

DISCLOSURE AND COMPETITION COMMITTEE CHARTER

The Disclosure and Competition Committee (for the purposes of this section, the “Committee”) will carry out the procedures, responsibilities and duties set out below, with an aim of ensuring the Company fulfills all of its disclosure and compliance obligations.

COMPOSITION

1. The Committee shall be comprised of the Chief Executive Officer and Chief Financial Officer and executive vice-chairman of the Company. The composition of the Committee will be determined on an annual basis by the Chief Executive Officer.

PURPOSE OF COMMITTEE – DISCLOSURE POLICY

2. The Company has adopted a disclosure policy as set forth on Schedule A (the “Disclosure Policy”). The Disclosure Policy is designed to ensure: (i) timely, accurate and balanced public dissemination of material information about the Company and its subsidiaries in accordance with all applicable legal, regulatory and stock exchange requirements; and (ii) protection of the Company’s confidential information. The purpose of the Committee as regards the Disclosure Policy is to establish controls and procedures to ensure the Disclosure Policy is being followed throughout the organization. This charter provides the Committee with guidelines for the establishment of such controls and procedures, which have been broadly defined to allow the Committee the flexibility to adapt to the needs of the Company.

RESPONSIBILITIES

3. The Committee shall meet as frequently as circumstances require, and as the members deem necessary or appropriate, to carry out its responsibilities listed below

- (i) assist in the design, establishment, maintenance, review and evaluation of the effectiveness of disclosure controls and procedures to ensure that material information is made known to the Committee and is able to be provided, processed, summarized and reported to the appropriate securities regulatory authority or stock exchange on a timely basis;
- (ii) consider materiality of information received via the Company’s disclosure controls and procedures to determine the Company’s disclosure obligations on a timely basis;
- (iii) assist in the preparation of each periodic report and earnings release (including management discussion and analysis) of the Company and evaluate the clarity, accuracy and compliance of the information in such report or earnings release;
- (iv) review with the assistance of counsel (a) any instances of fraud that involve management or other employees who have a significant role in the Company’s

- disclosure controls and procedures or internal controls that come to the attention of the members of the Committee while carrying out their responsibilities under this charter; and (b) any significant deficiencies in the design or operation of the Company's disclosure controls and procedures and internal controls that could adversely affect the Company's ability to record, process, summarize and report financial and other material information to the appropriate securities regulatory authority;
- (v) consider any such other matters, and take any such other actions, in relation to the Company's disclosure controls and procedures, as the Committee may, in its discretion, determine to be advisable to ensure that information required to be disclosed under the Disclosure Policy and by law is recorded, processed, summarized and reported on a timely basis.

FRAMEWORK FOR CONTROLS AND PROCEDURES

4. To ensure that the Committee is fully apprised of all material corporate developments, the following procedures shall be implemented at the Company and its Subsidiaries (as hereinafter defined) so as to give full effect to the Disclosure Policy:

Appointment of Responsible Disclosure Reporting Officers

5. The Company is the parent corporation that oversees the broad corporate activities of its wholly owned, directly and indirectly, subsidiaries (the "Subsidiaries"). The Company does not control the day-to-day operations of the Subsidiaries and, as a result, members of the Committee may from time to time be unaware of material developments at the Subsidiaries. In order to ensure that all material information is relayed from the Subsidiaries up to the Committee, a responsible officer (the "Responsible Officer") will be designated at each of the Subsidiaries and such Responsible Officer will be the conduit through which material information is channeled to the Committee.

Duties of the Responsible Officer

6. With the consultation of the Committee, the Responsible Officer shall become thoroughly familiar with the Disclosure Policy and shall execute an acknowledgement in the form attached hereto as Schedule "C" that states that the Responsible Officer understands the Disclosure Policy and the duties that go along with the position of Responsible Officer. The Responsible Officer will be responsible for, among other things:

- (i) immediately reporting to the Committee all material facts and events that may constitute material information and require disclosure under the Disclosure Policy;
- (ii) educating all employees under his/her direct control of the importance of complying with the Disclosure Policy and to have all key employees, and on a going forward basis all new employees, sign an acknowledgement to that effect;

- (iii) to the extent that the Reporting Officer may not have access to all of the Subsidiary's material information, designating other employees who would be responsible for reporting all material information of which they become aware to the Responsible Officer as soon as such employee becomes aware of such information;
- (iv) periodically providing a certificate to the Committee that no material information has come to their attention during the course of their serving as the Responsible Officer; and
- (v) identifying and communicating to the Committee risk areas of the operation that could be susceptible to events that would be considered material information requiring disclosure.

Certification of Disclosure by Responsible Officer

7. The Committee will periodically, and each time the Company completes an offering of its securities, obtain from each Responsible Officer a certificate that states that to the best of his/her knowledge, the Responsible Officer is not aware of any material information that has not been disclosed in the public record, including any prospectus or other offering document.

Quarterly Interview with Responsible Officer

8. Each quarter, the Committee shall meet with the Responsible Officers and discuss any developments regarding disclosure issues and any problems that the Responsible Officers may have in carrying out their duties as Responsible Officers.

Annual Assessment of Controls and Procedures

9. On an annual basis, the Committee will undertake an assessment of the effectiveness of the controls and procedures regarding the implementation of the Disclosure Policy and report the results of its findings to the Board. The assessment may involve consultation with the Company's counsel should the Committee find that certain issues are proving to be particularly difficult.

PURPOSE OF COMMITTEE – COMPETITION POLICY

10. The Company has adopted a competition policy as set forth on Schedule B (the “Competition Policy”) designed to ensure (i) employees, officers, directors and outside advisors of the Company and its Affiliates (as hereinafter defined) conduct business in compliance with the requirements of the *Competition Act* (Canada) (the “Act”); and (ii) ensure that violations of the Act are promptly remedied and/or reported to the Competition Bureau of Canada (the “Bureau”). The purpose of the Committee in regard to the Competition Policy is to establish controls and procedures to ensure that the Competition Policy is being followed throughout the organization. This charter provides the Committee with guidelines for the establishment of such controls and procedures, which have been broadly defined to allow the Committee the flexibility to adapt to the needs of the Company.

RESPONSIBILITIES

11. The Committee shall meet as frequently as circumstances require, and as the members deem necessary or appropriate, to carry out its responsibilities listed below:

- (i) assist in the design, establishment, maintenance, review and evaluation of the effectiveness of competition policies and procedures to ensure that material information is made known to the Committee;
- (ii) continuously assess compliance policies and procedures based on a change in the industry, amendments to the Act, an investigation by the Bureau or complaints by the Bureau or third parties;
- (iii) document all compliance efforts;
- (iv) review with the assistance of counsel (a) any instances of contravention of the Act that come to the attention of the members of the Committee while carrying out their responsibilities under this charter; and (b) any significant deficiencies in the design or operation of the Company’s Competition Policy that could adversely affect the Company’s ability to comply with the Act;
- (v) consider any such other matters, and take any such other actions, in relation to the Company’s Competition Policy, as the Committee may, in its discretion, determine to be advisable to ensure that the Act is fully complied with.

FRAMEWORK FOR CONTROLS AND PROCEDURES

12. To ensure that the Committee is fully apprised of all material corporate developments, the following procedures shall be implemented at the Company and its Affiliates so as to give full effect to the Competition Policy:

Appointment of Responsible Competition Reporting Officers

13. The Company is the parent corporation that oversees the broad corporate activities of its wholly owned, directly and indirectly, subsidiaries (the “Affiliates”). The Company does not control the day-to-day operations of the Affiliates and, as a result, members of the Committee may from time to time be unaware of material developments at the Affiliates. In order to ensure that all material information is relayed from the Affiliates up to the Committee, a responsible officer (the “Responsible Officer”) will be designated at each of the Affiliates and such Responsible Officer will be the conduit through which material information is channeled to the Committee.

