or it must be referenced to immediately following any forward-looking statement.

If the forward-looking information is provided orally, it must be limited to forward-looking information contained in Fibrek's written documents. The Fibrek spokesperson who gives the forward-looking information must declare at the beginning of the oral statement that:

- (i) forward-looking information will be given;

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<sup>6</sup> Forward-looking information means disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes future oriented financial information with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection.

- (ii) Fibrek's actual results could differ considerably from those presented in forward-looking statements; and
- (iii) certain assumptions were used to prepare the forward-looking information.

The spokesperson must also indicate that the additional information regarding the principal assumptions used and the factors that could lead to the actual results differing from the stated forecasts may be obtained by consulting the documents filed by Fibrek with the applicable securities regulatory authorities. The documents or the portion of the documents containing this additional information should be quoted by the spokesperson.

If more than one person presents the information, the spokesperson should indicate that the warning given with respect to forward-looking information applies to all presenters.

Fibrek must, when necessary, update forward-looking information by issuing a press release (and filing a material change report) if the forward-looking information is later substantially different from what was previously announced.

## **7. ELECTRONIC COMMUNICATIONS**

The use of electronic communications to disseminate investor information is subject to Canadian securities laws and the Exchange's Policy Statement on Timely Disclosure. Accordingly, the rules previously outlined under this policy also apply to electronic communications.

Although Fibrek management considers the Internet to be an effective tool to broadly disseminate investor information, it is also of the view that poorly managed electronic communication could lead to violations of Canadian securities laws. Fibrek therefore considers it important to establish guidelines regarding the use of electronic communications.

### **7.1 Fibrek website**

#### **Quality of information posted on the website**

Fibrek's website must not contain any misleading information. Material information is misleading if it is incomplete, incorrect or omits a fact so as to make another statement misleading.

In this regard, the Vice President Change Management and Supply Chain will be responsible for ensuring that:

- (i) Fibrek's website contains all material information communicated to security holders through traditional media;
- (ii) the information is dated when posted on the Fibrek website;

- (iii) the information is accurate in all material respects and, if not, that it is corrected;
- (iv) the information complies with Canadian securities laws;
- (v) Fibrek's website is updated regularly; and
- (vi) obsolete information is stored on the Fibrek website, as provided below.

### **Website content**

#### *Investor pages*

In order to clearly identify investor information, Fibrek will make a clear distinction between pages containing investor information and those containing other types of information, including promotional information.

#### *Primary information*

All of Fibrek's timely disclosure documents must be posted in full on the investor pages of Fibrek's website. These documents include the following:

- (i) annual reports;
- (ii) annual information forms;
- (iii) annual and interim financial statements;
- (iv) press releases (favourable or not);
- (v) material change reports;
- (vi) dividend declarations;
- (vii) notices of issuer bid;
- (viii) management proxy circulars; and
- (ix) any other communication with security holders.

Rather than posting the above documents on its website, Fibrek can alternatively create a link to the SEDAR website in order to give internet users access to the documents.

No material information may be posted on Fibrek's website (and no link may be created to provide access to such information) unless the information has previously been disseminated in the manner described in paragraph 3.2 above. However, once it has been disseminated, material information must be posted on Fibrek's website as soon as possible.

### *Supplemental information*

FibreK will also make all non-material information provided to analysts and institutional investors available to all investors by posting it on its website (or, where appropriate, by creating a link to enable internet users to access the information), unless the volume or the format of such information makes posting it on the website impossible or complicated. Supplemental information includes the following:

- (i) fact sheets or fact books;
- (ii) slides of investor presentations;
- (iii) transcripts of management investor relations speeches;
- (iv) all other materials distributed at investor presentations.

Under no circumstances may Fibrek's website contain analyst reports or any other information from a third party regarding Fibrek's business (in this regard, please see paragraph 4.3 above).

### *Contact person*

FibreK's website will include an e-mail link for investors to contact a Fibrek representative directly. Fibrek's authorized spokespersons will be responsible for responding to investor requests and ensuring that no selective disclosure of material information occurs (in this regard, please see paragraphs 4.1 and 4.3 above).

