

Pool Safe Inc.

Disclosure and Confidentiality Policy

The Policy:

This policy establishes procedures which are designed: (i) to permit the disclosure of information about Pool Safe Inc. (“PSI” or the “Company”) to the public in an informative, timely and broadly disseminated manner, (ii) to ensure that non-publicly disclosed information remains confidential, and (iii) to ensure that trading of the Company's securities by directors, officers and employees of PSI, its affiliates and subsidiaries remains in compliance with applicable securities laws and the self imposed trading restrictions already established by PSI. The implementation of these policies and procedures is important to develop sound disclosure practices and to maintain investor confidence, as well as complying with securities laws and the TSX Venture Exchanges (TSXV's) rules on disclosure and trading.

This policy has been approved by the directors of PSI.

Terms of this Policy:

If there is any question or concern with respect to the application of this policy to any **Employee** or to any particular circumstance, a **Disclosure Officer** (Parts I and II) or an **Information Officer** (Part III), as applicable, should be contacted for guidance.

PART I DISCLOSURE

1. Timely Disclosure

As a reporting issuer PSI is committed to a policy of full, true and plain public disclosure of **Material Information** and all **Material Facts** and **Material Changes** relating to PSI on a timely basis in order to keep PSI's shareholders, debt holders, analysts, the media and the general public informed about PSI and its subsidiaries. PSI will publicly disclose **Material Information** immediately upon it becoming apparent that the information is material except in restricted circumstances where immediate release of the information would be unduly detrimental to the interests of PSI (and where PSI complies with any confidential filing obligations and maintains confidentiality of the information). Unusual trading marked by significant changes in the price or trading volumes of PSI's shares prior to the announcement of **Material Information** may embarrass PSI and may damage its reputation with the investing public.

This policy governs the conduct of all directors, officers and employees and agents of PSI and its subsidiaries and regarding the communication of **Material Information** with external and internal audiences. It covers all written statements made in PSI's annual and quarterly reports, news and earnings releases, speeches and presentations by senior management and information contained on PSI's Internet website. It also covers oral statements including telephone calls, conference calls and

interviews made in groups or in individual meetings with financial analysts and investors, as well as press conferences with the media.

2. Disclosure Officers

For purposes of this Policy, the Chair, the Chief Executive Officer, President, Chief Operating Officer and the Chief Financial Officer have been designated as the **Disclosure Officers**. The names of these individuals will be given to the market surveillance divisions of the TSXV as PSI's contacts.

Generally, the **Disclosure Officers** are the only individuals authorized to communicate with analysts, the media and investors about information concerning PSI. Employees who are not **Disclosure Officers** should refer all calls from the financial community, shareholders and media to the **Disclosure Officers**. If it is appropriate for another **Employee** to discuss information about PSI the **Employee** should, if possible, first advise a **Disclosure Officer** of the nature of the information to be discussed and, afterwards, advise the **Disclosure Officer** of what actually was discussed. **Employees** may not communicate **Undisclosed Material Information** unless they have prior permission from a **Disclosure Officer**, which permission will not be given unless the provisions of Part II of this Policy are complied with.

In addition, if any **Employee** becomes aware of any information which may constitute **Material Information**, the **Employee** must advise a **Disclosure Officer** as soon as possible.

The **Disclosure Officers** must continue to be fully apprised of PSI's developments in order that they are in a position to evaluate and discuss those events that may impact on the disclosure process, e.g., the status of any acquisition activities, material operational developments, extraordinary transactions, major management changes, etc. The directors must also be kept aware of all material developments and significant information disseminated to the public.

3. What Constitutes Material Information?

Information is material if it would reasonably be expected to result in a significant change in the market price or value of any of PSI's shares. A good rule of thumb is that if the information would influence an **Employee's** decision to buy or sell shares of PSI, the information is probably material. If an **Employee** is unsure whether information is material, the **Employee** should immediately contact a **Disclosure Officer** before disclosing it to anyone. **Employees** should err on the side of caution in such matters. If the **Disclosure Officer** is unable to determine whether or not the information is material, he may convene a meeting of senior management and, if necessary, the directors or a committee thereof, to determine if the information is material, whether or not it should be disclosed or remain confidential, and if the information needs to be disclosed, the method for disseminating the information.

Developments, whether actual or proposed, which are likely to give rise to material information and thus to require prompt disclosure may include but are not limited to those events listed on **Schedule "B"**.

4. Basic Disclosure Rules

All public disclosure of **Material Information** pursuant to this policy must be made by way of press release disseminated through a widely circulated newswire service company.

To maintain consistent and accurate disclosure about PSI, the following principles should generally be followed:

- half truths are misleading. Disclosure must include any information without which the rest of the disclosure would be misleading;
- unfavourable information must be disclosed as promptly and completely as favourable information;
- no selective disclosure. Previously undisclosed information may not be disclosed to selected persons; if there is disclosure it must be made widely, i.e. by way of a press release;
- disclosure must be updated if earlier disclosure has become misleading as a result of intervening events; and
- if **Material Information** is to be announced at an analyst or shareholders' meeting or a press conference or other forum, its announcement must be coordinated with an advance general public announcement by a press release containing the relevant information.

PSI has developed and intends to maintain a routine procedure for all corporate communications. The procedure consists of drafting a press release, circulating it for review to the Disclosure Officers, the audit committee (with respect to material announcements or announcements involving "earnings guidance" or financial results), and/or other officers as appropriate, alerting the TSXV and disseminating the release through a national wire service and other distribution channels so as to effect broad dissemination to the public while meeting the necessary regulatory obligations.

The following general guidelines should be considered for the preparation and dissemination of news releases: (a) avoid Friday afternoon releases; (b) be sure there is a news value to the story; (c) graphs are more interesting than spreadsheets; (d) tabled data is more interesting than text; (e) be clear and specific with assumptions and numbers; (f) do not hide negative facts; and (g) with the exception of **Material Changes** requiring immediate disclosure, news releases should be released prior to the market opening whenever possible.

PSI recognizes that posting information to its website will not, by itself, ordinarily satisfy the "generally disclosed" requirement of securities legislation. The Company will, however, endeavor to concurrently post to its website all documents filed on SEDAR in an effort to improve investor access to its information. Where practicable, PSI will also endeavor to post on its website all supplemental information that is given to analysts, institutional investors and other market professionals such as data books, fact sheets, slides of investor presentations or other relevant materials.

Any news release containing "earnings guidance" or financial information based on PSI's financial statements (prior to the release of such financial statements) should be reviewed by the audit committee. Where feasible, PSI will endeavor to issue earnings news releases concurrently with the filing of its quarterly or annual financial statements (or otherwise make those financial statements available, for example, by including them as part of the news release).

5. Conference Calls; Industry Conferences

Conference calls may be held for quarterly and annual earnings and major corporate developments, where discussion of key aspects is accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a webcast over the Internet. Such calls will be preceded by a press release containing all relevant **Material Information**. At the beginning of the call, a PSI spokesperson will provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing, if applicable, the assumptions, sensitivities and a discussion of the risks and uncertainties.

PSI will provide advance public notice of the conference call and webcast by issuing a press release announcing the date and time, the subject matter of the call and providing information on how interested parties may access the call and webcast and information regarding the availability of any archived webcast or transcript of the call. In addition, PSI may send invitations to analysts, institutional investors, the media and others invited to participate. A tape recording of the conference call and/or an archived audio webcast or transcript on the Internet will be made available following the call for a reasonable period of time (generally a minimum of 30 days), for anyone interested in listening to a replay.

In advance of an analyst conference call or industry conference, to the extent practicable, PSI will endeavor to script comments and responses to anticipated questions to identify **Material Information** that should be publicly disclosed and will limit comments and responses to non-material information and **Material Information** that has previously been publicly disclosed. After the call or presentation a debriefing should be conducted to review what was actually said and a record of what was said should be filed in the disclosure record. If there was any unintentional selective disclosure, immediate steps should be taken to make a full public announcement.

6. Forward-Looking Information and "Earnings Guidance"

Subject to the approval and disclosure procedures provided elsewhere in this policy, PSI may provide limited forward-looking information to enable shareholders and the investment community to better evaluate PSI and its prospects. PSI will ensure that such statements are identified as forward-looking. Moreover, such statements will be accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in the statements and a description of the factors or assumptions that were used in making the forward-looking statements.

PSI, to the extent practicable in the circumstances, will update forward-looking statements which continue to be material and which change materially.

Should PSI determine during the quarter that earnings will be out of the range of the current estimates (particularly if any of these items will likely be below the range), PSI may consider issuing a broadly disseminated press release, followed by individual or group calls to analysts and significant investors, at management's discretion, explaining this and the reason or reasons why. This would be done to avoid "earnings surprises" to the extent possible.

7. Correction of Selective Disclosure

If previously **Undisclosed Material Information** has been inadvertently disclosed to an analyst or any other person, the information must be publicly disclosed immediately by way of press release. The TSXV should be contacted and a halt in trading in PSI securities should be requested pending the issuance of the press release. Pending the public release of the **Material Information**, the parties who have knowledge of the information should be advised that the information is material and has not been generally disclosed.

8. Rumors

Rumors can cause unusual market activity. PSI will respond consistently to market rumors in the following manner: "it is our policy not to comment on market rumors or speculation". If market activity indicates that trading is being unduly influenced by rumors, the TSXV may request, or PSI may determine, that a clarifying statement be made through a press release. A trading halt may be instituted or requested pending an announcement by PSI. If the rumor is true, either in whole or in part, immediate disclosure will generally be required. The determination to make disclosure will be made by the **Disclosure Officers**.

9. Contact with Analysts and Others; Analyst Reports

PSI recognizes that meetings with analysts and significant investors are an important element of PSI's investor relations program. PSI will meet with analysts and investors on an individual or small group basis (including participating in industry conferences) as needed and will initiate contacts or respond to calls in a timely, consistent and accurate fashion in accordance with the requirements of this policy. PSI recognizes, however, that private meetings with analysts and other small group meetings carry with them the risk of inadvertent selective disclosure which should be avoided.

The **Disclosure Officers** should avoid getting involved in the contents of an analyst's report, except to correct factual errors. Confirmation of or attempting to influence an analyst's opinions or conclusions may be considered to be selective by PSI. "No comment" is an acceptable answer to questions that cannot be answered without violating the rule against selective disclosure. With regard to responding to financial models or drafts of analyst reports, it is PSI's policy to review, on request, the model or report for publicly disclosed factual content only (not "soft" information) and to give guidance only when assumptions have been made on the basis of incorrect public data that render unrealistic conclusions. It is imperative that the control of this process be centralized through the Chief Financial Officer. PSI's review shall be limited to publicly available factual information. PSI will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with an analyst's model or earnings estimate. Meetings with analysts may include general discussions regarding PSI's prospects, business environment, management philosophy and long-term strategy but should avoid discussions regarding non-publicly disclosed **Material Information**.

- PSI will generally not redistribute analyst reports to persons outside of PSI (including by posting such reports on its website).
- PSI will consider including in its regular periodic disclosures (such as its quarterly and annual management's discussion and analysis disclosure) details about topics of interest to

analysts, investors and other market participants as a means of providing more information to the marketplace generally and limiting its "selective disclosure" risks.

10. Quiet Periods

In order to limit the potential for selective disclosure (and the perception or appearance of selective disclosure), PSI will observe a "quiet period" during which time there will be no comment on analysts' earnings or other estimates or any other comments with respect to the current financial period's operations or expected results. The quiet period will normally commence on the 15th day of the last month of a financial period and end after the 2nd business day following the issuance of a press release disclosing the results for the period.

11. Notification of Market Surveillance

When the TSXV is open for trading, advance notice of a press release announcing **Material Information** must be provided to the market surveillance department (or similar department) of the TSXV by the General Counsel to determine if a halt in trading is necessary to provide time for the market to digest the news. When a press release announcing Material Information is issued outside of trading hours, the market surveillance department of the TSXV should be notified before the market opens. Copies of all press releases should be supplied to the market surveillance department of the TSXV and to the relevant securities regulators immediately.

12. Disclosure Record

The **Chief Executive Officer, Chief Operating Officer or Chief Financial Officer** (or Senior Officer of the Company) will maintain a file containing all public information about PSI. This includes news releases, brokerage research reports, reports in the press and notes from meetings with analysts, shareholders and other market parties.

13. Electronic Communications; Company Website

This policy also applies to electronic communications, including PSI's website. Accordingly, officers and personnel responsible for written and oral public disclosures will also be responsible for electronic communications.

A Disclosure Officer of the Company will be responsible for updating the investor relations section of PSI's website and for monitoring all information placed on the website to ensure that it is accurate, complete, up-to-date and in compliance with relevant securities laws.

Disclosure on PSI's website alone does not constitute adequate disclosure of information that is considered **Undisclosed Material Information**. Any disclosure of **Material Information** on the website will be preceded by the issuance of a press release. The Company will, however, endeavor to concurrently post to its website all documents filed on SEDAR in an effort to improve investor access to its information. Where practicable, PSI will also endeavor to post on its website all supplemental information that is given to analysts, institutional investors and other market professionals such as data books, fact sheets, slides of investor presentations or other relevant materials.

A Disclosure Officer of the Company will be responsible for responses to electronic inquiries. Only public information or information which could otherwise be provided in accordance with this policy will be utilized in responding to electronic inquiries.

In order to ensure that no **Undisclosed Material Information** is inadvertently disclosed, **Employees** may not participate in Internet chat rooms or newsgroup discussions on matters pertaining to PSI's activities or its securities. **Employees** who encounter a discussion pertaining to PSI should advise the Chief Financial Officer or Chief Operating Officer promptly, so that discussion may be monitored, if determined appropriate. PSI will not host or link to chat rooms, bulletin boards or news groups and will not link to or post analyst's reports on its website.

PART II CONFIDENTIALITY

1. When Information May Be Kept Confidential

Where the immediate disclosure of **Material Information** would be unduly detrimental to the interests of PSI, its disclosure may be delayed and kept confidential temporarily. Keeping information confidential can only be justified where the potential harm to PSI or to investors caused by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure and where confidentiality of the information is maintained.

Examples of circumstances in which disclosure might be unduly detrimental to the interests of PSI include: (a) where the release of information would prejudice the ability of PSI to pursue specific and limited objectives or to complete a transaction or series of transactions that are underway; (b) where the disclosure of the information would provide competitors with confidential corporate information that would be of significant benefit to them; and (c) where the disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations.

All decisions to keep **Material Information** confidential must be made by either the senior management or the directors of PSI. In such circumstances, PSI will comply with any obligation to make a confidential filing with applicable securities regulators and maintain confidentiality of the information.

2. Access to Confidential Information

Employees will be given access to confidential information on an "as needed" basis only and must not disclose that information to anyone except with the prior approval of a **Disclosure Officer** and where such disclosure is in the necessary course of business (e.g., discussions with PSI's bankers or advisers where the disclosure of the confidential information is necessary and the persons receiving it understand that it is to be kept confidential). Other circumstances where disclosure may be considered in the "necessary course of business" may include communications with: (i) vendors, suppliers or strategic partners; (ii) employees, officers and directors; (iii) lenders, legal counsel, auditors, financial advisors and underwriters; (iv) parties to negotiations (e.g., in connection with a private placement or acquisition); (v) labour unions and industry associations; (vi) government agencies in non-governmental regulators; and (vii) credit rating agencies. Selective disclosure of **Material Information** to an analyst, institutional investor or other market professional is not generally considered in the "necessary course of business". **Employees** must

not discuss confidential information in situations where they may be overheard or participate in discussions regarding decisions by others about investments in PSI.

3. Disclosure of Confidential Information

In the event that confidential information, or rumors respecting the same, is divulged in any manner (other than in the necessary course of business), PSI is required to make an immediate announcement on the matter. The TSXV must be notified of the announcement in advance in the usual manner.

4. Disclosure of Information to Outsiders

Before a meeting with other parties at which **Undisclosed Material Information** of PSI may be discussed in compliance with this policy, the other parties should be told that they must not divulge that information to anyone else, other than in the necessary course of business, and that they may not trade in PSI's securities until after the information is publicly disclosed and a reasonable period of time for its dissemination has passed. In such circumstances, the feasibility of having such parties enter into a confidentiality agreement with PSI should be considered.

Pool Safe Inc.