

**QUESTAIR TECHNOLOGIES INC.**

**CORPORATE DISCLOSURE AND  
STOCK TRADING POLICY**

## **CORPORATE DISCLOSURE AND STOCK TRADING POLICY FOR QUESTAIR TECHNOLOGIES INC. (the “Company”)**

A Disclosure Committee (the “Disclosure Committee”) consisting of the following individuals:

- Jonathan Wilkinson, Chief Executive Officer (“CEO”)
- Sherry Tryssenaar, Chief Financial Officer (“CFO”)
- Andrew Hall, Director Corporate Development and External Communications

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 and maintain minutes of meetings. **It is essential that the members of the Disclosure Committee be kept fully apprised of all pending material developments concerning the Company 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 Committee will determine how that inside information will be controlled.

The Disclosure Committee will review and update, if necessary, this trading and disclosure policy on an annual basis or as needed to ensure compliance with changing regulatory requirements and report to the Board of Directors of the Company on an annual basis. This trading and disclosure policy has been adopted by the Board of Directors of the Company.

### **Principles of Disclosure of Material Information**

Material information is any information relating to the business and affairs of QuestAir Technologies Inc. (the “Company”) that results in, or would reasonably be expected to result in, a significant change in the market price or value of the securities of the Company or that would reasonably be expected to have a significant influence on a reasonable investor’s investment decisions, and includes without limitation, information regarding transactions required to be disclosed to a Regulatory Information Service (as that term is defined in the AIM Rules for Companies (the “AIM Rules”) published by the London Stock Exchange plc), and unpublished information of the kind referred to in paragraphs 11, 12, 13, 15, 16, 17, 18 and 19 of the AIM Rules. **It is the Disclosure Committee’s responsibility to determine what information is material in the context of the affairs of the Company. The Disclosure Committee is in the best position to apply the definition of material information to the Company’s own unique circumstances.**

Information with respect to, but not limited to, any of the following subjects is the type of information which is often considered to be material information:

- (a) Company’s revenues or earnings;
- (b) entering into or the termination of a material agreement;
- (c) a change in control or a significant change in the management of the Company;
- (d) a new product release or a significant development, invention or discovery;

- (e) the loss, delay or gain of a significant contract, sale or order or other important development regarding customers or suppliers;
- (f) a change in or dispute with the Company auditors;
- (g) a public or private sale of additional securities of the Company;
- (h) the establishment of a program to repurchase securities of the Company;
- (i) modifications to rights of holders of the securities;
- (j) a stock split;
- (k) a default on outstanding debt of the Company or a bankruptcy filing;
- (l) conclusion or notice that security holders no longer should rely on the previously issued financial statements or a related audit report; or
- (m) Any material amendment to the Company's articles of incorporation or bylaws.

The above list is illustrative only and is not intended to provide a comprehensive list of circumstances that could give rise to material information

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

1. Material information will be publicly disclosed immediately via news release.
2. In certain circumstances, the Disclosure Committee may determine that disclosure of certain information would be unduly detrimental to the Company (for example, if release of the information would prejudice negotiations in a corporate transaction), in which case the information will be kept confidential until the Disclosure Committee determines it is appropriate to publicly disclose. In such circumstances, the Disclosure Committee will cause a confidential material change report to be filed with the applicable Canadian securities regulators and will periodically (at least every 10 days) review its decision to keep the information confidential (also see "Rumours").
3. Disclosure must include any information, the omission of which would make the rest of the disclosure misleading (half-truths are misleading).
4. Unfavorable material information must be disclosed as promptly and completely as favorable information.
5. No selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with an investor). If previously undisclosed material information has been inadvertently disclosed to any person, who is not bound by an express confidentiality obligation, such information must be broadly disclosed immediately via news release.

6. Disclosure on the website of the Company alone does not constitute adequate disclosure of material information.
7. Disclosure must be corrected immediately if the Company subsequently learns that earlier disclosure by the Company contained a material error at the time it was given.

### **Trading Restrictions and Blackout Periods**

It is illegal for anyone to “deal” in any securities of any public company with knowledge of material information affecting that company that (i) has not been publicly disclosed or, (ii) when it becomes reasonably probable that such information will be required by the AIM Rules to be disclosed to a Regulatory Information Service or required by the Toronto Stock Exchange (the “TSX”) to be disclosed to the market. Except in the necessary course of business, it is also illegal for anyone to inform any other person of material non-public information. Therefore, directors and employees with knowledge of material information about the Company, or counter-parties in negotiations of material potential transactions, are prohibited from “dealing” in any securities of the Company or any counter-party until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated.

