



VILLAGE FARMS INTERNATIONAL, INC.

**DISCLOSURE AND INSIDER
TRADING POLICY**

**Adopted by the Board of Directors on December 29, 2009
and Effective as of December 31, 2009**

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**VILLAGE FARMS INTERNATIONAL, INC. (the “Company”)
DISCLOSURE AND INSIDER TRADING POLICY**

A. GENERAL

1. Definitions in this Policy

Capitalized terms that are used in this policy have the meanings set forth in Appendix A or as otherwise defined in this policy. All other capitalized terms used in this policy (whether capitalized or not) have the meanings set forth in the *Securities Act* (Ontario) and applicable rules thereunder.

2. Purpose of this Policy

Two principles are cornerstones of regulation of our capital markets. The first principle is that everyone who invests in Securities of the Company should have equal and timely access to Material Information. The second principle is that Insiders and others who are in a special relationship with the Company should not be permitted to (i) purchase or sell Securities of the Company or transact in a Related Financial Instrument (“**Insider Trading**”) while in possession of Undisclosed Material Information, (ii) inform others of the Undisclosed Material Information except in the necessary course of business (“**Tipping**”), or (iii) recommend or encourage another person to purchase or sell Securities of the Company or transact in a Related Financial Instrument while in possession of Undisclosed Material Information. Directors, officers and other employees of the Company and its Subsidiaries in a special relationship with the Company and its Subsidiaries are therefore subject to these restrictions.

These principles are enshrined in various provisions of securities law and stock exchange rules relating to the requirement to make continuous and timely disclosure, imposing liability for Misrepresentations in Corporate Documents and Public Oral Statements and restricting trading by Insiders. The purpose of this policy is to ensure that the Company and all its directors, officers and other employees (including of Subsidiaries) meet their obligations under these provisions of securities law and stock exchange rules by:

- (a) establishing a process for the disclosure of all Material Information that will, among other things, ensure the Company complies with its timely disclosure obligations and will prevent the selective disclosure of Material Information to analysts, institutional investors, market professionals and others;
- (b) establishing a process for ensuring that Corporate Documents, including News Releases, issued by the Company, and Public Oral Statements, are accurate and do not contain a Misrepresentation;
- (c) ensuring that all directors, officers and other employees of the Company and its Subsidiaries understand their obligations to preserve the confidentiality of Undisclosed Material Information; and
- (d) ensuring that directors, officers and other employees of the Company and its Subsidiaries understand the prohibitions on illegal Insider Trading and Tipping under applicable securities law, stock exchange rules and this policy.

The fact that this policy contains lengthy and detailed provisions does not mean that it covers all circumstances that may arise. The subject matter of this policy can raise difficult questions for the Company, senior management and the board of directors. Those questions can often be resolved satisfactorily only with experience and the making of informed judgments, often with the assistance of legal and other professional advice. This policy should be interpreted and applied to achieve the purposes for which it was adopted.

3. Application of This Policy

- (a) This policy applies to all directors, officers and other employees of the Company and its Subsidiaries or its Affiliates. This policy also applies to other persons, such as those who are a person or issuer in a special relationship with the Company (as contemplated by section 76(5) of the *Securities Act* (Ontario)).
- (b) Sections 13 to 32 of this policy also apply to all other individuals authorized to speak on behalf of the Company, as contemplated by section 10 of this policy.
- (c) Sections 34 to 41 of this policy also apply to each Associate of a director, officer or employee of the Company and its Subsidiaries.

4. Communications Covered by this Policy

This policy applies to all methods and forms of communication by the Company, including disclosures that may reasonably be expected to be Generally Disclosed in Corporate Documents, statements in the Company's annual and quarterly reports, letters to shareholders, News Releases, Public Oral Statements (such as at shareholder meetings, news conferences, analysts' conferences, private meetings with analysts, industry conferences or on-line conferences, etc.), information contained on the website of the Company (the "Website") and other electronic communications.

5. Distribution of this Policy

- (a) The Chief Financial Officer of the Company will distribute a copy of this policy to each director and officer of the Company and its Affiliates upon becoming a director or officer, annually thereafter and whenever significant changes are made.
- (b) The local Human Resources department will distribute either a copy of this policy or a summary of this policy to all other employees of the Company and its Subsidiaries and Affiliates upon becoming an employee, annually thereafter and whenever significant changes are made.

6. Consequences of Non-Compliance With this Policy

Any director, officer or other employee of the Company or its Subsidiaries who violates this policy may face disciplinary action, including termination of his or her employment for cause and without notice. Violation of this policy may also constitute a breach of securities law, including laws against Insider Trading and Tipping, and the Company may refer any such breach to the appropriate regulatory authorities. Accordingly, violation of this policy could lead to fines, penalties, imprisonment and liability to investors and the Company for damages.

B. DISCLOSURE COMMITTEE

7. Formation of the Disclosure Committee

The Chief Financial Officer together with the chair of the Audit Committee of the Company will be responsible for the implementation of this policy and are referred to in this policy as the "**Disclosure Committee**".

8. Responsibilities of the Disclosure Committee

Under this policy, the Disclosure Committee has the responsibility to:

- (a) review and approve, before they are Generally Disclosed, all written, electronic and oral statements (including all News Releases, Corporate Documents and Public Oral Statements) that may contain Material Information;
- (b) make determinations about whether:
 - (i) any information is Material Information;
 - (ii) a Material Change has occurred;
 - (iii) selective disclosure has been or might be made; or
 - (iv) a Misrepresentation has been made;

and, in this regard, consult with counsel or other appropriate expert advisors as the Disclosure Committee may deem necessary.
- (c) make all other determinations under this policy and grant any exemptions from this policy;
- (d) monitor the effectiveness of and compliance with this policy;
- (e) educate the directors, officers and other employees of the Company and its Subsidiaries about the matters covered by this policy;
- (f) monitor the Website;
- (g) regularly update this policy to take account of new developments and standards of best practices; and
- (h) report to the board of directors of the Company or a committee of the board of directors as contemplated by section 24 of this policy and by the other provisions of this policy.

