



Disclosure Policy

Policy

Section 1 Purpose

At Telesat Corporation (the "**Company**" or "**we**"), we seek to provide consistent, factual, balanced and timely disclosure of material information about the Company to the investing public, in accordance with applicable legal and regulatory requirements. This disclosure policy (the "**Policy**") outlines the procedures and practical guidelines for such disclosure and is intended to protect and prevent the improper use or disclosure of undisclosed material information or otherwise confidential information about the Company. For the purposes of this Policy, all references to the "Company" include its subsidiaries.

The Board has approved this Policy, which, together with the mandate of the Board, the charters for the committees of the Board, the position descriptions for the Board chair, lead director and committee chairs, the articles of Telesat, as amended and restated (the "**Telesat Corporation Articles**") and the separate investor rights agreements dated November 23, 2020 entered into between Telesat and each of MHR Fund Management LLC ("**MHR**") and Public Sector Pension Investment Board ("**PSP**") (as may be amended from time to time, the "**Investor Rights Agreements**") provide the general framework for the governance of the Company. In the event of any conflict between this policy and the Telesat Corporation Articles or the Investor Rights Agreements, or any of the rights, privileges, arrangements, or powers set forth therein, the Telesat Corporation Articles and the Investor Rights Agreements shall prevail and this policy shall not and shall be interpreted not to, directly or indirectly interfere with, limit or restrict or otherwise disrupt, any of such rights, privileges, arrangements or powers. The Board intends that policy will continue to evolve to address all applicable regulatory and stock exchange requirements relating to corporate governance and will be modified and updated as circumstances warrant.

The restrictions of this Policy shall not apply to non-employee directors to the extent such director is not acting in their capacity as a director of Telesat Corporation.

Section 2 Scope

This Policy applies to all members of the board of directors, officers, employees, consultants, contractors and agents of the Company and its subsidiaries worldwide who have access to confidential corporate information from time to time, including undisclosed material information, and those persons authorized to speak on its behalf and to all disclosure in any medium, including to shareholders, the investment community and the media. This Policy extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media, securities market professionals, shareholders or other external audiences, as well as

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speeches, press conferences and conference calls.

Section 3 Disclosure Committee

The disclosure committee of the Company (the "**Disclosure Committee**") shall be responsible for assisting the Company's directors and officers in determining whether information is material information, ensuring that appropriate procedures are in place for the timely disclosure of material information in accordance with applicable securities laws and stock exchange rules (currently the Toronto Stock Exchange and NASDAQ), monitoring compliance with this Policy, and overseeing the Company's disclosure controls, procedures and practices.

The Disclosure Committee shall consist of the Chief Financial Officer (the "**CFO**") and the General Counsel (the "**General Counsel**") (together, the "**Disclosure Committee**") and such other persons as are selected from time to time by the Disclosure Committee, and shall work jointly and in concert with, and report regularly to, the President and Chief Executive Officer (the "**CEO**"). To the extent the Disclosure Committee deems appropriate, it shall consult with outside legal advisers in discharging its responsibilities under this Policy.

It is important that the Disclosure Committee be informed promptly about events and developments that may be material. If you become aware of information that may constitute material information, you should promptly contact your immediate supervisor or vice-president, as applicable, the CEO, CFO or the General Counsel, who shall liaise with other members of the Disclosure Committee, as necessary.

Section 4 What is 'Material Information'?

"**Material information**" may be either a "material fact" or a "material change".

A "**material fact**" means, (i) when used in relation to the Company's 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 the Company's shares, or (ii) information where there is a substantial likelihood that a reasonable investor would consider the information important in making an investment decision regarding whether to trade in or hold a security..

A "**material change**" means: (i) 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 a security of the Company; or (ii) a decision to implement such a change made by the board of directors (the "**Board**"), or by senior management who believe that confirmation of the decision by the Board is probable.

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Determination of materiality of events or information depends on the circumstances and varies for different issuers and either positive or negative information may be material. In making materiality judgments, the Company shall take into account a number of factors that cannot be captured in a simple well-defined standard or test. These include the nature of the information itself (both quantitative and qualitative), the volatility of the Company's securities and prevailing market conditions. The determination of whether or not information is material often involves the exercise of business judgment based upon experience. If there is doubt, the Company shall err on the side of caution when determining materiality. Such determinations are to be made by the Disclosure Committee involving collective input of the CEO, CFO, and the General Counsel and other senior officers, to the extent appropriate.