“**dealing**” is defined as:

- (a) any change whatsoever to the holding of securities in the Company, including:
  - (i) any sale or purchase of, or any agreement for the sale or purchase of any securities of the Company;
  - (ii) the grant to, or acceptance by such a person, of any option relating to such securities or of any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of any such securities;
  - (iii) the acquisition, disposal, exercise or discharge, or any dealing with, any such option, right or obligation in respect of such securities;
  - (iv) deals between directors and/or employees of the Company;
  - (v) off-market deals;
  - (vi) transfers for no consideration; and
  - (vii) any shares taken in or out of treasury;
- (b) the acquisition, disposal or discharge (whether in whole or in part) of a related financial product, being any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of the Company’s securities, including a contract for difference or a fixed odds bet, referenced to any securities the securities of the Company; and
- (c) any derivative-based transaction which allows directors and/or employees to receive a cash amount similar to proceeds of disposition, and to transfer part or all of the economic risk and/or return associated with securities of the Company, without formally transferring the legal and beneficial ownership of such securities.

However, for the purposes of paragraph 21 of the AIM Rules the definition of dealing does not include:

- (a) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (b) the take up of entitlements under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (c) allowing entitlements to lapse under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (d) the sale of sufficient entitlements nil-paid to allow take up of the balance of the entitlements under a rights issue; nor
- (e) undertakings to accept, or the acceptance of, a take-over offer.

**“relevant employees”** means officers and members of the Company’s finance, sales and business development teams.

Trading blackout periods (during which dealing in securities of the Company is prohibited) will apply to all directors of the Company, relevant employees and members of directors’ and relevant employees’ families (meaning such person’s spouse and any child where such child is under the age of eighteen years, including any trust in which such individuals are trustees or beneficiaries and any company over which they have control of more than 20% of its equity or voting rights in a general meeting, but excluding any employee share or pension scheme where such individuals are beneficiaries rather than trustees) during periods when financial statements are being prepared, but results have not yet been publicly disclosed. Pursuant to this policy the blackout period commences one (1) month prior to the date of the normal quarterly earnings announcements; two (2) months prior to the date of the normal annual earnings announcements and ends 48-hours after the issuance of a news release disclosing quarterly results or annual financial results; during any other period when the Company is in possession of unpublished material information.

Blackout periods will not apply if the director or relevant employee has entered into a binding commitment prior to the Company being in such a blackout period if it was not reasonably foreseeable that this was likely when the commitment was made, and that the commitment was notified to the Company Announcements Office at the time it was made.

The one exception to this rule is that a director or relevant employee may sell its securities during a blackout period to alleviate severe personal hardship if permission from the London Stock Exchange is granted.

Blackout periods may be prescribed from time to time by the Company as a result of special circumstances relating to the Company pursuant to which directors, officers and certain identified employees of the Company would be precluded from trading in securities of the Company. All parties with knowledge of such special circumstances or in possession of unpublished material information should be covered by the blackout. In such instances, directors, officers and such certain employees of the Company will receive notice that they are not to trade until further notice. As soon as practicable, a member of the Disclosure Committee will issue the above notice to directors, officers and such certain employees upon learning of the pending special circumstances or unpublished material information, in order to comply with securities laws restrictions on insider trading.

If material information is announced through a press release, the regular 48-hour post-announcement blackout period may be extended for a further period of time as determined by a member of the Disclosure Committee in order to allow the market time to absorb the information. The amount of time required may vary from time to time.

### **Dealing Clearance**

All directors and relevant employees are required to seek authorisation prior to dealing in the securities of the Company. Clearance must be obtained in writing from one of the CEO or CFO of the Company or from the Chairman, Denis Connor. Prior to granting written permission, the CEO, CFO or Chairman will check with the Company's Nominated Advisor and UK lawyers to ensure that the Company is not in a blackout period before permission to deal will be granted. If permission to deal is granted to a director, a press release will be drafted for release by the Company immediately following the transaction, which shall include all of the information required pursuant to the AIM rules, and **the director will not deal in securities of the Company until the press release is ready for issue.**

The requirement to seek clearance before dealing extends to members of the family of the individual concerned and involves any sale or purchase or any agreement to sell or purchase securities of the Company; the grant to, or acceptance by such a person of any option relating to the securities of the Company; or the acquisition, disposal, exercise or discharge of, or any dealing with, any such option, right or obligation in respect of such securities.

