



## INSIDER TRADING POLICY

### 1.0 Purpose:

As a publicly-traded company, Pinnacle Renewable Holdings Inc. (together with its subsidiaries, “**Pinnacle**” or the “**Company**” or “**we**”) and its directors, officers, employees and others are subject to legal restrictions relating to the treatment of undisclosed material information. In particular, trading or recommending or encouraging others to trade while in possession of undisclosed material information, or informing others of undisclosed material information, may be a violation of securities, corporate and criminal laws (the “**Applicable Laws**”).

The policies, procedures and guidelines (collectively, the “**policies**”) set out in this Insider Trading Policy (the “**Policy**”) have been developed to protect Pinnacle and those to whom this Policy applies, and, in certain respects, may go beyond the requirements of Applicable Laws. Given the connection with the protection and dissemination of undisclosed material information, this Policy should be read in conjunction with and supplements the requirements set out in Pinnacle’s “**Disclosure Policy**”.

It is essential that everyone understand and comply with this Policy. If you are ever unsure of whether or not you are permitted to trade in Pinnacle’s securities or the securities of another public company, contact the CFO and if unavailable, the Investor Relations Advisor before you act.

Certain terms used in this Policy have very specific meanings and are explained further in Appendix “A” to this Policy.

### 2.0 Scope:

This Policy applies to all directors and officers of Pinnacle, and to all employees, consultants and contractors of Pinnacle who receive or have access to undisclosed material information.

While the restrictions set out in this Policy do not generally apply to your spouse, partner or other family members, you should be particularly sensitive to ensuring that they do not, intentionally or unintentionally, gain access to undisclosed material information about Pinnacle. The trading restrictions in this Policy and under Applicable Laws, as well as the potential consequences for violation, will apply to your spouse, partner or other family members if they gain access to undisclosed material information.

This Policy also applies to all trading in any securities of Pinnacle, including any of Pinnacle’s shares, securities convertible or exchangeable into shares or other securities of Pinnacle, debt instruments, puts, calls, options and any other rights or obligations to purchase or sell securities of Pinnacle. It also applies to derivative securities relating to Pinnacle’s securities, whether or not issued by Pinnacle, including any security, the market price of which varies

materially with the market price of the securities of the Pinnacle. Any reference in this Policy to “trade,” “trading,” “securities,” or other similar terms when used in reference to Pinnacle shares has such broader meaning.

It is important to understand that this Policy applies to all shares that you beneficially own and/or over which you have direct or indirect control or direction, which includes securities owned by others (such as family members) where you direct or influence their investment decisions.

### 3.0 What is ‘material information’?

“**Material information**” means, when used in relation to Pinnacle shares issued or proposed to be issued, a fact that would reasonably be expected to have a significant effect on the market price or value of Pinnacle’s shares. Material information also includes information that a reasonable investor would consider as important in reaching an investment decision. Either positive or negative information may be material.

A “**material change**” means (i) a change in the business, operations or capital of Pinnacle that would reasonably be expected to have a significant effect on the market price or value of Pinnacle shares, or (ii) a decision to implement a such a change made by (A) the directors of Pinnacle, or (B) senior management of Pinnacle who believe that confirmation of the decision by the directors is probable. As used in this Policy, “material information” includes material changes.

It is not possible to define all categories of material information; however, some examples of information (not intended to be an exhaustive list or a substitute for the exercise of judgment in making materiality determinations) that could be considered material include:

- operating and financial results;
- financial projections;
- business plans, strategies, or negotiations;
- proposed mergers, acquisitions or joint ventures involving Pinnacle or divestitures of significant assets or a subsidiary by Pinnacle;
- changes in share ownership that may affect control of Pinnacle;
- Board of Directors or senior management changes;
- public or private sales of Pinnacle’s securities;
- proposed or pending material financings;
- events of default under financing or other agreements;
- material transactions involving directors, officers or principal shareholders of Pinnacle;
- labour disputes or disputes with important suppliers;
- changes in Pinnacle’s auditors;
- pending or threatened litigation;
- decisions or recommendations regarding dividend payments or policies, or other modifications to the rights of Pinnacle’s security holders; and
- changes in capital or corporate structure.

