

Liberty Defense Holdings, Ltd.



Insider Trading Policy

Approved by the Board on [--]

1. Purpose

As a publicly traded company, Liberty Defense Holdings, Ltd. (together with its subsidiaries, “**Liberty**” or the “**Company**” or “**we**”) and its directors, officers, employees and others are subject to legal restrictions relating to the treatment of undisclosed material information. In particular, trading, or recommending or encouraging others to trade, while in possession of undisclosed material information, or informing others of undisclosed material information may be a violation of securities, corporate and criminal laws, including U.S. and Canadian securities laws (the “**Applicable Laws**”).

The policies, procedures and guidelines (collectively, the “**policies**”) set out in this Insider Trading Policy (the “**Policy**”) have been developed to protect Liberty and those to whom this Policy applies, and, in certain respects, may go beyond the requirements of Applicable Laws. This Policy should be read in conjunction with and supplements the requirements set out in Liberty’s Disclosure Policy. It is the responsibility of all directors, officers, employees, contractors and consultants of Liberty, including those in a “special relationship” (as defined below) with Liberty, to adhere to this Policy.

It is the personal duty of each of the directors, senior officers and other insiders of the Company to file insider reports following any trade or other change in holdings of securities of the Company (including the exercise of any options) in accordance with applicable securities laws. Directors, officers and employees of the Company are also responsible for ensuring compliance by their families and other members of their households and entities over which they exercise voting or investment control.

If you are ever unsure of whether or not you are permitted to trade in Liberty’s securities or the securities of another public company, please contact the Chief Executive Officer (who, in turn, will liaise with members of the Disclosure Committee, as necessary) before you act.

Certain terms used in this Policy have very specific meanings and are explained further in Appendix A to this Policy.

2. Scope

This Policy advises on policies and procedures for trading in Liberty’s securities, including its common shares and options to purchase common shares, warrants and any other type of securities that the Company may issue in the future or derivative instruments in such securities. Each Insider (defined below) is responsible for complying with this Policy. In case of a conflict between this Policy and applicable laws and regulations, the more restrictive provision applies.

Except where stated otherwise, this Policy applies to the following individuals and entities, without regard to where they are located. We refer to these individuals and entities collectively as “**Insiders**”:

- directors, officers and employees, as well as their spouses, domestic partners, minor children (even if financially independent) (collectively, “**Family Members**”) and anyone to whom such directors, officers and employees provide significant financial support;
- other people who gain access to Company insider information, including consultants and contractors;

- any entity or account over which directors, officers, employees or any of the persons listed above have or share the power, directly or indirectly, to make investment decisions (whether or not such persons have a financial interest in the entity or account) and those entities or accounts established or maintained by such persons with their consent or knowledge and in which such persons have a direct or indirect financial interest; and
- any other person in a “**special relationship**” with Liberty, as provided in Appendix A.

This Policy applies to all trading in any securities of Liberty, including any of Liberty’s shares, securities convertible or exchangeable into shares or other securities of Liberty, debt instruments, puts, calls, options, prepaid variable forward contracts, equity swaps, collars, exchange funds and any other rights or obligations to purchase or sell securities of Liberty. It also applies to derivative securities relating to Liberty’s securities, whether or not issued by Liberty, including any security, the market price of which varies materially with the market price of the securities of Liberty. In addition, this Policy applies to event contracts and activity on prediction markets related to Liberty and its securities. Any reference in this Policy to “trade,” “trading,” “securities,” or other similar terms when used in reference to Liberty shares has such broader meaning.

In addition, the Company itself must comply with Applicable Laws as to its own securities trading activities, and will not effect transactions in respect of its securities or adopt any securities repurchase plans when it is in possession of material non-public information concerning Liberty, other than in compliance with Applicable Laws, subject to the policies and procedures adopted by the Company, if applicable, and the prior approval of the Chief Executive Officer.

