

**CORPORATE DISCLOSURE, CONFIDENTIALITY AND EMPLOYEE TRADING**



**ABER DIAMOND CORPORATION**

**POLICY**

**ON**

**CORPORATE DISCLOSURE, CONFIDENTIALITY AND EMPLOYEE TRADING**

**PURPOSE**

The purpose of this Policy on *Corporate Disclosure, Confidentiality and Employee Trading* ("Policy") is to clearly outline procedures and practical guidelines for the consistent, transparent, regular and timely public disclosure and dissemination of material and non-material information about Aber Diamond Corporation and its subsidiary and affiliated companies (collectively, "Aber") and rules regarding employee trading in Aber's securities.

Aber works to ensure that communications with the public about Aber are factual, timely and accurate and broadly disseminated in accordance with applicable legal and regulatory requirements.

**POLICY APPLICATION**

This Policy applies to all employees, officers and directors of Aber and, where appropriate, service providers to Aber, and those persons authorized to speak on behalf of Aber (collectively, "Employees"). It is essential that all Employees read, become familiar with and understand all elements of this Policy that relate to their work and how to treat confidential information about Aber and its partnerships and joint venture companies.

**DISCLOSURE COMMITTEE**

The Board of Directors of Aber (the "Board") has established a disclosure policy committee ("Disclosure Committee") responsible for overseeing Aber's disclosure practices. The Disclosure Committee consists of Aber's Chief Executive Officer ("CEO"), President, Chief Financial Officer ("CFO"), Corporate Secretary ("CS") and Investor Relations Officer ("IRO"), and such other persons as are designated from time to time by the Board. To the extent the

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Disclosure Committee deems appropriate, it shall consult with outside legal advisers in discharging responsibilities under this Policy. The Vice President, Internal Audit shall be invited to attend all meetings of the Disclosure Committee.

The Disclosure Committee shall implement this Policy; monitor the effectiveness of and compliance with this Policy; recommend any proposed changes to this Policy to the Corporate Governance Committee of the Board; determine whether information is deemed material and when events justify public disclosure; and monitor all of Aber's websites. Minutes of meetings of the Disclosure Committee will be maintained by the CS. Any member of the Disclosure Committee may convene the Disclosure Committee when appropriate to apprise it of pending material Aber developments in order to evaluate and discuss those events and to determine the appropriateness and timing for public release of information.

The Disclosure Committee will review and update, if necessary, this disclosure Policy on an annual basis or as needed to ensure compliance with changing regulatory requirements. The Disclosure Committee will report to the Corporate Governance Committee of the Board on an annual basis.

## **MATERIAL INFORMATION**

"Material Information" is any information relating to the business and affairs of a publicly traded company (an "issuer") that results in, or would reasonably be expected to result in, a significant change in the market price or value of the issuer's securities. Material information consists of both material facts and material changes. Marketing or distribution information or plans about any part of Aber may be Material Information to Aber and should be disclosed to the Disclosure Committee.

Determination of the materiality of an event or information will be made by the Disclosure Committee. In determining materiality, a number of factors will be taken into consideration, including the nature of the information itself (both quantitative and qualitative information), changes in the volatility of the price of Aber's securities and the prevailing market conditions. .

Canadian regulators have listed a number of actual or proposed developments that are likely to give rise to Material Information and to require prompt disclosure. Below is a non-exhaustive list that is intended to provide examples of developments and information that may require public disclosure. These include, without limitation:

- (i) changes in share ownership that may affect control of the issuer;
- (ii) changes in corporate structure, such as reorganization, amalgamations, mergers, etc.;
- (iii) take over bids, issuer bids or insider bids;
- (iv) major corporate acquisitions or dispositions;