#### 4.0 What is ‘undisclosed material information’?

Material information that has not yet been generally disclosed to the public is referred to as “**undisclosed material information**”. Material information about Pinnacle should be considered non-public or undisclosed unless there is certainty it has been publicly discussed. As a general rule, in order for material information to be considered “generally disclosed” to the public, it must be published and widely disseminated by way of a press release (making it generally available to investors) and sufficient time must have elapsed in order for the market to react to the information.

Generally, this means two (2) full trading days, unless otherwise advised by the CFO, or if unavailable the Investor Relations Advisor, that the sufficient period is longer or shorter. The term “trading day” means a day on which the stock exchange(s) on which Pinnacle’s securities are traded (currently the Toronto Stock Exchange) are open for trading.

#### 5.0 Insider trading and tipping restrictions:

##### (a) *Persons in a “special relationship” with Pinnacle*

You may come into possession of material information about Pinnacle or other companies in the normal course of your work (such as news about financial results prior to public disclosure, financings, major projects, significant management changes, etc.). Under Applicable Laws, significant shareholders, directors, officers, employees, contractors and consultants of Pinnacle, among others, may be considered to be in a “special relationship” with Pinnacle and, as a result, caught by the prohibitions against insider trading, tipping and recommending described below. The concept of a special relationship with a public company is defined very broadly and extends to any person or company who falls within one of the categories summarized in Appendix “A”. Importantly, it also captures a potentially infinite chain of persons who receive undisclosed material information about Pinnacle from any person who is in a special relationship with Pinnacle.

##### (b) *No trading on undisclosed material information*

It is illegal and strictly prohibited by this Policy to directly or indirectly engage in any transaction involving a purchase or sale of Pinnacle’s shares at any time when you have knowledge of undisclosed material information. To do so would be “**insider trading**”.

You may, from time to time, have to forego a proposed transaction in Pinnacle’s securities even if you planned to complete the transaction before learning of the undisclosed material information. Questions about whether material information is public or has been “generally disclosed”, or has ceased to be material, should be directed to CEO, CFO or Investor Relations Advisor.

##### (c) *No “tipping” or “recommending”*

It is illegal and strictly prohibited by this Policy to disclose, other than in the necessary course of business, undisclosed material information relating to Pinnacle to any other person (such as, but not limited to, family members, neighbors, friends, acquaintances, investment professionals, financial planners, family companies or family trusts), or to make recommendations or encourage, other than in the necessary course of business, the purchase

or sale of Pinnacle's shares on the basis of undisclosed material information. To do so would be "**tipping**".

The question of whether a particular disclosure is being made in the "necessary course of business" is a mixed question of law and fact that must be determined on a case-by-case basis. For greater certainty, disclosure to analysts, institutional investors, other market professionals and members of the press and other media is a form of "tipping" and will not be considered to be in the necessary course of business. Generally, you should refrain from making such disclosure unless you have been specifically advised by the CFO that that it is permitted.

#### **6.0 Restrictions on short selling and other speculative trading:**

Investing in Pinnacle shares provides an opportunity to share in Pinnacle's future growth and, accordingly, you are encouraged to make investments in Pinnacle for the long term. We strongly discourage active or speculative trading involving Pinnacle's shares based on short-term fluctuations in the price of the shares or other market conditions. As a general guideline, you should acquire Pinnacle's shares only if you intend to hold the securities for a period of at least six months.

While long term investing is encouraged for all those to whom this Policy applies, directors and executive officers are prohibited from purchasing financial instruments (such as prepaid variable forward contracts, equity swaps or collars) designed to hedge or offset a decrease in the market value of Pinnacle shares.