9. Meetings and Minutes

It is not expected that the Disclosure Committee will have formal meetings and prepare minutes of meetings, although there may be circumstances where the Disclosure Committee considers it desirable to do so. Many decisions made by the Disclosure Committee will be made on a real time basis as a result of informal meetings and consultations among the members of the Disclosure Committee who are then available. It is understood that where consultation with at least one other member of the Disclosure Committee is not reasonably possible on a timely basis, any member of the Disclosure Committee may make binding decisions under this policy, subject to subsequent reports to and consultations with the other members of the Disclosure Committee with respect to those decisions. In all cases, however, the Disclosure Committee must prepare and retain a written or electronic copy of all of its decisions (including any exemptions granted) even if that record consists only of a memorandum-to-file describing the decisions made.

C. SPOKESPERSONS

10. Individuals Who Are Authorized to Speak on Behalf of the Company

- (a) Only the following individuals (“Spokespersons”) are authorized to make Public Oral Statements, communicate with the media (other than in the ordinary course of business), or communicate with analysts and investors:
 - (i) Chief Executive Officer; and

- (ii) Chief Financial Officer.
- (b) The names and telephone numbers of the Spokespersons must be provided to Market Surveillance.
- (c) No other individual has actual or implied authority to make any Public Oral Statement. A Spokesperson may, from time to time, expressly designate other directors, officers or employees of the Company and its Subsidiaries to make specific Public Oral Statements or to respond to specific inquiries.
- (d) Everyone to whom this policy applies who is approached by a securities regulator, a stock exchange, an analyst, the media, an investor, or any member of the public and asked to comment in any manner on the business or affairs of the Company must not respond, except to refer all inquiries to the Chief Financial Officer. The person approached must immediately notify the Chief Financial Officer that the approach was made.

D. IDENTIFYING MATERIAL INFORMATION

11. Responsibility to Advise Disclosure Committee of Potential Material Information

Directors, officers and other employees who becomes aware of a new development, circumstance or information that may constitute Material Information must immediately advise at least one member of the Disclosure Committee. If there is any doubt whether any particular information is Material Information, a member of the Disclosure Committee must be consulted.¹

12. Determining Whether or Not Information is Material Information

- (a) The Disclosure Committee is responsible for determining whether or not information is Material Information, in consultation with the Audit Committee as provided for herein, and with counsel or other expert advisors as the Disclosure Committee may deem necessary.
- (b) In determining whether or not information is Material Information, the Disclosure Committee must, at a minimum, apply the following principles:
 - (i) The determination of whether or not information is Material Information often involves the exercise of difficult business judgment based on experience.
 - (ii) Regulators have provided examples of events and information that they believe may be material. See Appendix B for examples of information that the Canadian Securities Administrators and the TSX believe may be material.
 - (iii) Materiality of information is affected by factors such as the Company's existing disclosure record, the volatility and liquidity of the Company's Securities and prevailing market conditions.
 - (iv) If there is doubt about whether particular information is Material Information or has been Generally Disclosed, everyone subject to this policy should act prudently and conservatively.

¹ Regardless of whether any information may be Material Information, directors, officers and other employees of the Company or any of its Subsidiaries must treat all information as confidential unless they are absolutely certain the information has been announced in a News Release. See Section 29 of this Policy.

- (c) The Disclosure Committee should monitor the market's reaction to the release of information that is Generally Disclosed to assist it in making future judgments about the kinds of information that are likely to be Material Information.

E. APPROVALS

13. Approval by Disclosure Committee Before Public Disclosure

Corporate Documents (including News Releases that are associated with Corporate Documents) and Public Oral Statements must be reviewed and approved by the Disclosure Committee before they are issued or made. In approving the disclosure, the Disclosure Committee must apply the following principles:

- (a) The Disclosure Committee must be satisfied that the issuance or making, timing of release and content of any Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement complies with the Company's disclosure obligations under applicable law and this policy.
- (b) Before the issuance of any Corporate Document (including a News Release that is associated with a Corporate Document), or the making of any Public Oral Statement, the Disclosure Committee must:
 - (i) conduct, or confirm that directors, officers and/or other employees of the Company and its Subsidiaries have conducted or caused to be conducted, a reasonable investigation to satisfy themselves that the Corporate Document (including a News Release that is associated with a Corporate Document), or Public Oral Statement is not inaccurate, does not contain a Misrepresentation and is not, in a material respect, misleading or untrue; and
 - (ii) be satisfied that the Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement is not inaccurate, does not contain a Misrepresentation and is not, in a material respect, misleading or untrue.
- (c) If any part of a News Release, Corporate Document or Public Oral Statement includes summarizes or quotes from a report, statement or opinion made by an Expert, the Disclosure Committee must obtain the written consent of the Expert to the use of the report, statement or opinion and the Disclosure Committee must be satisfied that:
 - (i) there are no reasonable grounds to believe that there is a Misrepresentation in the part of the News Release, Corporate Document or Public Oral Statement made on the authority of the Expert; and
 - (ii) the part of the News Release, Corporate Document or Public Oral Statement fairly represents the report, statement or opinion made by the Expert.
- (d) If any part of a Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement is based upon disclosure ("**Third Party Disclosure**") contained in a document filed by a person other than the Company (a "**Third Party**") with the Commission or any other securities regulatory authority in Canada or a stock exchange, the Disclosure Committee must:
 - (i) be satisfied that the Third Party Disclosure was not corrected in another document filed by the Third Party with the Commission or any other securities regulatory authority in Canada or a stock exchange before the issuance of the Corporate Document (including a News Release that is associated with a Corporate Document) or the making of the Public Oral Statement;

- (ii) ensure that the Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement contains a reference identifying the document containing the Third Party Disclosure; and
 - (iii) have no reasonable grounds to believe that the Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement contained a Misrepresentation.
- (e) If any part of a Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement contains Forward-looking Information, the Disclosure Committee must comply with section 28 of this policy.
 - (f) The Disclosure Committee should also consider and be satisfied that approval of the board of directors is not necessary or desirable prior to the issuance of a News Release or other Non-Core Document or the making of a Public Oral Statement. The Disclosure Committee must not, however, delay the issuance of a News Release which the Disclosure Committee considers to be required by applicable law or this policy for the purpose of obtaining board approval.