Duties of the Responsible Officer

14. With the consultation of the Committee, the Responsible Officer shall become thoroughly familiar with the Competition Policy and shall execute an acknowledgement in the form attached hereto as Schedule “D” that states that the Responsible Officer understands the Competition Policy and the duties that go along with the position of Responsible Officer. The Responsible Officer will be responsible for, among other things:

- (i) immediately reporting to the Committee all actual or suspected contraventions of the Act or the Competition Policy and referring any complaints by the Bureau or by third parties to the Committee;
- (ii) educating all employees under his/her direct control of the importance of complying with the Competition Policy and having all key employees, and on a going forward basis all new employees, sign an acknowledgement to that effect;
- (iii) designing and implementing a training program to educate employees regarding the Act, in accordance with the Competition Policy;
- (iv) assessing, on an on-going basis, the effectiveness of training programs implemented to ensure compliance with the Act;
- (v) identifying employees who are exposed to a heightened risk of breaching the Act and ensuring additional training with respect to the requirements of the Act is provided to such employees;
- (vi) documenting all compliance efforts;
- (vii) taking immediate action to stop any contravention of the Act;
- (viii) cooperating with the Bureau where a breach of the Act has occurred (including self-reporting);
- (ix) putting in place a reporting procedure to allow for the anonymous reporting of contraventions of the Act;

- (x) conducting periodic, *ad hoc* or event-triggered audits, as appropriate, to confirm whether the Act is being fully complied with; and
- (xi) reviewing all (a) contracts, including letters of understanding; and (b) all other documents that may be identified from time to time by the Competition Committee.

Quarterly Interview with Responsible Officer

15. Each quarter, the Committee shall meet with the Responsible Officers and discuss any developments regarding competition issues and any problems that the Responsible Officers may have in carrying out their duties as Responsible Officers.

Annual Assessment of Controls and Procedures

16. On an annual basis, the Committee will undertake an assessment of the effectiveness of the controls and procedures regarding the implementation of the Competition Policy and report the results of its findings to the Board. The assessment may involve consultation with the Company's counsel should the Committee find that certain issues are proving to be particularly difficult.

OTHER RESPONSIBILITIES

17. The Committee shall also have such other responsibilities as the Chief Executive Officer may assign to it from time to time.

SCHEDULE "A"

TO THE CHARTER OF THE DISCLOSURE AND COMPETITION COMMITTEE

EXCHANGE INCOME CORPORATION

DISCLOSURE POLICY

This Policy sets out how employees, officers, directors and outside advisors of Exchange (as hereinafter defined) will deal with the disclosure of information about Exchange to persons outside of the organization. When this Policy refers to "**Exchange**", it shall be deemed to mean Exchange Income Corporation (the "**Corporation**"), together with its affiliates which carry on business in the aviation and manufacturing sectors and any other affiliates of the Corporation from time to time (the "**Affiliates**"). The Board of Directors of the Corporation and the Boards of Directors of the Affiliates (the "**Boards**") have reviewed and approved this Policy. They have each directed their management to advise them of material violations of this Policy. The Boards intend to review the Policy periodically with a view to making any amendments necessary to support achievement of the objectives set out in this Policy.

All information about Exchange should be considered to be confidential and should only be disclosed in accordance with this Policy.

All of Exchange's employees, officers, directors and outside advisors must comply with this Policy. *Although this Policy generally refers to "employees", it also applies to Exchange's directors, officers and outside advisors.* An employee or officer who violates this Policy may face disciplinary action. This may include termination of his or her employment with Exchange. Directors who violate this Policy may be asked to resign. Outside advisors who violate this Policy may have their engagement with Exchange terminated. If a violation of this Policy involves a violation of securities laws or stock exchange requirements, Exchange may refer the matter to the appropriate regulatory authorities.

**PLEASE REVIEW THE ATTACHED POLICY CAREFULLY AND SIGN THE
FORM OF ACKNOWLEDGEMENT ATTACHED AS SCHEDULE "2" TO THE
DISCLOSURE POLICY AND RETURN IT TO THE CHIEF FINANCIAL
OFFICER**

CORPORATE DISCLOSURE POLICY

1. OVERVIEW

1.1 Disclosure Objectives

This Policy has been developed to promote two principal objectives with respect to the disclosure of information relating to Exchange:

timely, accurate and balanced public dissemination of material information about Exchange in accordance with all applicable legal, regulatory and stock exchange requirements; and
protection of Exchange's confidential information.

1.2 Information Subject to this Policy

All information about Exchange is subject to this Policy.

Employees should deal with all information about Exchange as being confidential and should only disclose information relating to Exchange in accordance with this Policy. This Policy deals with our formal disclosure requirements such as annual and quarterly reports, prospectuses and news releases, but also applies to the information that we post on our websites and any information communicated electronically outside of Exchange. It also extends to oral communications. For example, speeches by senior management, responses to media inquiries and statements made in meetings with analysts and investors must comply with this Policy.

2. APPLICATION OF THIS POLICY

This Policy applies whenever an employee, officer, director or advisor is providing information about Exchange to anyone outside of the Exchange organization. Information about Exchange is, of course, routinely disclosed as a necessary part of carrying on business. The "necessary course of business" is discussed in Section 3.2 below. Where disclosure is not required as a necessary part of carrying on Exchange's business, it must not be disclosed either intentionally or inadvertently. Section 3.3 below sets out a number of safeguards employees and others should take in this regard.

The Corporation has designated a responsible officer (the "**Responsible Officer**") at each of its Affiliates who is responsible for reporting all material information to the Disclosure Committee. The Responsible Officer will typically be the President of the company in question (or, where the entity in question does not have a President, the person occupying a similar role with the said entity), but the employee should ask his or her immediate supervisor if it is unclear as to who the Responsible Officer is. Questions about whether particular information may be provided to anyone outside of the Exchange organization

should be referred to the employee's immediate supervisor (as applicable), the Responsible Officer or to a member of the Disclosure and Competition Committee. All employees in a supervisory role shall be educated on the Corporation's disclosure policy and the appropriate steps to take should they have questions concerning the disclosure of material information.

When information is "material", the Corporation is legally obliged to disclose it. However, the decision about whether information is material and what action should be taken so that the necessary disclosure will be made in accordance with all legal and stock exchange requirements must only be made by the Disclosure and Competition Committee. If an employee, officer, director or advisor becomes aware of information that he or she thinks may be considered material, a member of the Disclosure and Competition Committee should be advised immediately so that a proper determination can be made as to whether the information should be publicly disclosed.

3. CONFIDENTIAL INFORMATION

3.1 Information Considered Confidential

Employees should deal with all information about Exchange as being confidential. Unless the information in question is already in the public domain, employees should assume that they should not disclose the information except as permitted by this Policy. In some cases, information about Exchange may be considered to be particularly sensitive. If that is the case, employees may be advised about any special precautions that should be taken with respect to that information in addition to the precautions described in this Policy.

3.2 Information Disclosed in the Necessary Course of Business

In certain circumstances, employees will need to disclose information about Exchange in the "necessary course of business", for example to the Affiliates' suppliers. This Policy is not intended to prevent disclosure of information to individuals outside of the Exchange organization that would normally be made in the course of Exchange's day to day operations. However, employees should ensure that disclosure of confidential information is only made to recipients who legitimately need to know the information in connection with their duties and that such disclosure is limited to what they need to know. Again, for guidance purposes, you should always raise any disclosure issue with your immediate supervisor, the Responsible Officer or a member of the Disclosure and Competition Committee.

3.3 Protecting Exchange's Confidential Information

In order to prevent the misuse or inadvertent disclosure of confidential information, the procedures set forth below should be observed at all times:

Documents and files containing confidential information should be kept in a safe place, with access restricted to individuals who "need to know" that information in the necessary course of business.

Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.

Confidential documents should not be read in public places, left in unattended conference rooms, left behind when a meeting is over or discarded where they can be retrieved by others. Similarly, confidential information should not be left at home where it can be accessed by others.

Transmission of documents via electronic means, such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions. In some cases, where information is considered particularly sensitive, employees may be asked to restrict access to confidential electronic data through the use of passwords.

Unnecessary copying of confidential documents should be avoided and extra copies of confidential documents should be shredded or otherwise destroyed.

All proprietary information, including computer programs and other records, remain the property of Exchange, as applicable, and may not be removed, disclosed, copied or otherwise used except in the normal course of employment or with the prior permission of the CFO.

Communication by e-mail leaves a physical track of its passage that may be subject to later decryption attempts. All confidential information being transmitted over the Internet should be secured by encryption and validation methods that are appropriate for the situation. Where possible, employees may be asked to avoid using e-mail to transmit confidential information that is considered particularly sensitive.

4. MATERIAL INFORMATION

4.1 Significance of Material Information

If information about Exchange is "material", then it must be publicly disclosed in accordance with the Corporation's obligations as a public entity. While the Corporation's obligation is to disclose this information immediately, there will necessarily be a period of time when Exchange is preparing to make this disclosure within which some people at Exchange are aware of that information. These people are in possession of "material undisclosed information". This creates the potential for insider trading, tipping and selective disclosure. These activities are damaging both for the individuals involved and for Exchange and are strictly prohibited under this Policy and under Exchange's Insider Trading Policy, defined under section 4.3 of this Policy.

4.2 What Is Material Information

Generally speaking, material information is any information relating to the business and affairs of Exchange that results in, or would reasonably be expected to result in, a significant change in the market price or value of any securities of the Corporation (the "**Securities**"). Examples of potentially material information are set out in Schedule "1" to this Policy.

4.3 Insider Trading

Insider trading occurs when anyone with knowledge of material information affecting a public company that has not been publicly disclosed buys or sells securities of that company. It is both improper and illegal. It constitutes a violation of this Policy. The Corporation has adopted a policy relating to trades in Securities by insiders (the "**Insider Trading Policy**"), a copy of which has been provided to you. You should read the Insider Trading Policy very carefully, as non-compliance with the policy can result in civil and criminal sanctions, as well as having your involvement with Exchange terminated.

4.4 Tipping

"Tipping" occurs when someone in possession of material undisclosed information passes that information on to someone else (other than in the "necessary course of business"). It is both improper and illegal, and constitutes a violation of this Policy.

If an employee must disclose material undisclosed information to someone outside of the Exchange organization who does not already have that information, he or she must be told not to divulge such information to anyone else, other than in the necessary course of business and that he or she may not trade in Securities until the information is generally disclosed. Again, you should refer to the Insider Trading Policy for more information regarding Tipping.

4.5 Selective Disclosure

"Selective disclosure" occurs when corporate officers disclose material corporate information to select groups of individuals, such as analysts or institutional investors, that has not been generally disclosed to the public. Such disclosure includes, for example, when corporate officers discuss corporate affairs during closed conference calls with analysts, discuss corporate affairs on a one-on-one basis with analysts or provide material to large investors which is not publicly released. Selective disclosure is both improper and illegal. It constitutes a violation of this Policy.

The following sets out two steps that Exchange takes in order to prevent making inadvertent selective disclosure.

(a) Conference Calls

If and when Exchange holds periodic conference calls with members of the investment community to discuss financial and operating results, it will announce the date and time of the conference call by news release and on its website and the conference call may be broadcast simultaneously via webcast over the internet. The media and individual investors may call a toll-free number (or access the webcast over the Internet) and listen to the call on a real-time basis. An audio recording of the conference call will be made available for a period of one month following the call which can be ordered via a toll-free number or downloaded from Exchange's website. A debriefing will be held after the conference call and if such debriefing uncovers selective disclosure of previously undisclosed material information, Exchange will immediately disclose such information generally via news release.

(b) Quiet Periods

In order to avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, Exchange observes a quarterly quiet period during which no meetings or telephone contacts with analysts and investors will be initiated and no earnings guidance will be provided. The quiet period corresponds with the quarterly trading blackout period (see the Insider Trading Policy) and generally commences on the 15th day prior to the release of quarterly or annual financial results and ends two (2) trading days after the issuance of a news release disclosing quarterly or annual results.

5. DEALING WITH DISCLOSURE OF MATERIAL INFORMATION

5.1 Disclosure and Competition Committee

The Board of the Corporation has established a Disclosure and Competition Committee consisting of the CFO, chief executive officer (CEO) and executive vice chairman of the Corporation. The Disclosure and Competition Committee is responsible for overseeing Exchange's compliance with regulatory disclosure requirements and for overseeing its disclosure practices generally. The Disclosure and Competition Committee has the authority to seek the advice of outside counsel as necessary.

The Disclosure and Competition Committee will determine when developments justify public disclosure and will meet as conditions dictate. **It is essential that the Disclosure and Competition Committee be fully apprised of all material corporate developments to be able to determine whether there is information that should be publicly disclosed and what the appropriate timing is for release of that information. In some cases, the Disclosure and Competition Committee may determine that the information should remain confidential. If that is the case, it will determine how that information will be controlled so that it is not inadvertently released.**

5.2 Designated Spokespersons

Exchange designates a limited number of spokespersons responsible for communication with the media, investors and analysts. The CEO, CFO and Executive Vice-Chairman are the official spokespersons for Exchange. Individuals holding these offices may, from time to time, designate others within the Affiliates to speak on behalf of Exchange as back-ups or to respond to specific inquiries from the investment community or the media.

Employees who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community or the media unless specifically asked to do so by an authorized spokesperson. All such inquiries shall be referred to the CFO.

The CFO is also responsible for responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this Policy shall be utilized in responding to electronic inquiries.

Employees are prohibited from participating in internet chat room or newsgroup discussions on matters pertaining to Exchange's activities or Securities. Employees who encounter a discussion pertaining to Exchange should advise the CFO immediately, so that the discussion may be monitored.

5.3 Principles of Disclosure of Material Information

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

1. Material information will be publicly disclosed immediately, unless the Disclosure and Competition Committee determines that such disclosure would be unduly detrimental to Exchange.
2. There may be circumstances in which the Disclosure and Competition Committee determines that immediate disclosure of undisclosed material information would be unduly detrimental to Exchange. This may occur, for example, if disclosure would prejudice negotiations in a corporate transaction. When this occurs, the information will be kept confidential until the Disclosure and Competition Committee determines it is appropriate to release it publicly. In this case, the Disclosure and Competition Committee will cause a confidential material change report to be filed with the applicable securities regulators and will periodically (at least every 10 days) review its decision to keep the information confidential (see "Rumors" below).
3. Disclosure must include any information the omission of which would make the rest of the disclosure misleading (half truths are misleading).
4. Unfavourable material information must be disclosed as promptly and completely as favourable information.

5. There must be no selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with a major shareholder). If previously undisclosed material information has been inadvertently disclosed to an analyst or any other person, such information must be generally disclosed immediately via news release.
6. Disclosure must be updated if earlier disclosure has become misleading as a result of intervening events.
7. Disclosure must be corrected immediately if Exchange learns that earlier disclosure contained a material error at the time it was made.
8. Disclosure should be consistent among the entire audience, including the investment community, the media, customers and employees.
9. Disclosure on Exchange's website alone does not constitute adequate disclosure of material information.

