

WHISTLEBLOWING POLICY AND PROCEDURE

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Approved by:	Board of Directors of Transcontinental Inc.	

	Issue date:	Summary of Changes
Version 1	2014-12-09	Initial issue of Policy; Replaces and cancels Policies PS-04 and PS-05
Version 2	2019-02-28	Replaces and cancels the Irregularity, Fraud and Criminal Offense Whistleblowing Policy and Procedure

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1 OBJECTIVE AND SCOPE

- 1.1 Transcontinental Inc. believes in the value of sound and responsible governance practices. This policy is part of this process.
- 1.2 Transcontinental Inc. intends on promoting honest and consistent conducts within its organization by setting clear guidelines and assigning responsibilities in order to properly oversee governance.
- 1.3 This Policy:
 - 1.3.1 Is based on Transcontinental's values of respect, integrity and honesty and is an important element of the control environment in order to contribute to the Corporation's integrity;
 - 1.3.2 Contributes to the compliance by its employees of the Code of Conduct;
 - 1.3.3 Dictates the procedures to be followed when an employee, a third party or any other person connected with Transcontinental witnesses or has knowledge of an act targeted by this policy;
 - 1.3.4 Applies to all cases where allegations of Fraud, Irregularities, Corruption, Misappropriation, Non-compliant Activity, Theft and other acts that are criminal within the meaning of this Policy arise involving employees and/or third parties;
 - 1.3.5 Replaces all previous communications from the Corporation in this regard (memos, directives, policies, procedures, etc.), with the exception of the Corporation's Code of Conduct.
- 1.4 The Corporation intends on fully investigating any allegations of a Targeted Act and this, without regard to the suspected individuals' seniority, position/title or the nature of his/her relationship with the Corporation.

2 DEFINITIONS, ABBREVIATIONS AND ACRONYMS

Terms /Definitions

CEO: President and Chief Executive Officer.

CFO: Chief Financial Officer.

CHRO: Chief Human Resources Officer.

CLO: Chief Legal Officer and Corporate Secretary.

Corporation: Transcontinental Inc., its subsidiaries and the legal entities controlled by them.

Corruption: The offering, giving, soliciting or acceptance of an improper inducement or reward, that may influence the decision, the decision-making process or the action of any person.

Fraud: An offence under the *Criminal Code* of Canada. This expression describes an event or situation where 1) deception, 2) loss/benefit, and 3) victim(s) have been established and proven, for each element thereof.

The expression also means any intentional act committed by one or more members of management, other employees, those responsible for governance or a third party, which includes the use of deceptive tactics in order to gain an improper or illegal advantage. It can be used to refer to misstatements due to fraudulent financial reporting and misstatements resulting from a misappropriation of assets.

Fraudulent financial reporting involves intentional misstatements or omissions of amounts or other information in financial statements to deceive users of financial statements.

Investigation Team: Any person appointed by the Director of Internal Audit to conduct the investigation. Including any person to whom the Director of Internal Audit may have delegated an investigation. Managers or other employees who are aware of the Targeted Acts are excluded and are not considered part of the Investigation Team.

Irregularity: Irregularities include:

- Derogation to the accounting standards in force (for more information, see the Handbook of the Canadian Institute of Chartered Accountants) or other similar accounting principles used by the Corporation in preparing its financial statements;
- Manipulation of accounting books with the intent of concealing or altering financial or legitimate operational results;
- Pressure or directive from a manager or employee to commit a Targeted Act;
- Misappropriation or unauthorized access to documents, databases, intellectual property, information systems, logged messages or data or technologies used by the Corporation;
- Falsification or deliberate alteration of any document, contract, agreement or any other document;
- Misleading statements;
- Collusion, real or perceived as such, between two or more persons with the intent to commit an act to deliberately circumvent internal controls;
- Unusual compensation, benefits or rights received by the Corporation's employees and/or third parties in exchange for goods, services, advantages or gains, whether the consideration is real or perceived as such;
- Undisclosed financial interest between an employee and any other person or entity that delivers or receives money or services from such employee in the course of this person or entity's business with the Corporation;
- Breach of a law or a regulation related to the relationship between the targeted person and the Corporation;
- Expenditures claimed that are either unjustified or non-eligible;
- Theft or vandalism of the Corporation's assets;
- Breach of a policy of the Corporation;
- Disclosure of confidential information;
- Intrusion into the Corporation's technology networks and any form of attack;