14. Approval of Earnings Releases by the Audit Committee

In addition to approval by the Disclosure Committee, each News Release announcing the results of operations for an interim or annual period must be approved by the Audit Committee and the board of directors. If not inconsistent with the Company's obligation under securities laws, the financial statements should be filed with the securities regulators at the same time as the earnings are announced in a News Release.

15. Approval of Core Documents by Board of Directors

In addition to approval by the Disclosure Committee, each Core Document that is proposed to be issued by the Company must be reviewed and approved by the board of directors, or an appropriate committee of the board of directors, before its issuance.

Each Core Document submitted to the board of directors or a committee of the board of directors for approval must be accompanied by a certificate signed by the Chief Executive Officer and the Chief Financial Officer of the Company, or by any two other members of the Disclosure Committee (the "**Certifying Officers**"), in their capacities as officers of the Company, certifying that:

- (a) the Disclosure Committee has reviewed the Core Document and approved its issuance;
- (b) after reasonable inquiry:
 - (i) they are satisfied that the Company has conducted a reasonable investigation to satisfy themselves that the Core Document is not inaccurate, does not contain a Misrepresentation and is not, in a material respect, misleading or untrue;
 - (ii) they are satisfied that the Core Document is not inaccurate, does not contain a Misrepresentation and is not, in any material respect, misleading or untrue;
 - (iii) if any part of a Core Document includes summaries or quotes from a report, statement or opinion made by an Expert, the Disclosure Committee has obtained the written consent of the Expert to the use of the report, statement or opinion and the Disclosure Committee is satisfied that:
 - (A) there are no reasonable grounds to believe that there is a Misrepresentation in the part of the Core Document made on the authority of the Expert; and

- (B) the part of the Core Document made on the authority of the Expert, fairly represents the report, statement or opinion made by the Expert;
- (iv) if any part of a Core Document is based upon Third Party Disclosure, the Disclosure Committee is satisfied that:
 - (A) the Third Party Disclosure was not corrected in another document filed by the Third Party with the Commission or other securities regulatory authority in Canada or a stock exchange before the issuance of the Core Document by the Company;
 - (B) the Core Document contains a reference identifying the document containing the Third Party Disclosure; and
 - (C) the Core Document does not contain a Misrepresentation; and
- (v) the Company's disclosure control system would in the ordinary course have given the Disclosure Committee's knowledge of all the facts relevant to be disclosed in the Core Document.

F. DISCLOSURE OF MATERIAL INFORMATION

16. Disclosure of Material Changes

The Disclosure Committee must ensure that:

- (a) Subject to section 19, all Material Changes are Generally Disclosed forthwith upon the occurrence of the Material Change; and
- (b) all Material Changes are reported in a material change report that is filed with securities regulators as soon as practical and in any event no later than ten days after the Material Change occurs.

17. Disclosure of Material Information that Does Not Constitute a Material Change

Subject to section 19, Material Information that does not constitute a Material Change must be Generally Disclosed forthwith upon becoming known to the directors, officers or other employees of the Company and its Subsidiaries or, in the case of information previously known, upon discovering that the information is Material Information.

18. Procedures When Material Information is Being Generally Disclosed

- (a) The following procedure should be followed when Material Information is being Generally Disclosed:
 - (i) Market Surveillance should be contacted before:
 - (A) the issuance of a News Release, if the TSX will be open at the time the News Release is to be issued, and be advised of the Material Information, the timing of the disclosure and whether a trading halt is requested, and be faxed a copy of the proposed News Release; or
 - (B) trading opens on the next trading day if the TSX was closed at the time the News Release was issued, and be advised of the News Release.

- (ii) a full-text News Release should be issued through a full-text news service providing wide dissemination to the Canadian financial press and daily newspapers in the areas where the Company has operations and to all TSX participating organizations and securities regulators.
- (b) Information contained in a News Release that is issued through the news services will not be considered to be Generally Disclosed until the News Release appears on such services and a reasonable period has elapsed (generally, at least 24 hours but it could be longer, depending on the circumstances) in order for the News Release to be adequately disseminated and to give investors a reasonable time to analyze the information. The reasonable period necessary for effective dissemination may vary depending on factors such as the complexity of the information and how broadly the Company is followed by analysts. Everyone to whom this policy applies must treat the information as Undisclosed Material Information until this period has elapsed.
- (c) If circumstances permit, where the Material Information being Generally Disclosed is a planned disclosure (such as a scheduled earnings release) which is to be followed by a media conference call, the Company should:
 - (i) include in the News Release the date and time of the conference call, the subjects to be discussed and the means for accessing the conference call;
 - (ii) hold the conference call in an open manner, permitting investors and others to listen either by telephone or through the Internet; and
 - (iii) provide dial-in and/or web replay of the conference call or make transcripts available for some reasonable period after the conference call.
- (d) If circumstances permit, the Company should consider following the procedures described in paragraph (b) of this section any time when Material Information is being Generally Disclosed.
- (e) A copy of every News Release and of every material change report issued by the Company must be promptly distributed to the board of directors.

19. Where Disclosure of Material Information Would Be Detrimental

- (a) If the Disclosure Committee is of the reasonable opinion that the issuance of a News Release announcing Material Information would be unduly detrimental to the Company's interests (for example, if the release of the information would prejudice negotiations about a corporate transaction) the Disclosure Committee may:
 - (i) if in its opinion, the Material Information may constitute a Material Change, authorize and approve the filing of a confidential material change report in accordance with applicable securities law; and
 - (ii) follow the confidentiality procedures set out in paragraph (b) of this section.
- (b) When Material Information has not been Generally Disclosed in the circumstances described in paragraph (a) of this section, the Disclosure Committee must:
 - (i) take steps to ensure that all persons with knowledge of the Material Information are aware of their obligation to keep the information confidential until such time as it is disclosed in a News Release and to refrain from purchasing or selling Securities of the Company or Related Financial Instruments, and Securities and related financial instruments of any other issuer that is affected by the Material Information, until such time as the information has been Generally Disclosed;