5.4 News Releases

Once the Disclosure and Competition Committee determines that a development is material, it will authorize the issuance of a news release, unless the Disclosure and Competition Committee determines that such developments must remain confidential for the time being and appropriate control of that information is instituted. Should a material oral statement inadvertently be made in a selective forum, the Corporation will immediately issue a news release in order to publicly disclose that information.

News releases containing earnings guidance and financial results will be reviewed by the Audit Committee or the board of directors of the Corporation prior to issuance. Financial results will be publicly released immediately following approval by the board of directors or Audit Committee of the Corporation of the management discussion and analysis, financial statements and notes of the Corporation.

If the Toronto Stock Exchange (the “TSX”) is open for trading at the time of a proposed announcement, prior notice of a news release announcing material information must be provided to its market surveillance division to enable a trading halt, if the TSX deems this to be necessary. If a news release announcing material information is issued outside of trading hours, the TSX must be notified promptly and in any event before the market opens.

News releases will be disseminated through a news wire service that provides national and simultaneous service. News releases will be transmitted to all stock exchange members, relevant regulatory bodies, major national financial media and the local media in areas where the Corporation has its headquarters and where the Affiliates have their operations.

News releases will be posted on Exchange's website immediately after confirmation of dissemination of the news wire. The website will include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures.

6. COMMUNICATIONS WITH ANALYSTS

6.1 Contacts with Analysts and Investors

Exchange recognizes that analysts are important conduits for disseminating information to the investing public and that analysts play a key role in interpreting and clarifying existing public data and in providing investors with background information and details that cannot practically be put in public documents. Exchange will meet with analysts and investors on an individual or small group basis as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Policy. Exchange will provide the sort of detailed differential information that has been provided to analysts to individual investors or reporters who request it. Where practicable, more than one representative of Exchange will be present at all individual and group meetings with analysts and investors.

However, Exchange recognizes that analyst disclosure does not constitute adequate disclosure of information that is considered material non-public information. If material information is to be announced at an analyst or shareholder meeting or a press conference, its announcement must be coordinated with a general public announcement via news release.

6.2 Reviewing Analyst Draft Reports and Models and Providing Guidance

It is Exchange's policy to review, upon request, analysts' draft research reports or models. If requested, Exchange will review the report or model for the purpose of correcting factual errors. It is Exchange's policy, when analysts inquire with respect to the earnings and/or cash flow estimates of the Affiliates (1) to acknowledge what the current range of analysts' estimates is, and (2) to question an analyst's assumptions if his/her estimate is out of the range of estimates. Exchange will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with analysts' financial models and earnings estimates.

If Exchange has determined that it will be reporting results materially below or above publicly held expectations, it may decide to disclose this information in a news release to enable discussion without risk of selective disclosure (see "Forward-Looking Information" below).

Exchange regards analyst reports as proprietary information belonging to the analyst's firm. Recirculating a report by an analyst may be viewed as an endorsement by Exchange of the report. For these reasons, Exchange will not provide analyst reports through any means to persons outside of Exchange.

7. OTHER TYPES OF INFORMATION

7.1 Rumors

So long as it is clear that Exchange is not the source of a market rumor, Exchange does not comment, affirmatively or negatively, on rumors. This applies to rumors on the internet. Exchange's spokespersons will respond consistently to those rumors saying: "It is our policy not to comment on market rumors or speculation." Should the stock exchange request that the Corporation make a definitive statement in response to a market rumor that is causing significant volatility in the stock, the Disclosure and Competition Committee will consider the matter and decide whether to make a policy exception. If the rumor is true in whole or in part, this may be evidence of a leak, and Exchange will immediately issue a news release disclosing the relevant material information.

7.2 Forward-Looking Information

If Exchange discloses forward-looking information in continuous disclosure documents, speeches, conference calls, etc., the following guidelines will be observed:

If the forward-looking information is material, it will be disseminated in accordance with this Policy.

The information will be clearly identified as forward-looking.

Exchange will identify the material assumptions used in the preparation of the forward-looking information.

The information will be accompanied by a statement that identifies, in specific terms, the risks and uncertainties that may cause the actual results to differ materially from those projected in the statement.

The information may be accompanied by supplementary information such as a range of reasonably possible outcomes or a sensitivity analysis to indicate the extent to which different business conditions may affect the actual outcome.

The information will be accompanied by a statement that the information is stated as of the current date and subject to change after that date, and Exchange disclaims any intention to update or revise this statement of forward-looking information, whether as a result of new information, future events or otherwise.

Once disclosed, Exchange's practice for updating forward-looking information will be to regularly assess whether previous statements of forward-looking information should be replaced by new financial outlooks, and ensure that past disclosure of forward-looking information is accurately reflected in current MD&A.

7.3 Electronic Communications

This Policy also applies to electronic communications. Accordingly, officers and personnel responsible for written public disclosures shall also be responsible for electronic communications. The CFO will be responsible for updating the Investor Information section of the Corporation's website and will be responsible for monitoring all corporate information placed on the website to ensure that it is accurate, complete and up to date. Any material changes in information must be updated immediately.

Although Exchange views electronic communications as an extension of its formal disclosure record, it recognizes that disclosure on the Corporation's website will not constitute adequate disclosure of information that is considered material non-public information. Any disclosures of material information on its website will be coordinated with a news release.

All continuous disclosure documents will be provided in the Investor Relations section of the Corporation's website. All information posted, including text and audiovisual material, will show the date the material was issued. Any material changes in information must be updated immediately, following the issuance of a news release. The website will include a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent disclosure.

The CFO will maintain a log indicating the date that material information is posted and removed from the Investor Relations section of the website. Material documents filed with securities regulators will be maintained on the website for a minimum of two years.

The CFO must approve all links from the Corporation's website to third party websites. The website will include a notice that advises readers they are leaving the Corporation's website and that Exchange is not responsible for the contents of the other website.

The CFO will also be responsible for responses to electronic inquiries. Only public information or information that could otherwise be disclosed in accordance with this disclosure policy shall be used to respond to electronic inquiries.

This Policy prohibits employees from participating in internet chat rooms or newsgroup matters pertaining to Exchange's activities or its Securities.

1.4 Board and Audit Committee Review of Certain Disclosure

The board of directors of the Corporation or its Audit Committee should, whenever feasible, review the following disclosures in advance of their public release by Exchange:

- earnings guidance; and

- news releases containing financial information based on a company's financial statements prior to the release of such statements.

It should also be indicated at the time such information is publicly released whether the board of directors of the Corporation or the Audit Committee has reviewed the disclosure. In addition, where feasible, Exchange's earnings news release should be issued concurrently with the filing of the quarterly or annual financial statements.

8. EXCHANGE'S DISCLOSURE RECORD

8.1 Offering Documents

All offering documents issued by the Corporation must contain "full, true and plain disclosure" of the material facts relating to Securities. This means that the document does not contain any untrue statement of a material fact or omits to state a material fact required to be stated or that is necessary to be stated to make a statement not misleading in light of the circumstances in which it was made.

Because the Corporation derives its income from payments made to the Corporation by the Affiliates, the information that would be material to the Affiliates would also be material to the Corporation. For this reason, employees may be asked to review or prepare information to be contained in an offering document of the Corporation to ensure that the document accurately discloses all material information concerning the Affiliates.

If an employee is asked to review an offering document of the Corporation or any other continuous disclosure document of the Corporation, discussed below, he or she must bring to the attention of a member of the Disclosure and Competition Committee any information that the employee knows or reasonably believes to be misleading or inaccurate in the document. The employee should also advise a member of the Disclosure and Competition Committee if he or she believes that the document omits to state a fact or information that may be material to an understanding of the results of operations of the Affiliates or the performance of Exchange as a whole. When reviewing these documents, employees are advised to consider all information about Exchange that they are aware of in order to adequately assess whether the disclosure being reviewed is accurate, fails to state a material piece of information or is misleading or inaccurate in any way.