Although not intended to be an exhaustive list or a substitute for the exercise of judgment in making materiality determinations, the following are examples of information that could be considered material in particular situations:

- operating and financial results;
- business plans, strategies, or negotiations;
- proposed mergers, acquisitions or joint ventures involving the Company or divestitures of significant assets or a subsidiary by the Company;
- changes in share ownership that may affect control of the Company;
- Board or senior management changes;
- public or private sales of the Company's securities;
- proposed or pending financings;
- events of default under financing or other agreements;
- financial or liquidity problems, bankruptcy, corporate restructuring, or receivership;
- material transactions involving directors, officers or principal shareholders of the Company;
- labour disputes or disputes with important suppliers;
- significant write-downs of assets or additions to reserves for bad debts or contingent liabilities;
- cyber intrusions or other data breaches;
- changes in the Company's auditors;
- pending or threatened litigation outside of the ordinary course of business;
- decisions or recommendations regarding dividend payments or

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- policies, or other modifications to the rights of the Company's securityholders;
- significant new products or significant developments regarding customers or business partners;
- changes in the Company's credit ratings;
- changes in capital or corporate structure.

Section 5 Principles of Disclosure of Material Information

In complying with the disclosure obligations under applicable securities laws and stock exchange rules, the Company shall strive to adhere to the following basic disclosure principles:

- communicate material information to the public on a timely basis via news releases through a widely disseminated newswire and the filing of material change reports and reports on Form 6-K, where applicable, in accordance with applicable securities laws and stock exchange rules;
- strive to ensure that information is kept confidential until it is released;
- strive to ensure that disclosure is complete in all material respects and includes any information the omission of which would make the rest of the disclosure inaccurate or misleading (half-truths are misleading);
- unfavorable material information should be disclosed as promptly and completely as favorable information;
- previously undisclosed material information should not be disclosed to select groups or individuals other than as permitted under this Policy (for example, in an interview with one or several analysts or in a telephone conversation with an investor);
- disclosure on the Company's website alone does not constitute adequate disclosure of material information;
- disclosure should be corrected promptly if the Company subsequently learns that earlier disclosure by the Company contained a material error or omission at the time it was given and the correction would constitute material information; and
- after public dissemination, disclosure shall be monitored to ensure accurate media reporting and prompt corrective measures when necessary.

Section 6 Selective Disclosure

No selective disclosure of previously undisclosed material information should occur. In other words, previously undisclosed material information is not to be disclosed to selected individuals (for example, in written or e-mail correspondence, a conference call or face-to-face meeting with one or more analysts or in written or e-mail correspondence or a telephone conversation with an institutional investor). However, material information which has not been publicly disclosed may be provided by the Company prior to general publication in certain limited circumstances to its bankers, auditors, investment bankers, outside counsel and other persons in the “necessary course of business” in accordance with applicable law, or otherwise pursuant to a non-disclosure agreement entered into for a legitimate business purpose, or as otherwise permitted by the terms of this Policy.

If there is reason to believe that previously undisclosed material information has been inadvertently disclosed in any medium to an analyst or any other person outside the Company other than in accordance with this Policy, the Disclosure Committee must be immediately notified so that appropriate steps can be taken. This may include immediate public disclosure via news release of that information as soon as is reasonably possible.

Section 7 Delay in Disclosing Material Information

Under certain circumstances, the Company may keep material information confidential for a limited period because immediate disclosure may be unduly detrimental to the Company (for example, if release of the information would cause prejudice to negotiations in a corporate transaction) or may not be disclosable due to third-party confidentiality restrictions or uncertainty of events. The determination of when not to disclose material information immediately shall be made by the Disclosure Committee. Where confidential material change reports are appropriate, the General Counsel shall ensure all appropriate confidential filings are made (and renewed, as necessary) with the applicable securities regulators and stock exchanges, in accordance with applicable securities laws, and determine how that information is to be controlled internally.

Section 8 Periodic Disclosure Documents

Pursuant to applicable securities laws and stock exchange rules, we must provide periodic disclosure documents (such as quarterly and annual financial statements and related management’s discussion and analysis, annual information forms, information circulars for annual shareholders’ meetings and other documents, including reports on Form 20-F and Form 6-K) to our securityholders and regulators. The General Counsel shall ensure that processes are in place for preparing, reviewing and approving these documents, as well as for verifying the accuracy and completeness

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of the information disclosed therein, and for disseminating such information.

