

**ELM INC.**  
**(the Company”)**

**WHISTLEBLOWER & COMPLAINTS POLICY**

**Policy:**

This policy of ELM Inc. is intended to allow easy access for employees and related parties to the Governance & Compensation Committee (the “Committee”). This policy addresses the commitment of the Company and the Board of Directors to integrity and ethical behavior by helping to foster and maintain an environment where employees and other individuals can act appropriately, without fear of retaliation. When in doubt, employees are strongly urged to discuss the best course of action in a particular situation with supervisors, managers or other appropriate personnel.

**Purpose:**

This policy governs the conduct of all employees, direct and indirect service providers, officer and directors (each a “Member”) of the Company. If you have any knowledge of any practices of an unlawful nature that may result in a financial loss to the Company or that may raise questions as to the Company’s ethics, business practices or workplace safety procedures, or which violate the Company’s Code of Conduct (the “Code”), you can communicate these anonymously as set out in this policy.

This policy also outlines the procedures for filing a complaint, how a complaint is investigated, and the criteria used to evaluate a complaint.

**Definitions:**

For purposes of this policy:

1. **Good Faith.** Good faith is evident when the complaint is made without malice or consideration of personal benefit and the individual(s) has a reasonable basis to believe that the complaint is true; provided, however, a complaint does not have to be proven to be true to be made in good faith. Good faith is lacking when the disclosure is known to be malicious or false.
2. **Adverse Employment Action.** Examples of adverse employment action include, but are not limited to, demotion, suspension, termination, transfer to a lesser position, denial of promotions, denial of benefits, threats, harassment or denial of compensation as a result of an employee’s report of wrongdoing, or any manner of discrimination against an employee in the terms and conditions of employment because of any lawful act done by an employee pursuant to this policy.
3. **Wrongdoing.** Examples of wrongdoing include, but are not limited to, adverse employment actions, financial fraud and accounting fraud, knowing violation of laws and regulations and/or Company policies regarding accounting, internal accounting controls, auditing matters, field policies and non-compliance with Corporate Health, Safety and Environment policies and external regulations, breaches of the Code.

**A. General Guidance:**

This policy presumes that individuals will act in good faith and will not make false accusations when reporting wrongdoing. An individual who knowingly or recklessly makes statements or disclosures that are not in good faith may be subject to discipline, which may include termination in the case of an employee.

It is important that any individual who believes that wrongdoing has occurred report the matter at the earliest opportunity. In general, it is recommended that a complaint be made to the Committee and that any decision to engage third parties be made by the Committee.

## **B. Procedures for Receiving an Allegation of Wrongdoing**

1. Any allegation of wrongdoing that is made directly to management, whether openly, confidentially or anonymously, will be promptly reported to the Chair of the Committee.
2. Each allegation forwarded to the Chair of the Committee by management, and each allegation that is made directly to the Committee, whether openly, confidentially or anonymously, will be reviewed by the Committee, who may, at their discretion, consult with any member of management or employee whom they believe would have appropriate expertise or information to assist the Committee. The Committee will determine whether the Committee, another subcommittee of the Board, or management should investigate the allegation, taking into account the considerations set forth below.
  - a. If the Committee determines that management should investigate the allegation, the Committee will notify the Board of Directors in writing of that conclusion. Management will thereafter promptly investigate the allegation and will report the results of its investigation, in writing, to the Committee. Management will be free in its discretion to engage outside auditors, counsel or other experts or advisors to assist in the investigation and in the analysis of results.
  - b. If the Committee determines that it should investigate the allegation, the Committee will promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The Committee will be free in its discretion to engage outside auditors, counsel or other experts or advisors to assist in the investigation and in the analysis of results.
3. In determining whether management or the Committee should investigate an allegation of wrongdoing, the Committee will consider, among other factors that are appropriate under the circumstances, the following:
  - a. The nature of the complaint.
  - b. The identity of the alleged wrongdoer.
  - c. The significance of the alleged wrongdoing.
  - d. The credibility of the allegation of the wrongdoing.
4. The Committee, comprised of independent directors, is the decision-making body in relation to whistleblowing complaints. The Committee, or its designate, will report to the Board on these complaints, and such reports to the Board will respect protection of the whistleblowers and other individuals as set out in this policy.

## **C. Considerations Regarding the Decision to Investigate**

In determining whether management, the Committee, or another sub-committee of the Board should investigate an allegation of wrongdoing, the Committee will consider, among other factors that are appropriate under the circumstances, the following:

- a. The nature of the complaint.

- b. The identity of the alleged wrongdoer.
- c. The significance of the alleged wrongdoing.
- d. The credibility of the allegation of wrongdoing.

#### **D. Protection of Whistleblowers & Other Individuals**

The identity of any employees or outside individuals who make complaints pursuant to this policy will not be revealed to persons in any department, division or work location. The Company will make good faith efforts to protect the confidentiality of individuals making complaints: provided, however, the Company or its employees and agents will be permitted to reveal the individual's identity and confidential information to the extent necessary to permit an effective investigation, or as required by law. The Company will not tolerate any effort by any other employee or employee group, to ascertain the identity of any person who makes a good faith allegation anonymously.

Consistent with the policies of the Company, the Committee will not retaliate, and will not tolerate any retaliation by management or any other employee or employee group, directly or indirectly, against anyone who, in good faith, makes an allegation of wrongdoing or provides assistance to the Committee, management or any other person or group, including any governmental, regulatory or law enforcement body, investigating such an allegation.

#### **E. Procedures for Making Complaints**

In addition to any other avenue available to an employee (such as a supervisor or member of the executive team), any individual may submit, confidentially or anonymously, any report or allegation of wrongdoing to the address or email below. Any envelopes received that are marked as indicated below will be forwarded unopened to the Chair of the Committee. Individuals who become aware of any wrongdoing, or suspected wrongdoing, are encouraged to make a report as soon as possible. Concerns should be submitted with as much detail as possible in order for the claim to be evaluated accurately. Acts of alleged wrongdoing may be reported as follows:

**ELM Ethics Line**

Email: [elmethics@shaw.ca](mailto:elmethics@shaw.ca)

**Mail: Private & Confidential – Attention: Chair of the Governance & Compensation Committee**

**ELM Inc.**

**#2200, 250 – 6 Ave S.W., Calgary, AB T2P 3H7**