8.2 Continuous Disclosure Record

As a public entity, the Corporation must provide certain information to its shareholders, to securities regulators and to the TSX on a regular basis. Because the Corporation derives its income from payments made to the Corporation by the Affiliates, much of this information will relate to the Affiliates.

The CEO and CFO are ultimately accountable for Exchange's public disclosure. They have supervised the design of disclosure controls and procedures in connection with creation of this Policy. The Disclosure and Competition Committee is responsible for the implementation of these controls and procedures.

It is important that everyone within the Exchange organization make known to the Disclosure and Competition Committee material information relating to the Corporation, the Affiliates and any Affiliates of the Affiliates. Employees must provide that

information to the Disclosure and Competition Committee as soon as they become aware that it is, or may be, material so that the Disclosure and Competition Committee can take steps to disclose material information within the time periods specified under applicable securities legislation and by the TSX. This applies throughout the year, but is particularly critical when annual or quarterly financial statements and management discussion and analysis or the Corporation's annual information form are being prepared.

Employees will be asked to provide certain information and to review and confirm other information to be included in disclosure documents. In addition, any other document publicly filed by the Corporation, such as press releases and material change reports, must also be accurate and not misleading and must present all information that may be material to an investor deciding whether or not to purchase Securities.

8.3 Maintaining the Record

The Corporation will maintain a file containing all public information about Exchange, including continuous disclosure documents, news releases, analysts' reports, transcripts or audio recordings of conference calls and newspaper articles, respectively.

The minimum retention period for material corporate information posted on the website of the Corporation shall be one year. News releases shall be kept for a period of two years and quarterly and annual reports shall be retained for a period of five years.

9. IMPLICATIONS OF VIOLATING THIS POLICY

All of Exchange's employees, officers, directors and outside advisors must comply with this Policy. *Although this Policy generally refers to "employees", it also applies to Exchange's directors, officers and outside advisors.* An employee or officer who violates this Policy may face disciplinary action. This may include termination of his or her employment with Exchange. Directors who violate this Policy may be asked to resign. Outside advisors who violate this Policy may have their engagement with Exchange terminated. If a violation of this Policy involves a violation of securities laws or stock exchange requirements, Exchange may refer the matter to the appropriate regulatory authorities.

Exchange's employees, officers, directors and outside advisors will be advised of this Policy and the importance that Exchange attaches to compliance with this Policy.

SCHEDULE 1

Examples of Potentially Material Information From Section 4.3 of National Policy 51-201 – *Disclosure Standards*

The following are examples of the types of events or information that may occur at Exchange and be deemed to be material.

Changes in Business Structure

- changes in share ownership that may affect control of the Corporation
- 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 the Corporation's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to 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 Exchange's assets
- any material change in accounting policy

Changes in Business and Operations

- any development that affects resources, technology, products or markets
- a significant change in capital investment plans or business 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
- changes to the board of directors or executive management, including the departure of the Corporation's Chairman, Chief Executive Officer or Chief Financial Officer (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 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 Corporation'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

The foregoing examples are not exhaustive. An Insider who has a question about the materiality of information known to him or her should contact the CFO or the CEO.

SCHEDULE 2
ACKNOWLEDGEMENT

The undersigned acknowledges having read the Disclosure Policy of **Exchange Income Corporation** dated **March**, 2011 and agrees to comply with such Policy in all respects. The undersigned further acknowledges that all members of the undersigned's family, all other persons who live with the undersigned and all holding companies and other related entities of the undersigned and all persons or companies acting on behalf of or at the request of any of the foregoing are also expected to comply with such Policy.

The undersigned acknowledges that any violation of such Policy may constitute grounds for immediate suspension or dismissal.

Date: _____ Signature: _____

Name: _____
(Please Print)

Entity Employed By: _____

SCHEDULE “B”

TO THE CHARTER OF THE DISCLOSURE AND COMPETITION COMMITTEE

EXCHANGE INCOME CORPORATION

COMPETITION POLICY

This Policy and the Corporate Compliance Program that follows (collectively, the “**Policy**”) have been established so that employees, officers, directors and outside advisors of Exchange (as hereinafter defined) can conduct the business of Exchange in compliance with the *Competition Act* (Canada) (the “**Act**”). When this Policy refers to “**Exchange**”, it shall be deemed to mean Exchange Income Corporation (the “**Corporation**”), together with its affiliates which carry on business in the aviation and manufacturing sectors and any other affiliates of the Corporation from time to time (the “**Affiliates**”). The Board of Directors of the Corporation and the Boards of Directors of the Affiliates (the “**Boards**”) have reviewed and approved this Policy. They have each directed their management to advise them of material violations of this Policy. The Boards intend to review the Policy periodically with a view to making any amendments necessary to support achievement of the objectives set out in this Policy.

All of Exchange's employees, officers, directors and outside advisors must comply with this Policy. *Although this Policy generally refers to “employees”, it also applies to Exchange's directors, officers and outside advisors.* An employee or officer who violates this Policy may face disciplinary action. This may include termination of his or her employment with Exchange. Directors who violate this Policy may be asked to resign. Outside advisors who violate this Policy may have their engagement with Exchange terminated. If a violation of this Policy involves a violation of the Act, Exchange will refer the matter to the appropriate authorities, as determined necessary.

PLEASE REVIEW THE ATTACHED POLICY CAREFULLY AND SIGN THE FORM OF ACKNOWLEDGEMENT ATTACHED AS SCHEDULE “2” TO THE POLICY AND RETURN IT TO THE CHIEF FINANCIAL OFFICER

EXCHANGE INCOME CORPORATION
CORPORATE COMPLIANCE PROGRAM

1. INTRODUCTION

1.1 Purpose

This Corporate Compliance Program (the “**Program**”) has been established so that the business of Exchange complies with the Act while providing value to the customers of Exchange and allowing Exchange to compete effectively in the Canadian and global economies.

1.2 Commitment to Compliance

Exchange is committed to complying with the law in letter and in spirit. There may be instances where this Program sets standards that are higher than those required by the Act. Nevertheless, it is imperative that the requirements of the Program be complied with strictly.

The Corporation has designated a responsible officer (the “**Responsible Officer**”) at each of its Affiliates who is responsible for reporting all material information to the competition committee of the Corporation (the “**Competition Committee**”) and ensuring day-to-day compliance with the Program and the Act. The Responsible Officer will typically be the President of the company in question (or, where the entity in question does not have a President, the person occupying a similar role with the said entity), but the employee should ask his or her immediate supervisor if it is unclear as to who the Responsible Officer is. Questions about the Program or the Act should be referred to the employee’s immediate supervisor (as applicable), the Responsible Officer or to a member of the Competition Committee. All employees in a supervisory role shall be educated on the Program and the Act and the appropriate steps to take should they have questions concerning the Program or the Act.

1.3 Employees’ Responsibility for Compliance

In addition to the Responsible Officer, responsibility for compliance with the Act also rests with each and every employee of Exchange. Compliance with the Act and this Program protects not only the business of Exchange, but also the employees of Exchange.

In addition, our business has developed Policies and Procedures, attached at Schedule “1”, in order to assist employees in recognizing improper conduct and knowing when to seek advice.

1.4 Canadian Competition Law

The purpose of Canadian competition law is to maintain and encourage effective competition in Canada. The Act maintains a competitive marketplace by prohibiting certain activities that might reduce or prevent competition or harm consumers. The Competition Commissioner (the

“**Commissioner**”) and the Competition Bureau of Canada (the “**Bureau**”) administer and enforce the Act.