- (ii) take reasonable steps to ensure that the Company does not release a Corporate Document or make a Public Oral Statement that, due to the Undisclosed Material Information, may contain a Misrepresentation;
 - (iii) promptly Generally Disclose the Material Information when in the reasonable opinion of the Disclosure Committee:
 - (A) the reasonable basis for confidentiality ceases to exist;
 - (B) the Material Change has become publicly known in a manner other than required under applicable securities law; or
 - (C) the Company has become aware or has reasonable grounds to believe that persons are purchasing or selling Securities of the Company or Related Financial Instruments, or Securities or related financial instruments of any other issuer that is affected by the Material Change, with knowledge of the Material Change;
 - (iv) monitor market trading activity in the Company's Securities, and in the Securities of any other issuer that is affected by the Undisclosed Material Information, in order to be able to make the decisions referred to in clauses (iii)(B) or (C) above; and
 - (v) review the circumstances at least every ten days and either renew the confidential filing of the material change report or ensure that the Material Change is promptly Generally Disclosed.
- (c) When a confidential material change report is filed or renewed, the Disclosure Committee must promptly advise the board of directors of:
- (i) the fact that a confidential material change report was filed or renewed and distribute a copy of the confidential material change report to them; and
 - (ii) their reasons for concluding that it would be unduly detrimental to the Company's interests for the Material Change to be Generally Disclosed.

20. News Releases

- (a) A News Release must generally comply with the following requirements:
- (i) The information in a News Release must be factual and balanced and must include any information the omission of which would make the News Release misleading.
 - (ii) Unfavourable information must be disclosed as promptly and completely as favourable information.
 - (iii) The News Release must contain sufficient detail to enable the media and investors to understand the substance and importance of the information being disclosed.
 - (iv) The News Release must contain the name and contact information of Spokespersons from whom further information may be obtained.
 - (v) Disclosure should not be made of an intention to proceed with a transaction or action unless the Company has the ability to carry out the intention.

- (vi) If the News Release contains Earnings Guidance, the News Release must indicate whether the information has been reviewed by the board of directors or the Audit Committee.
- (b) The Disclosure Committee should generally obtain the approval of the Company's board of directors or Audit Committee before issuing a News Release containing:
 - (i) Financial Information which is based on or derived from the Company's financial statements; or
 - (ii) Earnings Guidance (however, it is the Company's practice not to give Earnings Guidance, as discussed in Section H.28(a)); or
- (c) Exceptions to that practice in (b) above may include a News Release issued to rectify an instance of selective disclosure or to correct any Misrepresentation.

21. Correcting Errors

If the Disclosure Committee determines that a News Release, Corporate Document or a Public Oral Statement issued or made contains a Misrepresentation or is in any material respect misleading or untrue, or there has been a failure by the Company to make timely disclosure of a Material Change, the Disclosure Committee must:

- (a) take immediate steps to Generally Disclose correcting information or the Material Change; and
- (b) immediately advise the board of directors of the Company.

22. Blackout Period

- (a) Each period (i) beginning on the last day of each fiscal quarter and each fiscal year, and (ii) ending at the end of the second Trading Day after the financial results have been Generally Disclosed by way of a News Release in accordance with section 18(c), must be a "**Black-out Period**", during which the Company must not provide any Earnings Guidance or comment upon the financial results of the Company for the fiscal quarter or fiscal year.
- (b) For greater certainty, during a Blackout Period, the Company may respond to unsolicited inquiries about information that is not Material Information or that has previously been Generally Disclosed.

23. Disclosure Record

The Chief Financial Officer must retain an up-to-date paper or electronic file containing copies of all News Releases, Corporate Documents, Public Oral Statements (to the extent that there is a paper or electronic file containing such statements) and transcripts or recordings of all shareholder meetings, news conferences, analysts' conferences, private meetings with analysts, industry conferences and on-line conferences for at least five years. The Chief Financial Officer must also retain a record of all participants in analysts' conferences, private meetings with analysts, industry conferences and on-line conferences.

24. Reporting to the Board

- (a) The Disclosure Committee should keep the board of directors informed of all significant corporate developments and Material Information that has been Generally Disclosed.
- (b) In addition to the other reporting to the board of directors contemplated by this policy, the Disclosure Committee must report promptly to the board of directors from time to time any

significant issues arising under this policy (such report to be made at the time such issues arise), including any circumstances where:

- (i) there may have been a Misrepresentation in a New Release, Corporate Document or Public Oral Statement;
 - (ii) there may have been a failure to make disclosure of Material Changes when required under applicable securities law,
 - (iii) there has been a material breach of this policy;
 - (iv) there is a serious occurrence of selective disclosure, or
 - (v) securities regulators or stock exchanges have asked questions about or inquired into the Company's disclosure practices or whether any News Release, Corporate Document or Public Oral Statement may have contained a Misrepresentation or was, in any material respect, misleading or untrue or whether the Company has failed to make disclosure of a Material Change when required.
- (c) The Disclosure Committee must report to the board of directors at least annually as to the effectiveness of and compliance with this policy.

G. AVOIDING SELECTIVE DISCLOSURE

25. Shareholder Meetings, News Conferences, Analysts' Conferences, Industry Conferences and On-Line Conferences

- (a) Selective disclosure occurs when Undisclosed Material Information is communicated to particular persons such as analysts, institutional investors, investment dealers or other third parties, other than in the necessary course of the Company's business, and is not Generally Disclosed so that all investors have access to the information. ***No selective disclosure of Undisclosed Material Information, including Earnings Guidance, is permitted.***
- (b) When participating in shareholder meetings, news conferences, analysts' conferences, private meetings with analysts, industry conferences and on-line conferences and in any other circumstances where a Public Oral Statement may be made, Company Spokespersons must take care to disclose only information that is not Material Information or that is Material Information that has previously been Generally Disclosed. For greater certainty, acceptable topics of discussion may, depending on the circumstances, include the Company's general prospects, the business environment, management's philosophy and long-term strategy.
- (c) To protect against selective disclosure, the following procedures must be followed where practical:
 - (i) Company Spokespersons who are participating in meetings or conferences of the nature referred to in paragraph (b) above, must script their comments and prepare answers to anticipated questions in advance of the meeting or conference;
 - (ii) the scripts must be reviewed and approved by the Disclosure Committee (or by at least one member of the Disclosure Committee other than the member who has prepared the scripts or is proposing to make the statements contemplated for the scripts) before the meeting or conference and any Undisclosed Material Information that is contained in the scripts must be Generally Disclosed before the meetings or conferences or deleted from the scripts if it is premature for the information to be Generally Disclosed; and

- (iii) detailed records or transcripts must be kept of the statements made and materials made available in the meetings and conferences.