- Any behavior contrary to ethics; and
- Theft of intellectual property or monetary assets held or managed by the Corporation, including cash, checks, transfers, trust funds, etc.

Loss: Adverse effects or disadvantages resulting from the loss of a resource or of a right to seize an opportunity from which the Corporation would have, in other circumstances, legitimately benefited from.

Misappropriation: Appropriation for a wrong or dishonest use, embezzlement or theft. Misappropriation of assets involves the theft of an entity's assets (IFRS, SAS 99) (CICA Manual: chapter 5135).

Non-compliant

Activity: Any illegal action or failure to comply with laws, regulations, policies, contractual obligations and other mandatory standards.

Targeted Act: For the purposes of this Policy, the term "Targeted Act" includes allegations of Irregularity, Corruption, Misappropriation, Non-compliant Activities, Theft or other acts that are criminal or unethical. For greater clarity, any allegation of harassment or violence covered in the Workplace, Harassment and Violence Prevention Policy will be dealt within accordance with the provisions of the latter.

Theft: An offence under the *Criminal Code* of Canada. It is the act of stealing, taking or removing corporate or personal property, including intellectual property, monetary or other physical goods, without appropriate authorization.

third party Any person / entity having a direct or indirect business relationship with the Corporation, including:

- Directors;
- Customers
- Suppliers; and
- Consultants.

3 ROLES AND RESPONSABILITIES

Director of Internal Audit (*In the event he/she is targeted by the allegations, the CLO will assume these responsibilities*)

- Perform a preliminary examination of the facts to determine whether the nature of the alleged Targeted Act requires further investigation and submit to the Chair of the Board the findings and recommendations;
- Investigate a Targeted Act;
- Inform the Chair of the Board of the Targeted Act;
- Coordinate the investigation;
- Take the necessary measures to prevent theft, alteration or destruction of relevant documents or evidence;
- Draft the findings of the investigation;
- Make recommendations on what actions are to be taken by management following the investigation and which controls are to be implemented to prevent the recurrence of the Targeted Act; and
- Report to the external auditors all pertinent information related to the investigation.

Manager or supervisor

When a Targeted Act is suspected or if notified of such by an employee, a third party or any other entity, a manager or supervisor shall:

- Not discuss the allegations with anyone;
- Not take any action against the person or persons targeted by the allegations;
- Not undertake any investigative procedures or other type of actions that could raise suspicion of the targeted person or persons; and
- Immediately notify the Director of Internal Audit or CLO (if the Director of Internal Audit is targeted by the allegations).

Once the allegations have been reported to the Director of Internal Audit, the manager or supervisor will not discuss the allegations with anyone and will not take any action unless authorized by the Director of Internal Audit or the Chair of the Board; and

Is responsible to implement the recommendations issued by internal audit once the investigation is completed.

Investigation Team members

Conduct the investigation.

Complainant/witness

As soon as he/she suspects a Targeted Act:

- The employee shall notify Transcontinental through the whistleblowing platform or by contacting a manager, the Director of Internal Audit or CLO (if the Director of Internal Audit is targeted by the allegations); and
- A third party shall notify Transcontinental through the whistleblowing platform or by contacting an employee of the Corporation, the Director of Internal Audit or CLO (if the Director of Internal Audit is suspected of the Targeted Act).

