



## APPENDIX A - CORPORATE DISCLOSURE POLICY

*MARCH 2011*



# **CORPORATE DISCLOSURE POLICY**

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# Disclosure Policy

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# GENERAL STATEMENT OF POLICY

## *COMMITMENT*

BioExx Specialty Proteins Ltd. (hereinafter called either “BioExx” or the “Company”) is committed to providing timely and accurate dissemination of all material information in compliance with all legal and regulatory requirements. This must be accomplished on a consistent basis, and our shareholders and all parties in the investment community must have equal access to this information. The Company is also aware of its need and the importance of keeping confidential the specifics of its key business and operating strategies and intends to preserve confidentiality where appropriate.

## *SCOPE*

This Policy describes in general terms the processes and procedures of the Company in connection with the timely and accurate disclosure of material information by BioExx personnel to, and communications with, all external audiences, including the media, shareholders, securities market professionals and other representatives of the financial community. In addition, this Policy addresses the processes of ongoing investor relation functions with the investment community.

## *APPLICABILITY*

This Policy applies to all directors, officers, spokespersons and employees of BioExx and its subsidiaries and any outside parties that the Company engages (including lawyers, accountants, consultants and investment bankers). Outside parties should be made aware of the confidential nature of non-public material information and where possible and appropriate, non-disclosure agreements should be used.

This Policy covers all methods used by BioExx to communicate to its shareholders, the media and members of the investment community. These communications include the following:

- press releases,
- written statements made in annual and quarterly reports,
- communication to shareholders,
- reports and other materials furnished to securities commissions,
- communications made during investor conferences,
- speeches by senior management,
- oral statements made in the course of meetings or calls with securities market professionals, shareholders, media or other external audiences, and
- websites

# POLICY ADMINISTRATION

## *DISCLOSURE COMMITTEE*

The Disclosure Committee is responsible for overseeing the Corporation’s disclosure practices, administration and implementation of this policy, and shall also monitor compliance with the Policy. The Disclosure Committee shall be comprised of the CFO and the CEO of

the Company, together with such other persons as the Board may from time to time designate.

The Disclosure Committee will set standards for a preliminary assessment of materiality and will determine when developments justify public disclosure. The Disclosure Committee will meet as conditions require and minutes of the Disclosure Committee's meetings will be maintained and be available to the Board. It is essential that the Disclosure Committee be kept fully apprised of all pending material developments relating to the Corporation 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 information will be controlled and whether any regulatory filings on a confidential basis need to be made.

The Disclosure Committee will review and update, if necessary, this Disclosure Policy on an annual basis or as needed to ensure compliance with changing regulatory requirements. The Disclosure Committee will report to the Board as requested. The Disclosure Committee will document discussions it conducts with respect to this policy including who was present, what was discussed, whether the information was material and any conclusions reached.

The primary role of the Disclosure Committee shall be to ensure that all public disclosure made by the Company in whatever form is complete, accurate and timely and that the appropriate disclosure controls are in place and working effectively. In this role, the Disclosure Committee shall report to the Board on no less than an annual basis, or as requested, with respect to the matters considered by the committee and in connection with the Company's system of disclosure controls. The Disclosure Committee will also consider the respective certifications filed with the Company's interim and annual filings by the Chief Executive Officer and Chief Financial Officer.

### ***SPOKESPERSON***

The following individuals are the only employees of the Company who are permitted to make public statements, issue press releases, make speeches, or other communications with the public or media regarding the Company: the President & Chief Executive Officer, the Chief Financial Officer, and the Chairman of the Board (the "Spokespersons"). The Chairman, the President, and the Chief Financial Officer are the only persons permitted to make public statements containing financial or forward looking information.

No one except one of the Spokespersons is authorized to respond to inquiries or discuss the financial or operating affairs of BioExx with anyone in the public forum. Everyone should refer all media, investor, Internet or other inquiries, questions and approaches for information of this type from third parties to one of the Spokespersons specified above. No other employee shall attempt to respond to or engage in a dialogue with persons making these inquiries.