26. Identifying and Rectifying Selective Disclosure

- (a) Immediately after each shareholder meeting, news conference, analysts' conference, private meeting with analysts, industry conference or on-line conference or following the making of any other Public Oral Statement, the Company Spokespersons and other participants must review the disclosures made during the course of the meeting or conference or in the Public Oral Statement to determine if any Undisclosed Material Information was disclosed.
- (b) If Undisclosed Material Information was disclosed, the Company must take immediate steps to ensure that the information is Generally Disclosed and must immediately report the circumstances to the board of directors.
- (c) Pending the Material Information being Generally Disclosed, the Company must, promptly and using reasonable means to, contact the parties to whom the information was disclosed and inform them:
 - (i) that the relevant information is Undisclosed Material Information; and
 - (ii) that they have a legal obligation to not disclose the information to others or to trade in Securities of the Company or Related Financial Instruments, or the Securities or related financial instruments of any other issuer that is affected by the Material Information.

H. FORWARD-LOOKING INFORMATION

27. Company's Practice Regarding Analysts' Reports

- (a) When reviewing analysts' reports, directors, officers and other employees of the Company should be limited to identifying factual information which has been Generally Disclosed that may affect an analyst's model and pointing out factual inaccuracies or omissions with respect to information that has been Generally Disclosed. Any comments (preferably made in writing) must include a disclaimer that the report was reviewed for factual accuracy only. No comfort or guidance should be expressed on the analysts' earnings models or earnings estimates and no attempt should be made to influence an analyst's opinion or conclusion.
- (b) It is the policy of the Company to communicate or provide to analysts only information that is not Undisclosed Material Information and Material Information that has been Generally Disclosed.
- (c) Analysts' reports must not be circulated by directors, officers or other employees of the Company and its Subsidiaries to any third party nor should they be posted on the Website.

28. Company's Practice Regarding Earnings Guidance and Other Forward-looking Information

- (a) It is the Company's practice not to give Earnings Guidance or provide any other Forward-looking Information, other than the Forward-looking Information that is permitted to be contained in annual and interim MD&A.
- (b) If Forward-looking Information is proposed to be disclosed, whether in writing or orally:
 - (i) the Disclosure Committee must be satisfied that there is a reasonable basis for drawing a conclusion or making any forecast or projection contained in the Forward-looking Information;

- (ii) the Disclosure Committee must approve the disclosure of the Forward-looking Information; and
 - (iii) the Forward-looking Information must be accompanied by a statement that the Company does not commit to update Forward-looking Information. As a practical matter, if Forward-looking Information becomes misleading as a result of subsequent events, then the information that would correct that Forward-looking Information may itself constitute Material Information that must be immediately disclosed.
- (c) If the Forward-looking Information is contained in a Corporate Document, the Corporate Document must contain, proximate to the Forward-looking Information:
- (i) reasonable cautionary language identifying the information as Forward-looking Information;
 - (ii) the material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the Forward-looking Information, including a range of reasonably possible outcomes, a sensitivity analysis or other qualitative analysis that will assist in assessing the related risks; and
 - (iii) the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the Forward-looking Information;
- (d) If the Forward-looking Information is contained in a Public Oral Statement, the person making the Public Oral Statement must be instructed to:
- (i) make a cautionary statement that his or her comments contain Forward-looking Information;
 - (ii) state that the actual results could differ materially from a conclusion, forecast or projection in the Forward-looking Information;
 - (iii) state that certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection reflected in the Forward-looking Information); and
 - (iv) identify a readily-available Corporate Document (or portion of a readily-available Corporate Document) where additional information can be found about the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the Forward-looking Information, and the material factors or assumptions that were applied in drawing the conclusion or making a forecast or projection as reflected in the Forward-looking Information.

I. MAINTAINING CONFIDENTIALITY

29. Confidentiality

- (a) Directors, officers and other employees of the Company and its Subsidiaries must keep all Material Information about the Company confidential until it has been Generally Disclosed. ***Disclosure of Undisclosed Material Information, other than in the necessary course of business, may constitute illegal Tipping under applicable securities law and may subject the individual making the disclosure to severe penalties, including possible jail term.*** Accordingly, directors, officers and other employees of the Company and its Subsidiaries must assume that all information about the Company is confidential unless they are absolutely certain that the information has been Generally Disclosed or they have first consulted with a member of the Disclosure Committee and have been advised that the information has been Generally Disclosed.

To prevent the inadvertent disclosure of Undisclosed Material Information, directors, officers and employees must ensure that documents and files, including electronic documents, remain secure and confidential.

- (b) To prevent the inadvertent disclosure of Undisclosed Material Information, the following procedures must be followed:
- (i) documents and files containing Undisclosed Material Information must be kept in a secure place with access restricted to those individuals for whom access is necessary in the course of business;
 - (ii) access to electronic documents must be restricted through the use of passwords;
 - (iii) code names must be used when it is prudent to do so;
 - (iv) Undisclosed Material Information must not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, public transit, airplanes or taxis;
 - (v) documents containing Undisclosed Material Information must not be read or displayed in public places and must not be discarded where others can retrieve them;
 - (vi) directors, officers and other employees of the Company and its Subsidiaries must ensure that they maintain the confidentiality of information in their possession outside of the office as well as inside the office;
 - (vii) transmission of documents containing Undisclosed Material Information by electronic means may only be made where it is reasonable to believe that the transmission can be made and received securely; and
 - (viii) unnecessary copying of documents containing Undisclosed Material Information must be avoided and extra copies of documents must be promptly removed from meeting rooms and work areas at the conclusion of a meeting and must be destroyed.

