



CONFIDENTIALITY AND INSIDER TRADING POLICY

Effective as of and from November 13, 2012



CRIOUS ENERGY ADMINISTRATOR INC.

CONFIDENTIALITY AND INSIDER TRADING POLICY

1. PURPOSE OF THIS POLICY

The *Securities Act* (Ontario), stock exchange guidelines and regulations and other applicable provincial legislation contain rules governing the need to maintain the confidentiality of information and restrictions on insider trading (collectively, the "**Insider Rules**"). This policy applies to the directors, officers and employees of Crius Energy Administrator Inc. (the "**Administrator**"), Crius Energy Trust (the "**Trust**") and the Trust's direct and indirect subsidiary entities (collectively, with the Administrator and Trust, the "**Crius Group**"). This policy has been formulated to set out rules and procedures to assist the Crius Group in complying with the Insider Rules, in particular, those rules applicable to trading in the publicly traded securities of the Trust ("**securities**").

This policy has been reviewed and approved by the Governance, Nomination & Compensation Committee of the Administrator's board of directors (the "**Board**") and the Board itself. The Governance, Nomination & Compensation Committee, or such successor or renamed committee of the Board, is hereinafter referred to as the "**Governance Committee**".

In this policy, references to "**Counsel**" mean the Crius Group's General Counsel, or if there is no General Counsel, the Crius Group's Chief Financial Officer.

2. APPLICATION, SCOPE AND DISTRIBUTION OF THIS POLICY

This policy applies to the directors, officers and employees of the Crius Group and relates to information regarding the Crius Group and trading in securities of the Trust.

If you have any question as to your legal obligations as set out in this policy or the Insider Rules, including regarding confidentiality, trading in the Trust's securities, whether this policy applies to a particular person or company in a particular circumstance, or reporting trades, please discuss that question with the Crius Group's Counsel (referred to herein as the "**Trading Officer**").

A violation of this policy can be a breach of the Insider Rules and/or result in acute embarrassment to the person who violated the policy/Insider Rules and to the Crius Group. The onus of complying with this policy and the relevant rules is on each individual director, officer and employee of the Crius Group, each of whom is expected to be familiar with this policy and the Insider Rules and to comply fully with them. Directors, officers and employees of the Crius Group are strongly encouraged to ensure their spouses, minor children or persons living in the same household as them do not disclose information or trade in securities at times that, if the director, officer or employee had completed such act, it would constitute a violation under this policy/the Insider Rules. Actions of such related persons could result in embarrassment to the director, officer or employee and the Crius Group and the director, officer or employee may face legal liability under the Insider Rules.

A failure to comply with these rules and procedures may result in the Crius Group taking action in accordance with Section 9 – Enforcement.

Promptly after it has been put in place, this policy will be sent to all directors, officers and employees of the Crius Group. Thereafter a reminder will be sent from time to time to all directors, officers and employees advising them of this policy and any changes to it.

3. DEFINITIONS/EXPLANATIONS

3.1 Who is Prohibited from Trading in the Trust's Securities?

The Insider Rules provide that any person or company who is aware of confidential Material Information (defined below) about a public company is in a "special relationship" with that public company and is prohibited from purchasing or selling securities of the public company – an activity commonly known as "insider trading". The Insider Rules also prohibit any person or company in a special relationship with a public company from informing anyone, other than in the necessary course of business, of confidential Material Information – an activity commonly known as "tipping".

3.2 What is Material Information?

"Material Information" is any information relating to the business and affairs of a public 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 publicly traded securities.

Material Information may relate to any aspect of a public company's operations or may relate to proposed transactions or other corporate developments or changes. Examples of information that could be material are set out in the attached Appendix A.

If you are uncertain whether information about the Crius Group you have become aware of is Material Information to the Crius Group, please ask the Trading Officer.

3.3 When is Information Confidential?

Information is "confidential" if it has not been "**Generally Disclosed**" to the public. Information has been Generally Disclosed if it has been broadly disseminated to the marketplace and there has been the passage of a sufficient amount of time to provide investors and other market participants with reasonable time to receive and analyze the information. The Crius Group views a two trading day period after the dissemination of information to the marketplace to be a reasonable amount of time to elapse for the market to react to the information contained in the announcement and for that information to be Generally Disclosed.

4. CONFIDENTIALITY RESTRICTIONS

4.1 Obligation to Keep Material Information Confidential

4.1.1 General Rule

All Material Information about the Crius Group that has not been Generally Disclosed must be kept confidential.