The Spokespersons may, from time to time, designate others to speak on behalf of the Company or to respond to specific inquiries from the investment community or the media. A duly appointed third-party investor relations firm, approved by the Board and the Toronto Stock Exchange ("TSX"), may also engage in appropriate investor communications according

to its mandate, and such communications and the performance of the investor relations firm shall be monitored by the CFO. Other BioExx staff, with appropriate approval from the CEO or CFO, may have discussions with local media to support local marketing efforts, but no discussions should include financial, forward looking or any material, non-public information. However, if there is any doubt about the appropriateness of supplying information to an outside party, an employee should always contact the CFO for advice or confirmation.

## **MATERIAL INFORMATION AND DISCLOSURE**

### ***DEFINITION***

“Material Information” shall have the meaning ascribed to it under applicable laws and regulations and for the purposes of this Policy includes a “Material Change” under such laws.

Generally, Material Information is any information relating to the business and affairs of the company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the company’s securities. Information should be considered to be “material” if there is a substantial likelihood that a reasonable investor would consider the information important in making an investment decision or if the information would be viewed by a reasonable investor as having significantly altered the total mix of information available on the Company.

The following types of information are examples of what may be considered material and, if so, should not be disclosed to, or discussed with, persons outside of BioExx except in compliance with this Policy:

- plant operating performance and results;
- financial results;
- earnings information, including confirmation of or guidance on individual and consensus earnings estimates or confirmations of the assumptions underlying those estimates, and any other forecasts of financial information;
- the entering into or cancellation of a significant contract;
- the announcement of a major new product or service;
- pending or potential mergers, acquisitions, divestitures, tender offers, joint ventures or changes in assets;
- changes in control of BioExx or changes in senior management;
- changes in auditors or notification from an auditor that BioExx may no longer rely on an earlier audit report;
- events regarding BioExx’s securities, such as new equity offerings or other financing arrangements whether public or private, redemptions, repurchase plans, stock splits or changes in dividends, or changes to the rights of security holders;
- filing of Prospectuses; or,
- any other development that would reasonably be expected to have a significant influence on a reasonable investor’s investment decision.

This list is not meant to cover all situations. If there is any question about the materiality of certain information, immediately contact the CFO or CEO of the Company.

## **DISCLOSURE RESPONSIBILITIES AND PROCEDURES**

### ***QUARTERLY AND ANNUAL RELEASES OF FINANCIAL INFORMATION***

The Disclosure Committee shall, through its disclosure controls and procedures, collect information regarding the Company's operations and results in the applicable period. The Disclosure Committee shall make determinations of materiality and shall review the content of quarterly and annual financial statements, management's discussion and analysis, annual information form, management proxy circular and any other document filed in connection with the Company's quarterly and annual disclosure, to ensure such documents are complete and accurate.

To avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, the Company will observe quiet periods prior to quarterly earnings announcements. Regular quiet periods will commence on the fifteenth day following the end of a quarter or the thirtieth day following a fiscal year end and end with the issuance of a news release disclosing the earnings results.

During a quiet period, the Company will not initiate any meetings or telephone contacts with analysts and investors, but will respond to unsolicited inquiries concerning factual matters. If the Company is invited to participate, during a quiet period, in investment meetings or conferences organized by others, the Committee will determine, on a case-by-case basis, if it is advisable to accept these invitations. If accepted, caution will be exercised to avoid selective disclosure of any material, non-public information.

The Company will generally conduct interactive conference calls open to financial analysts on a quarterly basis, usually a few hours after the quarterly report or news release has been issued (see Analyst Conference Calls). Any interested party or investor may listen in to the call. A playback of the quarterly conference call will be made available on the Company's web site.

### ***PRESS RELEASES CONTAINING MATERIAL INFORMATION***

If, outside of the quarterly and annual reporting cycles, information comes to light which may be material and it is not practical to convene the Disclosure Committee for the consideration of such information, the Disclosure Committee may review such information and shall, together with the appropriate senior management of the Company, make determinations regarding its disclosure. At the discretion of these individuals, the Board of Directors may be convened to review and approve the disclosure.

