



Whistleblower Policy

This policy outlines the principles and commitments that Xebec makes to the treatment of complaints concerning public interest matters. In this document, "employees" refers to all directors, officers, employees and contractors of Xebec.

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1. Introduction

All employees are expected to provide honest service to Xebec, and to avoid any actions that could undermine the trust and confidence that other employees, our stakeholders and the general public have in the Company. In order to provide guidance to employees about appropriate and inappropriate actions, Xebec's Board of Directors have adopted a Statement of General Business Principles and Code of Ethics ("Code"), which applies to all directors, officers and employees of Xebec. We expect all Xebec business to be conducted in accordance with the Code.

The Code addresses the Company's open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if an employee is not comfortable speaking with his/her supervisor or is not satisfied with his/her supervisor's response, employees are encouraged to speak with the HR Manager or anyone in management whom they are comfortable in approaching. Supervisors and managers are required to report suspected violations of the Code in accordance with this Whistleblower policy.

The purpose of this policy is to provide a means by which employees are enabled to raise concerns about public interest matters with the appropriate Xebec representative (as set out below) if they have reasonable grounds for believing there is serious malpractice within Xebec, including a violation of the Code. Xebec encourages employees to raise matters of concern responsibly through the procedures laid out in this policy statement.

2. Scope of the Policy

The policy deals with specific concerns which are in the public interest and may include:

- a criminal offence by the Company
- failure to comply with legal obligations of Xebec
- a failure to comply with Xebec's Code
- financial or non-financial maladministration or malpractice or impropriety or fraud
- a risk to the health or safety of any individual at the Xebec facilities
- a risk to the health or safety of any individual due to a Xebec product, system or service
- environmental damage at the Xebec facilities
- improper conduct or unethical behaviour relating to the business of Xebec
- attempts to suppress or conceal any information relating to any of the above

If in the course of investigation any concern raised in relation to the above matters appears to the investigator to relate more appropriately to grievance, bullying or harassment, or discipline, other applicable procedures will be invoked.

3. Who Can Raise a Concern?

Any employee who has a reasonable belief that there is a serious issue relating to any of the public interest matters specified in section 2 above, may raise a concern under the procedure detailed in section 4 below. The issues raised under the public interest list may relate to another employee, department or Xebec. Concerns must be raised without malice and in good faith, and the individual must reasonably believe that the information disclosed, and any allegations contained in it, are substantially true. The disclosure must not be made for purposes of personal gain, and in all the circumstances, it must be reasonable to make the disclosure. Xebec will ensure that any employee who makes a disclosure in such circumstances will not be penalized or suffer any adverse treatment for doing so. However, an employee who does not act in good faith or makes an allegation without having reasonable grounds for believing it to be substantially true, or makes it for purposes of personal gain, or makes it maliciously or vexatious, may be subject to disciplinary proceedings.

In view of the protection afforded to an employee raising a bona fide concern, it is preferable if that individual puts his/her name to any disclosure. The identity of the person raising the matter will be kept confidential, if so requested, for as long as possible provided that this is compatible with a proper investigation. Nevertheless, anonymous complaints may be reported, investigated or acted upon as the person receiving the complaint sees fit, having regard to the seriousness of the issue raised, the credibility of the complaint, the prospects of being able to investigate the matter, and fairness to any individual mentioned in the complaint. Any employee that wishes to make an anonymous disclosure should be aware that it can be more difficult to investigate such a complaint, and it will not be possible to keep him/her informed during the investigation in accordance with this policy.

4. Procedure

Initial Step

Any employee who wishes to make a disclosure under this policy is asked to complete the Whistleblower Questionnaire that is available on Xebec's intranet. As noted above, it is preferable but not necessary that an employee put his/her name on the Questionnaire prior to submitting a concern.

Normally any disclosure about a public interest matter should be made in the first instance to the Corporate Secretary.

If the disclosure is about the Corporate Secretary, the employee may raise the concern with the President & CEO, or directly with the Chair of the Board or the Chair of the Audit Committee, as described below.

If the disclosure is about the President & CEO or a director, the employee is encouraged to contact the Chair of the Board or the Chair of the Audit Committee directly.

If the disclosure relates to questionable accounting, internal accounting controls, or auditing matters that have been employed by Xebec or its external auditors, the employee is strongly encouraged to make the disclosure directly to the Chair of the Audit Committee or to any other member of the Audit Committee.

Our Receptionist/Executive Assistant has current contact information for all directors including the Chair of the Board and the Chair of the Audit Committee. Note also that all of the directors can be contacted through Xebec's email system, either individually by name, or as a group.