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- (v) public or private sale of additional securities or planned repurchase or redemptions of securities;
- (vi) changes in the issuer's dividend payment or policies, or other material modifications to the rights of security holders;
- (vii) changes in capital structure;
- (viii) borrowing of significant amount of funds;
- (ix) development of new products and developments affecting the issuer's resources, technology, products or market;
- (x) significant discoveries by resource companies;
- (xi) entering into or loss of significant contracts;
- (xii) firm evidence of significant increases or decreases in near-term earnings prospects;
- (xiii) changes in capital investment plans or corporate objectives;
- (xiv) changes to the chair of the Board of Directors, executive management or significant changes in management;
- (xv) significant litigation;
- (xvi) major labour disputes or disputes with major contractors or suppliers;
- (xvii) events of default under financing or other agreements;
- (xviii) bankruptcies or receiverships,
- (xix) changes of auditors or to the auditors' report to the shareholders,
- (xx) changes in rating agency decisions,
- (xxi) significant changes to mine plans;
- (xxii) any other developments relating to the business and affairs of the issuer that would reasonably be expected to significantly affect the market price or value of any of the issuer's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

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### **DISCLOSURE OF MATERIAL INFORMATION**

Aber will disclose Material Information concerning the business and affairs of Aber to the public immediately, except when otherwise required for the purpose of maintaining the confidentiality of the information. This is to enable all persons investing in Aber's securities to have the opportunity for equal and timely access to information that may affect their investment decisions regarding those securities.

Where Material Information is disseminated by Aber through a news release, that information is not considered to be publicly disclosed until there has been two full days of trading after the news release has been issued.

Management of Aber is responsible for ensuring that disclosure of all information respecting Aber, including Material Information required to be disclosed under applicable securities laws, is carried out in accordance with a consistent procedure and in accordance with such laws.

Procedures governing the disclosure of Material Information required to be disclosed shall provide that such disclosure shall be made in accordance with the following principles:

- (i) Material Information should not be disclosed selectively;
- (ii) information previously disclosed by Aber should be updated if it has become misleading as a result of subsequent events; and
- (iii) where Material Information is to be announced at a meeting of analysts, investors, the media or shareholders, or at a news conference, a prior general announcement respecting the Material Information must be made by a news release disseminated by a news wire service.

All news releases relating to policy and the activities of Aber shall be pre-cleared with the CEO. If practical, news releases to be issued by or on behalf of Aber will be forwarded at least 24 hours prior, but in any event prior, to issuance to the Disclosure Committee for review and approval.

### **DELAY IN DISCLOSING MATERIAL INFORMATION**

Under certain circumstances, Aber may keep Material Information confidential for a limited period of time because immediate disclosure may be unduly detrimental to Aber or may not be disclosable due to third-party confidentiality restrictions or uncertainty of events. The determination of when to not disclose Material Information immediately will be made by the Disclosure Committee who shall advise the Chairman of the Corporate Governance Committee of such decision, ensure appropriate confidential filings are made and determine how that information will be controlled internally.

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### **SAFEGUARDING CONFIDENTIALITY/GENERAL PRINCIPLES**

Employees may not “tip” or discuss internal Aber matters or developments which in any way relate to Material Information with any other persons, except as required in the performance of his or her employment duties and in the necessary course of business. The “necessary course of business” exception is a very limited exception. This exception does not permit any Employee to make selective disclosure of Material Information to the media, an analyst or market professional. Disclosure under the “necessary course of business” exception shall be pre-approved by a senior executive of Aber or a member of the Disclosure Committee.

Information disclosed by a customer, supplier or business associate to an Employee, and identified as private or confidential, shall be protected from disclosure to the same extent as would Material Information.

