

# POET Technologies Inc. (the “Company”)

## Securities Trading Policy

### 1. Introduction and Purpose

**1.1** Definitions – For the purpose of this Policy, the following terms have the following meanings:

- a. “**Company**” includes the Company and its subsidiaries, if any.
- b. “**Company Personnel**” includes the directors, officers and Employees of the Company, and other persons in similar relationships with the Company.
- c. “**Employees**” includes all permanent, contract, secondment and temporary agency employees who are on long-term assignments with the Company, as well as to consultants to the Company.
- d. “**Insiders**” of the Company are directors and officers (including consultants who perform the services of an officer) of the Company.
- e. “**Material information**” consists of both “**material facts**” and “**material changes**”. A “**material fact**” means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of the Company. A “**material change**” means a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company and includes a decision to implement such a change if such a decision is made by (i) the Board or (ii) by senior management who believe that confirmation of the decision by the Board is probable. Determining the materiality of information requires the exercise of judgment. In general terms, material information includes any information that:
  - (i) Results, or could reasonably be expected to result, in a significant change in the market price or value of any of the securities of the issuer to which the information relates; or
  - (ii) There is a substantial likelihood would be considered by a reasonable security holder to be important in making an investment decision.
- f. “**Necessary course of business**” has a limited meaning and use and exists so as not to unduly interfere with the Company’s ordinary business activities. The term could cover communications that are required to be made to further the business purposes of the Company and generally cover communications with: (i) Vendors, suppliers or strategic partners on issues such as research and development, sales and marketing and supply contracts; (ii) other Company Personnel; (iii) Lenders, legal counsel, underwriters, auditors, and financial and other professional advisors to the Company; (iv) Parties to various types of negotiations with the Company; (v) Credit rating agencies; (vi) Labour unions and industry associations; or (vii) Government agencies and non-governmental regulators.

**1.2 Importance of Compliance** – Securities legislation, rules and regulations impose various requirements on the Company, all Company Personnel that are intended to ensure that individuals in a special relationship (as defined under securities legislation) with the Company do not trade in

the shares or other securities of the Company when they are in possession of material, non-public information (as defined below in Section 2.4(e)) and do not pass on or tip that information to others.

**The consequences of improper trading or tipping (or suspicion of any of those activities) are serious, both for the individual involved and the Company. Breach of the applicable legislation, rules and regulations may involve both civil and criminal penalties, and the monetary and reputational cost of an actual or suspected breach may be significant.**

**1.3 Purpose** – This Policy is intended to help to ensure that the Company and Company Personnel comply with these requirements by setting out procedures and guidelines for restricting trading by Company Personnel in securities of the Company and other issuers in respect of which Company Personnel may receive material, non-public information while representing the Company, if the Company Personnel is in possession of material, non-public information.

**1.4** Securities legislation prohibits any person in a "**special relationship**" with the Company from purchasing or selling securities issued by the Company, and also from engaging in various hedging and derivative transactions in respect of such securities, with knowledge of a material fact or material change (as defined in Section 1.1 (c)) with respect to the Company that has not been generally disclosed. This prohibited activity is commonly known as "insider trading".

## **2. Scope and Application**

**2.1** This Policy extends to all Company Personnel and their family members, as well as any other Insiders of the Company. Company Personnel are responsible to the best of his/her ability for directing family members to comply with this Policy. For the purposes of this Policy "**family member**" means, in relation to any Company Personnel any spouse, child, stepchild, grandchild, parent or stepparent, whether or not sharing the same household as the Company Personnel, and others living in their households, and investment partnerships and other entities (including trusts and corporations) over which such Company Personnel have or share voting or investment control.

**2.2** This Policy supplements securities legislation, rules and regulations regarding trading, as well as the policies and procedures set out in the Company's other corporate governance documents. The Board of Directors of the Company (the "**Board**") may change this Policy and the procedures that it contemplates as appropriate to carry out the purposes of this Policy and applicable legal requirements. All Company Personnel shall read and agree to adhere to the terms of the Policy.

**2.3** This Policy is not intended to provide an in-depth legal analysis of insider trading rules but rather to serve as a guideline for the purpose of limiting the possibility of illegal or inappropriate use of undisclosed confidential material information, facts or changes regarding the Company. The onus of complying with this Policy and the relevant insider trading and other securities legislation lies with each individual director, officer and Employee of the Company and its subsidiaries, each of whom is expected to be familiar with this Policy and such legislation and to comply fully with them.

## **3. Procedures and Guidelines Governing Trading**

**3.1 Trading for Speculative Purposes** – To limit the possibility of any suspicion of improper trading, Company Personnel should trade in securities of the Company or other issuers in respect of which Company Personnel may receive material, non-public information while representing the Company (including the exercise of stock options and exchange-traded options or other derivative

securities that are not issued by the Company or Special Relationship Issuer but are based on its securities, collectively (“**Relevant Securities**”) only for investment, and not speculative, purposes.

**3.2 Prohibited Trading Activities** - No Company Personnel (and no entity in respect of which he or she has or shares voting or investment control) should trade in:

- a. Relevant Securities while in possession of material, non-public information concerning the issuer and persons possessing such information may generally trade only after 48 hours following the Company’s widespread public release of the information in accordance with this Policy;
- b. Company securities during any applicable “blackout periods” described below; and
- c. Any interest or position (other than incentive stock options to acquire the Company’s securities) relating to the future price of Relevant Securities, such as a put, call or short sale.