It is important to understand that this Policy applies to all shares that you beneficially own and/or over which you have direct or indirect control or direction, which includes securities owned by others (such as Family Members) where you direct or influence their investment decisions.

3. General Rule

Applicable Laws regulate the sale and purchase of securities in the interest of protecting the investing public. U.S. and Canadian securities laws give the Company, its directors, officers and employees the responsibility to ensure that information about the Company is not used unlawfully in the purchase and sale of securities (such as shares, bonds, notes, debentures, limited partnership units or other equity or debt securities).

All Insiders should pay particularly close attention to the laws against trading on “inside” information. These laws are based upon the belief that all persons trading in a company’s securities should have equal access to all “material information” about that company. The general rule can be stated as follows: it is a violation of Applicable Laws for any person in a “special relationship” with the Company, as provided in Appendix A, from (i) trading in securities with the knowledge of a material fact or change concerning the Company which is not generally disclosed, or (ii) informing another, except in the necessary course of business, of a material fact or change concerning the Company before it is generally disclosed.

4. What is ‘material information’?

Material information is any information relating to the business and affairs of the Company which results in, or would reasonably be expected to result in, a significant change in the market value or price of the Company’s listed securities. Stated another way, there is a substantial likelihood that a reasonable investor would consider the information important in making a decision to buy, sell or hold the Company’s securities. Material information can be favorable or unfavorable. Courts and regulators often second-guess materiality determinations with the benefit of hindsight. If it is not clear whether inside information is

material, the Company will consult its external legal counsel and/or with the market surveillance divisions (or equivalent) of the applicable stock exchange(s) on which the Company's securities are listed.

A "**material change**" means (i) a change in the business, operations or capital of Liberty that would reasonably be expected to have a significant effect on the market price or value of securities of Liberty, or (ii) a decision to implement such a change made by the board of directors of the Company (the "**Board**"), or by senior management who believe that confirmation of the decision by the Board of is probable. Unless the context requires otherwise, as used in this Policy "material information" includes "material changes".

It is not possible to define all categories of material information; however, some examples of information (not intended to be an exhaustive list or a substitute for the exercise of judgment in making materiality determinations) that could be considered to be material include:

- operating and financial results;
- financial projections;
- changes to expected cash runway, liquidity problems or impending bankruptcy;
- business plans, strategies, or negotiations;
- proposed mergers, acquisitions or joint ventures involving Liberty or divestitures of significant assets or a subsidiary by Liberty;
- changes in share ownership that may affect control of Liberty;
- Board or senior management changes;
- public or private sales of Liberty's securities;
- proposed or pending material financings;
- events of default under financing or other agreements;
- material transactions involving directors, officers or principal shareholders of Liberty;
- labour disputes or disputes with important manufacturers, suppliers or joint venture partners;
- significant cyber security or data protection events affecting Liberty's operations;
- changes in Liberty's auditors;
- pending or threatened litigation;
- decisions or recommendations regarding dividend payments or policies, or other modifications to the rights of Liberty's securityholders; and
- changes in capital or corporate structure.

5. What is 'undisclosed material information'?

Material information that has not yet been generally disclosed to the public is referred to as "**undisclosed material information**". Material information about Liberty should be considered non-public or undisclosed unless there is certainty it has been publicly discussed. As a general rule, in order for material information to be considered "**generally disclosed**" to the public, it must be published and widely disseminated by way of a press release (making it generally available to investors) and sufficient time must have elapsed in order for the market to react to the information. Generally, this means one (1) full trading day, unless otherwise advised by a member of the senior management of the Company that the sufficient period is longer or shorter. The term "**trading day**" means a day on which the stock exchange(s) on which Liberty's securities are traded (currently the TSX Venture Exchange and the Nasdaq Capital Market) are open for trading.

Undisclosed material information must not be disclosed to anyone, except to persons within Liberty, and, to the extent applicable, other representatives acting on behalf of Liberty, including consultants and external legal counsel, whose positions require them to know it, or with prior approval of the Chief Executive Officer. No Insider should discuss undisclosed material information in public places or in common areas on Liberty property.