To protect Material Information from disclosure, Employees:

- (i) should not discuss Material Information in public places where Material Information may be overheard (e.g., elevators, restaurants, airplanes, taxicabs, limousines) or participate in, host or link to Internet chat rooms, newsgroup discussions or bulletin boards which discuss matters pertaining to Aber’s activities or its securities;
- (ii) should not carry, read or discard Material Information in an exposed manner in public places;
- (iii) should not discuss with, or disclose to, any other persons Material Information, except in the necessary course of business and pursuant to an express confidentiality agreement with the intended recipient of the information;
- (iv) shall advise the other persons with whom they are meeting where Material Information may be disclosed, before the meeting, that they must not divulge the Material Information, other than in the necessary course of business and pursuant to an express confidentiality agreement with the intended recipient of the information, or trade in Aber’s securities until the Material Information is publicly disclosed; and
- (v) should avoid unnecessary copying of confidential documents and immediately remove from conference rooms and work areas after meetings have concluded all documents containing confidential information.

When so required by a supervisor, Employees will take such additional steps as may be necessary to protect Material Information from disclosure, including keeping filing cabinets locked, referring to specified matters only by a code name and limiting access to documents.

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### **AUTHORIZED SPOKESPERSONS**

All inquiries to discuss Aber matters from the media, securities industry professionals, institutional investors or Aber security holders shall be referred to the IRO who will respond to the inquiry or refer the inquiry to the CEO, President or CFO, as appropriate, or to such other person as may be designated by the Board of Directors from time to time (each an "Authorized Spokesperson"). Employees who are not Authorized Spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by the CEO or President.

### **MATERIAL INFORMATION RESPECTING ANOTHER COMPANY**

Employees are prohibited from engaging in any action to take advantage of, or pass on to others, Material Information or undisclosed material information respecting another company, including buying or selling, or recommending the buying or selling of, any assets or securities of that company, in reliance on such Material Information or undisclosed material information. This prohibition also applies to trading by individuals who learn of Material Information or undisclosed material information respecting another company from Employees (e.g., spouses, friends, relatives) who for the purposes of this Policy are responsible for the trading by such individuals; it being understood that trading by such individuals would also likely constitute a violation by them of applicable securities laws relating to insider trading.

### **TRADING RESTRICTIONS AND BLACKOUT PERIODS**

It is illegal for anyone to purchase or sell securities, either directly or indirectly, including, without limitation, granting or exercising public option contracts, stock options, phantom stock plans or similar employee compensation mechanisms, of any public entity (including Aber) with knowledge of Material Information affecting that entity that has not been publicly disclosed. Except in the necessary course of business, it is also illegal for anyone to inform any other person of non-public Material Information. Therefore, Employees with knowledge of confidential or Material Information about Aber or counter-parties in negotiations of material potential transactions, are prohibited from trading securities in Aber or any such counter-party until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated. This period of time is considered to have passed after there has been two full days of trading following a public announcement disclosing such information.

Aber has adopted trading restrictions which are applicable to insiders, namely the directors and officers of Aber, and to certain Employees (generally Employees who are, or may be, privy to financial information) who from time to time are designated as being subject to the following trading restrictions. These persons shall only be entitled to trade Aber's securities, including exercising options or trading in public option contracts, during designated open periods (the "Open Periods"). The Open Periods shall commence on the third full day of trading after Aber has issued a news release containing its quarterly financial results (the "Start Date"), and shall continue for a period of six weeks from the Start Date. Insiders, and designated Employees, may

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not trade Aber's securities, including exercising options or trading in public option contracts, at times other than the Open Periods.

Blackout periods may also be prescribed from time to time by the Disclosure Committee as a result of special circumstances relating to Aber, pursuant to which insiders, and should the Disclosure Committee determine appropriate other designated Employees, would be precluded from trading in Aber securities including exercising options. The CS shall inform all insiders and other designated Employees via e-mail of the beginning and ending of blackout periods. All parties with knowledge of such special circumstances are covered by the blackout. Such parties may include external advisors such as legal counsel, investment bankers and counter-parties in negotiations of potential material transactions. No Employee shall disclose to any outside third party that a blackout period has been designated.

