



December 8, 2018

WHISTLEBLOWER POLICY

1. Purpose

The purpose of this policy is to establish procedures for the receipt, retention, and treatment of complaints received by The Commonwell Mutual Insurance Group, (the “Company”) regarding but not limited to, accounting, internal accounting controls, auditing matters, fraud, breaches of company policies, conflicts of interest, illegal activities or retaliation or retribution against an individual who reports a concern, generally referred to as a “violation”.

The policy applies to all employees of the Company, including Board Directors and officers of the Company (collectively, the “employees”), as well as, but not restricted to, any broker, supplier, contractor, consultant, auditor, financial institution or any other person or organization who supplies goods or services to the Company (collectively, “other person”).

It is the policy of the Company to require all employees and any other person to comply with all applicable legal and regulatory requirements relating to corporate reporting and disclosure, and accounting and auditing controls and procedures, and all corporate policies. Every employee has the responsibility to assist the Company in meeting these requirements.

2. Responsibility of the Governance Committee of the Board

The Board of Directors of the Company has delegated to the Corporate Governance Committee of the Board the following responsibilities:

- a) to develop, maintain and periodically review and update as appropriate this policy;
- b) to receive and investigate complaints relating to accounting, internal accounting controls, auditing matters or fraud, breaches of company policy, conflicts of interest, illegal activities and retaliation or retribution against an individual who reports a concern and to provide recommendations, where appropriate, to remedy such violations;

- c) to receive and investigate complaints relating to violations that cannot be otherwise satisfactorily resolved in accordance with this policy and to provide recommendations, where appropriate, to remedy such violations.
- d) to report all complaints received by it under this policy to Management where appropriate and to the Board, including recommendations to resolve complaints or violations, where appropriate;
- e) to ensure implementation of recommendations; and,
- f) to ensure Management has communicated this policy and the procedures set out herein to all persons or organizations included in the policy.

3. Reporting Alleged Violations or Concerns

If any employee or other person reasonably believes based on the facts available to them that the Company or any employee or other person engaged with or by the Company has been involved in a violation the employee is encouraged to immediately report the concern to his or her supervisor regardless of who the alleged offender may be. If an employee is not comfortable reporting the concern to his or her supervisor, the concern may be reported to the CFO or CEO. For other persons and any employee who is not comfortable reporting the concern to the CFO or CEO the concern should be reported via email to the following address:

whistleblower@thecommonwell.ca

4. Content of Report of Alleged Violation or Concern

Reports of alleged violation or concern should be as factual as possible, rather than speculative. As much detail as possible should be contained in the report to enable a proper assessment. All information that the employee or other person knows should be set forth, including names, dates, violation descriptions and numbers where possible. Such information will be a deciding factor in whether an investigation can proceed. It is possible that no investigation is commenced for an alleged violation or concern if a report contains only unspecified or broad allegations without appropriate factual support.

5. Investigation of Alleged Violation or Concern

If a report of an alleged violation that is reported to a person's supervisor or the CFO or CEO cannot be resolved satisfactorily by the supervisor, CFO or CEO, the report shall be referred to the Corporate Governance Committee. Upon receipt of a report of an alleged violation or concern, from the CFO or CEO or anyone else, the Governance Committee will make a determination whether a reasonable basis exists for commencing an investigation. If the

Governance Committee determines that an investigation should proceed, it will ensure that all appropriate and reasonable measures are taken to ensure a thorough investigation. Should the alleged violation be in relation to accounting, internal accounting controls, auditing matters or fraud, the Governance Committee will advise the Chair of the Audit Committee.

The Corporate Governance Committee will have the authority to obtain assistance from the Company's management, auditor or legal counsel, or to retain outside legal or accounting expertise as it deems appropriate to complete the investigation.

6. Corrective Action

The Corporate Governance Committee is responsible for determining the validity of each alleged violation or concern, and using the advice of its advisors and Management, for developing a recommendation for appropriate remedial action. Where legal or regulatory noncompliance is evident, the Committee shall report that to Management, and ensure that Management takes corrective action.

Any employee found to have been involved in or participated in a violation or to have knowingly conducted or participated in the conduct of fraud, may be subject to disciplinary action, up to and including termination.

If a director is found to have been involved in or participated in a violation or to have knowingly conducted or participated in the conduct of fraud, in addition to other remedies that may be available, the director may be disciplined by the Chair or Vice-Chair and the Director may be asked to resign his or her position, failing which a Special General Meeting of the Members of the Corporation will be convened to remove the Director from office.

7. No Retaliation

This policy is intended to protect the Company, its employees and its stakeholders. As such, it is intended to encourage and support employees and other persons to raise serious concerns that can be substantiated so that they can be resolved internally.

No employee or other person who reports an alleged violation or concern in good faith shall suffer harassment, retaliation or adverse employment or compensatory consequence. Any employee who retaliates against any employee or other person who has reported an alleged violation or concern in good faith is subject to disciplinary action, up to and including termination.

8. Requirement of Good Faith

To be effective, this policy requires that good faith be exhibited by all involved, including those filing a report of alleged violation or concern. Anyone filing a report must have reasonable grounds for their report. Unsubstantiated allegations or concerns that are proven to have been made maliciously, or that have been reported when they were known to be false will be considered to be a serious disciplinary offense, subject to disciplinary action, up to and including termination.

Approvals

John Hope

Corporate Governance Committee Chair

Gord Lodwick

Board Chair