### *Archiving system*

FibreK's website will include an archiving system to store obsolete information and to which investors will have access.

The retention period for obsolete documents will vary based on the type of information. Therefore:

- (i) press releases, material change reports, dividend declarations and notices of issuer bid will remain available in the archiving system for a period of one year as of their date of publication;
- (ii) annual and interim financial statements will remain available in the archiving system for a period of five years and two years, respectively; and
- (iii) annual reports, annual information forms and management proxy circulars will remain available for a period of five years.

### *Exclusion of liability*

A legal liability exclusion clause with respect to the accuracy, timeliness and comprehensive nature of the information posted on the website will appear at all times on Fibrek's website.

### *Links to third party websites*

To ensure that Fibrek is not held responsible for the accuracy, timeliness and/or comprehensive nature of information contained on a third party website, all links from Fibrek's website to a third party website must include a notice that advises readers that they are leaving the Fibrek website and that Fibrek is not responsible for the content of the other site.

Fibrek's website may not contain a link providing access to analyst reports or the analysts' websites (in this regard, please see paragraph 4.3 above).

## **7.2 Chat rooms, discussion forums and electronic mail**

In order to avoid selective disclosure of material information, Fibrek employees are prohibited from participating in chat rooms<sup>7</sup> or in discussion forums<sup>8</sup> regarding Fibrek or its securities. If an employee discovers a chat room or a discussion forum involving Fibrek or its securities when surfing the Internet, the employee must immediately notify Fibrek management so that it may take appropriate measures, if necessary.

The work-related e-mail address provided to Fibrek employees belongs to Fibrek and, as a result, all correspondence received and sent by an employee via e-mail is considered to be part of Fibrek correspondence. Fibrek employees should exercise considerable caution when using e-mail to send and receive confidential information that is not protected by an appropriate encrypting technique and they must be aware of the risks involved.

## **8. INSIDER TRADING**

### **8.1 Use of privileged information**

Fibrek insiders<sup>9</sup> who have privileged information<sup>10</sup> concerning Fibrek cannot trade in Fibrek securities unless i) they are justified in believing that the information is

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<sup>7</sup> A chat room is an electronic forum in which Internet users can communicate with one another in real time.

<sup>8</sup> A discussion forum is an electronic bulletin board on which Internet users can post information.

<sup>9</sup> According to applicable legislation, Fibrek insiders are: (i) Fibrek, its subsidiaries, its officers (i.e. in particular any person performing the duties of Chairman or Vice Chairman of the Board, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, Vice President, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, Corporate Controller, General Manager or any individual who is designated as an insider by Fibrek or who performs similar functions) and those of its subsidiaries and its directors and those of its subsidiaries, (ii) any person or company that has beneficial ownership or control over 10% or more of Fibrek's outstanding voting securities, excluding any securities held as underwriter in the course of a distribution (a "significant shareholder") as well as (iii) any director or officer of a person or company designated in (ii) above.

generally known or known to the other party except if the other party is Fibrek and the transaction is not necessary in the course of Fibrek's business or, ii) if they avail themselves of an automatic security purchase plan or another automatic plan set up by Fibrek, according to conditions set down in writing, before they learned the information. In addition, insiders cannot disclose this privileged information unless i) they are justified in believing that the information is generally known or known to the other party, or ii) if the insiders must disclose the information in the necessary course of business of Fibrek, having no ground to believe it will be used or disclosed in violation of the legislation (in this regard, please see paragraph 4.1 above).

The legislation also extends these prohibitions: i) to any person who has acquired privileged information in the course of his relations with Fibrek or of working for Fibrek, as a result of that person's functions or of his engaging in business or professional activities, ii) to any person who has privileged information, that to his knowledge, was disclosed by an insider or a person affected by these prohibitions, iii) to any person who has acquired privileged information that he knows to be such concerning Fibrek, and iv) any person who is an associate<sup>11</sup> of Fibrek, of a Fibrek insider or of a person mentioned above.