#### **7.0 Trading blackouts:**

The period beginning at the end of each quarter and ending two trading days following the date of public disclosure of the financial results for that quarter (or fiscal year) (a "**Blackout Period**") is particularly sensitive, as directors, and certain officers and other employees may often possess undisclosed material information about the expected financial results for the quarter and year end.

Accordingly, to ensure compliance with this Policy and Applicable Laws, all Restricted Persons must refrain from any trading activities involving Pinnacle shares during the Blackout Periods, confirmed and communicated annually in January by the CFO.

Pinnacle may from time to time impose additional non-scheduled Blackout Periods on account of the existence of or potential for undisclosed material information. In such event, Restricted Persons will be advised of the start and end of the non-scheduled Blackout Period, during which time they are prohibited from trading in the Pinnacle shares, as well as from disclosing to others the facts giving rise to or the existence of a non-scheduled Blackout Period.

Even in the absence of a Blackout Period, any person possessing undisclosed material information about Pinnacle should not engage in any transactions in Pinnacle shares until after two (2) trading days have elapsed from the public disclosure of such information.

For the purposes of this policy, “**Restricted Persons**” include all “**reporting insiders**” (as discussed below) and all other officers or employees who are specifically designated as Restricted Persons for the purposes of this Policy from time to time.

#### **8.0 Pre-clearance of trades:**

Before initiating any trade in Pinnacle shares, any Restricted Person must obtain pre-clearance from the CEO, if not available, the CFO, whether or not a Blackout Period is in effect. Each proposed transaction will be evaluated to determine if it raises potential insider trading or other concerns under Applicable Laws. Clearance of a transaction is only valid for a two (2) business day period, unless earlier revoked. If the transaction order is not completed within that 48 hour period, approval of the proposed transaction must be re-requested. If clearance is denied, the fact of such denial must be kept confidential by the person requesting the approval.

#### **9.0 Insider reporting requirements:**

Under Applicable Laws, certain “insiders” of Pinnacle who are deemed “**reporting insiders**” are required to comply with insider reporting requirements and to report their activities in respect of Pinnacle shares. Reporting Insiders include all directors of Pinnacle, as well as certain executive officers and other employees who have routine access to undisclosed material information and the ability, directly or indirectly, to exercise influence over the business, operations, affairs, capital or development of Pinnacle. Designation as a reporting insider may change over time and the Company will advise you if you are considered a reporting insider.

Reporting insiders are required to file an initial insider trading report within ten (10) calendar days of first becoming a reporting insider, disclosing any direct or indirect beneficial ownership of or control or direction over share of Pinnacle, and interest in, or right or obligation associated with, a related financial instrument involving a share of Pinnacle. Reporting insiders are also required to file an insider trading report within five (5) days of the date of any change in such direct or indirect beneficial ownership or control or direction, or such interest, right or obligation. Insider reports are filed with securities regulators electronically through the System for Electronic Disclosure by Insiders (SEDI) at [www.sedi.ca](http://www.sedi.ca).

Reporting insiders (not Pinnacle) are personally and legally responsible for ensuring the accurate and timely disclosure of their trading activities. However, the CFO and Investor Relations Department is available to assist you in the preparation and filing of insider trading reports and, where such assistance is requested, reporting insiders must provide the CFO and Investor Relations Department with all required information to allow for timely submission of reports. Reporting insiders who file their own reports are asked to provide a copy to the CFO and Investor Relations Department so that Pinnacle’s records may be updated.

Consequences of contravening insider reporting requirements include the imposition of late filing fees, being identified as a late filer on public databases maintained by securities regulators, the issuance of cease trade orders or, in appropriate circumstances, enforcement proceedings.

**10.0 Trading in securities of other companies:**

This Policy is not restricted to information affecting Pinnacle and its shares. You may obtain material information about other companies in the course of your work for Pinnacle. As such, this Policy and the guidelines set out also apply to undisclosed material information about other companies or entities with which we do business, including but not limited to joint venture partners, service providers, customers, partners, vendors and suppliers of Pinnacle. Also includes a potential take-over bid, merger or acquisition candidates (collectively, “business counterparties”), when that information is obtained in the course of employment with or providing services to or on behalf of, Pinnacle.