6. No trading on undisclosed material information

It is illegal and strictly prohibited by this Policy for Insiders to directly or indirectly engage in any transaction involving a purchase or sale of Liberty's shares at any time when they have knowledge of undisclosed material information. To do so would be "insider trading".

Insiders may, from time to time, have to forego a proposed transaction in Liberty's securities even if they planned to complete the transaction before learning of the undisclosed material information. Questions about whether material information is public or has been "generally disclosed", or has ceased to be material, should be directed as designated under the Disclosure Policy of Liberty.

7. No "tipping" or "recommending"

It is illegal and strictly prohibited by this Policy to disclose, other than in the necessary course of business, undisclosed material information relating to Liberty to any other person (such as, but not limited to, Family Members, neighbours, friends, acquaintances, investment professionals, financial planners, family companies or family trusts), or to make recommendations or encourage, other than in the necessary course of business, the purchase or sale of Liberty's shares on the basis of undisclosed material information. To do so would be "tipping".

The question of whether a particular disclosure is being made in the "necessary course of business" is a mixed question of law and fact that must be determined on a case-by-case basis. For greater certainty, disclosure to analysts, institutional investors, other market professionals and members of the press and other media is a form of "tipping" and will not be considered to be in the necessary course of business. Generally, Insiders should refrain from making such disclosure unless they have been specifically advised that it is permitted.

8. Restrictions on hedging and derivatives

Insiders are prohibited from engaging in any derivative transactions (including transactions involving options, puts, calls, prepaid variable forward contracts, equity swaps, collars and exchange funds or other derivatives) that are designed to hedge or speculate on any change in the market value of Liberty's equity securities. As discussed below, Insiders are also prohibited from shorting Liberty's securities.

Trading in options or other derivatives is generally highly speculative and very risky. People who buy options are betting that the share price will move rapidly. For that reason, when a person trades in options in his or her employer's shares, it may arouse suspicion in the eyes of the U.S. Securities and Exchange Commission (the "SEC") that the person was trading on the basis of inside information, particularly where the trading occurs before a company announcement or major event. It is difficult for an Insider to prove that he or she did not know about the announcement or event.

If the SEC or the stock exchanges were to notice active options trading by one or more Insiders prior to an announcement, this could trigger an investigation with potential legal action. Such an investigation could be embarrassing to Liberty (as well as expensive), and could result in severe penalties and expense for the persons involved. For all of these reasons, Liberty prohibits its Insiders from trading in options or other securities involving Liberty's shares. This Policy does not pertain to the exercise of an employee stock option granted by Liberty pursuant to Liberty's plans, or to the exercise of a tax withholding right pursuant to which a person has elected to have Liberty withhold shares subject to an option to satisfy tax withholding requirements. This Policy does apply, however, to any sale of shares as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

9. Restrictions on short sales

No Insider should sell any of the Company's securities short.

10. Restrictions on pledging securities, margin accounts

Pledged securities may be sold by the pledgee without the pledgor's consent under certain conditions. For example, securities held in a margin account may be sold by a broker without the customer's consent if the customer fails to meet a margin call. Because such a sale may occur at a time when an Insider has material inside information or is otherwise not permitted to trade in Liberty securities, Liberty prohibits Insiders from pledging Liberty securities in any circumstance, including by purchasing Liberty securities on margin or holding Liberty securities in a margin account.

11. Restrictions on trading in securities of other companies

This Policy is not restricted to information affecting Liberty and its shares. You may obtain material information about other companies in the course of your work for Liberty. As such, this Policy and the guidelines set out herein also apply to undisclosed material information about other companies or entities with which we do business, including but not limited to joint venture partners or service providers, customers, partners, vendors and suppliers of Liberty, as well as potential take-over bid, merger or acquisition candidates (collectively, "**business counterparties**"), when that information is obtained in the course of employment with or providing services to or on behalf of, Liberty.