30. Disclosure Permitted if Necessary in the Course of Business

- (a) Undisclosed Material Information may be disclosed to directors, officers and other employees of the Company and its Subsidiaries and to third parties only if disclosure is necessary in the course of the Company's business. ***Communication of Undisclosed Material Information other than in the necessary course of business may be illegal Tipping, even if a confidentiality agreement has been entered into.*** Appendix C lists circumstances where securities regulators believe disclosure may be in the necessary course of business. Individuals should consult with a member of the Disclosure Committee to determine whether disclosure in a particular circumstance is in the necessary course of business.
- (b) The Chief Financial Officer will periodically remind directors, officers and other employees that communications over the Internet via e-mail may not be secure and that Undisclosed Material Information should not be transmitted over the Internet even when disclosure is necessary in the course of business unless the e-mails are adequately encrypted.
- (c) For greater certainty, disclosure of Undisclosed Material Information to credit rating agencies will generally be considered to be in the necessary course of business (any such disclosure must, however, be approved by a member of the Disclosure Committee), but disclosure to analysts, institutional investors, other market professionals and members of the press and other media is not considered to be in the necessary course of business.

- (d) If Undisclosed Material Information is disclosed in the necessary course of business, the recipient should be advised that the information is Material Information that has not been Generally Disclosed. In appropriate circumstances, a confidentiality agreement should be entered into between the Company and the recipient.
- (e) Where any Undisclosed Material Information communicated in the necessary course of business becomes publicly known on a selective basis, there are rumours in the market with respect to such information or there are reasonable grounds to believe that persons are purchasing or selling Securities of the Company or Related Financial Instruments with knowledge of such information, the Material Information must be promptly Generally Disclosed by News Release.

31. Confidentiality Agreements

- (a) When Undisclosed Material Information is disclosed to a third party in the necessary course of business, it is prudent for the Company to verbally notify the third party that the information must be kept confidential, or for the Company to obtain, in appropriate circumstances, a written agreement from the third party that they will not divulge the information to anyone (other than to directors, officers or other employees of the third party who need to know the information for the purposes for which the Undisclosed Material Information was communicated to them) without written authorization from the Company and that the third party understands the restrictions under applicable law not to purchase or sell Securities of the Company or Related Financial Instruments, or Securities or related financial instruments of any other entity to which the information relates, until the transaction, development or event has been Generally Disclosed or has been abandoned.

32. Rumours

- (a) When asked to comment on market rumours, Spokespersons must consistently respond by stating that “it is our policy not to comment on market rumours or speculation”. Inconsistent commenting on rumours may constitute selective disclosure.
- (b) When requested by Market Surveillance, or other regulators to make a clarifying statement, the Company should, if in the opinion of the Disclosure Committee it is appropriate to do so, promptly issue a News Release:
 - (i) denying the rumour, if the rumour is false; or
 - (ii) disclosing the relevant Material Information, if the rumour is correct in whole or in part.
- (c) If Undisclosed Material Information has leaked or become known and appears to be affecting trading activity in the Company’s Securities, immediate steps must be taken to Generally Disclose the information.

J. ELECTRONIC COMMUNICATIONS

33. Website

- (a) The Chief Financial Officer is responsible for creating and maintaining an investor relations page on the Website. The Website must be maintained in accordance with the following requirements:
 - (i) investor relations information must be placed on a separate page on the Website and must not be commingled with any sales and marketing or promotional material regarding the Company;
 - (ii) the investor relations page must explain what information is posted on the investor relations page and the archiving and retention policies;

- (iii) only information that is not Material Information, or Material Information that has been Generally Disclosed, may be placed on the investor relations page or the Website;
- (iv) the following information must be posted on the investor relations page:
 - (A) all Material Information that has previously been Generally Disclosed, including, without limitation, all documents filed on SEDAR;
 - (B) all information that is not Material Information that is given to analysts, institutional investors and other market professionals (such as fact sheets, fact books, slides of investor presentations, materials distributed at analyst and industry conferences); and
 - (C) transcripts or Web replays of shareholder meetings, analysts' conferences, private meetings with analysts, industry conferences or on-line conferences;
- (v) the investor relations page must contain an e-mail link to the Company's Investor Relations Department to facilitate communication with investors;
- (vi) all information posted to the investor relations page must indicate the date on which it was prepared or last modified and include a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent disclosures;
- (vii) inaccurate information must be promptly removed from the investor relations page and a correction posted;
- (viii) information contained on the investor relations page must be archived when it is no longer current;
- (ix) a list of all (and not less than all) analysts known to follow the Company may be posted on the investor relations page, but analysts' reports and other information authored by third parties must not be posted on the investor relations page or the Website;
- (x) all links from the investor relations page or the Website must be approved by the Chief Financial Officer and all links must 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; and
- (xi) no links may be created from the investor relations page or the Website to chat rooms, newsgroups or bulletin boards.

Alternatively, the Company must describe on the investor relations page information that is available on SEDAR and provide a link. The Company must include a notice that advises the readers that they are leaving the Website as contemplated in section 33(a)(x).

- (b) The following minimum retention periods must be observed for information on the investor relations page of the Website:
 - (i) new releases must be retained for a period of one year from the date of issue;
 - (ii) quarterly financial statements must be retained for two years;
 - (iii) annual financial statements must be retained for five years; and

- (iv) other information must be retained for one year.
- (c) If the Company is considering a public distribution of its Securities, the content of the Website must be reviewed with the General Counsel of the Company before and during the offering to ensure compliance with Canadian and, if applicable, foreign securities laws.

34. Internet Chat Rooms and Bulletin Boards

- (a) Directors, officers and other employees of the Company and its Subsidiaries must not discuss or post any information relating to Company matters or trading in the Company's Securities in Internet chat rooms, newsgroups or bulletin boards.
- (b) Directors, officers and other employees of the Company and its Subsidiaries should advise the Disclosure Committee if they are aware of any discussion of Company information in a chat room, newsgroups or bulletin board.

K. PURCHASE AND SALE OF COMPANY SECURITIES

35. Trading Officers

For the purposes of this policy, the “**Trading Officers**” will be the Chief Executive Officer and Chief Financial Officer.

