

Whistleblower Policy

Shock Trauma Air Rescue Service (“STARS”)

Background:

STARS endeavors to adhere to “best practices” related to corporate governance matters. As such, the Board of Directors of the organization have delegated to the Audit and Finance Committee, the responsibility to establish formal procedures for the confidential submission by employees and other stakeholders of the organizations, of concerns related to malpractice or misconduct of which they become aware, and importantly, to provide protection for employees and other stakeholders who report allegations of such malpractice of misconduct.

The Policy is intended to supplement, but not replace, the STARS Code of Conduct and Ethics. This Policy is not intended to discourage anyone from reporting to a law enforcement or regulatory agency if a breach of federal or provincial statutes or regulations is suspected.

Reporting Concerns for Financial Matters

STARS has implemented the Whistleblower Policy as a mechanism to ensure that any concerns regarding the financial stewardship of the organizations are dealt with in an appropriate manner. It is a safeguard for the financial integrity of the organizations. Employees are encouraged to use the Whistleblower mechanism to address concerns or complaints relating to any questionable accounting matters including, without limitation, the following:

- fraud or deliberate error in the preparation, evaluation, review or audit of the organizations’ financial statements;
- fraud or deliberate error in the accounting of, or the recording and maintaining of the organizations’ financial records;
- deficiencies in, or noncompliance with, the organizations’ internal accounting controls;
- misrepresentation or false statement to or by any of the organizations’ employees or the organizations’ auditor regarding a matter contained in the organizations’ financial records, financial reports or audit reports; and
- any deviation from full and fair reporting of the organizations’ financial condition.

Reporting Concerns for Other Matters

STARS has included in its Whistleblower mechanism, concerns related to human resources, privacy, safety, and ethics. These will include, but may not be limited to, any violations of the following policies:

- Respectful Work Place Policy;
- Code of Business Conduct and Ethics; or
- Privacy and Confidentiality Policy.

The Whistleblower mechanism may also be used with respect to any safety issues wherein there is violence or a threat of violence in the workplace, or where there are serious hazards that are not being addressed by the organizations, as well as any other issues involving unethical or illegal conduct.

Policy:

The purpose of this Whistleblower Policy is to provide STARS' employees, consultants, and external stakeholders with a mechanism by which they can raise concerns through their supervisors or in a process that is addressed directly by members of the Board of Directors. Because of the difficulty of investigating any concerns that are reported anonymously, STARS' employees, consultants and other stakeholders are asked to identify themselves when reporting any concerns. The Board of Directors commits to maintaining confidentiality at all times.

At STARS we promote an open door policy where members of our organization should feel comfortable discussing matters with individuals at all levels. As such, prior to contacting the Whistleblower Hotline (*see below*), all STARS employees and stakeholders are encouraged to report any concerns of the aforementioned nature internally, as follows:

- For financial matters, employees should report any concerns to their immediate supervisor, the EVP, Foundation and Chief Financial Officer, or the President and Chief Executive Officer prior to contacting the Whistleblower Hotline (*see below*).
- For those "other" matters, employees should report any such concerns to their immediate supervisor, Human Resources Partner, or the President and Chief Executive Officer.

- All other stakeholders, including consultants, are encouraged to report any concerns of any nature to either the EVP, Foundation and Chief Financial Officer, or the President and Chief Executive Officer.

Those individuals will then make a determination for each issue raised. Significant issues (those other than normal-course-of-business or information-only) are to be documented by the organizations as to nature of the concern, impact on the organizations, departments affected, and resolution. The personal identity of the employee or stakeholder will be protected at all times. Documentation will be forwarded to the office of the President and Chief Executive Officer, as appropriate, for review and further follow-up, if required.