In instances in which the Company is involved in a material undisclosed transaction or business or other arrangement (including proposed transactions or arrangements) with another entity, each employee, officer and director of the Company is deemed to be in a "special relationship" with the other entity as a result of having knowledge of a material fact or material change with respect to the other entity that has not been generally disclosed to the public and, therefore, cannot trade in securities of the other entity using knowledge or information pertaining to the transaction or arrangement and must not inform or "tip" others of any such knowledge or information, except as required in order to carry out the duties of the person's office or employment with the Company.

Criminal and civil penalties, and termination of your relationship with Liberty may result from trading in the securities of, or tipping in relation to, any business counterparty when in possession of undisclosed

material information about that business counterparty. Undisclosed material information about Liberty's business counterparties should be treated in the same way and with the same care as information related directly to Liberty.

12. Applicability of U.S. Securities Laws to International Transactions

All Insiders are subject to the restrictions on trading in Liberty securities and the securities of other companies. The U.S. securities laws may be applicable to trades in Liberty's securities executed outside the United States, as well as to the securities of Liberty or any affiliate of any member of Liberty, even if they are located outside the United States. Transactions involving securities of members of Liberty or affiliates should be carefully reviewed by counsel for compliance not only with local law but also for possible application of U.S. securities laws.

13. Gifts of securities

Unless otherwise approved by the Chief Executive Officer in limited circumstances, gifts of Liberty's securities should only be made (i) when an Insider is not in possession of undisclosed material information and (ii) outside a Blackout Period (as defined below). Gifts of Liberty's securities are otherwise subject to this policy.

14. Trading blackouts

The period beginning on the fourth business day before the end of each quarter and ending one full trading day following the date of public disclosure of the financial results for that quarter (or fiscal year) (a "**Blackout Period**") is particularly sensitive, as directors, and certain officers and other employees may often possess undisclosed material information about the expected financial results for the quarter and year end.

Accordingly, to ensure compliance with this Policy and Applicable Laws, all Restricted Persons (as defined below) must refrain from any trading activities involving Liberty's securities during the following Blackout Periods:

- Four (4) business days prior to the end of the first quarter (three months ended March 31) plus one (1) trading day;
- Four (4) business days prior to the end of the second quarter (six months ended June 30) plus one (1) trading day;
- Four (4) business days prior to the end of the third quarter (nine months ended September 30) plus one (1) trading day; and
- Four (4) business days prior to financial year end (December 31) plus one (1) trading day.

Liberty may from time to time impose additional non-scheduled Blackout Periods on account of the existence of or potential for undisclosed material information. In such event, Restricted Persons will be advised of the start and end of the non-scheduled Blackout Period, during which time they are prohibited from trading in Liberty's shares, as well as from disclosing to others the facts giving rise to or the existence of a non-scheduled Blackout Period.

Even in the absence of a Blackout Period, any Insider possessing undisclosed material information about Liberty should not engage in any transactions in Liberty shares until after one (1) trading day has elapsed from the public disclosure of such information.

For the purposes of this Policy, "**Restricted Persons**" include all Reporting Insiders (as discussed below), including their respective assistants and Family Members, and all other officers or employees who are

specifically designated as Restricted Persons for the purposes of this Policy from time to time. Restricted Persons are also subject to the general restrictions applicable to all Insiders, as described elsewhere in this policy.

The foregoing Blackout Period restrictions do not apply to transactions pursuant to 10b5-1 Plans. However, Restricted Persons may not enter into, amend, suspend or terminate a 10b5-1 Plan relating to Liberty securities without the prior approval of the Chief Executive Officer or, in the Chief Executive Officer's absence or in the event that the Chief Executive Officer wishes to request any such approval, the President, which in either case will only be given outside a Blackout Period and only if the Restricted Person does not have knowledge of undisclosed material information.