### **Insider Filings**

Directors and officers of the Company are reminded of the importance of maintaining up-to-date filing of their trades or other changes in their holding of securities of the Company (including the exercise of any options) with the appropriate authorities.

The Canadian regulatory authorities have implemented the System for Electronic Disclosure by Insider ("SEDI"). SEDI facilitates the filing and public dissemination of "insider reports" in electronic format via the Internet. Directors and officers must use this website to make these filings. Generally, insider reports must be filed within ten days of the date on which the trade occurs.

Under the AIM Rules, the Company must notify the London Stock Exchange of any trades by directors via a press release to be issued **immediately after** the trade takes place. Accordingly, directors must disclose to the Disclosure Committee all information which it needs for this purpose under the AIM Rules (see Schedule 5 of the AIM Rules for the prescribed information) **prior to** dealing in the Company's securities.

### **Maintaining Confidentiality**

Any employee privy to material information is prohibited from communicating such information to anyone else, unless it is in the necessary course of business. Efforts will be made to limit access to such material information to only those who need to know the information and such persons will be advised that the information is to be kept confidential.

Outside parties privy to undisclosed material information concerning the Company will be told that they must not divulge such information to anyone else, other than in the necessary course of business and that they may not trade in the securities of the Company until the information is publicly disclosed. Such

outside parties will confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

To prevent the misuse or inadvertent disclosure of material information, the procedures set forth below should be observed at all times:

1. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who “need to know” that information in the necessary course of business and code names should be used if necessary.
2. Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
3. Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
4. Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
5. Transmission of documents by electronic means, such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
6. Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.

### **Designated Spokespersons**

The Company has designated the following spokespersons responsible for communication with the investment community, regulators or the media:

- Jonathan Wilkinson, Chief Executive Officer
- Sherry Tryssenaar, Chief Financial Officer
- Andrew Hall, Director Corporate Development and External Communications

The individuals listed may, from time to time, designate others within the Company to speak on behalf of the Company as back-ups or to respond to specific inquiries. Employees who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson. All such inquiries shall be referred to the Director, Corporate Development and External Communications.

### **News Releases**

Once the Disclosure Committee determines that a development is material, it will authorize the issuance of a news release, unless the Disclosure Committee determines that such developments must remain confidential for the time being, appropriate confidential filings are made and control of that inside

information is instituted. Should a material statement inadvertently be made in a selective forum, the Company will immediately issue a news release in order to fully disclose that information.

**If the TSX is open for trading at the time of a proposed announcement, prior notice of a news release announcing material information must be provided to the Market Surveillance Division of Market Regulation Services Inc. (“Market Surveillance”) to enable a trading halt, if deemed necessary by the TSX. If a news release announcing material information is issued outside of trading hours, Market Surveillance must also be notified before the news release is issued.**

Regardless of when an announcement involving material information is released, Market Surveillance of the TSX must be advised of its content and supplied with a copy in advance of its release. Market Surveillance must also be advised of the proposed method of dissemination.

Annual and interim financial results will be publicly released immediately following board approval of the financial statements.

News releases will be disseminated through an approved news wire service that provides simultaneous national distribution. News releases will be transmitted to all stock exchange members, the Stock Exchange Regulatory News Service (“RNS”) in the United Kingdom, relevant regulatory bodies, major business wires and national financial media.

News releases will be posted on the website immediately after release over the news wire. The news release page of the website shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent news releases.

### **Conference Calls**

Conference calls may be held for quarterly earnings and major corporate developments, whereby 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. The call will be preceded by a news release containing all relevant material information. At the beginning of the call, a spokesperson of the Company will provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties.

The Company will provide advance notice of any conference call and webcast by issuing a news release announcing the date and time and providing information on how interested parties may access the call and webcast. In addition, the Company may invite analysts, institutional investors, the media and other interested parties to participate. Any non-material supplemental information provided to participants will also be posted to the website for others to view.

The Disclosure Committee will hold a debriefing meeting immediately after the conference call and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Company will immediately disclose such information broadly via news release.

### **Rumours**

The Company should not comment, affirmatively or negatively, on rumours. This also applies to rumours on the Internet. The spokespersons for the Company will respond consistently to those rumours, saying: “It is our policy not to comment on market rumours or speculation.” Should the TSX request that the

Company make a definitive statement in response to a market rumour that is causing significant volatility in the securities, the Disclosure Committee will consider the matter and decide whether to make a policy exception.