**3.3 No Tipping** – Securities legislation prohibits a company or any person in a "special relationship" with an issuer from informing any other person, other than in the "necessary course of business" (as defined in Section 1.1 (d)), of a material fact or material change in respect of the issuer before the material fact or material change has been generally disclosed. This prohibited activity is commonly known as "tipping". Both the person who provides the information and the person who receives the information could be liable under securities laws if the person who receives the information purchases or sells securities of the issuer.

**3.4 No Trading During Blackout Periods** – No Company Personnel who are “Blacked Out Personnel” (as defined below) should trade in Company securities including the exercise of stock options during any “regularly scheduled blackout period” or “discretionary blackout period” (defined below) that the Disclosure Committee may designate and which will be communicated promptly on designation, generally by e-mail or other manner as appropriate in the circumstances. No Company Personnel should disclose to any persons that are not Company Personnel that a discretionary blackout period has been designated.

- a. "**regularly scheduled blackout periods**" means periods in each case beginning the 10th day prior to the day on which the Company expects to release its annual or quarterly financial statements and ending 48 hours following such release of annual or quarterly financial statements.
- b. "**discretionary blackout periods**" are imposed from time to time on Company Personnel by the Executive Chairman, or the CEO and at least one (1) other member of the Disclosure Committee (typically the Chairman of the CGNC), in addition to the regularly scheduled blackout periods, following consultation with the CEO, CFO, Chairman of the CGNC and Board as may be appropriate in the circumstances.
- c. The following are “**Blacked-Out Personnel**” of the Company for the purposes of regularly scheduled and discretionary blackout periods:
  - i. All Insiders and their family members; and
  - ii. All Company Personnel who are notified by the Company that they have been designated as Blacked-Out in respect of such periods, and to the best of their ability to their family members.

**d. Waiver** – Notwithstanding any of the prohibitions contained in this Section 3.4, the CEO and at least one (1) other member of the Disclosure Committee (typically the Chairman of the CGNC) may exercise discretion to waive the prohibitions contained in this Section 3.4 in exceptional circumstances (such as to allow for the exercise of options), provided that the person seeking the waiver does not have any undisclosed Material Information and that making such an exception would not violate any applicable securities laws. Company securities acquired on the exercise of options will be subject to all of the provisions of this Policy and cannot be sold in connection with the exercise of an option pursuant to this paragraph or otherwise except in compliance with the provisions of this Policy.

**3.5 Advance Notification of Trades** – Insiders and Company Personnel should not trade in Company securities, excluding the exercise of options on hold basis, without notification sent to the Corporate Secretary of the Company at least 48 hours prior to the proposed trade (including the proposed number of securities and nature of the trade). The Corporate Secretary will notify the Executive Chairman, CEO, and Chairman of the CGNC who will advise if there is any undisclosed material information or change or any pending development which would necessitate that the trade not occur at that time, in which event the Corporate Secretary shall advise the Insider or Company Personnel when the proposed trade may take place.

**3.6 Special Considerations in Investing in Company Securities** – Company Personnel and their family members are urged not to purchase Company securities using borrowed funds in an amount or on terms and conditions which are not prudent in light of their financial condition. In addition, careful consideration should be given before pledging Company securities for a loan because of the potential insider trading liability that could arise if the lender should seek to sell the securities at a time when there is undisclosed material information about the Company.

**3.7 Insider Reports** – Under securities laws, Insiders are required to file a report (an "**Insider Report**") with securities regulators any time their direct or indirect beneficial ownership of or control or direction over securities of the Company (including derivatives thereof) changes, including any time they trade such securities. This is a broad obligation and Insiders must file an Insider Report electronically through the System for Electronic Disclosure by Insiders ("**SEDI**") within five (5) days after each such change.

**3.8** Securities legislation exempts some Insiders from filing Insider Reports. Please contact the Secretary of the Company to determine the availability of an exemption in a particular case.

## **4. Potential Sanctions**

**4.1 Disciplinary Actions** – Violation of this Policy or applicable legislation, rules, regulations or stock exchange requirements by any Company Personnel may subject that person to disciplinary action by the Company, which could include termination for cause. The violation of the Policy may also violate certain securities laws, which could expose such Company Personnel to civil and criminal personal liability. If it appears that Company Personnel may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to fines or other penalties.

**4.2 Reporting of Violations** – Any Company Personnel who believes he may have violated this Policy or any applicable legislation, rules, regulations or stock exchange requirements, or knows of

any such violation by any other Company Personnel, should report the violation immediately to the Chairman of the CGNC.

## **5. Administration of the Policy**

**5.1** The CGNC, in consultation with the Disclosure Committee, has been designated as responsible to oversee the procedures and guidelines relating to this policy. In this context, the Corporate Secretary on the advice of the Chairman of the Corporate Governance and Nominating Committee or the Executive Chairman will administer, monitor and enforce compliance with applicable legislation, rules and regulations, as they relate to this policy and recommend revisions to this Policy as necessary to reflect changes in applicable legislation, rules and regulations.

**5.2** Nothing contained in this Policy is intended to expand applicable standards of conduct under statutory or regulatory requirements or is intended to give rise to liability on the part of any Directors of the Company or the members of any Committee of the Board.

**5.3 Consulting for Guidance** – Any Company Personnel who is unsure about the application or interpretation of this Policy to a specific situation (including whether the information that they possess is material or non-public), or whether other prohibitions or restrictions apply, should consult the Executive Chairman, CEO or Chairman of the Corporate Governance and Nominating Committee.

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*Approved by the Board of Directors on May 21st, 2014*

*Amended on August 25, 2014*

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*Michel Lafrance, Corporate Secretary*