The person to whom the disclosure is made will decide whether the matter should be dealt with under this procedure. If he or she considers that the matter should be dealt with under a different Xebec procedure, s/he will advise the person making the disclosure as to the appropriate steps which should be taken. However, any disclosure relating to questionable accounting, internal accounting controls and/or auditing matters which is received by anyone other than the Chair of the Audit Committee must be forwarded by the person receiving the disclosure to the Chair of the Audit Committee without delay. The Chair of the Audit Committee will then be responsible for relaying the disclosure to the Board of Directors to determine how to proceed with the investigation.

5. Process

The person to whom the disclosure is made will normally consider the information and decide whether there is a prima facie case to answer. He or she will decide whether an investigation should be conducted and what form it should take. This will depend on the nature of the matter raised and may be

- investigated internally
- referred to independent external auditors
- the subject of independent enquiry

Following investigation, some matters will need to be referred to the relevant outside body, e.g. the police or security regulators.

If the person to whom the disclosure is made decides not to proceed with an investigation, the decision will be explained as fully as possible to the individual who raised the concern. It is then open to the individual to make the disclosure again to another person specified in the "Initial Step".

6. Investigation

Any investigation will be conducted as sensitively and speedily as possible. The employee will be notified of the intended timetable for the investigation. The person to whom the disclosure is made may authorize an initial investigation to establish the relevant facts. The investigation may be conducted by the Controller in the case of a financial irregularity, or by another person. The investigator will report his or her findings to the person to whom the disclosure was made (and to the Audit Committee, if the investigation relates to

questionable accounting, internal accounting controls or auditing matters), who will then decide if there is a case to answer and what procedure to follow. This may include taking steps with the competent authority to set up a special internal independent investigation or reference to some external authority, such as the police, for further investigation. The decision may be that the matter would be more appropriately handled under existing procedures for grievance, bullying and harassment, or discipline.

Where disclosure is made, the person or persons against whom it is made will be told at an early stage of it and of the evidence supporting it, and they will be allowed to respond.

The individual making the disclosure will be informed of what action is to be taken.

Should an investigation or referral lead the appropriate Xebec authority to conclude there has been a breach of Xebec policy or Code, the person or persons responsible may, in addition to any civil or criminal proceedings, be subject to disciplinary action.

7. Records

An official written record will be kept of each stage of the procedure.

8. Reporting of Outcomes

A report of all disclosures and subsequent actions taken will be made by the persons deciding on the issues. This record should be signed by the Investigating Officer and the person who made the disclosure and dated. Where appropriate, the formal record need not identify the person making the disclosure, but in such a case, that person will be required to sign a document confirming that the complaint has been investigated. Such reports will normally be retained for at least five years. In all cases, a report of the outcome will be made to the Xebec Board of Directors, which will refer the report on if necessary.

9. Advice for Employees Raising a Concern

Xebec acknowledges the difficult choice an employee may have to make in raising a concern. As the issues that prompt the concern are likely to be complex, how the employee proceeds with his or her concern will vary from situation to situation. The following advice is recommended if an employee wishes to make a disclosure:

- make any objections to illegal, unsafe or unethical practices promptly so as to avoid any misinterpretation of the motives for doing so;
- focus on the issues and proceed in a tactful manner to avoid unnecessary personal antagonism which might distract attention from solving the problem; and
- be accurate in his/her observations and claims and keep formal records documenting relevant events.

Employees may also wish to seek independent legal advice.

10. Complaints of Retaliation as a Result of Disclosure

Xebec accepts that it has an obligation to ensure that employees who make a disclosure without malice and in good faith are protected, regardless of whether or not the concern raised is upheld. **Xebec shall not take or allow any reprisal against an employee for, in good faith, making a disclosure under the Whistleblower Policy. Any such reprisal itself shall be considered a very serious breach of this policy.** An employee who has made a disclosure and who feels that, as a result, he or she has suffered adverse treatment should submit a formal complaint to the Chair of the Board or the Chair of the Audit Committee, detailing what has been done to him or her. If it appears that there are reasonable grounds for making the complaint, the onus will be on the person against whom the complaint of adverse treatment has been made to show that the actions complained of were not taken in retaliation for the disclosure.

Where it is determined that there is a prima facie case that an employee has suffered adverse treatment, harassment or been victimized as a result of his or her disclosure, a further investigation may take place and disciplinary action may be taken against the perpetrator.

11. External Disclosure

If, having exhausted this procedure, an employee is not satisfied with Xebec' response and reasonably believes that the information disclosed, and any allegation contained in it are substantially true, he or she is at liberty to take the matter further by raising it with certain bodies or persons such as

- a LegalAdvisor
- the Police

An employee who makes an external complaint in good faith to any prescribed body or person after exhausting Xebec' procedure, will be protected against victimization or other adverse treatment.

12. Effective Date

Xebec replaces the prior QuestAir policy as of June 12, 2009.