Liberty reserves the right to publicly disclose, announce, or respond to inquiries from the media regarding the adoption, modification, or termination of any 10b5-1 Plan and related trading arrangements, or the execution of transactions made under a 10b5-1 Plan. Liberty also reserves the right from time to time to suspend, discontinue, or otherwise prohibit transactions under a 10b5-1 Plan if the Chief Executive Officer (or the President for 10b5-1 Plans of the Chief Executive Officer) or the Board, in its discretion, determines that such suspension, discontinuation, or other prohibition is in the best interests of Liberty.

15. Pre-clearance of trades

Before initiating any trade in Liberty's securities, any Restricted Person or reporting insider must obtain pre-clearance from the Chief Executive Officer, who will liaise with members of the Disclosure Committee, as necessary, whether or not a Blackout Period is in effect. In the Chief Executive Officer's absence or in the event that the Chief Executive Officer wishes to trade in Liberty's securities, pre-clearance must be obtained from the President, who will liaise with members of the Disclosure Committee. Each proposed transaction will be evaluated to determine if it raises potential insider trading or other concerns under Applicable Laws. Clearance of a transaction is only valid for a three (3) business day period, unless earlier revoked. If the transaction order is not completed within the three (3) business day period, approval of the proposed transaction must be re-requested. If clearance is denied, the fact of such denial must be kept confidential by the person requesting the approval.

Note that at times the Chief Executive Officer (or President, as applicable,) may determine that no trades may occur even in the absence of a Blackout Period when clearance is requested. This may occur as a result of a pending business transaction, a material cyber-breach or any material development that has not yet been publicly disclosed. No reasons may be provided and the imposition of a non-scheduled Blackout Period may constitute undisclosed material information that should not be communicated. For the avoidance of doubt, Blackout Periods are Company compliance requirements and the absence of a Blackout Period does not constitute a legal right to trade in Liberty's securities. Accordingly, even in the absence of Blackout Period, a Restricted Person who receives clearance but nonetheless possesses material inside information should refrain from trading in Liberty's securities.

16. Other limitations on securities transactions

a. Public resales - Rule 144

The U.S. Securities Act of 1933, as amended (the "**Securities Act**"), requires every person who offers or sells a security to register such transaction with the SEC unless an exemption from registration is available. Rule 144 under the Securities Act is a safe harbor typically relied upon for (i) public resales by any person of "restricted securities" (i.e., unregistered securities acquired in a private offering or sale) and (ii) public resales by directors, officers and other control persons of a company (known as affiliates) of any of such company's securities, whether restricted or unrestricted.

The safe harbor in Rule 144 may only be relied upon if certain conditions are met. These conditions vary based upon whether the Company has been subject to the SEC's reporting requirements for 90 days (and is therefore a "reporting company" for purposes of the rule) and whether the person seeking to sell the securities is an affiliate or not. Application of the rule is complex and Company directors, officers and employees should not make a sale of Company securities in reliance on Rule 144 without obtaining the approval of the Chief Executive Officer, who may require the director, officer or employee to obtain an outside legal opinion satisfactory to the Chief Executive Officer concluding that the proposed sale qualifies for the Rule 144 safe harbor.

- i. Holding Period. Restricted securities issued by a reporting company (i.e., a company that has been subject to the SEC's reporting requirements for at least 90 days) must be held and fully paid for a period of six months prior to their sale. Restricted securities issued by a non-reporting company are subject to a one-year holding period. The holding period requirement does not apply to securities held by affiliates that were acquired either in the open market or in a public offering of securities registered under the Securities Act. Generally, if the seller acquired the securities from someone other than the Company or an affiliate of the Company, the holding period of the person from whom the seller acquired such securities can be "tacked" to the seller's holding period in determining if the holding period has been satisfied.
- ii. Current Public Information. Current information about the Company must be publicly available before the sale can be made. The Company's periodic reports filed with the SEC ordinarily satisfy this requirement. If the seller is not an affiliate of the Company issuing the securities (and has not been an affiliate for at least three months) and one year has passed since the securities were acquired from the issuer or an affiliate of the issuer (whichever is later), the seller can sell the securities without regard to the current public information requirement.

