



Policy Respecting Confidentiality, Disclosure and Trading by Restricted Persons and Employees

PART I CONFIDENTIALITY

1 Purpose

- 1.0 The purpose of Part I of this Policy is to ensure that all employees and directors of OSI Geospatial Inc. (the "Company"), regardless of country of residence, treat confidential information in a consistent manner and in accordance with Canadian securities laws.

2 Confidential Information

- 2.0 Information respecting the Company is considered confidential information if its knowledge would reasonably be expected to result in a significant change in the market price or value of the Company securities, and such information has not been publicly disclosed (throughout this Policy, "Confidential Information").
- 2.1 Confidential Information includes information concerning the business operations or capital of the Company.
- 2.2 It is to be recognized that information may be Confidential Information within the meaning of this Policy at an earlier stage than the Company is required by applicable securities laws to publicly disclose such information (for example at an earlier stage in the process of making a major acquisition or negotiating a significant contract).
- 2.3 Where information is disseminated by the Company through a press release, that information is not considered to be publicly disclosed until at least the close of one (1) complete business day after the press release, and in circumstances where the information is not readily accessible through the news media, that information may not be considered to be publicly disclosed until up to a week.

3 Safeguarding Confidentiality

- 3.0 The Company personnel may not discuss Confidential Information with any other persons (whether or not Company personnel), except in the necessary course of business.
- 3.1 In addition, information disclosed by a customer, supplier or business associate to the Company personnel, and identified as private or confidential, shall be protected from disclosure to the same extent as would Confidential Information.
- 3.2 To protect Confidential Information from disclosure, the Company personnel:
- i) should not discuss Confidential Information in public places where Confidential Information may be overheard (e.g., elevators, restaurants, aeroplanes, taxicabs);
 - ii) should not carry, read or discard Confidential Information in an exposed manner in public places;
 - iii) should not discuss Confidential Information with personal friends or relatives; and
 - iv) should not participate in discussions with other persons respecting investments in the Company.



- 3.3 Before any meeting with other persons where Confidential Information may be disclosed, the Company personnel shall advise the other persons that they must not divulge the Confidential Information other than in the necessary course of business, or trade in the Company securities until the Confidential Information is generally disclosed.
- 3.4 When so required by a supervisor, the Company personnel will take such additional steps as may be necessary to protect Confidential Information from disclosure, including keeping filing cabinets locked, referring to specified matters only by a code name and limiting access to the word processing system.
- 3.5 All inquiries from the media shall be referred to the Chief Executive Officer (CEO) (or such other person as may be designated from time to time to perform the role of such officer under this Policy by the CEO) for response by designated spokespersons.
- 3.6 All inquiries from securities analysts or institutional investors shall be referred to the CEO (or such other person as may be designated from time to time to perform the role of such officer under this Policy by the CEO) for response by designated spokespersons.
- 4 Sanctions**
- 4.0 Failure to comply with the terms of this Part of the Policy will result in disciplinary action, possibly including termination of employment.
- 4.1 Certain regulatory sanctions including fines, imprisonment and civil actions may be imposed on individuals improperly disseminating Confidential Information.

PART II DISCLOSURE

1 Purpose

- 1.0 The purpose of Part II of this Policy is to ensure that all disclosure by the Company of Confidential Information is conducted in a consistent manner and in accordance with Canadian securities laws.

2 Procedures for Determining Whether Information is Confidential Information

- 2.0 The CEO shall be responsible for ensuring that the determination of which information constitutes Confidential Information shall be carried out in accordance with a consistent procedure and in accordance with Canadian securities laws. To the extent the CEO deems appropriate, such officer shall consult with outside legal advisers in discharging his responsibilities under this Policy.

3 Public Statements

- 3.0 The CEO shall be responsible for ensuring that disclosure of all information respecting the Company, including Confidential Information required to be disclosed under Canadian securities laws, shall be carried out in accordance with a consistent procedure and in accordance with such laws.
- 3.1 Procedures governing the disclosure of Confidential Information required to be disclosed shall provide that such disclosure shall be effected in accordance with the following principles:
- i) Confidential Information should not be disclosed selectively;
 - ii) information previously disclosed by the Company should be updated if it has become misleading as a result of subsequent events; and



- iii) where Confidential Information is to be announced at a meeting of analysts, the media or shareholders, or at a press conference, a simultaneous general announcement respecting the Confidential Information must be made by press release.
- 3.2 Public statements of policy will be made only by the Chief Executive Officer (CEO). All press releases shall be pre-cleared with the CEO or, failing that, the Chairman of the Board.
- 3.3 Notice of a press release announcing Confidential Information shall be provided to the Market Surveillance Branch of the Toronto Stock Exchange (the "TSE") prior to its release (if press release to be issued during TSE trading hours) or before trading begins (if issued outside TSE trading hours).
- 3.4 The CEO shall be responsible for maintaining a file containing all disclosure documents prepared by the Company, including press releases, publicly released by the Company or other documents filed with the securities regulatory authorities.

4 Dealing with Analysts and the Media

- 4.0 All inquiries from securities analysts shall be referred to the CEO for response only by designated spokespersons.
- 4.1 Disclosure at meetings with analysts 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 matters discussed and information disclosed at the meeting. To the greatest extent practicable, more than one spokesperson from the Company should be present at each meeting with analysts or the media. After such a meeting, if the spokespersons have any concerns regarding the information disclosed, they should discuss the matter with the CEO.
- 4.2 It will continue to be a policy of the Company to review financial models and drafts of analysts' research reports for factual content only.

5 Inadvertent Disclosure

- 5.0 In the event that any Confidential Information is inadvertently disclosed, general disclosure of such Confidential Information shall be made immediately and such disclosure shall be coordinated by the CEO or, failing that, the Chairman of the Board.