36. Pre-approval of Trades

- (a) Directors and officers of the Company (and its Subsidiaries) and their secretaries and other employees of the Company and its Subsidiaries who routinely become aware of Undisclosed Material Information must obtain the approval of the Trading Officers before they purchase or sell any Securities of the Company or Related Financial Instruments. The Trading Officers will advise individuals if they are subject to this pre-approval process.
- (b) Each Trading Officer must obtain approval from the other Trading Officer before purchasing or selling any Securities of the Company or Related Financial Instruments.

37. Prohibitions on Trading Company Securities

- (a) No director, officer or other employee of the Company or its Subsidiaries may purchase or sell Securities of the Company or Related Financial Instrument while they possess Undisclosed Material Information. Doing so would constitute a breach of this policy and illegal Insider Trading.
- (b) No director, officer or other employee of the Company or its Subsidiaries may purchase or sell Securities of the Company or Related Financial Instrument during a Black-out Period.

38. Exceptions

- (a) Despite section 37(b), a director, officer or other employee of the Company may purchase or sell Securities during a Black-out Period with the prior written consent of the Trading Officers. The Trading Officers will grant permission to purchase or sell during a Black-out Period only in exceptional circumstances. Exceptional circumstances may include the sale of Securities in the case of financial hardship or where the timing of the sale is important for tax planning purposes.
- (b) The trading prohibitions in section 37 do not apply to the acquisition of Securities through the exercise of stock options but do apply to the subsequent sale of the Securities received on such exercise.

- (c) The trading prohibitions in section 37 do not apply to the acquisition of Securities through any Automatic Securities Purchase Plan, however, no changes may be made to standing instructions during the Black-out Period.

39. Other Corporations and Issuers

Illegal Insider Trading in Securities of another public issuer and illegal Tipping by directors, officers and other employees of the Company of undisclosed material information relating to another issuer can bring the Company into disrepute. Accordingly, neither the Company nor a director, officer or other employee of the Company who is a person or issuer in a special relationship with another issuer and who possess undisclosed material information relating to that other issuer may:

- (a) purchase or sell Securities or related financial instruments of the other issuer while they possess the undisclosed material information;
- (b) engage in Tipping of the undisclosed material information relating to the other issuer; or
- (c) recommend or encourage another person to purchase or sell Securities of the other issuer or transact in a related financial instrument while they possess undisclosed material information.

40. Speculative and Short Sales

- (a) Directors, officers and employees of the Company and its Subsidiaries who routinely know of Undisclosed Material Information may not purchase or sell Securities of the Company with the intention of reselling or repurchasing in a relatively short period of time in the expectation of a short-term rise or fall in the market price of the Securities of the Company. Speculating in Securities of the Company for short term profit is distinguished from purchasing and selling Securities of the Company as part of a long term investment program.
- (b) Directors, officers and other employees of the Company and its Subsidiaries may not, at any time, sell Securities of the Company short or buy or sell call or put options in respect of Securities of the Company. In exceptional circumstances, the Chief Financial Officer of the Company may exempt a director, officer or other employee of the Company from this prohibition where such trading is otherwise not prohibited under applicable law.

41. Insider Reports

- (a) Immediately after becoming an Insider of the Company, an Insider must advise the Company's Chief Financial Officer of any direct or indirect beneficial ownership of or control or direction over Securities of the Company, and any prior transactions in Related Financial Instruments that are still in effect, and the Insider or Chief Financial Officer must file with the applicable securities regulators Insider reports in respect of the Insider's initial holdings not later than the time Insider reports are required to be filed under applicable law.
- (b) Immediately after the purchase or sale of any Securities of the Company, an Insider must advise the Company's Chief Financial Officer of the details of the purchase or sale, and the Insider or Chief Financial Officer must file with the applicable securities regulators Insider reports in respect of the purchase or sale not later than the time Insider reports are required to be filed under applicable law.
- (c) Immediately after transacting in a Related Financial Instrument, an Insider must advise the Company's Chief Financial Officer of the details of such transaction and the Insider or Chief Financial Officer must file with the applicable securities regulators Insider reports not later than the time Insider reports are required to be filed under applicable law.

- (d) The Company's Chief Financial Officer will prepare and file Insider reports relating to an Insider's securities-based incentive compensation, if applicable.

APPENDIX A

DEFINITIONS

“Affiliate” of the Company means each subsidiary of the Company (including the subsidiaries of the Company that are listed from time to time on Schedule “A”), and each non-subsidiary affiliate of the Company that is listed from time to time on Schedule “B”.

“Associate” of a director, officer or employee of the Company or its Subsidiaries means:

- (a) an issuer of which the individual beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting Securities;
- (b) any business partner of the individual;
- (c) any trust or estate in which the individual has a substantial beneficial interest or as to which the individual serves as a trustee;
- (d) the spouse or common law spouse of the individual, whether or not of the opposite sex, who resides in the same home as the individual; and
- (e) any relative of the individual or his or her spouse or common law spouse referred to in (d) who resides in the same home as the individual.

“Automatic Securities Purchase Plans” means a dividend or interest reinvestment plan, a stock dividend plan or any other plan of the Company that facilitates the acquisition of Securities of the Company if the timing of the acquisition, the number of Securities which may be acquired under the plan, and the price payable for the Securities are established by written formula or criteria set out in a plan document.

“Audit Committee” means the audit committee of the board of directors of the Company.

“Black-out Period” means:

- (a) each period (A) beginning on the last day of each fiscal quarter and each fiscal year-end, and (B) ending at the end of the second Trading Day after the financial results for that quarter or year have been disclosed by way of a News Release; and
- (b) any other period designated by the Disclosure Committee.

“Commission” means the Ontario Securities Commission.

“Core Document” means a prospectus, a take-over bid circular, an issuer bid circular, a directors’ circular, a rights offering circular, MD&A, an annual information form, an information circular, annual and interim financial statements and material change reports.