## **8.2 Restrictions on trading**

In order to ensure compliance with applicable legislation regarding trading of Fibrek securities by insiders and employees likely to have access to privileged information, Fibrek has established certain rules of conduct, presented below, for which application is cumulative and not exclusive.

Subject to restrictions set out in the applicable legislation and described above, Fibrek insiders and all Fibrek employees likely to have access to privileged information can only trade in Fibrek securities during the 28-day period beginning on the third business day following the issuance of a press release announcing quarterly results.

In addition, Fibrek insiders as well as all Fibrek employees likely to have access to privileged information must refrain from (i) trading frequently on the market in order to avoid any appearance of speculation, (ii) short selling Fibrek securities, and (iii) purchasing call or put options with respect to securities of Fibrek.

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<sup>10</sup> For the purpose of this policy, privileged information means any information that has not been disclosed to the public and that could affect the decision of a reasonable investor or information that could reasonably be expected to have a significant effect on the market price or value of Fibrek securities.

<sup>11</sup> "Associate" means i) any company in which the person owns securities assuring him of more than 10% of a class of shares to which are attached voting rights or an unlimited right to participate in earnings and in the assets upon winding-up, ii) any partner of that person, iii) the trust or succession in which the person has a substantial ownership interest or to which he fulfills the functions of a trustee or liquidator or similar functions, iv) the spouse of that person and his children, as well as his relatives and his spouse's relatives, if they share his residence.

Finally, management or the Board of Directors of Fibrek may, from time to time, under certain special circumstances, specify additional periods during which trading in Fibrek securities is prohibited.

When in doubt, directors, officers, other insiders and employees of Fibrek are encouraged to contact the Vice President Legal Affairs and Corporate Secretary in order to determine if, during a given period, they have the right to trade in Fibrek securities.

In light of the above, Fibrek has set up an *Automatic Share Purchase Plan* for directors who have chosen to receive a portion or all of their compensation in the form of shares in order to benefit from the exemption contained in the *Securities Act* (Québec), which stipulates that an insider may trade in the securities of an issuer, even if the insider has privileged information, *if he avails himself of an automatic dividend reinvestment plan, automatic subscription plan or any other automatic plan established by a reporting issuer, according to conditions set down in writing, before he learned the information.*

### **8.3 Insider reports**

All persons who become Fibrek reporting insiders<sup>12</sup> are required to file an electronic profile in the System for Electronic Disclosure by Insiders (“SEDI”) ([www.sedi.ca](http://www.sedi.ca)) and to declare to the Canadian securities authorities, within 10 days of becoming Fibrek reporting insiders, their beneficial ownership of, or control or direction over, Fibrek securities and their interest in, or right or obligation associated with, a related financial instrument<sup>13</sup> involving a security of Fibrek. In this regard, an insider report must be filled out, signed and filed with SEDI. The obligation of filling out insider reports remains for as long as the person is a reporting insider.

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<sup>12</sup> According to applicable legislation, a “reporting insider” of Fibrek is an insider of Fibrek if such insider is, among others, (i) the Chief Executive Officer, the Chief Financial Officer or the Chief Operating Officer of Fibrek, of a significant shareholder of Fibrek or of a major subsidiary of Fibrek, (ii) a director of Fibrek or of a significant shareholder of Fibrek or of a major subsidiary of Fibrek, (iii) a person or company responsible for a principal business unit, division or function of Fibrek, (iv) a significant shareholder of Fibrek, (v) a significant shareholder based on post-conversion beneficial ownership of Fibrek’s securities that are convertible within 60 days and the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and every director of such significant shareholder based on post-conversion beneficial ownership, (vi) a management company that provides significant management or administrative services to Fibrek, or a major subsidiary of Fibrek, every director of the management company, every Chief Executive Officer, Chief Financial Officer and Chief Operating Officer of the management company, and every significant shareholder of the management company, (vii) an individual performing functions similar to the functions performed by any of the insiders described in paragraphs (i) to (vi) above, (viii) Fibrek, if it has purchased, redeemed or otherwise acquired its securities for so long as it continues to hold the securities, or (ix) any other insider that in the ordinary course receives or has access to information as to material facts or material changes concerning Fibrek before the material facts or material changes are generally disclosed and that directly or indirectly, exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of Fibrek.