## **DISCLOSURE RECORD**

The IRO shall be responsible for maintaining a file containing all public information and disclosure documents prepared by Aber, including, without limitation, news releases publicly released by Aber, materials distributed to analysts and investors and documents filed with the securities regulatory authorities.

## **DISCLOSURE OF MATERIAL INFORMATION**

Subject to the provisions detailed below regarding the disclosure of quarterly financial information, all Material Information pertaining to Aber should initially be disclosed either (i) by means of a widely disseminated news release; (ii) by the filing of a material change report or other like form with the applicable securities regulators; (iii) by another method reasonably expected to effect a broad and non-exclusionary distribution of information to the public; or (iv) pursuant to an express confidentiality agreement with the intended recipient of the information which disclosure is made in the necessary course of business. Disclosure of Material Information to analysts and the investing community is never in the necessary course of business and shall be not be disclosed to them until it has been publicly disclosed.

## **DISCLOSURE OF FINANCIAL EARNINGS INFORMATION**

Quarterly and annual earnings information regarding Aber shall be disclosed in the following manner: A news release approved by the Audit Committee and Board, respectively, containing a discussion of Aber's earnings results should be submitted to the appropriate newswire service for dissemination in Canada and the U.S. In the event Aber plans to have an earnings conference call or webcast, advance notice of the time, date and connection instructions for the conference call will be (i) included with the earnings news release, and (ii) posted on Aber's website at the close of the market prior to the earnings release. The earnings conference call, if there is one, should be broadcast on a medium that will allow the public, without charge, to listen in on the call, and, to the extent reasonably possible, provision should be made for a taped replay of the conference call to be made available for a number of days thereafter. Assuming that these steps

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have been followed, the information contained in the quarterly earnings news release may be discussed freely on the scheduled conference call.

No Employee should ever discuss Aber's income or earnings information either on a consolidated or individual basis (including giving any "guidance" or "comfort" on securities analysts' estimates or reports) with anyone outside of Aber, except in accordance with the provisions of the Policy.

## **DEALING WITH THE PRESS, GENERAL MEDIA AND INDUSTRY COMMUNICATIONS**

Disclosure at meetings with analysts, investors or the media shall be limited to an explanation or clarification of publicly available information and generally shall not refer to forecasts of future financial results or events. A record should be kept of all materials distributed or presented by any media (such as computer presentations or videos) at such meetings. To the greatest extent practicable, more than one Authorized Spokesperson from Aber should be present at each meeting with analysts, investors or the media. After such a meeting, if the Authorized Spokesperson has any concerns regarding the information disclosed, he or she should discuss the matter with the CEO or legal counsel.

## **RUMOURS**

Aber does not comment, affirmatively or negatively, on rumours. This also applies to rumours on the Internet. An Authorized Spokesperson will respond consistently to rumours saying, "It is Aber's policy not to comment on market rumours or speculation." Should the stock exchange request that Aber make a definitive statement in response to a market rumour that is causing significant volatility in the price of Aber's securities, the CEO will consider the matter and respond appropriately consulting the Disclosure Committee for advice if time permits. If Aber decides to comment on a rumour, a news release will be issued.

## **INADVERTENT DISCLOSURE**

If an Employee becomes aware that there has been an inadvertent disclosure of Material Information he or she should immediately contact a member of the Disclosure Committee who will convene a meeting of the Disclosure Committee to consider the matter and the appropriate next steps.

## **ANALYSTS' REPORTS**

Upon request, Aber may review analysts' reports or models. Any review will be conducted by an Authorized Spokesperson and any comments will be limited to those portions of the model or report that constitute statements of historical fact or a factual description of Aber's business. An Authorized Spokesperson may correct factual errors in analysts' reports and models, provided the factual information has already been disseminated to the public. Aber will try to ensure,

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through its regular public dissemination of quantitative and qualitative information that analysts' estimates are in line with Aber's own expectations. In no event shall any Employee comment on, confirm, deny or guide any forward looking statements or financial projections contained in such reports unless previously publicly disclosed by Aber. Analyst's reports are proprietary product of the analyst's firm.