Rule 144 also imposes the following additional conditions on sales by persons who are "**affiliates.**" A person or entity is considered an "affiliate," and therefore subject to these additional conditions, if it is currently an affiliate or has been an affiliate within the previous three months:

- i. Volume Limitations. The amount of debt securities which can be sold by an affiliate and by certain persons associated with the affiliate during any three-month period cannot exceed ten percent (10%) of a tranche (or class when the securities are non-participatory preferred stock), together with all sales of securities of the same tranche sold for the account of the affiliate. The amount of equity securities that can be sold by an affiliate during any three-month period cannot exceed the greater of (i) one percent (1%) of the outstanding shares of the class or (ii) the average weekly reported trading volume for shares of the class during the four calendar weeks preceding the time the order to sell is received by the broker or executed directly with a market maker.
- ii. Manner of Sale. Equity securities held by affiliates must be sold in unsolicited brokers' transactions, directly to a market-maker or in riskless principal transactions.
- iii. Notice of Sale. An affiliate seller must file a notice of the proposed sale with the SEC at the time the order to sell is placed with the broker, unless the amount to be sold neither exceeds 5,000 shares nor involves sale proceeds greater than \$50,000. See "Filing Requirements" below.

Bona fide gifts are not deemed to involve sales of shares for purposes of Rule 144, so they can be made at any time without limitation on the amount of the gift, subject to the terms of this policy

and in compliance with applicable law. Donees who receive restricted securities from an affiliate generally will be subject to the same restrictions under Rule 144 that would have applied to the donor, depending on the circumstances.

b. Private resales

Affiliates also may sell securities in a private transaction without registration to accredited investors, but limitations include (among others) that the sale is not solicited by any form of general solicitation or advertising. Private resales by affiliates raise certain documentation and other issues and must be reviewed in advance by the President.

c. Restrictions on purchases of Liberty securities

In order to prevent market manipulation, the SEC adopted Regulation M under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). Regulation M generally restricts the Company or any of its affiliates from buying Company stock, including as part of a stock buyback program, in the open market during certain periods while a distribution, such as a public offering, is taking place. You should consult with the President if you desire to make purchases of Company stock during any period in which the Company is conducting an offering or buying shares from the public.

17. Filing Requirements

The Company is subject to the securities laws of both the United States (including the Exchange Act) and Canada (including the *Securities Act* (British Columbia)). United States and Canadian law may differ with regard to the reporting obligations of insiders. The Company's insiders will be exempt from the U.S. insider reporting requirements under Section 16 of the Exchange Act for so long as the Company qualifies as a Foreign Private Issuer under U.S. securities laws and is subject to the Canadian insider reporting requirements discussed in this section. Reporting Insiders and Section 16 Insiders (in each case, as defined below), not Liberty, are personally and legally responsible for ensuring the accurate and timely disclosure of their trading activities. However, the Disclosure Committee is available to assist you in the preparation and filing of insider trading reports and Exchange Act filings and, where such assistance is requested, Reporting Insiders and Section 16 Insiders must provide the Disclosure Committee with all required information to allow for timely submission of reports. Reporting Insiders and Section 16 Insiders who file their own reports are asked to promptly provide a copy to the Disclosure Committee so that Liberty's records may be updated.

Consequences of contravening insider reporting requirements include the imposition of late filing fees, being identified as a late filer on public databases maintained by securities regulators, the issuance of cease trade orders or, in appropriate circumstances, enforcement proceedings.

a. Canadian Insider reporting requirements

Under Canadian securities law, certain “insiders” of Liberty who are deemed to be “**Reporting Insiders**” are required to comply with insider reporting requirements and to report their activities in respect of Liberty shares. Reporting Insiders include all directors of Liberty, as well as certain executive officers, shareholders who hold 10% or more of Liberty's outstanding common shares, and other employees who have routine access to undisclosed material information and the ability, directly or indirectly, to exercise influence over the business, operations, affairs, capital or development of Liberty. Designation as a Reporting Insider may change over time.

