

## **STORNOWAY DIAMOND CORPORATION (THE “CORPORATION”) WHISTLEBLOWER POLICY**

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### **1. Purpose**

The purpose of this Whistleblower policy is to provide a mechanism for all employees, directors and officers of the Corporation to express concerns or complaints about improper activities or report the existence of inappropriate or fraudulent financial activities (collectively, a “Violation”) free of any adverse consequences or the fear of any adverse consequences.

This Whistleblower Policy establishes a process whereby employees, directors and officers of the Corporation can report Violations to the Corporation and have them addressed promptly and effectively rather than seeking resolution outside the Corporation.

This policy sets out the procedures to address the receipt, retention and treatment of complaints received by the Corporation in respect of matters relating to accounting, internal accounting controls or auditing. This policy also sets up a means to protect the confidentiality and anonymity of any submission pursuant to this Policy.

In questions relating to accounting, accounting procedures or control procedures, questions or comments may be directed to the Chairperson of the Audit and Risk Management Committee.

### **2. Obligation to Report Violations**

Employees, officers and directors have a responsibility to report concerns about the integrity of financial reporting, relating to:

- Accounting and Auditing Concerns – examples include: falsification or destruction of business or financial records;
- Misrepresentation or suppression of financial information;

- Non-adherence to internal financial reporting policy / controls, including management over-rides; and auditors independent concerns.
- Suspected fraudulent activity – examples include, but are not limited to the following: defalcation; unlawful or improper payments; and insider trading of the Corporation issued securities.

### **3. Procedures for Receiving Complaints and Concerns**

Complaints regarding accounting, internal accounting controls or auditing matters and concerns regarding questionable accounting or auditing matter should be reported to the Chairperson of the Audit and Risk Management Committee. Any question should be in written form and addressed to the Chairperson of the Audit and Risk Management Committee in an envelope marked “Private and Confidential – Chairperson of the Audit and Risk Management Committee Policy Regarding Complaints and Concerns Procedures”. Emailed complaints may be sent, in confidence, to: [anthonyypw@shaw.ca](mailto:anthonyypw@shaw.ca). If the complaint or concern is anonymous, there must be clear, accurate and sufficient details, as there will be no opportunity to have the information clarified.

### **4. Procedures for Addressing General Complaints and Concerns**

Upon receipt of a complaint, the Chairperson of the Audit and Risk Management Committee will record the alleged Violation and act to resolve any issue by offering to meet with the complainant or communicating with that person through another appropriate means. Each of the complaints and concerns will be thoroughly investigated and appropriate action will be taken at the direction of the Chairperson of the Audit and Risk Management Committee. All complaints and concerns and their disposition will be communicated to the Audit and Risk Management Committee at the date of the next meeting following the date of the complaint, concern or disposition. The Chairperson may elect to call a special meeting of the Audit and Risk Management Committee prior to the next scheduled meeting to deal with the complaint, concern or disposition.

## **5. Complaint Logs and Concern Logs**

The Chairperson of the Audit and Risk Management Committee will, with the assistance of the Corporate Secretary, maintain a log (the “Log”) of all alleged Violations received from any source.

Each alleged Violation will be separately documented by the Chairperson of the Audit and Risk Management Committee. The Log shall include a report that contains a complete description of the allegation(s), the action taken, including investigative and / or disciplinary action, the status of the file as pending or closed, and, if closed, a statement describing the final disposition of the alleged Violation. All documentation with respect to the alleged Violation shall be retained by the Corporate Secretary.

The Audit and Risk Management Committee will have full access to the respective Logs, and related documentation at all times, except for any information that may be used to identify a complainant or filer who has requested anonymity.

## **6. Prohibition Against Retaliation**

The Corporation will not discharge, threaten, harass, discipline withhold or suspend payment of salary and / or benefits, demote, transfer or otherwise take any disciplinary action or retaliatory action against any employee, officer or director of the Corporation who in good faith raises a concern, files a complaint, reports any suspected financial wrongdoing, or who discloses or provides information or assistance in connection with any internal investigation or government proceeding or enquiry.

Effective Date: April 30, 2011