

## NGEN WHISTLEBLOWER POLICY

### 1. BACKGROUND

Next Generation Manufacturing Canada (NGen) believes that good and meaningful communication at all levels of the organization promotes best practices and success. NGen is committed to conducting itself with honesty and integrity at all times. If, at any time, this commitment is not followed or appears in doubt, NGen will seek to identify and remedy such situations. With this in mind, all employees and Board members are encouraged to raise genuine concerns without fear of reprisals or consequences.

#### 1.1 Purpose

The purpose of this Whistleblower Policy is to provide direction to all current and former employees, directors, contractors, subcontractors, agents, volunteers, vendors, donors, and partners of NGen (“Individuals”) regarding the communication of concerns with respect to issues of honesty and integrity, and, in particular, of questionable financial or operational matters or acts of corruption.

A concern regarding wrongdoing can be raised at any time, whether the incident has already happened, is currently happening, or is likely to happen in the future.

### 2. POLICY

#### 2.1 Definitions

*Board* – The Board of Directors of NGen.

*Whistleblower* – Any current or former director, employee, contractor, subcontractor, agent, volunteer, or vendor, and any donor, member of the general public or partner of NGen who has reported or is considering reporting a whistleblower incident.

*Whistleblower Incident* – A concern related to issues of honesty and integrity within NGen and, in particular, issues relating to financial or operational matters or acts of corruption. For greater clarity, Whistleblower Incidents are intended to include, but are not limited to the following:

- Breach of legal obligations, rules, regulations or governance and operating policies, which includes bribery, fraud, or other criminal activities;



- Inappropriate benefits being accepted from or provided to third parties;
- Endangerment of health and safety;
- Damage to the environment;
- Gross mismanagement or omission or neglect of duty;
- Abuse of authority;
- Mismanagement in the use or failure to use funds, including, inappropriate recording or reporting of revenues, or lack thereof;
- Inappropriate classification or presentation of assets and/or liabilities;
- Misleading accounting entries;
- Breach of fiduciary duty and/or abuse of trust;
- Breach of independent project evaluation procedures;
- Undue attempts to influence governance or operating decisions;
- Inappropriate occurrences by NGen staff or Board members; and
- Concealment of any of the above or any other breach of this Policy.

For additional clarity, a Whistleblower Incident does not cover personal or professional grievances arising because of one's relationship with NGen or any of its current and former directors, employees, contractors, subcontractors, agents, volunteers, vendors, donors, and partners. These concerns should be raised through the appropriate internal channels, including through any applicable employment or contractual policies.

## **2.2 Authority**

Overall authority for this Policy rests jointly with NGen's Chair of the Board and Chief Executive Officer. Both shall have specific responsibility to facilitate the communication and operation of this Policy, including appropriate training and review for NGen Board members and staff. All Board members and staff are responsible for the success of the Policy and should ensure that they take the actions required to make the Policy effective and of optimal value to NGen.

NGen's Governance and Compliance Committee is responsible for reporting to the Board on the implementation of this Policy and recommending updates to this Policy as appropriate.

### **3. PROCESS FOR RAISING A WHISTLEBLOWING INCIDENT**

#### **3.1 Reporting a Whistleblowing Incident**

The Whistleblower should communicate a Whistleblower Incident in writing or by confidential e-mail as soon as possible after the Whistleblower becomes aware of such incidents to NGen's Chair, CEO, or Chair of the Governance and Compliance Committee.

If a Whistleblower is not comfortable having their concern reported to the CEO, Board Chair, or Governance and Compliance Committee Chair, the Whistleblower should report the matter to another member of the Board of Directors or to a supervisor or member of management whom they are comfortable approaching. The Board member or supervisor/member of management must take immediate action to bring the matter to the attention of the Board Chair or CEO, maintaining the anonymity of the Whistleblower if the person desires.

If the Whistleblower wishes to remain anonymous, their written communication should clearly indicate their wish for anonymity. The communication should also indicate whether the individual raising a concern wishes to discuss the matter further.

If the Whistleblower wishes to discuss any matter with members of a Board Committee this request should be indicated in their communication. In order to facilitate such a discussion, the applicable individual should include a telephone number at which they can be contacted.

Upon receipt and review of a Whistleblower Incident report, the Board Chair or CEO should communicate it to the Chair of the Governance and Compliance Committee for matters concerning ethics or governance or to the Chair of the Finance and Audit Committee in the case of financial matters. If received by the Chair of the Governance and Compliance Committee, the report should be communicated to the Board Chair or Chair of the Finance and Audit Committee as appropriate.