Criminal and civil penalties and termination of your relationship with Pinnacle may result from trading in the securities of, or tipping in relation to, any business counterparty when in possession of undisclosed material information about that business counterparty. Undisclosed material information about Pinnacle’s business counterparties should be treated in the same way and with the same care as information related directly to Pinnacle.

**11.0 Policy awareness and consequences for violation:**

A final copy of this Policy will be reviewed and acknowledged annually through our DATS system. Any amendments made to it from time to time will be made available either directly or by posting a revised policy to all employees for review and signoff through DATS.

Insider trading or tipping are serious offences and the consequences can be severe. Those who violate this Policy will be subject to disciplinary action by Pinnacle, including possible termination of their relationship with Pinnacle. This is in addition to facing significant fines and penalties and/or imprisonment. Under Applicable Laws, penalties for violations of insider trading laws currently include fines of up to \$5 million or triple any profit made or loss avoided, whichever is greater, as well as imprisonment for up to 5 years.

Insiders may also be liable for improper transactions by any person (commonly referred to as a “tippee”) to whom they have disclosed undisclosed material information regarding Pinnacle or to whom they have made recommendations or expressed opinions based on such information. Large penalties have been imposed even when the disclosing person did not profit from the trading.

**12.0 Review of the Policy and Waivers:**

The company will review this Policy periodically to ensure it continues to comply with Applicable Laws and good corporate governance practices.

Pinnacle may, from time to time, permit departures from this Policy, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to shareholders of Pinnacle or other liability whatsoever to any other person.

**13.0 Questions:**

If you have questions about general insider trading matters or your responsibilities under this Policy, please contact the Investor Relations Advisor, or if not available the CFO or the CEO.

This Insider Trading Policy is dated January 22, 2018.

**RELATED DOCUMENTS**

Disclosure Policy

**APPENDIX “A”****PERSONS IN A SPECIAL RELATIONSHIP WITH PINNACLE**

Under Applicable Laws, persons in a “special relationship” with Pinnacle include:

- (a) all directors, officers and employees of Pinnacle;
- (b) all directors, officers and employees of any subsidiary of Pinnacle;
- (c) any person or company who beneficially owns, controls or directs more than 10% of the common shares of Pinnacle;
- (d) every director or officer of a company referred to in (c) and every director, officer or employee of any company that holds more than 50% of the common shares of the Pinnacle;
- (e) a person or company that is: (i) considering or evaluating whether or proposing to make a takeover bid for the shares of Pinnacle; or (ii) considering or evaluating whether or proposing to become a party to a reorganization, amalgamation, merger, arrangement, or other business combination with Pinnacle; or (iii) considering or evaluating whether or proposing to acquire a substantial portion of Pinnacle property; (each of (i), (ii), or (iii) is herein referred to as a “**Merger Partner**”), and every director, officer or employee of a Merger Partner and any person who beneficially owns, controls or directs more than 10% of the voting shares of the Merger Partner;
- (f) a person or company (for example, consultants, advisers, contractors) that is engaging in or considering or evaluating whether or proposing to engage in any business or professional activity with or on behalf of Pinnacle or a Merger Partner, and every director, officer or employee thereof;
- (g) a person or company that learns of undisclosed material information while the person or company was any of the persons or companies described in (a) through (f) above; and
- (h) a person or company that learns of undisclosed material information with respect to Pinnacle (a “tippee”) from any other person or company in a special relationship with Pinnacle (a “tipper”) where the tippee knows or ought reasonably to have known that the tipper is in a special relationship with Pinnacle. This includes a “tippee” who is tipped by a previous “tippee”. The significance of clause (h) is that it creates an indefinite chain so that any person who either trades on or discloses undisclosed material information acquired directly or indirectly from someone “on the inside” will be subject to the criminal and/or civil liabilities described in this Insider Trading Policy.