### **Contacts with Analysts, Investors and the Media**

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Company intends to announce material information at an analyst or shareholder meeting or a press conference or conference call, the announcement must be preceded by a news release.

The Company recognizes that meetings with analysts and significant investors are an important element of their investor relations program. The Company will meet with analysts and investors on an individual or small group basis as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this policy.

The Company will provide only non-material information through individual and group meetings, in addition to regular publicly disclosed information, recognizing that an analyst or investor may construct this information into a mosaic that could result in material information. The Company cannot alter the materiality of information by breaking down the information into smaller, non-material components.

### **Reviewing Analyst Draft Reports and Models**

It is the policy of the Company to review, upon request, analysts' draft research reports or models. The Company will review the report or model for the purpose of pointing out errors in fact based on publicly disclosed information. It is the policy of the Company when an analyst inquires with respect to his/her estimates, to question an analyst's assumptions if the estimate is a significantly outside the range of estimates and/or the published earnings guidance. The Company will limit their comments in responding to such inquiries to non-material information. The Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's model and earnings estimates.

So as not to "endorse" an analyst's report or model, the Company will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

### **Distributing Analyst Reports**

Analyst reports are proprietary products of the analyst's firm. Re-circulating a report by an analyst may be viewed as an endorsement by the Company of the report. For these reasons, the Company will not provide analyst reports through any means to persons outside or to employees of the Company, including posting such information on their website.

The Company may post on their website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Company. If provided, such list will not include links to the analysts' or any other third party websites or publications.

### **Forward-Looking Information**

Should the Company elect to disclose forward-looking information ("FOFI") in continuous disclosure documents, speeches, conference calls, etc., the following guidelines will be observed:

1. The information, if deemed material, will be broadly disseminated via news release, in accordance with this policy.
2. The information will be clearly identified as FOFI.
3. The Company will identify all material assumptions used in the preparation of the FOFI.
4. The information will be accompanied by a statement that identifies, in very specific terms, the risks and uncertainties that may cause the actual results to differ materially from those projected 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.
5. The information will be accompanied by a statement that disclaims the intention or obligation of the Company to update or revise the FOFI, whether as a result of new information, future events or otherwise. Notwithstanding this disclaimer, should subsequent events prove past statements about current trends to be materially off target, the Company may choose to issue a news release explaining the reasons for the difference. In this case, the Company will update its guidance on the anticipated impact on revenue and earnings (or other key metrics).

If the Company has issued a forecast or projection in connection with an offering document covered by National Policy 48 – *Future-Oriented Financial Information*, the Company will update that forecast or projection periodically, as required by National Policy 48 – *Future-Oriented Financial Information*.

#### **Responsibility for Electronic Communications**

This policy also applies to electronic communications. Accordingly, officers and personnel responsible for written and oral public disclosures shall also be responsible for electronic communications.

The Director, Corporate Development and External Communications is responsible for updating the investor relations section of the website and is responsible 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.

The Disclosure Committee must approve all links from the website to a third party website. Any such links will include a notice that advises the reader that he or she is leaving the website and that the Company is not responsible for the contents of the other site.

Investor relations material shall be contained within a separate section of the website and shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures. All data posted to the website, including text and audiovisual material, shall show the date such material was issued. Any material changes in information must be updated immediately. The Director, Corporate Development and External Communications will maintain a log indicating the date that material information is posted and/or removed from the investor relations website. The minimum retention period for material corporate information on the website shall be two years.

Disclosure on the website alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosures of material information on the website will be preceded by the issuance of a news release.

The Director, Corporate Development and External Communications shall also be responsible for responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this policy shall be utilized in responding to electronic inquiries.

In order to ensure that no material undisclosed information is inadvertently disclosed, employees are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to the activities or securities of the Company. Employees who encounter a discussion pertaining to the Company should advise the Director, Corporate Development and External Communications immediately, so the discussion may be monitored.

Each employee's corporate e-mail address is, in fact, a corporate address. Therefore, all correspondence received and sent via e-mail is to be considered corporate correspondence.

### **Communication and Enforcement**

This trading and disclosure policy extends to all employees of Company, the board of directors of Company and authorized spokespersons. New directors, officers and employees will be provided with a copy of this trading and disclosure policy and will be educated about its importance. This policy will be circulated to all employees on an annual basis and whenever changes are made.

Any employee who violates this trading and disclosure policy may face disciplinary action up to and including termination of his or her employment with Company without notice. The violation of this trading and disclosure policy may also violate certain securities laws. If it appears that an employee may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.