Canadian competition law is contained in the Act, a federal law governing most business conduct in Canada. It contains both criminal and civil provisions aimed at preventing certain advertising practices and sets out certain prohibitions on how competitors may deal with each other, as well as how businesses treat their suppliers and customers. Specifically, the Act addresses, among other things, conspiracy (such as price fixing, market allocation and output restriction), bid-rigging, false or misleading representations, double ticketing, multi-level marketing and pyramid schemes, bait and switch selling, sale above advertised price, mergers, refusal to deal, price maintenance, exclusive dealing, tied selling, market restrictions and abuse of dominance.

1.5 Enforcement of the Act

The Commissioner investigates complaints by business people and consumers. Under the Act, the Commissioner's investigative powers include, among others, the ability to search offices, seize records and interview individual employees under oath.

1.6 Penalties and Remedies under the Act

A contravention of the Act, whether civil or criminal, can result in serious legal consequences for the business of Exchange and employees of Exchange participating in the contravention. For example, contraventions can:

- (ii) expose Exchange to significant criminal fines or civil administrative monetary penalties, restitution, prohibition orders and recovery of damages by private parties; and
- (iii) expose employees convicted of criminal offences to criminal fines and imprisonment or to civil administrative monetary penalties.

Criminal Acts

Section 45 of the Act in particular describes categories of agreements that are so likely to harm competition and that have no pro-competitive benefits that they are deserving of prosecution without a detailed inquiry into their actual competitive effects. These are agreements between competitors to fix prices, allocate markets or restrict output that constitute “naked restraints” on competition (restraints that are not implemented in furtherance of a legitimate collaboration, strategic alliance or joint venture).

Subsection 45(1) of the Act states:

45. (1) Every person commits an offence who, with a competitor of that person with respect to a product, conspires, agrees or arranges
- (a) to fix, maintain, increase or control the price for the supply of the product;
 - (b) to allocate sales, territories, customers or markets for the production or supply of the product;
- or

(c) to fix, maintain, control, prevent, lessen or eliminate the production or supply of the product.

The Act considers a competitor in the broadest sense as a person who it is reasonable to believe would likely compete if there was no agreement.

In determining whether an agreement exists, the Bureau will consider whether the parties to the alleged agreement or arrangement reached a “meeting of the minds”, either explicitly or tacitly, to engage in the conduct described in subsection 45(1) of the Act. Subsection 45(1) applies to all forms of agreements between competitors, regardless of the degree of formality or enforceability and regardless of whether it has been implemented. Becoming a party to an agreement described in subsection 45(1) of the Act at any time is sufficient to establish the offence.

Every person who commits an offence under subsection 45(1) may be imprisoned for up to 4 years or be liable to pay a fine of up to \$25 million, or to both. Where there is a finding of guilt, in addition to a fine and/or imprisonment, the Bureau will typically recommend that the Director of Public Prosecutions of Canada consider applying to a court for a prohibition order to prohibit any behaviour that constitutes, or is directed toward, the commission of an offence. Such a prohibition order can last for up to 10 years and may include prescriptive terms requiring positive steps or acts to ensure compliance with the law.

Non Criminal Conduct

In addition, section 90.1 of the Act permits a tribunal to prohibit certain actions or require certain actions if it is determined that an agreement or arrangement, whether existing or proposed, between competitors that prevents or lessens, or is likely to prevent or lessen, competition in the Canadian market. Agreements subject to section 90.1 of the Act include, but are not limited to, commercialization and joint selling agreements, information sharing agreements, research and development agreements, joint production agreements and joint purchasing agreements.

Other Prohibited Conduct

In addition to the more general sections, the Act also contains more specific sections that address **mergers, bid-rigging, misleading advertising and abuse of market dominance**. These provisions are a mix of criminal and non-criminal sections.

1.7 Subject Employees

The Program applies to all employees of Exchange, at all levels, who are in a position to potentially engage in, or be exposed to, illegal conduct.

It is the personal responsibility of all employees to conduct their activities on behalf of Exchange in compliance with both the letter and the spirit of the Act. No one who is employed by Exchange has the authority to engage in any conduct, or knowingly permit a subordinate to engage in any conduct, that contravenes the Act or the Program.

An employee who violates this Policy may face disciplinary action. This may include termination of his or her employment with Exchange. Directors who violate this Policy may be asked to resign. Outside advisors who violate this Program may have their engagement with

Exchange terminated. If a violation of this Program involves a violation of the Act, Exchange will refer the matter to the appropriate authorities, as determined necessary.

1.8 Employee Acknowledgement

Each employee is required to complete the form contained in Schedule “2” hereof whereby they acknowledge that they have read and understood this Program and that they understand their obligations under it.

2. SENIOR MANAGEMENT INVOLVEMNET IN THE PROGRAM

The Corporation recognizes that the clear and unequivocal support of senior management of the Corporation and of the Affiliates is the foundation of a credible and effective program. Senior management, in the performance of their fiduciary duties, must always exercise care, skill and diligence and act in the best interests of the business of Exchange.

It is senior management's duty to promote and ensure compliance with the Act.

3. CORPORATE COMPLIANCE POLICES AND PROCEDURES

3.1 General

Exchange recognizes that strong compliance policies and procedures are critical to the success of the Program. Policies and Procedures pertaining to the business of Exchange will be developed by the Competition Committee and distributed to the Employees.

Policies and procedures will:

- (i) be written in plain language and made available to all employees;
- (i) identify activities that are illegal or questionable and the consequences for contravention under the Act;
- (ii) provide clear examples to illustrate the specific practices that are prohibited, so that employees can easily understand how the application of the Act may impact on their own duties and responsibilities;
- (iii) provide guidelines on document retention, creation and management; define the notion of obstruction under the Act;
- (iv) inform employees of the consequences of obstruction under the Act;
- (v) outline the possible consequences of breaching the Program and the Act;
- (vi) inform employees regarding the provisions of the Act that protect whistleblowers and the consequences of retaliation;

- (vii) inform employees about the Bureau's Immunity Program under the Act; provide a code of conduct giving clear instructions on how to respond when a search warrant is executed or when an inspection is being conducted by the Bureau; and
- (viii) provide a code of conduct giving clear instructions on how to respond when a court order compelling the production of records or oral testimony is served.]
- (ix) ensure that each employee attends competition law training and acknowledges receipt and reading of the Program;

The Corporation has developed these policies in order to assist employees in recognizing improper conduct and knowing when to seek advice in specific scenarios. Additional guidance is provided at Schedule "1", attached hereto, for specific situations.

3.2 Document Approvals

The following documents must be submitted to the Responsible Officer for review and approval:

- (i) all material contracts, including letters of understanding; and
- (i) other documents that may be identified from time to time by the Disclosure and Competition Committee.

3.3 Complaints by Third Parties

All third party complaints should be referred immediately to the Responsible Officer, who will review the complaint and confer with legal counsel. A decision will then be made on further action to take.

3.4 Complaints by the Competition Bureau

The following procedures exist to deal with the complaints or investigation by the Bureau:

- (i) All complaints should be referred immediately to the Responsible Officer who will take the advice of the Disclosure and Competition Committee in consultation with legal counsel.
- (i) After consultation, the Disclosure and Competition Committee will determine what action to take. This action will be implemented on a high priority basis.
- (ii) On-going discussions or correspondence should be conducted by or under the supervision of the Responsible Officer, the Disclosure and Competition Committee and legal counsel.
- (iii) Employees must promptly provide all information and supporting documents requested by the Responsible Officer, the Disclosure and Competition Committee and legal counsel.

- (iv) The Responsible Officer, assisted by legal counsel, will keep the Disclosure and Competition Committee regularly informed of the progress of all complaints and investigations.