Section 9 Spokespersons

In order to minimize the risk of selective disclosure and to achieve clarity and consistency in the information and messages delivered publicly, the Company shall designate a limited number of people responsible for speaking on its behalf when material information may be disclosed. The primary spokespersons for the Company are the CEO and CFO (collectively, the "**Spokespersons**"). From time to time, others may be authorized to speak on behalf of the Company or to respond to specific inquiries, as designated from time to time by the Spokespersons or a determination made by the Board.

Directors, officers, employees and contractors who are not authorized Spokespersons must not respond to inquiries from regulators, shareholders, the investment community, the media or others with respect to any disclosure that may include material information about the Company, unless specifically designated to do so by the Disclosure Committee or by the CEO or CFO. All such inquiries must be referred to the General Counsel.

Section 10 Forward-looking Information

The Company may be required or may choose to disclose forward-looking information from time to time in order to provide the public with our view of possible events, conditions and results of operations. This disclosure is made in compliance with applicable securities laws, stock exchange rules and public company best practices, including the guidelines under this Policy, which include the following:

- there must be a reasonable basis for making the forward-looking disclosure, having regard to the assumptions underlying the information and the process followed in preparing the disclosure;
- the information must clearly be identified as forward-looking by words such as "expect", "anticipate", "may", "will", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "foresee" and such other similar words;
- forward-looking information that constitutes "material information" must be broadly disseminated in accordance with this Policy;
- such disclosure, whether in writing or oral, should be accompanied by appropriate cautionary language that identifies any material risk factors or uncertainties that could cause actual results to differ materially; and
- such cautionary language should also be accompanied by a statement that disclaims the Company's intention or obligation to update or revise

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the forward-looking information, whether because of new information, future events or otherwise, except as required by applicable securities law.

Section 11 News Releases

All of the Company's news releases containing material information relating to corporate matters shall be managed by the Investment Relations Department and be approved by the Disclosure Committee prior to their release. Draft news releases in respect of financial statements or other financial disclosure must be submitted to the Audit Committee and the Board for review and, as applicable, approval.

The Company shall distribute news releases disclosing material information through a widely circulated news or wire service that provides simultaneous national and/or international distribution (as appropriate), including distribution to all applicable stock exchanges and securities regulatory authorities, as well as major financial media. If released during regular business hours, prior notice of news releases disclosing material information must be provided to the market surveillance departments of the stock exchange(s) on which the Company's securities are listed, whereupon market surveillance may determine if a trading halt of the securities is required. If a news release announcing material information is issued outside of trading hours, market surveillance must be notified before the market re-opens. News releases shall also be filed with the securities regulatory authorities as required and posted to the Company's website promptly after release over the newswire.

Section 12 Conference Calls

The Company may schedule conference calls to discuss quarterly financial results and major corporate developments, whereby discussion of key aspects is accessible simultaneously to interested parties or to the public in general. However, the primary means to communicate material information should be by way of news release which precedes the calls. At the beginning of such conference calls, the Spokespersons shall provide the appropriate cautionary notification with respect to any forward-looking information and direct participants and listeners to the Company's publicly available documents.

The Company shall provide advance notice of each conference call and web cast by issuing a news release, and a posting to the Company's website, containing the date and time thereof and providing information on how interested parties or the public in general may access the call and web cast. In addition, the Company may send invitations to analysts, institutional investors, the media and others.

Debriefings should be held after each conference call and web cast where practicable to confirm that no unintentional selective disclosure has occurred, and in order to

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permit appropriate action to be taken in accordance with this Policy, if necessary.

Section 13 Contact with Analysts, Investors and the Media

The Company views meetings with analysts and significant investors as an important element of its investor relations program. Spokespersons or those designated by them may meet with analysts and investors on an individual or small group basis as needed, whether by telephone, in person or otherwise, and shall endeavor to initiate contact or respond to analyst and investor calls in a timely, consistent and accurate fashion, all in accordance with this Policy. In general, such discussions should be limited to explanations or clarifications of previously disclosed public information or non-material or non-confidential information.

Spokespersons shall keep notes of discussions with analysts and investors in appropriate circumstances and, where practicable, more than one Spokesperson should be present at individual and group meetings.