4 PROTECTION OF COMPLAINANT

4.1 This Policy and procedure protect the complainant against any form of reprisal with respect to any submitted complaints, provided that it or the testimony is:

- 4.1.1 Submitted in good faith, consistent with Transcontinental's values, including respect of others without malice and without false allegations;
- 4.1.2 Based on the witness or the complainant's reasonable belief that the conduct or the matter being the object of the complaint constitutes or may constitute a Targeted Act, and
- 4.1.3 Does not result in any personal gain or advantage.

4.2 This means that Transcontinental as well as its directors, officers, managers and employees shall not terminate/fire, threaten, harass, discipline, withhold or suspend the salary and/or the benefits, demote, transfer or take other punitive action against an employee who, in good faith, reports any concerns, lodges a complaint or reports a wrongdoing and/or provides information or collaborates in an investigation or proceedings before a court or administrative tribunal.

- 4.3 Transcontinental must consider any form of reprisal taken against a complainant or witness as a serious violation of the Policy, that may be subject to disciplinary action up to and including dismissal. This protection and the limit of this protection extend to any person who provides information related to an investigation, including an internal investigation.

5 CONFIDENTIALITY

- 5.1 Each complaint or concern will be treated confidentially. The anonymity of the author of the complaint will be, if desired, preserved.
- 5.2 The Chair of the Board, the Director of Internal Audit and all persons designated by them and/or persons informed of the Targeted Act shall, throughout the investigation regarding the alleged Targeted Act, take great care to:
- 5.2.1 Not make any false accusations and ensure that the suspected individuals do not learn that an investigation is in progress.
- 5.2.2 Ensure confidentiality of all the details and findings.
- 5.3 Only members of the Investigation Team have the right to discuss among themselves the details of the allegations and investigation. No other person shall discuss the allegations unless they have been authorized by the Chair of the Board or the Director of Internal Audit.
- 5.4 The Chair of the Board and the Director of Internal Audit, after consultation with the CLO, may disclose certain specific aspects of the investigation to potential witnesses, if their disclosure allows the investigation to move forward. However, at no time, details that may permit the identification of the complainant or witnesses will be disclosed unless the Director or Internal Audit deems it necessary for the purposes of the investigation.

6 TARGETED ACT REPORTING PROCESS

- 6.1 Employees and managers
- 6.1.1 Any employee who is aware or has reason to suspect that a Targeted Act has occurred or has been committed must immediately notify Transcontinental through the whistleblowing line or by contacting a manager or the Director of Internal Audit or the CLO (if the Director of Internal Audit is the person suspected by the allegations of the Targeted Act).
- 6.1.2 If the employee has reason to believe that his/her own supervisor might be involved, he/she must immediately notify the Director of Internal Audit or the CLO (if the Director of Internal Audit is the person suspected by the allegations of the Targeted Act).
- 6.1.3 In the event that the employee does not wish to reveal his/her identity, he/she can use the whistleblowing line.
- 6.1.4 Once the complaint has been received by Transcontinental, the employee must no longer discuss the allegations unless authorized to do so by the Chair of the Board or the Director of Internal Audit.
- 6.1.5 When an employee informs a manager or a supervisor of any allegations that a Targeted Act the manager or supervisor has reason to suspect that an irregularity occurred, he/she must

immediately notify the Director of Internal Audit or the CLO (if the Director of Internal Audit is the person suspected by the allegations of the Targeted Act).

6.1.6 The manager or supervisor shall not attempt to investigate himself the Targeted Act.

6.1.7 Once the complaint has been received by the Director of Internal Audit, the employee and the manager or supervisor shall not discuss the allegations with anyone unless specifically requested by the Director or Internal Audit.

6.1.8 Employees who knowingly formulate false allegations and do not act in good faith are subject to disciplinary action up to and including dismissal.

6.2 Third Party

6.2.1 Any third party aware or who has reason to suspect that a Targeted Act has occurred or has been committed shall notify Transcontinental immediately by contacting the Director of Internal Audit or the CLO (if the Director of Internal Audit is the person suspected by the allegations of the Targeted Act) by using the whistleblowing platform.