Directors, officers and employees must assume that all information about the Crius Group is confidential unless they are absolutely certain that the information has been Generally Disclosed or they have first consulted with the Trading Officer and have been advised that the information has been Generally Disclosed.

4.1.2 Written Acknowledgments and Confirmations to be Obtained from Time to Time

From time to time the Crius Group may be (a) involved in a material transaction or proposed material transaction involving other entities (b) conducting other material confidential business (a "**Confidential Matter**"), that may result in a director, officer or employee of the Crius Group having confidential Material Information regarding the Confidential Matter. The general rule in Section 4.1.1 applies equally to all confidential Material Information acquired through involvement in a Confidential Matter, including with respect to the Crius Group's counterparties or partners.

Any director, officer or employee may be asked from time to time, prior to becoming involved in a Confidential Matter, to sign an acknowledgement and confirmation (a "**Confidentiality Acknowledgment**") in the form of the attached Appendix B. Every director, officer and employee must comply with this policy even if he or she has not signed a Confidentiality Acknowledgment. Nevertheless, every director, officer and employee will be obligated to sign a Confidentiality Acknowledgment when the Trading Officer deems it to be necessary, as a means to remind that person of his or her obligations under this policy and the Insider Rules.

4.2 *Communication in the Necessary Course of Business*

Confidential Material Information may be disclosed to directors, officers and employees of the Crius Group and to third parties only if disclosure is necessary in the course of the Crius Group's business. Disclosing confidential Material Information to any third party other than in the necessary course of business may constitute a criminal offence. It may also render the "tipper" civilly liable for damages if the "tippee" trades with knowledge of that information. Examples of situations when the disclosure of information occurs in the necessary course of business are provided in the attached Appendix C. If after review of Appendix C you remain uncertain whether disclosure of information will occur in the necessary course of business, please consult the Trading Officer.

If confidential Material Information is disclosed in the necessary course of business, the recipient should be advised that the information is Material Information and that it has not been Generally Disclosed. Generally, a written confidentiality agreement should be entered into between the Crius Group and the recipient. The Trading Officer can assist in the preparation of a suitable confidentiality agreement.

4.3 *Avoidance of Inadvertent Disclosure*

Confidential information should not be discussed in places or in a manner that may result in inadvertent disclosure, for example in public places or through electronic communication, including postings in Internet chatrooms, newsgroups, bulletin boards or blogs.

If you become aware of any Material Information contained in an Internet bulletin board or blog or any other public place, please promptly report it to the Trading Officer.

Documents containing confidential Material Information should be carefully monitored and kept in such a way that inadvertent disclosures of confidential Material Information do not occur. To prevent the inadvertent disclosure of confidential Material Information, the procedures in the attached Appendix D should be followed.

5. INSIDER TRADING RESTRICTIONS

5.1 Trading Restriction – Securities of the Trust

Do not purchase (including exercising options or other rights to purchase) or sell units, debentures or other securities of the Trust if you are in possession of confidential Material Information regarding the Trust.

This rule applies not only to securities of the Trust but also to other securities whose price or value may reasonably be expected to be significantly affected by changes in the price of the Trust's securities (such as derivatives or shares of a mutual fund) and to the exercise of employee unit options or other rights.

5.2 Trading Restriction – Other Companies

No director, officer or employee of the Crius Group may purchase or sell securities or exercise options of other public companies where the Crius Group is in a special relationship with that other public company (for example, a potential joint venture partner or a target acquisition candidate) and the director, officer or employee is in possession of confidential Material Information.

Accordingly, if you have confidential Material Information about another public company as a result of your dealings with the public company on behalf of the Crius Group, it would be a violation of this policy if (a) you trade in the other public company's securities or (b) tell others the Material Information, except in the necessary course of business (see Section 4.2).

5.3 No Speculating

To ensure that perceptions of improper insider trading do not arise, directors, officers and employees of the Crius Group may not "speculate" in securities of the Trust.

For the purpose of this policy, the word "**speculate**" means the purchase or sale of securities with the intention of reselling or buying back in a relatively short period of time in the expectation of a rise or fall in the market price of the securities. Speculating in the securities for short term profit is distinguished from purchasing and selling securities as part of a long term investment program.

5.4 No Short Selling

Directors, officers and employees of the Crius Group may not at any time sell securities of the Trust short or buy or sell call or put options in respect of securities of the Trust or any of its affiliates.