Reporting Insiders are required to file insider trading reports electronically with the British Columbia Securities Commission through the System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca for any trading activity related to the Company's securities, including common shares and any grant or exercise of stock options. An initial insider trading report is required to be filed within ten (10) calendar days of first becoming a reporting insider, disclosing any direct or indirect beneficial ownership of or control or direction over shares of Liberty, and interest in, or right or obligation associated with, a related financial instrument involving a share of Liberty. Reporting Insiders are also required to file an insider trading report within five (5) days of the date of any change in such direct or indirect beneficial ownership or control or direction, or such interest, right or obligation.

Reporting insiders (not Liberty) are personally and legally responsible for ensuring the accurate and timely disclosure of their trading activities. However, the Disclosure Committee is available to assist you in the preparation and filing of insider trading reports and, where such assistance is requested, reporting insiders must provide the Disclosure Committee with all required information to allow for timely submission of reports. Reporting insiders who file their own reports are asked to promptly provide a copy to the Disclosure Committee so that Liberty's records may be updated.

Consequences of contravening insider reporting requirements include the imposition of late filing fees, being identified as a late filer on public databases maintained by securities regulators, the issuance of cease trade orders or, in appropriate circumstances, enforcement proceedings.

b. U.S. Insider Reporting Requirements

If Liberty no longer qualifies as a Foreign Private Issuer, then under Section 16(a) of the Exchange Act, executive officers and directors of Liberty, and any person owning more than ten percent of any registered class of Liberty's equity securities (collectively, "**Section 16 Insiders**"), will be required to file with the SEC public reports disclosing their holdings of, and transactions involving, Liberty's equity securities.

If Liberty no longer qualifies as a Foreign Private Issuer, an initial report on Form 3 would be required to be filed by every Section 16 Insider on or before the first day of the fiscal year following the date Liberty is determined to no longer qualify as a Foreign Private Issuer, even if no securities were owned by the Section 16 Insider on such first day. For any person who becomes a Section 16 Insider after such first day, an initial report on Form 3 would be required to be filed within 10 days of becoming a Section 16 Insider. Form 3 requires disclosure of all equity securities of Liberty beneficially owned by the Section 16 Insider as of the later of (i) the date on which such person became a Section 16 Insider or (ii) the date on which Liberty became subject to Section 16 of the Exchange Act. Any subsequent change in the nature or amount of beneficial ownership by the Section 16 Insider must be reported on Form 4 and filed by the end of the second business day following the date of the transaction. The Form 4 filing requirement and filing deadline also applies to any donation or gift of Liberty equity securities by the Section 16 Insider, regardless of the recipient. Certain exempt transactions may be reported on Form 5 within 45 days after the end of the fiscal year. The fact that a Section 16 Insider's transactions during the month resulted in no net change, or the fact that no securities were owned after the transactions were completed, does not provide a basis for failing to report.

If Liberty remains a Foreign Private Issuer but ceases to be subject to the Canadian insider reporting requirements discussed in the preceding subsection, then Section 16 Insiders (excluding persons owning more than ten percent of any registered class of Liberty's equity securities) will become

subject to Section 16(a) of the Exchange Act, including the requirement to make filings on Forms 3, 4 and 5.

Further, if Liberty no longer qualifies as a Foreign Private Issuer, then Section 16(b) of the Exchange Act will apply to Section 16 Insiders, which requires that any "short-swing profits" made by Section 16 Insiders be disgorged to Liberty. This is in addition to the reporting requirements described above. "Short-swing profits" are the profits, whether real or notional, that result from any purchase and sale (or sale and purchase) of Liberty's equity securities within a six-month period, unless there is an applicable exemption for either transaction. It is important to note that this rule applies to any matched transactions in Liberty's securities (including derivative securities), not only a purchase and sale (or sale and purchase) of the same shares, or even of the same class of securities. Furthermore, pursuant to SEC rules, profit is determined so as to maximize the amount that the Section 16 Insider must disgorge, and this amount may not be offset by any losses realized. "Short-swing profits" may exceed economic profits.