6 Forward-looking Statements

- 6.0 It is the Company's policy generally not to provide forward-looking information to the investment community. To the extent that such information is provided in Company disclosure documents, all statements are to be accompanied by appropriate contingency and cautionary language, which has been approved by the CEO.

7 Sanctions

- 7.0 Failure to comply with the terms of this Part of this Policy will result in disciplinary action, possibly including termination of employment.
- 7.1 Certain regulatory sanctions including fines, imprisonment and civil actions may be imposed on individuals contravening laws respecting the disclosure of Confidential Information.

PART III TRADING BY RESTRICTED PERSONS AND EMPLOYEES



1 Purpose

- 1.0 The purpose of Part III of this Policy is to ensure that all employees and directors of the Company, regardless of country or residence, comply with Canadian securities laws.

2 Definition of “Restricted Person”

- 2.0 A restricted person is generally defined, without regard to the individual’s country of residence, as including all directors, officers and other employees of the Company who are regularly in possession of Confidential Information (“Restricted Person”).
- 2.1 The CEO shall be responsible for maintaining a list of all individuals who are Restricted Persons and ensuring that each person who is a Restricted Person has been advised that he or she is a Restricted Person for the purposes of this Policy.

3 Prohibition on Trading by Employees with Confidential Information or Other Undisclosed Material Information

- 3.0 The Company personnel, including Restricted Persons, may not, if that individual possesses Confidential Information, directly or indirectly (e.g., via private holding company, registered retirement savings plans or otherwise):

- i) buy or sell the Company securities;
- ii) buy or sell securities whose price or value may reasonably be expected to be affected by changes in price of the Company securities;
- iii) grant or exercise the Company stock options, or, if applicable, phantom stock plans or similar employee compensation mechanisms; or
- iv) buy or sell securities of another company in which the Company proposes to invest or where the individual, in the course of employment with the Company, becomes aware of undisclosed material information concerning that other company.

- 3.1 In addition, the Company personnel are prohibited from engaging in any other action to take advantage of, or pass on to others, such Confidential Information or undisclosed material information respecting another company, including buying or selling, or recommending the buying or selling of, any assets of that company, in reliance on such Confidential Information or undisclosed material information.

- 3.2 This prohibition also applies to trading by individuals who learn of Confidential Information or undisclosed material information respecting another company from the Company personnel (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 law relating to insider trading.

4 Prohibiting “Restricted Persons” from Trading During “Black Out” Periods and Other Restrictions on Trading by Restricted Persons.

- 4.0 To guard against trading by Restricted Persons when the Company may be involved in a material undisclosed transaction (e.g., acquisition, public offering, significant contract negotiation) not known to the Restricted Person;

- i) **[February 14]** until two (2) business days following the release of the first quarter results;
- ii) **[May 16]** until two (2) business days following the release of the second quarter results;



- iii) **[August 17]** until two (2) business days following the release of the third quarter results; and
- iv) **[November 16]** until two (2) business days after the audited annual statements for the year-end have been generally reviewed.

4.1 Trading by Restricted Persons shall also be prohibited for one complete business day following the Public release of any Confidential Information.

4.2 Restricted Persons, their spouses and any relatives living with them are also prohibited during the "Black Out" period, from:

- i) purchasing or selling publicly traded options or securities of the Company; and
- ii) selling the Company securities that the individual does not own (short selling).

4.3 If the Company becomes aware of a material undisclosed transaction, all Restricted Persons who have pre-cleared transactions that have not been completed will be asked to withdraw their trading instructions.

5 Company Contact Person

5.0 The Company personnel who are unsure whether they may trade in a given circumstance shall contact the CEO for specific guidance. The Company personnel are encouraged to consult with such officer prior to any trading in securities of the Company.

6 Regulatory Requirements - Reporting

6.0 To comply with Canadian securities laws applicable to certain Restricted Persons, all Restricted Persons who are directors or officers of the Company or its subsidiaries ("Insiders") must file an "Insider Report" in the form available from the Corporate Controller within 10 days following:

- i) the day the individual first becomes an Insider (if on that day the individual does not own or control the Company securities no Insider Report need be filed); and
- ii) the day on which the Insider purchases or sells the Company securities (this is the date of agreement to purchase or sell, not the settlement date of the transaction).

6.1 Each Insider is required to file the Insider Report with each of the Canadian provincial securities regulators. Instructions regarding completion are included on the back of the Insider form.

6.2 All Insiders are responsible for filing their own Insider Reports. Two copies of the Insider Report, one of which to be manually signed, must be filed in all jurisdictions.

6.3 At the same time as the Insider Report is filed with the regulators, a copy of the Insider Report must be provided to the Company to the attention of the CEO.

6.4 Copies of blank Insider Reports may be obtained from the office of the Corporate Controller.

6.5 Restricted Persons (whether or not they are Insiders) are required to report to the CEO annually (by the end of January each year) with respect to all trades in the preceding 12 months and to certify compliance during the period with the terms of this Policy.

7 Sanctions

7.0 Failure to comply with this Part of the Policy will result in disciplinary action, possibly including termination of employment.



- 7.1 Canadian securities laws provide that a breach of the general trading prohibition contained in this Part of the Policy may result in a fine of up to the greater \$1 million and three times the profit obtained by reason of the contravention, and imprisonment for up to two years.
- 7.2 The Company personnel may also be found civilly liable if a spouse, friend or relative profited from the trading of the Company securities at a time when in possession of Confidential Information provided by that individual.
- 7.3 Penalties may also be levied against an Insider for not complying with the regulatory reporting requirements.