The Board Chair, Chair of the Governance and Compliance Committee, and/or Chair of the Finance and Audit Committee shall together make a determination as to whether the allegations contained in a report have merit, require an investigation, and/or should be reported immediately to the broader Board. In general, allegations involving criminal allegations regarding financial or operational matters will be reported to the Board to allow for the Board to be involved in any direction to NGen regarding next steps, whereas other allegations may be investigated first prior to reporting to the Board.

Any allegations of wrongdoing concerning the Chair or the Board as a whole shall be reported to ISED's Board representative.

### **3.2 Content of a Whistleblowing Incident Report**

To the extent possible, reports of alleged Whistleblower Incidents should be factual, rather than speculative, and should contain as much specific detail as possible to allow for proper assessment. The complaint describing an alleged Whistleblower Incident should be candid and should clearly set forth all of the information that the person knows regarding the Whistleblower Incident. In addition, the complaint should contain sufficient corroborating information to support the commencement of an investigation. NGen may, in its reasonable discretion, determine not to commence an investigation if a complaint contains only unspecified or broad allegations of wrongdoing without appropriate factual support.

All reported Whistleblower Incidents shall be treated in a confidential and sensitive manner. In addition, the Whistleblower shall be provided the opportunity to remain anonymous, save and except in those circumstances where the nature of the disclosure and/or the resultant investigation make it necessary to disclose identity (for example, legal investigations or proceedings or third-party investigations). In such cases, all reasonable steps shall be taken to protect the Whistleblower from detriment as a result of having made a disclosure.

While it is the Whistleblower's prerogative as to whether they remain anonymous, NGen does not encourage anonymous reporting if an investigation is initiated, as proper investigation may prove impossible without the opportunity to substantiate allegations by obtaining further facts and information and confirming good faith. It also allows NGen to provide appropriate reporting and follow up.

### **3.3 Investigation of Complaints**

Upon receipt of a complaint alleging a Whistleblower Incident, the Board Chair and/or CEO together with the Chair of the Governance and Compliance Committee in the case of ethical or governance issues or for financial matters the Chair of the Finance and Audit Committee shall make a determination as to whether a reasonable basis exists for commencing an investigation into the alleged complaint. Once agreed, appropriate action and investigation commences, involving appropriate levels of management and Board members, dependent on the scope and severity of the incident reported.



The CEO, Board Chair, Chair of the Governance and Compliance Committee, and/or Chair of the Finance and Audit Committee shall have the authority to obtain assistance from NGen's management, counsel or auditors, or to retain separate outside legal or accounting expertise as deemed necessary or desirable in order to conduct the investigation. Depending on the severity of the alleged breach a Special Committee of the Board may be established to deal with the complaint directly.

The Board Chair may also refer any Whistleblower Incident for review by an independent third party previously approved by the Board. Any Whistleblower Incident involving an executive of NGen, Chair of the Board, or any member of the Board shall be referred immediately to an independent third party.

Ethical and governance incidents involving management or individual Board members shall be referred to Ed Waitzer, Senior Partner at Stikeman Elliott LLP, and financial issues involving management and individual Board members shall be referred to MNP LLP, or to such other professional(s) as may be appropriate in the Board's discretion. Any Whistleblower Incident involving the Board Chair or the Board as a whole shall also be referred to ISED's representative on NGen's Board.

All investigations of Whistleblower Incidents shall be carried out in a manner to ensure confidentiality of the matter. If requested by the complainant, the investigation will be carried out in a manner to protect the anonymity of the complainant to the fullest extent possible.

At each quarterly meeting of the Governance and Compliance Committee and Finance and Audit Committee, the Committees shall discuss the status of any ongoing investigation and review the resolution of each complaint submitted during the previous quarter, including whether or not the complaint resulted in the commencement of a formal investigation.

Depending on the nature of the alleged Whistleblower Incident and its materiality, and in particular, with respect to financial or operational-related complaints that could materially affect the financial statements of NGen or the integrity of NGen's system of internal controls, the person(s) designated to investigate the Whistleblower Incident shall keep each member of the Board (except to the extent a member of the Board is allegedly implicated in the Whistleblower Incident) apprised of the status of the investigation for purposes of ensuring compliance with regulatory requirements, the timely and continuous disclosure obligations of NGen, and the certification obligations of NGen's CEO and CFO.