Section 14 Quiet Periods

In order to avoid the potential for selective disclosure or the perception or appearance of selective disclosure, directors, officers and other employees of the Company shall observe "quiet periods" during regularly scheduled "blackout periods" under the Insider Trading Policy and as otherwise determined by the Disclosure Committee. With respect to regularly scheduled blackout periods, the quiet period shall begin concurrently with such blackout period (as described in the Insider Trading Policy) and end with the issuance of a news release disclosing quarterly or annual results.

During a quiet period, Spokespersons shall generally refrain from commenting on earnings and financial performance unless otherwise authorized by the CEO or CFO. During this time, the Company may conduct discussions with and participate in meetings, investor conferences and telephone conversations (with analysts, shareholders, potential investors, other market professionals and the media) and respond to unsolicited inquiries concerning factual matters provided such discussions are limited to publicly available or non-material information, and in compliance with any other restrictions the Disclosure Committee may impose from time to time. Should inquiries be made concerning expected financial results, Spokespersons should clearly state that they are not permitted discuss such matters.

During quiet periods, the Company should avoid initiating meetings with analysts, shareholders, potential investors, and other market professionals; generally only responding to unsolicited inquiries concerning factual information. The Company, does not, however, have to stop all communications with analysts or investors during quiet periods and may, for example, participate in investment meetings and conferences organized by other parties provided all discussions and disclosures are

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made in accordance with this Policy.

Section 15 Analyst Reports

The Company shall endeavor to ensure through its regular public dissemination of quantitative and qualitative information that analysts have the appropriate basis to prepare estimates that are in line with the Company's own expectations. The Company shall not comment on, confirm, or attempt to influence, an analyst's opinions or conclusions and shall not express comfort with or otherwise comment on analysts' financial models and earnings estimates.

The Company may review analysts' draft research reports or financial models for the purpose of ensuring there are no factual errors, omissions or obvious misstatements contained in such draft reports or financial models, based on publicly disclosed information. If analysts enquire regarding estimates, the Company may only acknowledge the Company's publicly available information relating to the estimates, and, if applicable, question the analyst's assumptions if the estimate differs significantly from the range of estimates in the public domain.

Analyst reports are proprietary products of the analyst's firm. Re-circulating a report made by any analyst may be viewed as an endorsement by the Company of such a report. For these reasons, the Company shall not provide analyst reports to persons outside the Company, including posting or linking to such information on its website. These reports may be provided periodically to the Board, senior management or the Company's financial and professional advisors as applicable.

Section 16 Leaks, Rumours and Speculation

The Company's general policy is not to comment, affirmatively or negatively, on market rumours or speculation. Rumours include comments made over the telephone, in meetings, or posted on the internet. The Spokespersons shall endeavor to respond consistently to questions for comment about rumours by saying that it is the Company's policy not to comment on rumours or speculation. Should a stock exchange or any securities regulatory authority request or require that the Company make a definitive statement in response to a rumour that is causing significant volatility in the Company's stock, the Disclosure Committee shall consider the matter and be responsible for determining the appropriate response. Where it is required or determined to be appropriate to comment on a rumour, the Company will do so in accordance with this Policy.

Section 17 Maintaining Confidentiality of Information

Except as otherwise provided in this Policy, disclosure of undisclosed material information or otherwise confidential information about the Company is prohibited.

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Every effort should be made to limit access to undisclosed material information and confidential information only to those who need to know the information in accordance with applicable law, and such persons should be advised that the information is to be kept confidential, this includes conversations with consumers, suppliers, strategic partners or other third parties (including friends)

To help protect undisclosed material information and confidential information from inadvertent disclosure, those subject to this Policy should:

- (a) not discuss the Company's business and affairs in public places where it may be overheard (e.g. trade shows, hallways, elevators, restaurants, airplanes, taxis, etc.) or engage in online/social media activities that discuss or in any way relate to the Company's activities or securities (see "Electronic Communications and Social Media" below);
- (b) not carry, read or discard confidential information in an exposed manner in public places;
- (c) ensure that documents and files containing confidential information are subject to appropriate safeguards and restricted access;
- (d) ensure that access to mobile devices containing Company business or information (such as smartphones, tablets and laptops) are restricted by passcodes or other appropriate security features;
- (e) ensure that appropriate precautions are taken when sharing, replacing and/or discarding electronic devices, including external hard drives and USB keys;
- (f) ensure that transmission of documents or information by fax, email, instant message or other electronic means are made only where it is reasonable to assume that transmission can be made and received under secure conditions; and
- (g) avoid unnecessary copying and distribution of documents containing confidential information about the Company, and immediately remove such documents from conference rooms and work areas after meetings have concluded.