“Corporate Document” means any written communication, including a communication prepared and transmitted only in electronic form, by the Company disclosing information with respect to the business, operations, capital, financial performance or prospects of the Company and includes any communication:

- (a) that is required to be filed with the Commission;
- (b) that is filed with the Commission;
- (c) that is filed or required to be filed with a government or an agency of a government under applicable law or with any stock exchange or quotation and trade reporting system; or

- (d) the content of which would reasonably be expected to affect the market price or value of the Securities of the Company.

“Earnings Guidance” means information about expected revenues, net income or profit, earnings per share, distributable cash, distributions, expenditure levels, and other financial information of the Company commonly referred to as earnings guidance.

“Expert” means a person or issuer whose profession gives authority to a statement made by the person or issuer in a professional capacity, including an accountant, an actuary, an appraiser, an auditor, an engineer, a financial analyst, a geologist, and a lawyer.

“Forward-looking Information” means Earning Guidance and other disclosure about the Company regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection.

“Generally Disclosed” means the public disclosure of information in a manner calculated to result in broad dissemination to the marketplace and the passage of a reasonable amount of time (generally at least 24 hours but it could be longer, depending on the circumstances) to permit adequate dissemination in the market and to give investors a reasonable time to analyze the information, and **“Generally Disclose”** means to disseminate information in that manner.

“Insider” includes:

- (a) directors of the Company;
- (b) directors and senior officers of the Company’s Subsidiaries; and
- (c) any person or company who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding voting Securities of the Company or any of its Subsidiaries and any director or senior officer of such person or company.

“Market Surveillance” means the Market Surveillance division of Investment Industry Regulatory Organization of Canada.

“Material Change” means a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the Securities of the Company and includes a decision by the board of directors or by senior management (where management believes that board of directors confirmation of the decision is probable) to implement such a change.

“Material Fact” means any fact that would reasonably be expected to have a significant effect on, the market price or value of any of the Securities of the Company.

“Material Information” means Material Changes and Material Facts.

“MD&A” means management’s discussion and analysis of financial condition and results of operations prepared in accordance with applicable securities law.

“Misrepresentation” means an untrue statement of Material Fact or an omission to state a Material Fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

“News Release” means a news release that is to be or has been Generally Disclosed.

“Non-Core Document” means a Corporate Document other than a Core Document.

“**TSX**” means the Toronto Stock Exchange.

“**Public Oral Statement**” means an oral statement relating to the business or affairs of the Company, that is made by or on behalf of the Company in circumstances in which a reasonable person would believe that information contained in the statement will be disclosed to the public.

“**Related Financial Instrument**” means:

- (a) an instrument, agreement or security where the value, market price or payment obligations are derived from, referenced to or based on the value, market price or payment obligations of a Security of the Company; and
- (b) any other instrument, agreement or understanding that affects, directly or indirectly:
 - (i) a person’s economic interest in a Security of the Company; or
 - (ii) economic exposure to the Company, or another reporting issuer;

but does not include any type of instrument, agreement, security or understanding which is exempt from Insider reporting under Multilateral Instrument 55-103, *Insider Reporting for Certain Derivative Transactions (Equity Monetization)*.

“**Security**” or “**Securities**” means a security or securities as defined under applicable securities law (such as shares, units, options, warrants, rights and other instruments and interests).

“**Senior Officer**” of the Company means the Chair and Vice-Chair of the board of directors of the Company, the president, all vice-presidents, the secretary, the treasurer or the general manager of the Company or its Subsidiaries, or any other individual who performs functions for the Company similar to those normally performed by a person holding such an office and the five highest paid employees of the Company.

“**Subsidiaries**” means the entities listed in Schedule “A” hereto.

“**Trading Day**” means a day on which the Toronto Stock Exchange is open for trading and on which the trading in the Company’s Securities is not halted or suspended.

“**Undisclosed Material Information**” means Material Information that has not been Generally Disclosed.

APPENDIX B

EXAMPLES OF INFORMATION THAT MAY BE MATERIAL

(Reproduced from National Policy 51-201)

Changes in Corporate Structure

- changes in share ownership that may affect control of the Company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or Insider bids

Changes in Capital Structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a issuer's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

Changes in Financial Results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any periods
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the Company's assets
- any material change in the Company's accounting policy

Changes in Business and Operations

- any development that affects the Company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the board of directors or executive management, including the departure of the Company's CEO, CFO, COO or president (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the Company's securities or their movement from one quotation system or exchange to another

Acquisitions and Dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another Company

Changes in Credit Arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the Company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

EXAMPLES OF INFORMATION THAT MAY BE MATERIAL

(Reproduced from Section 410 of the TSX Company Manual)

- changes in share ownership that may affect control of the Company
- changes in corporate structure, such as reorganizations, amalgamations, etc.
- take-over bids or issuer bids
- major corporate acquisitions or dispositions
- changes in capital structure
- borrowing of a significant amount of funds
- public or private sale of additional securities
- development of new products and developments affecting the Company's resources, technology, products or market
- significant discoveries by resource companies
- entering into or loss of significant contracts
- firm evidence of significant increases or decreases in near-term earnings prospects
- changes in capital investment plans or corporate objectives
- significant changes in management
- significant litigation
- major labour disputes or disputes with major contractors or suppliers
- events of default under financing or other agreements
- any other developments relating to the business and affairs of the Company that would reasonably be expected to significantly affect the market price or value of any of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions

APPENDIX C

EXAMPLES OF DISCLOSURES THAT MAY BE NECESSARY IN THE COURSE OF BUSINESS

(Reproduced from National Policy 51-201)

The necessary course of business exception to the Tipping prohibition would generally cover communications with:

- vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts
- employees, officers and board members
- lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to the Company
- parties to negotiations
- labour unions and industry associations
- government agencies and non-governmental regulators
- credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available)
- in connection with a private placement
- communications with controlling shareholders, in certain circumstances

Please Note. These schedules are to be regularly updated by the Company.

Schedule "A"

List of subsidiaries of Village Farms International, Inc.,
(as at December 31, 2009)

Village Farms Canada GP Inc.
Village Farms Canada Limited Partnership
VF Operations Canada Inc.
VF U.S. Holdings Inc.
Agro Power Development, Inc.
Village Farms, L.P.
Village Farms of Delaware LLC
Village Farms de Mexico, S.R.L.