6.3 Director of Internal Audit

6.3.1 When informed of an alleged Targeted Act, the Director of Internal Audit must inform the Chair of the Board.

6.3.2 If the alleged Targeted Act is important and if he/she cannot reach the Chair of the Board within the next twenty-four hours, he/she must inform the CEO or the CFO.

6.3.3 Following a preliminary examination of the facts and after determining if the nature of the alleged Targeted Act requires further investigation, the Director of Internal Audit must forward his findings and recommendations to the Chair of the Board as to whether to proceed with an investigation or to close the file. In the event that an investigation must be conducted, the Chair of the Board and the Director of Internal Audit will determine who shall be informed of the allegations and agree on the procedure to be followed.

6.3.4 In the event that they determine the potential financial losses can exceed \$300,000 or that the allegations can have a significant negative impact on Transcontinental's reputation, the Chair of the Audit Committee is immediately informed of the allegations.

6.3.5 During the course of the investigation, the Director of Internal Audit periodically informs and updates the Chair of the Board (as well as the persons authorized by him/her) of the progress and the findings to date.

6.3.6 Once the investigation is completed, the Director of Internal Audit reports his/her findings to the Chair of the Audit Committee, the Chair of the Board, the CEO, the CFO, the CLO, the applicable sector's President as well as to any other persons indicated by the Chair of the Board.

7 INVESTIGATION PROCESS

7.1 Resources and protocol

- 7.1.1 The Director of Internal Audit must coordinate the investigation through the use of appropriate investigative resources.

7.2 Compliance with local laws

- 7.2.1 Before starting the investigation and throughout the investigation, the Director of Internal Audit may contact a qualified lawyer in the country where the investigation is conducted to learn of the laws that govern, amongst other things:

- 7.2.1.1 the interviews

- 7.2.1.2 reprimands (for termination, suspensions, etc), and

- 7.2.1.3 obtaining evidence.

7.3 Safety of the evidence

- 7.3.1 As soon as he/she is informed of a Targeted Act, the Director of Internal Audit must take immediate measures to prevent theft, alteration or destruction of the evidence and relevant records and documents.

- 7.3.2 These measures include, but are not limited to, the removal of targeted documents and their storage in a secure location, restricting access to locations where the records and documents are kept and prohibiting the access to these records and documents by the person(s) targeted by the alleged Targeted Act.

- 7.3.3 These records and documents must be placed in a secure location until the Director of Internal Audit has consulted them to start the investigation.

7.4 Access to the evidence and witnesses

- 7.4.1 Members of the Investigation Team have:

- 7.4.1.1 Access to all employees.

- 7.4.1.2 Access to all relevant systems, emails, records and documents of the Corporation, including any confidential or personal information, and

- 7.4.1.3 The power to review, copy, and/or remove the content of the Corporation's files, desks or filing cabinets, in whole or in part, without having the obligation to notify anyone who has or could be responsible for their custody and without having the obligation to obtain the consent from such person, as long as such measures are within the scope of the investigation.

7.5 Suspension and retaliation

- 7.5.1 In the event that a suspension is necessary or desirable, a letter of suspension must be prepared and approved by the CLO.

7.5.2 In the event that the person affected by the complaint is not suspended, steps must be taken to ensure that he/she does not come into contact with the victim (s) and any other person related to the investigation and the facts alleged therein.

7.5.3 Any form of retaliation against the victim or other person during the investigation must be treated as an additional misconduct complaint and reported to the Director of Internal Audit.

7.6 Access to emails

7.6.1 Only the Director of Internal Audit can request access to a mailbox (emails).

7.6.2 When access to an email box is requested, members of the Investigation Team must ensure that:

7.6.2.1 A copy of the box is obtained; they must not work directly with the original mailbox in order to maintain its integrity.