Section 18 Electronic Communications and Social Media

You must not comment via any social media or any internet medium on confidential or material information such as the Company's business performance, prospects or business plans, this includes statements or speculation about our financial performance, projects, launches, securities or other confidential information.

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In order to help ensure that non-public material information is not inadvertently disclosed, no director, officer, or employee of the Company, nor any consultant or contractor to the Company, shall participate on or through any personal use of social media, or other similar forms of electronic or internet communications, on matters relating to the “business and affairs” of the Company unless authorized by the CFO. In this context, reference to “business and affairs” is intended to cover information such as the Company’s financial results, financial performance or prospects, and investment in or trading of the Company’s securities and performance of its stock price, as well as material business developments, such as acquisitions or divestitures. This prohibition extends to refraining from discussing the Company’s business and affairs on LinkedIn, Facebook and Twitter or via websites, online blogs, message boards or other online forums. While you may repost or re-Tweet previously published information, such as press releases published by the Company or an authorized Spokesperson, a link to the full published version must be included in your post or Tweet and you should not embellish, supplement or otherwise extrapolate on the information that is included in the information posted by the Company or Spokesperson. Re-posting or re-Tweeting only partial information, or adding commentary may be considered misleading. This includes use of social media through any alias or other anonymous means. Seemingly immaterial information, including comments or reactions to information that is disseminated by the Company through its official channels can constitute selective or imbalanced disclosure and should therefore be avoided.

Section 19 Website Disclosure

A member of the Disclosure Committee or an individual otherwise delegated by the Disclosure Committee is responsible for updating the Investor Relations section of the Company’s website(s), and shall work with content owners to ensure that the information is accurate, up-to-date and is approved as required.

The CFO shall be responsible for reviewing and approving in advance all financial information to be posted on the Company’s website. The CFO shall periodically review the Company’s website to ensure the accuracy, completeness and currency of the financial information posted.

Disclosure of the Company’s website alone does not constitute adequate disclosure of material information. Material information that has not been disclosed in a news release shall not be posted on the Company’s internal or external website(s). All information filed on SEDAR and/or EDGAR is to be posted concurrently to, or identified as being filed on SEDAR and/or EDGAR on, the Company’s website.

Section 20 Trading Restrictions

It is strictly prohibited by this Policy for directors, officers, employees or contractors of the Company to trade, either directly or indirectly, in the Company's securities or securities of another publicly-traded issuer (where the context demands) while in possession of undisclosed material information in violation of applicable law, or to inform, except in the necessary course of business, any other person of undisclosed material information about the Company. For further discussion on securities trading, trading prohibitions and trading blackout periods, see the Company's Insider Trading Policy.

Section 21 Disclosure Record

The Company shall be responsible for maintaining a file containing all public information disseminated by the Company, including but not limited to documents filed with securities regulators and stock exchanges, press releases and meeting materials distributed to the media, analysts and investors, as well as other appropriate documents or information such as transcripts or recordings of presentations, conference calls, webcasts and notes from meetings with analysts.

Section 22 Policy Awareness and Consequences of Violation

Copies of this Policy, as it may be amended from time to time, shall be made available to all directors, officers and employees of the Company, including those authorized to speak on our behalf or who may otherwise have access to undisclosed material information. While you will be informed of any significant changes to this Policy, you are required to annually review this Policy.

Compliance with this Policy is fundamental to the reputation and continued success of the Company. It is the personal responsibility of all of the Company's directors, officers, employees and others to whom this Policy applies to understand and comply with their obligations under this Policy. Failure to observe this Policy may result in severe consequences, which could include internal disciplinary action, including termination without notice of their relationship with the Company. The violation of this Policy may also violate certain securities laws or stock exchange rules, which could result in significant penalties, fines and/or imprisonment.

Section 23 Responsibility for this Policy

The Board has ultimate responsibility for this Policy. The Disclosure Committee shall monitor the Policy in conjunction with regulatory guidance, best practices and experience and make recommendations to the Board with respect to any desired

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changes.

The Board may, from time to time, permit departures from the terms of this Policy, either prospectively or retrospectively. This Policy is not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

Section 24 Questions

If you have questions about this Policy, please contact the General Counsel.

RELATED DOCUMENTS

[Insider Trading Policy](#)