Re-circulating an analyst's report may be viewed as endorsement by Aber of the report. For these reasons, Aber will not provide analysts' reports through any means to persons outside of Aber, including posting such information on its website, but these reports may be provided periodically to the Board and senior management. Aber may post on its website a list, regardless of the recommendation, of all the investment firms and analysts, to Aber's knowledge, who provide research coverage on Aber. Such list will not include links to analysts' or any other third party websites or publications.

## **FORWARD-LOOKING INFORMATION**

Aber may provide selective forward-looking information to enable the investment community to evaluate Aber and its prospects for performance, provided that it is not undisclosed Material Information, it does not deal with the current period's operational results or earnings, and it has been prepared by or reviewed by a member of the Disclosure Committee. In presenting any Aber forward-looking information to the investment community in continuous disclosure documents, speeches, conference calls, news releases, etc. all statements are to be accompanied by appropriate assumptions and contingency, cautionary and disclaimer language which has been approved by the CS or legal counsel. The following guidelines apply to forward-looking information:

- (i) forward-looking information, if deemed Material Information, will be broadly disseminated via a news release, in accordance with this Policy;
- (ii) forward-looking information will be clearly identified as forward looking;
- (iii) Aber will identify all material assumptions used in the preparation of forward-looking information;
- (iv) forward-looking information will be accompanied by a statement that identifies, in very specific terms, the risks and uncertainties that may cause the actual results to differ materially from those projected in the statement, including a sensitivity analysis to indicate the extent to which different business conditions from the underlying assumptions may effect the actual outcome; and
- (v) forward-looking information will be accompanied by a statement that disclaims Aber's intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise. Notwithstanding this disclaimer, should subsequent events prove past statements

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about current trends to be materially off target, Aber may choose to issue a news release explaining the reasons for the difference. In this case, Aber will update its guidance on the anticipated impact on revenue and earnings (or other key metrics).

## WEBSITE DISCLOSURE

The CEO, President or CFO shall authorize each Aber website. Review of each website for non-public Material Information shall be delegated by either the CEO, CFO or President to appropriate Employees. Disclosure of Material Information on Aber's websites does not in and of itself constitute adequate public disclosure of such information. Material Information which has not otherwise been disclosed in a news release shall not be posted on Aber's websites.

All information filed on SEDAR shall be immediately posted to, or identified as being filed with SEDAR, on Aber's website.

The CFO shall be responsible for reviewing and approving in advance all financial information to be posted on Aber's website. The CFO shall also periodically review and audit Aber's websites so as to ensure the accuracy, completeness and currency of the financial information posted thereon. The websites shall also set forth a current version of Aber's forward-looking statement disclaimer.

Aber's websites shall not post or hyperlink to analysts' reports or any other similar third party information regarding Aber. All data posted to the website shall show the date such material was posted.

## COMPLIANCE

As a public company, Aber has an obligation to ensure that all communications of Aber's information are timely, factual, accurate and in compliance with the applicable regulatory and legal requirements of the various securities commissions and exchanges to which Aber is subject from time to time. Failure to fulfill this obligation may result in significant liability for and sanctions against Aber and, in some instances, certain Employees. This *Policy on Corporate Disclosure, Confidentiality and Employee Trading* sets forth Aber's prescribed procedures and policies to govern the disclosure of Aber's information to the public.

Failure to comply with the terms of this Policy may result in disciplinary action, possibly including termination of employment without notice.

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### **CHANGES TO THE POLICY**

The Board of Directors of Aber may, from time to time, permit departures from this Policy, either prospectively or retrospectively. This Policy is not intended to give rise to civil liability on the part of Aber or its Employees to shareholders, investors, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part. This Policy may be amended at any time.

APPROVED by the Board of Directors of Aber Diamond Corporation on the 30th day of April, 2007.