For the purpose of this policy, "**short selling**" means a transaction whereby an investor borrows a security from a broker and sells it, with the understanding that it must later be bought back and returned to the broker. It is a technique used by an investor who expects the price of a security to fall.

6. ADDITIONAL RESTRICTIONS

6.1 Blackout-Periods and Trading Windows

In addition to the restrictions in Section 5, to ensure that perceptions of improper insider trading do not arise, directors, officers and employees of the Crius Group may not purchase or sell securities or exercise options or other rights (including employee unit options or other rights) of the Trust except during the period which begins two business days after the public release of the financial results for the quarter and which ends at the next quarter end (each a "**trading window**"). The Trust's year-end is December 31st of each year.

There is a prohibition against trading, subject to the exception below, during all times other than during a trading window. These periods are referred to as "**general black-out**" periods. The Crius Group may also impose a trading prohibition during a trading window, which is referred to as a "**specific black-out**", in other circumstances (such as when there is a pending material corporate development) as it may consider appropriate, with no reason given. This will be done in order to ensure that there is no perception of improper insider trading.

Trading by a director, officer or employee of the Crius Group in securities of the Trust, or the exercise of options or other rights of the Trust during a general black-out or specific black-out may be permitted in exceptional circumstances with the prior approval of the Trading Officer and the Chair of the Governance Committee, provided that the director, officer or employee is not in possession of confidential Material Information at the time of the trade and the Trading Officer and the Chair of the Governance Committee each believes that there is no possible perception that improper insider trading will have occurred. "**Exceptional circumstances**" may include the sale or exercise of securities in the case of pressing financial commitment that cannot be satisfied other than by the sale of securities of the Trust, where options or other rights held by a director, officer or employee are expiring (including, to the extent relevant, as a result of the end of employment with the Crius Group), or where the timing of the trade is important for tax planning purposes. Subject to prior approval of the Trading Officer and the Chair of the Governance Committee, for financial planning purposes, a director, officer or employee of the Crius Group may trade in securities of the Trust pursuant to an automatic unit purchase or automatic unit disposition plan.

6.2 Pre-Approval of Trades

- (a) Directors and officers designated by the Governance Committee from time to time must obtain the approval of the Trading Officer and the chairman of the Board (the

"**Chairman**") before they purchase or sell any securities, or exercise any options, of the Trust.

- (b) The Trading Officer must obtain the approval of either the Chief Executive Officer or the Chief Financial Officer of the Crius Group (each, a "**Senior Officer**") and the Chairman before he or she purchases or sells any securities or exercises any options, of the Trust.

The pre-approval of the trade requirements above is required even if the trade is to occur during a trading window.

The Trading Officer or his or her designate will advise individuals if they are subject to the pre-approval process described in this Section 6.2.

The Trading Officer, Senior Officers and the Chairman will not permit buying or selling by deemed insiders (defined below) in circumstances where he or she considers it necessary to ensure that there is no perception of improper insider trading having occurred.

7. INSIDER REPORTING

7.1 *Who Must File Reports?*

Directors, certain officers and employees are "**deemed insiders**" for reporting purposes and such persons are required to submit insider reports to various regulatory authorities.

The Crius Group will maintain a list of the directors, officers and employees of the Crius Group who are deemed insiders of the Crius Group and to which each of the insider reporting process described in this Section 7.1 and the pre-approval process described in Section 6 apply.

You will be, or have been, notified by the Trading Officer, or his or her designate, as to whether you are a deemed insider with respect to the Crius Group. It is the personal responsibility of each of these deemed insiders to ensure compliance with these reporting obligations. The Crius Group will coordinate and complete the necessary insider reporting filings regarding trades in securities of the Trust on behalf of directors, officers and employees of the Crius Group.

7.2 *Timing of Filing Insider Reports*

Immediately after becoming a deemed insider of the Crius Group, the insider must advise the Trading Officer or his or her designate of any direct or indirect beneficial ownership of or control or direction over securities of the Trust, and the Trading Officer or his or her designate must file with the applicable securities regulators insider reports in respect of the insider's initial holdings.

To ensure that the Insider Reports are filed in a timely basis in all applicable jurisdictions, every deemed insider will be required to promptly inform the Trading Officer or his or her designate after a trade in the Trust's securities has been completed. The Trading Officer or his or her designate will co-ordinate with that person the preparation and filing of an Insider Report on behalf of the deemed insider. If that person files the Insider Report directly, he or she must submit a copy to the Trading Officer at the time of filing.