If information is determined to be material, the Company will (subject to the applicability of confidential disclosure as set out below) immediately initiate a process to ensure full, true, plain and timely disclosure of this information. In accordance with the requirements of the Toronto Stock Exchange (or those of any other applicable exchange), prior to the issuance of a significant press release, and if deemed required, the TSX shall be called and a copy of the

release should be sent to the TSX for their review. The information should then be released through Marketwire with instructions to distribute the full text of the release to business and analyst wires and, in appropriate cases, to specific local news outlets. The release may be sent to selected analysts, investors and media immediately after full dissemination is confirmed by Marketwire. The CEO and CFO shall review all news releases where the subject matter has been determined to be material, in order to ensure that the Company's disclosure is in compliance with applicable securities laws and stock exchange requirements, and may at their discretion also seek review from legal counsel. The press releases, as appropriate, will be filed on SEDAR contemporaneously with the dissemination through Marketwire.

The CEO and/or CFO, together with the Company's legal counsel if necessary, shall determine whether or not the information constitutes a "Material Change" within the meaning of the applicable securities laws and regulations. If necessary, a Material Change Report shall be filed in accordance with such laws and regulations.

### ***PRESS RELEASES CONTAINING NON-MATERIAL INFORMATION***

Although the Company is not required to disclose non-material information, it may in some circumstances be necessary or desirable to do so. All such press releases containing solely non-material information shall be reviewed by the CEO or CFO. If a press release containing solely non-material information contains financial information or forward looking information, the CFO shall also review the press release prior to it being issued.

### ***DECLARATION OF DIVIDENDS***

The CFO will coordinate all releases of dividend notices of the Company. The Toronto Stock Exchange shall be notified of any proposed dividend notice and upon appropriate confirmation will release the notice via Marketwire and SEDAR.

## **CONFIDENTIAL DISCLOSURE OF INFORMATION**

### ***APPLICATION***

In certain circumstances, BioExx may withhold information from public disclosure for legitimate business purposes. The information, if it constitutes material information, must be filed with Canadian securities regulators on a confidential basis and is reviewed by the Company every 10 days. The Company will only withhold information consistent with the circumstances outlined in Canadian securities laws and in such cases will take appropriate precautions to keep the information confidential.

### ***RESPONSIBILITIES & PROCEDURES***

All non-public information concerning BioExx must be kept absolutely confidential, except as otherwise permitted by this Policy with the prior approval of the CEO or the CFO, information may be disclosed to outside advisors such as lawyers, accountants, investment bankers, rating agencies, printers, designers and translators, all in connection with their representation of BioExx, on the understanding that the subject information is confidential.

These responsibilities and procedures also apply during the period of time when news releases involving material information are being developed, until the information has been released and disseminated to the investing public.

## **PROCEDURES FOR INADVERTENT DISCLOSURES AND ERRORS IN DISCLOSURE**

If an employee believes that material non-public information was disclosed in violation of this Policy, or if a material error has been made in any public disclosure made the Company, such person should notify a member of the Disclosure Committee immediately. If inadvertent disclosure or an error in disclosure occurs, BioExx shall take appropriate remedial action which may include notification of the appropriate regulator of the inadvertent error, the making of broad public disclosure of the information or correction of the information through a press release or a filing with the Securities Commissions, as may be required.

## **DISSEMINATING INFORMATION**

### ***APPLICATION***

BioExx will disseminate corporate information in an equitable manner and will not provide confidential, proprietary or material non-public information selectively to the investing public, media, analysts or others. In certain circumstances, BioExx may provide non-material and publicly disclosed information in individual and group discussions and meetings where doing so facilitates better understandings about the business and affairs of the Company, provided such disclosures are made in compliance with applicable securities law. The Company will not discriminate among recipients of information. The Company will provide the same information that has been provided to financial analysts or managers to individual investors when requested.

