

Introduction

COMPANY ABC CORP. WHISTLE BLOWER POLICY

Company ABC Corp. ("Company ABC" or the "Company") is committed to the highest possible standards of openness, honesty and accountability. In line with that commitment, we expect employees and others that we deal with who have serious concerns about any aspect of the Company's work to come forward and voice those concerns.

Employees are often the first to realize that there may be something seriously wrong within the Company. However, they may decide not to express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Company. They may also fear harassment or victimization. In these circumstances, they may feel it would be easier to ignore the concern rather than report what may just be a suspicion.

This policy document makes it clear that employees can do so without fear of victimization, subsequent discrimination or disadvantage. This Whistle Blowing Policy is intended to encourage and enable employees to raise serious concerns **within** the Company rather than overlooking a problem or seeking a resolution of the problem outside the Company.

This Policy applies to all employees and those contractors working for Company ABC. It is also intended to provide a method for other stakeholders (suppliers, customers, shareholders etc.) to voice their concerns regarding the Company's business conduct.

The Policy is also intended as a clear statement that if any wrongdoing by the Company or any of its employees or by any of its contractors or suppliers is identified and reported to the Company, it will be dealt with quickly and thoroughly investigated and remedied. The Company will further examine the means of ensuring that such wrongdoing can be prevented in future.

A Whistleblowing or reporting mechanism invites all employees and other stakeholders to act responsibly to uphold the reputation of their organization and maintain public confidence. Encouraging a culture of openness within the organization will also help this process. This Policy aims to ensure that serious concerns are properly raised and addressed within the Company and are recognized as a key tool in enabling the delivery of good governance practices.

BACKGROUND

1. What is Whistleblowing?

Employees are usually the first to know when something is going seriously wrong. A

culture of turning a "blind eye" to such problems means that the alarm is not sounded and those in charge do not get the chance to take action before real damage is done. Whistleblowing can therefore be described as giving information about potentially illegal and/or underhanded practices i.e. wrong doing.

2. What is wrong doing?

Wrong doing involves any unlawful or illegal behaviour and can include:

An unlawful act whether civil or criminal; Breach of Company ABC's Code of Business Conduct and Ethics; Breach of or failure to implement or comply with any approved Company ABC policy; Knowingly breaching federal, state or provincial laws or regulations; Unprofessional conduct or below recognized, established standards of practice; Questionable accounting or auditing practices; Dangerous practice likely to cause physical harm / damage to any person / property; Failure to rectify or take reasonable steps to report a matter likely to give rise to a significant and avoidable cost or loss to the Company; Abuse of power or authority for any unauthorized or ulterior purpose; Unfair discrimination in the course of the employment or provision of services.

This list is not definitive, but is intended to give an indication of the kind of conduct which might be considered as "wrong doing".

3. Who is protected?

This Policy is set in the context of the statutory provisions of the Canadian Securities Association (CSA) Multilateral Instrument 52-110 and the U.S. Sarbanes-Oxley Act Section 806. Any employee who makes a disclosure or raises a concern under this Policy will be protected if the employee:

Discloses the information in good faith; Believes it to be substantially true; Does not act maliciously or make false allegations, and Does not seek any personal or financial gain.

4. Who should you contact?

a) Any one with a complaint or concern about the Company should try to contact their supervisor, manager or Vice President responsible for the department that provides the relevant service. This depends however, on the seriousness and sensitivity of the issues involved and who is suspected of malpractice.

b) Information can be given anonymously through the third party communications program, *Integrity Counts* that allows employees, contractors and suppliers to anonymously report sensitive work related issues through the following methods:

- a) Toll free at 1-866-921-6714 ;
- b) online at www.integritycounts.ca - click on File A Report;
- c) email abc@integritycounts.ca
- d) fax to 604-926-5668;
- e) mail to PO Box 91880 West Vancouver BC V7V 4S4

you may add the following alternatives below at your discretion.

f) As an alternative, they could contact (i) either CFO, Board Member, CEO etc.

5. How the Company will respond

The Company will respond positively to your concerns. Do not forget that testing out your concerns is not the same as either accepting or rejecting them.

Where appropriate, the matters raised may:

- a) be investigated by management, the Board of Directors, internal audit, or through the disciplinary process;
- b) be referred to the police;
- c) be referred to the external auditor;
- d) form the subject of an independent inquiry.

In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take.

The overriding principle that the Company will have in mind is the interest of the Company and its shareholders.

Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this will be taken before any investigation is conducted.

The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Company will seek further information from you.

The Company will take steps to minimize any difficulties that you may experience as a result of raising a concern.

The Company accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcomes of any investigation.

6. Time Scale

Concerns will be investigated as quickly as possible. It should also be borne in mind that it may be necessary to refer a matter to an external agency and this may result in an extension of the investigative process. It should also be borne in mind that the seriousness and complexity of any complaint may have an impact upon the time taken to investigate a matter.

7. Prevention of recriminations, victimization or harassment

The Company will not tolerate an attempt on the part of anyone to apply any sanction or detriment to any person who has reported to the Company a serious and genuine concern that they may have concerning an apparent wrongdoing.

8. Confidentiality and Anonymity

The Company will respect the confidentiality of any whistle blowing complaint received by the Company where the complainant requests that confidentiality. However, it must be appreciated that it will be easier to follow up and to verify complaints if the complainant is prepared to give his or her name. In the event that anonymity is requested and the information is given through the ethics hotline, the person will be given a case number and a time or times when he or she can call back or login for updates on the investigation of his or her complaint.

9. False and Malicious Allegations

The Company is proud of its reputation with the highest standards of honesty. It will therefore ensure that substantial and adequate resources are put into investigating any complaint which it receives. However, it is important to realize that the Company will view very seriously any allegations which prove not to be substantiated or which prove to have been made maliciously or knowing them to be false.

The Company will regard the making of any deliberately false or malicious allegations by any employee of the Company as a serious disciplinary offence that may result in disciplinary action, up to and including dismissal for cause.