Currently, reports with respect to initial holdings and trades each must be filed within 10 days of becoming a deemed insider or 5 days of completing a trade, as applicable. Therefore, the information must be provided in sufficient time to permit the report to be prepared, approved and filed. There are fines and penalties for the late filing of Insider Reports that accrue daily and those fines and penalties are the responsibility of the deemed insider.

8. AMENDMENT

Any material revision, amendment or alternation to this policy can only be implemented following consideration and approval by the Governance Committee and the Board.

9. ENFORCEMENT

Compliance with this policy is essential for the Crius Group to help to maintain its integrity in the financial markets. Accordingly, any director, officer, or employee who fails to comply with this policy may face disciplinary action up to and including termination of his or her employment with the Crius Group without notice. Any non-compliance with this policy may also violate securities laws and thus, the Crius Group may refer such a matter to the appropriate regulatory authorities, which could lead to fines and/or other penalties.

APPENDIX A

EXAMPLES OF INFORMATION THAT COULD BE MATERIAL

The following list is reproduced from the Canadian Securities Administrators' National Policy 51-201 – *Disclosure Standards*, which provides examples of the types of events or information that may be material to an issuer.

Changes in corporate structure

- changes in share ownership that may affect control of the company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

Changes in capital structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

Changes in financial results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company's assets
- any material change in the company's accounting policies

Changes in business and operations

- any development that affects the company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the board of directors or executive management, including the departure of the company's Executive Chairman, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or president (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters

- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another

Acquisitions and dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

Changes in credit arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

APPENDIX B

CONFIDENTIALITY ACKNOWLEDGMENT

ACKNOWLEDGMENT AND CONFIRMATION

TO:	Crius Energy Administrator Inc. (the " Administrator ") and the Administrator's Governance, Nomination & Compensation Committee
DATE:	•, 20•
RE:	The Crius Group's Confidentiality and Insider Trading Policy effective as of November 13, 2012, as amended from time to time (the " Confidentiality and Insider Trading Policy ")

RECITALS:

A. The undersigned has been asked to participate in (a) a material transaction or proposed material transaction involving another company or companies or (b) another material confidential business matter (the "**Confidential Matter**") as described below:

_____.

B. The undersigned is subject to the Confidentiality and Insider Trading Policy and is signing this form as an acknowledgement and confirmation of existing obligations under such policy.

I **ACKNOWLEDGE AND CONFIRM** that by participating in the Confidential Matter, I may acquire confidential Material Information (as defined in the Confidentiality and Insider Trading Policy) regarding such Confidential Matter. This confidential Material Information could include any information I acquire regarding any company or companies that are counterparties or partners to the Crius Group in any Confidential Matter. All information acquired as a result of participating in the Confidential Matter will be treated in accordance with the Confidentiality and Insider Trading Policy, which I hereby acknowledge and confirm that I am obligated to comply with in its entirety, including after the conclusion of the Confidential Matter.

DATED: _____, 20•

Print Name

Title

Sign Name

Witness

APPENDIX C

NECESSARY COURSE OF BUSINESS

The following was sourced from the Canadian Securities Administrators' National Policy 51-201 – *Disclosure Standards*.

"Necessary course of business" generally covers communication with:

- (a) vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts;
- (b) employees, officers and board members of the Crius Group;
- (c) lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to the company;
- (d) parties to negotiations;
- (e) labour unions and industry associations;
- (f) government agencies and non-governmental regulators; and
- (g) credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available).

APPENDIX D

PROCEDURES FOR CONFIDENTIAL MATERIAL INFORMATION

To prevent the inadvertent disclosure of confidential Material Information, the following procedures should be followed:

- (a) documents and files containing confidential Material Information should be kept in a secure place with access restricted to those individuals for whom access is necessary in the course of business;
- (b) access to electronic documents should be restricted through the use of passwords;
- (c) code names for confidential transactions or business projects should be used when it would be prudent to do so;
- (d) confidential Material Information should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, public transit, airplanes or taxis;
- (e) documents containing confidential Material Information should not be read or displayed in public places and should not be discarded where others can retrieve them;
- (f) directors, officers and employees should ensure that they maintain the confidentiality of information in their possession outside of the office as well as inside the office;
- (g) transmission of documents containing confidential Material Information by electronic means may only be made only where it is reasonable to believe that the transmission can be made and received securely; and
- (h) unnecessary copying of documents containing confidential Material Information should be avoided and extra copies of documents should be promptly removed from meeting rooms and work areas at the conclusion of a meeting and should be destroyed.