7.6.2.2 The original box is put on hold.

7.7 Accessing directories and computers

7.7.1 Only the Director of internal Audit can request access to a directory or computer.

7.7.2 When access to a directory or computer is requested, members of the Investigation Team must ensure that:

7.7.2.1 Only a copy of the computer's directory or hard disk is obtained. They must not work directly in the original directories in order to preserve their integrity.

7.7.2.2 The original computer and/or the untouched copy of the directories are kept.

7.8 Documentation

7.8.1 After completing the investigation, the Director of Internal Audit sends a confidential internal memo to the Chair of the Audit Committee and forwards a copy to the Chair of the Board, the CEO, the CFO, the applicable sector's President, the CLO and any other persons indicated by the Chair of the Board

7.8.2 The Chair of the Board will then decide whether to notify the members of the Board of Directors.

7.8.3 The confidential internal memo contains details of the allegations, of the investigation's findings, of actions to be taken by management and internal controls (to prevent the recurrence of the Targeted Act).

7.8.4 If the confidential internal memo concludes that the allegations were legitimate, it is also forwarded to the police only after obtaining the approval from the Chair of the Board.

7.9 Closure of the investigation

7.9.1 Once the entire investigation is completed, including any legal proceedings, the Director of Internal Audit returns all records, documents and other evidence to the appropriate department.

7.10 Audit Committee report

7.10.1 The Director of Internal Audit must promptly issue to the Audit Committee and the external auditors a report on any complaints that may have important consequences for the Corporation.

7.10.2 Each quarter, the Director of Internal Audit will produce a report to the Audit Committee and the external auditors on the management of this Policy, the number and nature of the complaints received and the results of investigations performed for complaints received pursuant to this Policy.

8 INTERVIEW

8.1 Interview procedures

8.1.1 For an interview, members of the Investigation Team must ensure that:

8.1.1.1 The interview is conducted in a confidential manner and out of sight of other employees. As much as possible, it must be conducted in a place where other employees cannot see the whereabouts of the persons called to testify. If this is not possible, the Director of Internal Audit must consider the possibility of conducting interviews in a room located outside the office.

8.1.1.2 The witness is informed verbally before the beginning of the interview that he/she:

8.1.1.2.1 Is free to leave at any time.

8.1.1.2.2 May ask questions before, during and after the interview:

8.1.1.2.3 May ask to take a break at any time.

8.1.1.3 There is no obstacle between the witness and the exit door. The witness must not feel compelled to be present and unable to leave the room. For example, the investigator (or investigators) must not be seated between the witness and the exit door. The person closest to the door exit must be the witness.

8.1.1.4 Those involved in the investigation must take all necessary measures to protect whistleblowers and those who cooperate with the investigation. They must not disclose to the witness the source of the complaint.

8.1.1.5 The investigator must present himself and explain his role as an investigator who must be neutral, the objective of the investigation and the investigation process to be followed.

8.1.1.5.1 If the witness is a woman and the investigator is a man, he must be accompanied by another female person during the interview.

8.1.1.5.2 At all times, the investigator must remain calm and respectful.

8.1.1.5.3 It is recommended that another person be present during the interview to take notes in the most accurate way possible (verbatim).

8.2 Recording

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8.2.1 Members of the investigation team must decide whether they will record/videotape the interviews.

8.2.1.1 When it is determined that the interview will be recorded/filmed, members of the Investigation Team must ensure that all interviews conducted during the investigation are recorded/filmed without exception (in order not to cause prejudice to the persons interviewed by recording/filming only certain interviews).

8.2.1.1.1 At the beginning of the interview, the investigator must notify (in written or recorded form) the witness that the interview will be recorded/filmed.

8.2.1.1.2 The copy of the recording must be kept by the person in charge of the Investigation Team.

8.2.1.1.3 No alteration shall be made to the original copy of the recording.

8.3 Use of polygraph tests

8.3.1 Polygraph tests may be used during an investigation only under the following conditions:

8.3.1.1 Local laws permit it.

8.3.1.2 Their use is authorized by the Director of Internal Audit. In the event that the witness is a senior executive or a member of management, approval must also be obtained from the CLO and the CHRO.