4. TRAINING AND EDUCATION

To be effective, the Program must include an ongoing training component that addresses compliance issues for all employees. The Responsible Officer will:

- (i) ensure a copy of this Program is given to all employees;
- (i) arrange training sessions (or, at least, ensure training is arranged) for all relevant employees and “refresher” training sessions for these employees. Training sessions should:
 - cover all compliance issues the employee may face;
 - highlight the general legal principles under the Act;
 - provide guidance on specific business conduct that should be avoided;
 - allow sufficient opportunity for questions and discussion during training sessions;
 - ensure that training is delivered by experts;
- (iii) provide employees that face particular exposure to the Act with more in-depth training;
- (iv) ensure that all relevant training materials are available; and
- (v) evaluate training programs regularly to make sure that they reflects the business conducted by the applicable Affiliate and the state of the law.

5. MONITORING, AUDITING AND REPORTING MECHANISMS

5.1 Monitoring

The Responsible Officer at each of the Corporation’s Affiliates shall monitor all business activities of the relevant Affiliate continuously or periodically, as appropriate, to ensure compliance with the Act.

The Disclosure and Competition Committee will review and update this Program when issues are detected.

5.2 Auditing

The Responsible Officer shall conduct periodic, *ad hoc* or event-triggered audits, as appropriate, to confirm whether Exchange is fully comply with the Act. These audits may include both the review of selected files and random interview with supervisory and field personnel. The purpose

of audits and other monitoring is to detect problems at their inception, to prevent violations, and to minimize Exchange's exposure to criminal and civil liability. The full cooperation of all employees is essential to the success of the Program generally and audits and other monitoring efforts in particular.

5.3 Reporting

In addition to its ongoing monitoring and periodic audits, Exchange relies on employees to uncover and report to the Responsible Officer or the Disclosure and Competition Committee any potential anti-competition issues.

The Bureau recognizes that detection, investigation and prosecution of violators is made easier by programs that recommend immunity for violators who immediately report a violation. Therefore, for employees and Exchange, timely cooperation with the Bureau in reporting a violation may result in a recommendation for immunity.

In addition to the serious criminal sanctions for anti-competitive behaviour and the substantial monetary penalties that can be imposed under the Act, individuals who feel they have been harmed by anti-competitive activity can commence legal proceedings against Exchange. An injured party or many consumers by class action may sue and obtain court ordered damages for financial losses resulting from a violation of the Act.

In addition, defending a prosecution commenced under the Act and/or civil action can result in Exchange incurring substantial legal fees, tremendous disruption to business and damage to its reputation.

The reporting of an anti-competition concern will never result in any negative action directed toward an employee simply because they reported the concern. On the contrary, the failure to report a violation may result in disciplinary action being taken against an employee that fails to report it. The Program requires the active participation of all employees.

The Program is intended to help employees comply with the requirements of the Act, recognize improper conduct and know when to seek advice. If employees have any questions concerning the Program or the Act, they are strongly encouraged to contact the Responsible Officer.

6. DISCIPLINARY PROCEDURES

Exchange is strongly committed to compliance with this Program and the Act and takes non-compliance very seriously. Any breach of this Program and/or the Act will result in disciplinary action.

SCHEDULE “1”
POLICIES AND PROCEDURES

Personal Accountability

Conspiracy and Bid-rigging

- (i) Ensure that all pricing decisions are made independently of competitors or others outside of your company.
- (i) Ensure that legal advice is sought before contacting competitors as contact with competitors may result in concerns under the Act.
- (ii) Ensure that records of any contacts with competitors are kept where concerns may arise.
- (iii) Ensure that legal advice is sought before entering into any agreement with a competitor.
- (iv) Be aware that reaching an agreement, including any tacit understanding or discussion, with competitors about pricing, market or customer allocation, production levels or other agreements dealing with an element of competitive rivalry contravenes the Act.
- (v) Be aware that agreeing with competitors not to compete for certain customers or in a particular product or geographic market contravenes the Act.
- (vi) Be aware that agreeing with competitors on preventing other businesses from competing in a particular product or geographic market contravenes the Act.
- (vii) Be aware that discussing prices, changes in industry production, capacity or inventories contravenes the Act.
- (viii) Be aware that discussing pricing, market allocation, production levels or another element of competitive rivalry in "informal meetings" or "off-the-record" conversations at the business' functions, or as a component of any electronic information package, contravenes the Act. If improper discussions arise, business representatives should leave the meeting and have their departure recognized. The incident should be reported immediately to the Responsible Officer or legal counsel.
- (ix) Ensure that all discussions with competitors are confined to the immediate subjects for which the meeting was convened. If you have questions about the topics to be

discussed and the topics to be avoided, consult the Responsible Officer or Exchange's legal counsel in advance.

- (x) Ensure that you adhere to a clear and written agenda prior to meeting with competitors.
- (xi) Ensure that you consult with the Responsible Officer any time there are concerns about discussions that took place at a meeting or function or elsewhere with competitors.
- (xii) Ensure that the Bureau is contacted where suspicions of bid-rigging exist (e.g. a business is a victim of bid-rigging or have information about a bid-rigging scheme).
- (xiii) Be aware that agreeing to submit prearranged bids without prior notice to the tendering authority is a criminal offence.
- (xiv) Be aware that agreeing not to submit a bid without prior notice to the tendering authority is a criminal offence.
- (xv) Be aware that agreeing to withdraw a bid without prior notice to the tendering authority is a criminal offence.

Restrictive Trade Practices: Abuse of Dominance, Exclusive Dealing, Tied-selling, Market Restrictions, Price Maintenance and Civil Agreements

Ensure that, where questions arise, the advice of the Responsible Officer is sought or that the Bureau is contacted before engaging in practices that may impact the state of competition.

For example, exercise caution in the following situations:

- (i) before implementing a loyalty program or an exclusivity agreement with your customers;
- (i) when using one product as leverage to force or induce a customer to purchase another product;
- (ii) before selling articles at a price lower than your cost;
- (iii) before penalizing a customer that supplies a product outside a defined market;
- (iv) when refusing to supply a product to a would-be customer if this would-be customer may be substantially affected or precluded from carrying on business because of the refusal;
- (v) when pre-announcing prices, price lists, or engaging in any behaviour that could increase one's ability to coordinate pricing, market allocation, production levels, or any other element of competition;

- (vi) when making any comments that could be viewed as signaling to competitors any intentions or expectations regarding price, trade terms or other elements of competition;
- (vii) when making any threats or promises to competitors regarding pricing, market share, or any other element of competition;
- (viii) when entering into agreements with, or making promises or threats to, resellers of products to influence upward, or discourage the reduction of, the price at which they sell or advertise a product within Canada;
- (ix) suggesting retail prices — in such a case, ensure that it is clearly stated that suggested retail prices are provided as guidelines only and that producers or suppliers have no obligation to charge the suggested prices; or
- (x) refusing to supply a product to, or discriminate against, another business because of its low pricing policy;
- (xi) when entering into, among other things, information sharing agreements, research and development agreements or joint production agreements.

False or Misleading Representations and Deceptive Marketing Practices

- (i) Ensure that, when engaging in telemarketing, (1) the name of the company or person the caller is working for; (2) the type of product or business interest the caller is promoting; and (3) the purpose of the call are disclosed at the beginning of each call.
- (i) Ensure that, when engaging in telemarketing, (1) the price of any product or service being promoted and; (2) any restrictions or conditions that must be met before the product is delivered are disclosed at some time during each call.
- (ii) Be aware that telemarketers are forbidden to:
 - make any representation that is false or misleading in a material respect;
 - conduct a contest, lottery or other game where delivery of the prize is conditional on payment in advance, or where the approximate value of the prizes and other facts that affect the chances of winning are not fairly disclosed;
 - offer a free gift or a product at minimal cost as an inducement to buy a second product (this is acceptable if they disclose the approximate value of the gift or premium); and
 - require payment in advance where the price of the product upon delivery is found to be grossly in excess of the fair market value of that product.
- (i) Ensure that fine-print disclaimers are avoided. If used, ensure that the overall general impression created by an advertisement and a disclaimer are not false or misleading.