Although STARS does encourage employees and stakeholders to pursue the above action, employees and stakeholders are also encouraged to utilize the Whistleblower Hotline for those material concerns, of which they wish to remain confidential from STARS' management. For this purpose, "material" includes:

- Actual or potential financial loss wherein questionable financial integrity may be the cause
- Substantial breach of internal controls or circumvention of accounting policy
- Actual or probable breach of the Respectful Work Place Policy, the Code of Business Conduct and Ethics, or the Privacy and Confidentiality Policy
- All complaints directly or indirectly challenging the integrity of management
- Safety issues wherein there is an imminent threat of harm to employees
- Any issues involving illegal or unethical conduct

The Whistleblower Hotline has been established to serve as a confidential mechanism for the independent Audit and Finance Committee Chair (or his or her designate) to receive phone calls or correspondence with respect to those material issues listed above. The Chair of the Audit and Finance Committee has the authority to address such concerns. However, a summary report of the complaints received must be presented by the Chair of the Audit and Finance Committee at each regular meeting of the Committee. Only if deemed necessary by the Chair of the Audit and Finance Committee, a high level summary report will be presented to the Board of such complaints received at the regularly scheduled meetings of the Board.

The Whistleblower Hotline allows for a confidential reporting mechanism. While ALL Whistleblower complaints will be considered, in an effort to allow for thorough and complete investigation, resolution and reporting, complainants must identify themselves in their complaint (*see Protection of Employees and Other, below*).

Any Whistleblower complaints reported to the Chair of the Audit and Finance Committee through the Whistleblower Hotline will be investigated thoroughly by an external third party, whether it be a Board member or otherwise, and any information that would identify that

person making the Whistleblower complaint will be kept confidential from Management, unless:

- Disclosure is required by law;
- Disclosure is reasonably required in the circumstances to prevent serious physical harm or death;
- They consent to such disclosure; or
- There are reasonable grounds to suspect that the report was not made in good faith.

Any person making a Whistleblower complaint will be advised immediately if his or her identity cannot be maintained as confidential, prior to the disclosure of the identifying information.

The Audit and Finance Committee Chair or his or her designate is also responsible for ensuring that, except required by law or regulations:

- That the results of the investigation into alleged improper activity shall not be disclosed to, or discussed with, any persons other than those persons that have a legitimate need to know the results of the investigation in order to perform their duties; and
- If the person making the Whistleblower complaint does not have a legitimate need to know the results of the investigation, the person investigating the disclosure shall notify that person in writing of the termination of the investigation without elaboration or reasons.

Procedure to Report Material Concerns:

Any perceived or actual accounting, financial or other ethical or illegal improprieties may be anonymously reported to the Chair of the Audit and Finance Committee by calling the STARS toll-free, confidential Whistleblower Hotline at 1-877-392-6595.

Any Whistleblower concerns can also be sent to whistlebloweralerts@stars.ca, of which such complaints are sent directly to the Chair of the Audit and Finance Committee.

Alternatively, concerns can be reported by regular mail, courier or any other means of delivery directly to STARS Head Office, addressed as below:

Chair, STARS Audit & Finance Committee
Box 570, 1441 Aviation Park NE
Calgary, AB T2E 8M7

Please ensure the envelope is marked "Strictly Private and Confidential – To Be Opened by Addressee Only".

As noted above, in order to properly and thoroughly investigate and resolve the particular issue reported, disclosure of the complainant's name is required, and will be kept completely confidential from STARS' management, unless otherwise consented to.

Protection of Employees and Other:

Any retaliation against any person submitting a concern or complaint in good faith is strictly prohibited and shall be reported immediately to the Chair of STARS Audit & Finance Committee. Any allegations of retaliation will be investigated and dealt with in the appropriate manner at the discretion of the Audit and Finance Committee, and possibly the Board of Directors.

The STARS organizations will view the creation of any deliberately false or malicious allegations by an employee of STARS as a serious offence which will result in disciplinary action up to and including dismissal for cause. The action determined by the STARS Audit & Finance Committee to be appropriate under the circumstance shall then be brought to the STARS and STARS Foundation Board of Directors or to the appropriate members of Executive Team for authorization or implementation, respectively.

Treatment of Records and Documents:

All records relating to a complaint are the property of STARS and when resolved:

- a) shall be safely retained in accordance with applicable laws and document retention policies, and shall be kept in the custody of the Corporate Secretary, with any personally identifying information removed from such records at the request of the employee or stakeholder making the complaint;
- b) are safeguarded to ensure confidentiality of the person making the Complaint;
- c) will be retained in a manner to maximize their usefulness to STARS Whistleblower program.