In order to ensure consistency of reporting, the Chair shall make a recommendation to the Board regarding reporting requirements of any Whistleblower Incident allegation and investigation, including how often and what details to include in reports to the Board and to other Committees.

### **3.4 Publicizing the Reporting Process**

NGen will make this Policy and the process for reporting Whistleblowing Incidents known publicly on its website. This information will describe the confidential nature of the reporting process, protections for anonymity, and make it clear that no person will be penalized for making a good-faith report of a Whistleblower Incident nor will NGen tolerate retaliation against a person who makes a good-faith report of a Whistleblower Incident.

### **3.5 Dismissal of Complaints**

If the Board Chair and Chair of the Governance and Compliance Committee or Finance and Audit Committee determine that no investigation is warranted, possibly because the allegations are without merit or better dealt with through another NGen policy, the Chair or the Chair's delegate will report this decision to the Whistleblower as soon as possible after a decision has been rendered and properly document such a decision as set out in Section 6 below.

### **3.6 Corrective Action**

The Board, or its delegated representative, is ultimately responsible for determining the validity of each complaint and fashioning, with the input of its advisors and management, if requested, appropriate corrective action. The Board shall report any legal or regulatory non-compliance to management and ensure that management takes corrective action including, where appropriate, reporting any violation to relevant governmental authorities.

Any director, officer or employee deemed to have committed a Whistleblower Incident may be subject to disciplinary action, up to and including termination.

## **4. NO RETALIATION**

**4.1** Anyone should feel confident to report violations as described above or to assist in investigations of such alleged violations. The Whistleblower will not be discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against as a result of communicating a genuine Whistleblower Incident.

**4.2** NGen will not tolerate retaliation or discrimination of any kind by or on behalf of NGen and its employees against any Whistleblower making a good faith complaint of, or assisting in the investigation of, a Whistleblower Incident.

**4.3** More specifically, neither NGen, nor any person acting on behalf of NGen or in a position of authority in respect of the NGen's employees will take any disciplinary measure against, demote, terminate or otherwise adversely affect the employment of an employee or threaten to do so with the intent to compel an employee to abstain from reporting a Whistleblower Incident to a law enforcement and/or regulatory authority or with the intent to retaliate against the employee because the employee has reported a Whistleblower Incident to a law enforcement and/or regulatory authority. Indeed, engaging in retaliatory conduct may be considered an offence under various Canadian laws.

**4.4.** Any NGen Board member, employee or contractor found to engage in retaliation, discrimination or harassment of a Whistleblower may be subject to termination of Board membership, employment or have their contracts with NGen terminated, as applicable.

## **5. APPLICABILITY**

**5.1** This Policy applies to all current and former directors, employees, contractors, subcontractors, agents, volunteers, vendors, donors and partners of NGen.

## **6. DOCUMENTATION**

**6.1** Documents shall be held in confidence by all parties and participants under this Policy. Official reports for the Chair, CEO, Chair of the Governance and Compliance Committee, or Chair of the Finance and Audit Committee, or other designated parties shall be kept confidential by any recipient unless otherwise authorized by the report. All relevant documentation including reports, discussions and supporting information shall remain in the control and custody of NGen unless otherwise authorized pursuant to a report of decision issued in accordance with this Policy.

**6.2** All documents and records regarding any Whistleblower Incident shall be retained for a period of seven years. Such documentation will be available for inspection by members of the Governance and Compliance Committee or Finance and Audit Committee, the external auditors and any external legal counsel of NGen and other advisors to NGen hired in connection with the investigation of a Whistleblower Incident. Disclosure of such documentation to any other

person, and in particular any third party, will require the prior approval of the Chair of the Governance and Compliance Committee or the Chair of the Finance and Audit Committee to ensure that privilege of such documentation is properly maintained.

**6.3** It is illegal and against NGen's governance policy to destroy any corporate audit or other records that may be subject to or related to an investigation by NGen or any federal, provincial or regulatory body.

## **7.0 Compliance**

Each Individual has a personal responsibility to ensure that their behaviour and conduct complies with this Policy. Each Individual currently engaged with NGen shall review and affirm continuing compliance with this Policy annually, following NGen's Annual General Meeting of Members.

## **8.0 REVIEW AND AMENDMENT**

**8.1** This Policy shall be reviewed annually by the Governance and Compliance Committee.

**8.2** Any recommendations for amendments or updates to the Policy shall be approved by the Board.