- (ii) Ensure that all material information in an advertisement is fully and clearly disclosed.
- (iii) Ensure that the terms or phrases used in an advertisement are meaningful and clear to the ordinary person.
- (iv) Be aware that the False or Misleading Representations and the Deceptive Marketing Practices provisions apply whether the target of the representations is in Canada or not.
- (v) Be aware that the False or Misleading Representations and the Deceptive Marketing Practices provisions apply whether the representations are made in a place accessible to the public or not.
- (vi) Ensure that the overall general impression created by a representation, as well as the literal meaning, are not false or misleading in a material respect.
- (vii) Ensure that the lowest price appearing on a product is charged.
- (viii) Ensure that reasonable quantities of a product advertised at a bargain price are available. If a business runs out of a product, a raincheck should be offered and honored.
- (ix) Ensure that, when conducting a contest, all material details required by the Act are disclosed before potential participants are committed to the contest.
- (x) Ensure that contest rules are disclosed in a reasonably conspicuous manner prior to a potential contest participant being inconvenienced in some way or committed to the advertiser's product or to the contest.
- (xi) Ensure that promotional contest participants are provided with a short list of the contest rules on the outside of each package if in-store displays promoting the contest are not permitted.
- (xii) Ensure that legal advice is sought when in doubt as to the legality of a proposed advertisement, price disclosure or contest.
- (xiii) Ensure that the terms "regular price" or "ordinary price" are not confused with "manufacturer's suggested list price" or a like term. They are often not the same.
- (xiv) Ensure that the term "regular price" is not used in an advertisement unless the product has been offered in good faith for sale at that price for a substantial period of time, or a substantial volume of the product has been sold at that price within a reasonable period of time.
- (xv) Ensure that the words "sale" or "special" are not used in relation to the price of a product unless a significant price reduction has occurred.
- (xvi) Ensure that a "sale" is not held for a long period or is not repeated every week.

- (xvii) Ensure that the price of a product or service is not increased to cover the cost of a free product or service.
- (xviii) Ensure that the illustrations used are not different from the product being sold.
- (xix) Ensure that a performance claim is not made unless it can be proven, even if a business believes it is accurate. Testimonials usually do not amount to adequate proof.
- (xx) Ensure that a product is not sold above the advertised price.
- (xxi) Ensure that the distribution of prizes when conducting a contest is not unduly delayed.
- (xxii) Ensure that information that may alter the principal representation when promoting a product or service is not placed in a disclaimer.
- (xxiii) Be aware that no one actually needs to be misled for a court to find that an advertisement is false or misleading.

Trade Associations

- (i) Ensure that legal advice is sought before joining or renewing membership in a trade association.
- (i) Ensure that a clear copy of the agenda for all trade association meetings is obtained prior to a meeting. Competing firms should not participate in a meeting where such an agenda is not provided.
- (ii) Ensure that the trade association minutes are reviewed and that mistakes are reported.
- (iii) Ensure that representatives use caution when participating in trade association events. Ensure that representatives are alert to the types of discussions that may raise concerns. If improper discussions arise, he/she should leave and have his/her departure recognized. The incident should immediately be reported to the Responsible Officer, legal counsel or any other individual identified in the business' corporate compliance program.
- (iv) Ensure that legal advice is sought if a particular situation gives rise to concerns.
- (v) Be aware that discussing sensitive competition issues with other members that relate to pricing, markets, production levels, customers and other competitive information may be anti-competitive.
- (vi) Ensure to seek legal advice before reaching agreements on sensitive competition issues.

SCHEDULE “2”
COMPETITION POLICY
ACKNOWLEDGEMENT

The undersigned acknowledges having read and understood the Competition Policy (the “**Policy**”) of Exchange Income Corporation dated March, 2011, the goal of which is to promote compliance with the *Competition Act* (Canada).

The undersigned acknowledges that any violation of the Policy, including the Corporate Compliance Program may constitute grounds for immediate suspension or dismissal.

Date: _____ Signature: _____

Name: _____
(Please Print)

SCHEDULE “C”

TO THE CHARTER OF THE DISCLOSURE AND COMPETITION COMMITTEE

RESPONSIBLE OFFICER ACKNOWLEDGEMENT

The undersigned acknowledges having read the Disclosure Policy of Exchange Income Corporation and agrees to comply with the Disclosure Policy in all respects. The undersigned further acknowledges that all members of the undersigned's family [**sharing the same residence as the undersigned**], all other persons who live with the undersigned and all holding companies and other related entities of the undersigned and all persons or companies acting on behalf of or at the request of any of the foregoing are also expected to comply with the Disclosure Policy. In addition, the undersigned acknowledges and accepts his/her designation as a “Responsible Officer” and that the following, which may be amended from time to time, are his/her duties as such:

to immediately report to the Disclosure and Competition Committee all material facts and events that may constitute material information and require disclosure under the Disclosure Policy;

to educate all employees under his/her control of the importance of complying with the Disclosure Policy and to have each such employee sign an acknowledgement to that effect;

to the extent that the Reporting Officer may not have access to all of the Subsidiary’s material information, to designate other employees who would be responsible for reporting all material information of which they become aware to the Responsible Officer as soon as such employee becomes aware of such information;

to periodically provide a certificate to the Disclosure and Competition Committee that no material information has come to their attention during the course of their serving as the Responsible Officer; and

to identify and communicate to the Disclosure and Competition Committee risk areas of the operation that could be susceptible to events that would be considered material information requiring disclosure

The undersigned acknowledges that any violation of the Disclosure Policy may constitute grounds for immediate suspension or dismissal.

Date: _____ Signature: _____

Name: _____

(Please Print)

SCHEDULE "D"

TO THE CHARTER OF THE DISCLOSURE AND COMPETITION COMMITTEE

RESPONSIBLE OFFICER ACKNOWLEDGEMENT

The undersigned acknowledges having read the Competition Policy (the "**Competition Policy**") of Exchange Income Corporation (the "**Company**") and agrees to comply with the Competition Policy in all respects. In addition, the undersigned acknowledges and accepts his/her designation as a "Responsible Officer" and that the following, which may be amended from time to time, are his/her duties as such:

- (a) immediately reporting to the Disclosure and Compensation Committee of the Company (the "**Committee**") all actual or suspected contraventions of the *Competition Act* (Canada) (the "**Act**") or the Competition Policy and referring any complaints by the Competition Bureau of Canada (the "**Bureau**") or by third parties to the Committee;
- (b) educating all employees under his/her direct control of the importance of complying with the Competition Policy and having all key employees, and on a going forward basis all new employees, sign an acknowledgement to that effect;
- (c) designing and implementing a training program to educate employees regarding the Act, in accordance with the Competition Policy;
- (d) assessing, on an on-going basis, the effectiveness of training programs implemented to ensure compliance with the Act;
- (e) identifying employees who are exposed to a heightened risk of breaching the Act and ensuring additional training with respect to the requirements of the Act is provided to such employees;
- (f) documenting all compliance efforts;
- (g) taking immediate action to stop any contravention of the Act;
- (h) cooperating with the Bureau where a breach of the Act has occurred (including self-reporting);
- (i) putting in place a reporting procedure to allow for the anonymous reporting of contraventions of the Act;
- (j) conducting periodic, ad hoc or event-triggered audits, as appropriate, to confirm whether the Act is being fully complied with; and
- (k) reviewing all (a) contracts, including letters of understanding; and (b) all other documents that may be identified from time to time by the Competition Committee.

The undersigned acknowledges that any violation of the Competition Policy may constitute grounds for immediate suspension or dismissal.

Date: _____ Signature: _____

Name: _____
(Please Print)