### ***COMMUNICATIONS WITH FINANCIAL ANALYSTS AND INVESTORS***

**ANALYST CONFERENCE CALLS.** Conference calls should be announced sufficiently in advance by a press release and/or posting on the Company's web site which should contain either (1) a dial-in number through which the general public and the media can have listen-only access to the conference call or (2) instructions for listening to a web cast. The conference call may also be recorded for playback over BioExx's web site (for a period of generally no more than 1 month). If it is anticipated that previously undisclosed material information will be covered, such information should be included in a press release issued before the call.

A transcript of the call will be retained as part of the Company's disclosure record, along with the tape of the conference call.

**ANALYST AND INVESTOR MEETINGS.** Any analyst meetings should be announced via a press release and/or posting on the Company's web site and, if it is anticipated that any previously undisclosed material information will be included in our presentation, such information should be disclosed in a press release prior to the meeting.

The meeting should be accessible by telephone on a listen-only basis or by web cast and should be recorded for playback over BioExx's web site (for a period of generally no more than 1 month).

**INDIVIDUAL MEETINGS AND CALLS.** Spokespersons may meet with or talk with individual analysts or investors but will not provide material information which has not already been disclosed. The focus of such discussions should be limited to broad strategic and operational matters. Each participant should keep a record of the discussions that take place during such meeting or call. No one should confirm or comment on an analyst's earnings estimates, earnings models or any other earnings information.

### ***ANALYSTS REPORTS***

BioExx will not comment on reports prepared by analysts other than to correct factual errors. Any opinions, estimates or forecasts regarding the Company provided by analysts are exclusively those of the analyst and do not represent the views of the Company.

### ***RATING AGENCIES***

All discussions and communications with ratings agencies will be on a confidential basis. Any opinions, estimates or forecasts regarding the Company provided by rating agencies are exclusively those of the rating agency and do not represent the views of the Company.

### ***WEB SITE DISCLOSURES***

The Disclosure Committee shall review and approve any material information to be posted on BioExx's or any of its subsidiaries' web sites, including the investor relations portion of BioExx's home page. Documents of interest to investors that are available in paper copy may be made available on the web site. News releases will be posted on the web site after they are released to the wire service. Other appropriate documents and presentations may also be placed on the web site. Current material must be separated from archival press releases and OSC filings. Archival press releases and OSC filings should be accompanied by a notice stating: "The information presented below is provided only for historical purposes. Investors should not rely on this information in making investment decisions."

## **RESPONDING TO MARKET RUMOURS**

It is the Company's practice not to comment on market rumours or speculation, particularly where it is clear that the Company is not the source of the market rumour.

Should any stock exchange or securities regulator request that the Company make a definitive statement in response to a market rumour that is causing significant volatility in the stock, the Disclosure Committee will consider the matter and make a recommendation to the CEO as to the nature and content of any Company response.

## **FORWARD-LOOKING INFORMATION**

### ***GENERAL COMMENTS***

BioExx may from time to time make available forward-looking information (“FLI”) regarding the Company, such as statements about future or anticipated growth, operating results and performance of the Company and business prospects and opportunities. A statement will generally be considered forward-looking when it involves a statement about the future based on what is known today. Forward-looking statements may include words such as anticipate, continue, estimate, goal, intent, may, objective, outlook, plan, project, target and will.

### ***DISCLAIMERS AND CAUTIONARY STATEMENTS***

Whenever FLI is used in a written document, reasonable cautionary language must be included prominently in the document which (a) identifies the FLI and identify material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the FLI and (b) states the material factors or assumptions that were applied in drawing a conclusion or making the forecast or projection set out in the FLI.

Whenever FLI is used in a public oral statement, a statement shall also be made that (a) the oral statement contains FLI, (b) actual results could differ materially from a conclusion, forecast or projection in the FLI, (c) certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and (d) that additional information about the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the FLI and about the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the FLI, are contained in a readily-available document or in a portion of such a document and the document or that portion of the document shall be identified.