Persons required to file statements or amend previously filed statements under Section 16(a) must do so in a timely manner and bear responsibility for complying with applicable legal requirements. Accordingly, all directors and officers must notify the Chief Executive Officer prior to any transactions or changes in their or their family members' beneficial ownership involving Liberty equity securities and are strongly encouraged to avail themselves of the assistance available from Liberty in satisfying the reporting requirements.

18. Policy awareness and consequences for violation

Copies of this Policy and any amendments made to it from time to time will be made available either directly or by posting the Policy on Liberty's website.

Insider trading or tipping are serious offences and the consequences can be severe. Those who violate this Policy will be subject to disciplinary action by Liberty, including possible termination of their relationship with Liberty. This is in addition to facing significant fines and penalties and/or imprisonment. Under Applicable Laws, penalties for violations of insider trading laws currently include fines of up to \$5 million or triple any profit made or loss avoided, whichever is greater, as well as imprisonment for up to 10 years. In addition, punitive damages may be imposed under applicable U.S. state laws.

Insiders may also be liable for improper transactions by any person (commonly referred to as a "tippee") to whom they have disclosed undisclosed material information regarding Liberty or to whom they have made recommendations or expressed opinions on the basis of such information. Large penalties have been imposed even when the disclosing person did not profit from the trading.

19. Review of the Policy and Waivers

This Policy will be reviewed periodically to ensure that it continues to comply with Applicable Laws and good corporate governance practices.

Liberty may, from time to time, permit departures from this Policy, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to shareholders of Liberty or other liability whatsoever to any other person.

20. Questions

If you have questions about general insider trading matters or your responsibilities under this Policy, please contact the Company's Disclosure Committee.

RELATED DOCUMENTS

Disclosure Policy

APPENDIX A

PERSONS IN A SPECIAL RELATIONSHIP WITH LIBERTY

Under Applicable Laws, persons in a “**special relationship**” with Liberty include:

- (a) all directors, officers and employees of Liberty;
- (b) all directors, officers and employees of any subsidiary of Liberty;
- (c) any person or company, including such company’s directors and officers, and any Family Members of such directors and officers, who beneficially owns, controls or directs more than 10% of the common shares of Liberty;
- (d) every director or officer of a company referred to in (c) and every director, officer or employee of any company that holds more than 50% of the common shares of Liberty;
- (e) a person or company that is: (i) considering or evaluating whether or proposing to make a takeover bid for the shares of Liberty; (ii) considering or evaluating whether or proposing to become a party to a reorganization, amalgamation, merger, arrangement, or other business combination with Liberty; or (iii) considering or evaluating whether or proposing to acquire a substantial portion of Liberty property (each of (i), (ii), or (iii) is herein referred to as a “**Merger Partner**”), and every director, officer or employee of a Merger Partner and any person who beneficially owns, controls or directs more than 10% of the voting shares of the Merger Partner;
- (f) a person or company (for example, consultants, advisers, contractors) that is engaging in or considering or evaluating whether or proposing to engage in any business or professional activity with or on behalf of Liberty or a Merger Partner, and every director, officer or employee thereof;
- (g) a person or company that learns of undisclosed material information while the person or company was any of the persons or companies described in (a) through (f) above; and
- (h) a person or company that learns of undisclosed material information with respect to Liberty (a “**tippee**”) from any other person or company in a special relationship with Liberty (a “**tipper**”) where the tippee knows or ought reasonably to have known that the tipper is in a special relationship with Liberty. This includes a “**tippee**” who is tipped by a previous “**tippee**”. The significance of clause (h) is that it creates an indefinite chain so that any person who either trades on or discloses undisclosed material information acquired directly or indirectly from someone “**on the inside**” will be subject to the criminal and/or civil liabilities described in this Policy.