<sup>13</sup> According to applicable legislation, a “related financial instrument” means (1) any instrument, agreement or security whose value, market price or payment obligations are based on the value, market price or payment obligations of a security; and (2) any other instrument, agreement or understanding that affects directly or indirectly, a person’s economic interest in a security.

FibreK reporting insiders are also required to declare, within five days following the change, any change in their beneficial ownership of, or control or direction over, Fibrek securities or in their interest in, or right or obligation associated with, a related financial instrument involving a security of Fibrek. In this regard, an insider report must be filled out, signed and filed with SEDI.

The requirement to file an insider report applies not only to Fibrek shares but also to options and warrants held by the insider related to Fibrek shares and all other securities convertible or exchangeable into Fibrek shares.

FibreK reporting insiders are required to declare, within five days following the event, any entering into, material amendment or termination of an agreement, arrangement or understanding if (i) it has the effect of altering the reporting insider's economic exposure to Fibrek, (ii) it involves a security of Fibrek or a related financial instrument involving a security of Fibrek, and (iii) the reporting insider is not otherwise required to file an insider report in respect of this event pursuant to the legislation.

Filing and updating a profile in electronic format and filing insider reports in SEDI is entirely the reporting insider's responsibility. However, to ensure that Fibrek's credibility and reputation on the securities market is not affected, each reporting insider must inform Fibrek's Vice President Legal Affairs and Corporate Secretary before trading in Fibrek securities. Subject to compliance with this policy and the applicable legislation, Fibrek will ensure that an insider report is duly filed with SEDI on behalf of the reporting insider. In addition, Fibrek management will send an annual reminder to each Fibrek insider regarding their obligation to inform the Vice President Legal Affairs and Corporate Secretary of any trading on Fibrek securities and to file, where necessary, an insider report.

## **9. IMPLEMENTATION OF THE POLICY**

FibreK's Audit Committee is responsible for monitoring the implementation of this policy as well as compliance thereof.

This policy applies to all directors, officers, other insiders and employees of Fibrek and its subsidiaries. A copy of this policy will be given to all new directors, officers, other insiders and employees of Fibrek and its subsidiaries. This policy will be reviewed at least once a year by Fibrek's Audit Committee and then sent once again to all directors, officers, other insiders and employees of Fibrek and its subsidiaries as well as each time amendments are made.

Any director, officer, other insider or employee who violates this policy may, where appropriate, be subject to disciplinary measures and/or his or her job (or duties) at Fibrek or one of Fibrek's subsidiaries could be terminated. In addition, a violation of this policy could also constitute a violation of Canadian securities laws. Therefore, if a director, officer, other insider or employee of Fibrek violates Canadian securities laws, Fibrek reserves the right to disclose this violation to the applicable regulatory authorities, which could lead to fines or a prison sentence for the offender.

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## **APPENDIX A**

### **Core Documents**

Core Documents include:

- A Prospectus
- A Take-over Bid Circular
- An Issuer Bid Circular
- A Directors' Circular
- A Notice of Change or Variation in respect of one of the above Circulars
- A Rights Offering Circular
- A Management's Discussion & Analysis Report
- An Annual Information Form
- An Information Circular
- Annual Financial Statements
- Interim Financial Statements
- Press releases announcing quarterly results
- A Material Change Report

## APPENDIX B

### Non-Core Documents

Non-Core Documents include all written communications other than Core Documents that must be filed with applicable securities regulatory authorities or governments in accordance with securities or corporate legislation, or any written communication that would reasonably be expected to have a significant effect on the market price or value of Fibrek securities. Examples of Non-Core Documents include the following:

- Press releases (other than those announcing quarterly results)
- Annual report (other than the Management's Discussion & Analysis and the financial statements)
- The written versions of slide presentations and speeches distributed during meetings or posted on the website
- The annual and interim certificates filed under *National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings*