



## **NUVO RESEARCH INC.**

### **CORPORATE DISCLOSURE POLICY**

#### **PURPOSE OF THE POLICY**

The Corporate Disclosure Policy (the "Policy") identifies the standards and guidelines that govern public disclosure of material information in compliance with the applicable securities regulations and laws. As a public company, Nuvo Research Inc. ("Nuvo" or the "Company") has an obligation to ensure that all communications of Company information are timely, factual and accurate.

Unless otherwise noted, this Policy applies to all directors, officers and employees of Nuvo and its Subsidiaries (collectively and individually referred to as "Nuvo Personnel"). Failure of Nuvo Personnel to adhere to this Policy as it relates to the unauthorized disclosure of Material Non-Public Information (as defined below) will constitute presumptive grounds for termination of office and employment.

Failure to fulfill these obligations may result in significant liability for Nuvo and, in some instances, Nuvo Personnel, including both civil liability and criminal penalties. It is therefore important that Nuvo implement prescribed procedures and policies to govern the disclosure of Company information to the public. This Corporate Disclosure Policy (this "Policy") sets forth those procedures and policies.

#### **THE GENERAL PRINCIPLE**

Nuvo Personnel should not discuss Material Non-Public Information with any person (including, without limitation, Nuvo Personnel who do not need to know the information, family members, relatives and friends), except in the necessary course of business. Such prohibited discussion will not apply to discussions that take place in employee meetings chaired by one of the Chairman, Vice Chairman or President and CEO of the Company and that include only Nuvo Personnel. Similarly, Nuvo Personnel should not discuss Material Non-Public Information in public or quasi-public areas where conversations may be overheard (e.g., airplanes, restaurants, restrooms, elevators, etc.). In addition, Nuvo Personnel must ensure that any document (including an electronic document) containing Material Non-Public Information is properly protected, not viewed in any public location and stored safely at all times.

#### **CORPORATE DISCLOSURE COMMITTEE**

The Corporate Disclosure Committee will develop, implement and monitor the disclosure process for Nuvo. The Committee will review Material Non-Public Information for compliance, continuity, accuracy, completeness and currency and approve all public release of material information relating to Nuvo prior to such information being disseminated to the public or filed with applicable regulatory agencies. The Committee will be composed of the following members:

Chairman

Vice Chairman and Corporate Secretary

President and Chief Executive Officer

Chief Financial Officer

Members will serve on the Corporate Disclosure Committee at the designation of the Company management or until they resign from the Corporate Disclosure Committee. The Company may at its discretion make changes to the composition of the Corporate Disclosure Committee from time to time.

Any approvals required by the Corporate Disclosure Committee may be given by any two members. One of the two members must be either the Chairman or Chief Financial Officer or other member of the Committee who has a professional accounting designation.

The Corporate Disclosure Committee will report to the Chairman of the Company and the Nuvo Board of Directors from time to time as required.

## **AUTHORIZED COMPANY SPOKESPEOPLE**

Nuvo will limit the number of spokespeople to maintain consistent and accurate communications and to better manage the flow of disclosure. The only persons authorized to discuss Nuvo matters with the media, securities industry professionals (i.e. securities analysts, investment bankers and mutual fund representatives), the Company's shareholders or the public are as follows:

Chairman

Vice Chairman and Corporate Secretary

President and Chief Executive Officer

Chief Financial Officer

Manager, Investor Relations and Corporate Communications

Any person employed by a firm retained by the Company to perform or supplement the role of the Manager, Investor Relations and Corporate Communications

Any enquiries regarding Nuvo should be referred to one of these spokespersons.

## **DETERMINING MATERIALITY**

Material Information is any information or change of information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the Company's securities. Examples of Material Non-Public Information include, without limitation, previously undisclosed material non-public information concerning the Company regarding:

- I. the results of clinical trial or regulatory approvals;
- II. the entering into of licensing agreements;
- III. significant changes in capital investment or corporate objectives;
- IV. defaults under debt obligations, agreements to restructure debt or planned enforcement procedures by a bank or other creditors;
- V. significant mergers, acquisitions, joint ventures or changes in assets ;
- VI. changes in share ownership that may affect control of Nuvo;
- VII. changes in debt ratings;

- VIII. significant write-downs of assets, restatements, impairments or additions to reserves for bad debts or contingent liabilities;
- IX. material developments affecting the issuer's resources, technology, products or markets;
- X. significant developments regarding customers or suppliers, including the entering into or loss of significant contracts;
- XI. public or private sale by the Company of additional securities or planned repurchase or redemptions of securities;
- XII. take-over bids, issuer bids or insider bids;
- XIII. bankruptcies or receiverships of the Company or its subsidiaries;
- XIV. changes in the board of directors, or executive management;
- XV. significant litigation, including litigation relating to product liability or patent infringements;
- XVI. significant investigations by regulatory authorities or government bodies; and,
- XVII. borrowing of a significant amount of funds.

Note that this list is merely illustrative and not exhaustive and that what is considered "material" depends on the particular facts of each situation. It may be difficult to determine what information is material. If Nuvo Personnel becomes aware of information they think may be considered material, they should advise a member of the Corporate Disclosure Committee so the Committee may determine whether it should be publicly disclosed.

#### **CONFIDENTIALITY OF MATERIAL NON-PUBLIC INFORMATION**

No Nuvo Personnel will discuss or otherwise disclose Material Non-Public Information pertaining to Nuvo with any person except in accordance with the provisions of this Policy. If disclosure to third party recipients is required, in the necessary course of business, Nuvo Personnel will ensure that adequate measures are taken to protect the confidentiality of the information to be disclosed, including the execution of a written confidentiality agreement with the third party recipient of such information. Such confidentiality agreement will be subject to review by the Company's Chairman, Vice Chairman and Corporate Secretary or other Nuvo legal counsel.

#### **TIMELY DISCLOSURE**

Once a decision is made that information is material and that there is a duty to disclose, the information will be disclosed immediately and broadly disseminated. Any press release required by Market Regulation Services Inc. to be provided prior to its dissemination shall first be sent to Market Regulation Services Inc. Broad dissemination normally requires that the information be released in the form of a press release and disseminated over the major wire services. Press releases will be e-mailed to parties, who have expressed an interest in receiving releases directly. In addition, press releases disclosing material information will be posted on the Company's website on a timely basis.

Announcements of material information or changes should be factual and balanced. Unfavourable news must be disclosed just as promptly as favourable news. A press release should contain enough detail to enable the media and investors to understand the substance and importance of the material information it is disclosing. Unnecessary details, exaggerated reports or promotional commentary should be avoided.

## **WITHHOLDING INFORMATION**

According to Canadian securities regulation, material information may be withheld and kept confidential temporarily when the “immediate release of the information would be unduly detrimental” to the interests of the Company. The adverse effects on the Company due to the disclosure of confidential information must outweigh the detrimental effects on the market as a result of the withholding of the information (for example, the disclosure would prejudice negotiations in a corporate transaction). In this case, Nuvo will continue to keep such Material Non-Public Information confidential and, in the case of a material change, Nuvo will file with the OSC and other applicable Canadian securities regulatory authorities a confidential material change report. The status to keep the information confidential will be reviewed regularly by the Corporate Disclosure Committee. The decision to disclose the information publicly will be made when required by the regulators or earlier if practical.

## **SELECTIVE DISCLOSURE**

Selective disclosure occurs when Material Non-Public Information is disclosed to specific individuals or groups. This type of disclosure is generally improper and prohibited. Such disclosure may be intentional or inadvertent. If Nuvo Personnel become aware that there has been an incident of selective disclosure, it should immediately be reported to a member of the Corporate Disclosure Committee. Upon being contacted under such circumstances, the Corporate Disclosure Committee will (in consultation with Nuvo’s legal advisors if considered appropriate) develop a plan to make public disclosure of the information in accordance with the provisions of this Policy and will use their best efforts to execute such plan as soon as practicable, but in any event within the time period, if any, prescribed by applicable law.

## **GENERAL COMPANY COMMUNICATIONS**

This Policy acknowledges that Nuvo, including persons other than the Authorized Spokespersons, may communicate on a regular basis, in the ordinary course of business, with the Company’s customers, suppliers and other third parties (other than investors and shareholders), by means of media communications, interviews, speeches and industry conference presentations. These communications are not subject to this Policy, except where such communications may involve the dissemination or discussion of Material Non-Public Information pertaining to Nuvo. In such event, the relevant materials and information forming part of these communications should be submitted to the Corporate Disclosure Committee with reasonable advance notice, for purposes of the Committee’s review and approval. In the event of any doubt as to whether or not materials or information in a particular instance requires Corporate Disclosure Committee review and approval, these materials and information should be referred to the Corporate Disclosure Committee for consideration prior to distribution or discussion.

## **FORWARD-LOOKING INFORMATION**

From time to time, it may be appropriate to convey the future direction of the Company to the public in order to assist the market in accurately valuing the Company’s securities.

- (a) This information will be limited to facts and underlying assumptions about the Company’s business and strategies and the Company will not provide forecasts of future earnings or other financial results.
- (b) The information, if deemed Material Non-Public Information, will be broadly disseminated via press release prior to any other type of disclosure (and, in such case, the information will also require the prior review and approval by the Corporate Disclosure Committee);

Forward-looking information included in quarterly releases or other public documents will be accompanied by an appropriate warning or disclaimer which outlines the factors that may cause actual results to differ from expected results. When making oral forward-looking statements, such as in press briefings or meetings with analysts, reasonable care should be taken to include an appropriate reference to such risks and uncertainties.

## **REGULATORY FILINGS**

All regulatory filings made, including the Company's continuous disclosure documents and offering documents, made by or on behalf of Nuvo, with applicable securities regulatory authorities and stock exchanges, will be prepared by or in conjunction with, the Chairman, the Vice Chairman and Corporate Secretary and approved by the Corporate Disclosure Committee as set out herein. If a member of Nuvo Personnel is asked to review any offering or continuous disclosure document, he or she must consider all information about Nuvo of which he or she is aware 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. Nuvo Personnel must bring to the attention of a member of the Corporate Disclosure Committee any information which he or she knows or reasonably believes to be misleading or inaccurate in the document. Nuvo Personnel should also advise a member of the Corporate Disclosure Committee if he or she believes the document omits to state a fact or information that may be material. All news releases containing information regarding financial results of the Company, in particular annual and quarterly earnings, must be previewed by the board of directors or audit committee prior to dissemination.

## **PRESS RELEASES**

All press releases to be issued by or on behalf of Nuvo must be forwarded, where practicable, at least 24 hours prior to issuance, to at least two members of the Corporate Disclosure Committee for review and approval. If practicable, draft press releases will be circulated to members of the Board of Directors for comment prior to issuance; however this process shall not affect or diminish the authority and responsibility of the Corporate Disclosure Committee as set out herein.

## **ANNUAL AND QUARTERLY EARNINGS INFORMATION**

A press release containing a discussion of Nuvo's annual and quarterly earnings results will be submitted to the appropriate newswire services for dissemination in Canada.

Advance notice of the time, date and connection instructions for annual and quarterly earnings conference calls and/or webcast will be released in advance (generally not less than five (5) business days prior to the conference call) and posted on Nuvo's website (generally not less than five (5) business days prior to the annual and quarterly earnings release), or in either case where not released or posted in advance, included in the annual and quarterly earnings press release which should be issued not less than 12 hours prior to the conference call and/or webcast.

Annual and quarterly earnings conference calls or webcasts will be open to all interested parties to listen in on the call. Provisions will be made for a taped replay of the conference call (or webcast) to be made available for a number of days thereafter.

Assuming that these three steps have been followed, the information contained in the annual and quarterly earnings press release may be discussed freely on the scheduled conference call.

## **CONFERENCE CALLS**

Conference calls may be used to elaborate on information contained in a press release that has been issued, or to update the investment community on major initiatives that have been previously announced. The content of the presentation portion of each call will be scripted in advance of the call. Management will respond to questions and concerns from the participants on the call. The calls are open to analysts, investors, media and the public. A recording of the call will be made and kept in a file of publicly disclosed material. The recording may also be accessed by phone or through the internet following the completion of the call.

## **PRESENTATIONS**

Each Spokesperson should, prior to any scheduled interaction with the investment community, Nuvo shareholders (or prospective shareholders), the public or at industry conferences, consult with the Corporate Disclosure Committee as to what current information relating to Nuvo or its subsidiaries if any, might reasonably be considered to be Material Non-Public Information. Prior to the scheduled interaction, the Corporate Disclosure Committee should, if any such current Material Non-Public Information then exists, decide whether to: (i) keep the information "off-limits" for the interaction with the outsider(s); or (ii) disclose the information publicly by one of the means mentioned under the Timely Disclosure section of this Policy.

The Company will, from time to time, make itself available to visits from the investment community. It will provide all analysts and investors with equal opportunity to meet senior management. The Company may also hold one-on-one meetings to provide information about the Company that is essential for the preparation of an analyst report. As outlined herein, certain procedures must be followed prior to the meetings and it is recommended that at least two members of Nuvo's management attend meetings with investors and analysts.

## **ANALYST REPORTS**

Nuvo may review, upon request, analysts' models or reports, subject to the applicable restrictions of the OSC and TSX, or other applicable securities regulatory authority or stock exchange.

Any review will be conducted by the Chairman or his designee and any comments will be limited to those portions of the model or report that constitute statements of fact or a factual description of Nuvo's business or which discuss information which is not Material or has been publicly disclosed. The Chairman or his designee may correct factual errors in analysts' models and reports, provided the corrected information has already been broadly disseminated to the public or is not Material. In no event will any Nuvo Personnel comment on, confirm, deny or guide any forward-looking statements or financial projections contained in such models or reports.

Analyst reports are proprietary products of the analyst's firm. Nuvo may post on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on Nuvo. However, such list will not include links to analysts' or any other third party websites or publications.

## **MARKET RUMOURS**

It is Nuvo policy that it does not comment on market rumours. This means that as an issuer of public securities, the Company will respond to media or other inquiries with a statement to the effect that: "It is our policy not to comment on market rumours or speculation."

An applicable securities regulatory authority or stock exchange may request that Nuvo make a definitive or clarifying statement in response to a market rumour that is causing significant fluctuation in the trading price of Nuvo's listed securities. Nuvo, through the Corporate Disclosure Committee, will consider whether to make a policy exception and respond to the rumour. If a decision is made to respond to the rumour, the Corporate Disclosure Committee will determine the content of the appropriate press release to be issued.

## **INTERNET CHATROOMS AND BULLETIN BOARDS**

Nuvo Personnel are prohibited from participating in internet chatrooms or bulletin boards which discuss Company matters or developments. Nuvo Personnel must also report (as soon as reasonably possible) any discussion or information concerning Material Non-Public Information of Nuvo which is discovered on any internet chatroom or bulletin board to a member of the Corporate Disclosure Committee.

## **WEBSITE DISCLOSURE**

Press releases and all other disclosure documents will be posted on the Nuvo website as soon as reasonably possible following dissemination. Material information shall not be posted on the Company website or distributed by e-mail or otherwise until it has been disseminated by press release on a news wire service in accordance with applicable timely disclosure rules.

Disclosure of Material Non-Public Information on Nuvo's website currently does not in-and-of-itself constitute adequate public disclosure of such information. Material Non-Public Information which has not otherwise been disclosed in accordance with the Timely Disclosure Paragraph of this Policy, will not be posted on Nuvo's website.

Nuvo's website will reference the most current version of Nuvo's "Risk Factors" disclosure as contained in Nuvo's public disclosure record. The website will also set forth a current version of Nuvo's "Forward-Looking Information Disclaimer".

## **MAILING OF REPORTS AND OTHER MATERIALS**

Pursuant to National Instrument 51-102, Nuvo will include a request form with each annual report that is sent to its shareholders. Shareholders may fill out this card to receive quarterly reports throughout the year and an annual report at the end of the year by e-mail. The request card will be sent out annually to confirm those shareholders entitled to receive quarterly and annual reports.

## **NUVO PERSONNEL RESPONSIBILITIES**

It is critical that all Nuvo Personnel adhere to this Policy.

If any Nuvo Personnel have any doubts as to their responsibilities under this Policy, they should seek clarification and guidance from the Chairman, the Vice Chairman and Corporate Secretary or Manager, Investor Relations and Corporate Communications.

## **ANNUAL POLICY REVIEW AND DISTRIBUTION**

This policy shall be reviewed and approved by the Board of Directors of the Company annually. No changes to this policy will be made without the Board's approval.

This policy will be reviewed with and distributed to all Nuvo Personnel at least annually.