8.3.1.3 The investigator has reasonable doubts about the credibility of the witness's testimony.

8.3.1.4 The witness must consent to the polygraph test. At no time, the investigator must impose or give the impression of imposing to the witness to undergo a polygraph test.

8.3.1.5 The polygraph test must be administered only by a certified polygraph expert.

9 DISCIPLINARY MEASURES AND RESTITUTION

9.1 Transcontinental makes all reasonable efforts, including obtaining restitution orders from the courts, in order to recover losses from offenders or any other appropriate source.

10 FINAL PAYMENT AND OTHER AMOUNTS

10.1 Before issuing the final pay cheque to any person directly or indirectly involved in a targeted act, the Human Resources department must communicate with Legal Affairs and Internal Audit in order to determine if any amounts must be deducted / retained from the pay following an agreement with the person and / or to compensate for losses incurred by Transcontinental.

10.2 Any amount paid (other than the final pay cheque) and / or any agreement with an employee directly or indirectly involved in a targeted act must be authorized beforehand by the Chief Human Resources Officer and by the Chair of the Board.

11 MEDIA RELATIONS

11.1 Any employee contacted by the media about an investigation or any allegations of Targeted Act must direct reporters to the Chief Communications Officer (CCO).

- 11.2 No allegations of Targeted Act or investigation must be discussed with the media by anyone other than the Chief Communications Officer or the person he/she has designated, after consultation with the CLO or the Director of Internal Audit.
- 11.3 If a reporter contacts the Director of Internal Audit or CLO about an allegation of Targeted Act or investigation, the Director of Internal Audit, the CLO or the designated person refers the matter to the person responsible for corporate communications or the person designated by the latter.

12 HOW TO FILE A COMPLAINT

Any complaint pursuant to this Policy can be submitted to Transcontinental in the following manner:

A) By telephone or through the whistleblowing platform:

Phone numbers and forms are available on the site administered by EthicsPoint:

www.tc.ethicspoint.com

B) In writing:

Transcontinental Inc.
1 Place Ville-Marie, Suite 3240
Montréal (Québec) H3G 0G1
to the attention of:
Director of Internal Audit (Strictly Confidential)
or Chief Legal Officer and Corporate Secretary (Strictly Confidential)

C) By email (c/o the Director of Internal Audit)

whistleblowing@tc.tc

Please note that your email will be received by the Director of Internal Audit and your email address will be visible.

Please note that if you use the form above, it will be received by the Director of Internal Audit however it will not be possible for your computer address (IP) to be identified (anonymous).

Any complaint must contain relevant, accurate and sufficient information/details on, but not limited to, dates, locations, persons involved, witnesses, amounts, etc., in order to allow the investigation to proceed reasonably. To help formulate and file a complaint, the complainant may use the link mentioned above.

If the complainant wishes to discuss with the Director of Internal Audit or the CLO, he/she must indicate it and identify himself when making a complaint and if the complainant deems appropriate, specify a telephone number where he/she can be contacted. If the complainant discloses his name, the person receiving the complaint will send back to the complainant a complaint acknowledgment which will allow him to perform a follow up on the complaint. Otherwise, if the complainant uses an anonymous method and does not disclose his name, he/she will not be able to receive any follow-up information on the complaint and, further, we will not be able to contact him if more information is required. It is important to remember that **all complaints are treated confidentially**.

If the complainant is not satisfied with how his/her complaint was processed, the procedures followed or if the complainant, in good faith, believes that the person who received the complaint was not diligent or did not proceed according to the rules prescribed by this policy, the complainant may contact the Chair of Transcontinental's Audit Committee at the following email address:

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audit.committee@tc.tc

The Chair of the Audit Committee has full authority to evaluate the merits of any complaint as well as to the approach taken by the managers responsible for receiving Transcontinental's complaints.