



# Pinnacle.

RENEWABLE ENERGY

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## Whistleblower Policy

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## 1.0 Purpose

The purpose of this Whistleblower Policy is to provide the means for all directors, officers and employees of Pinnacle Renewable Holdings Inc. and Pinnacle Pellet Inc. (“Pinnacle” or “the Company”) to report any concerns, complaints or actual, potential or perceived wrongdoings. The procedures contemplated herein are available to any director, officer or employee of Pinnacle who wishes to submit a concern or complaint regarding the Company. Attached as appendices to this Policy are two sample communications that have been distributed to the employees as posters in all offices to alert them to the anonymous reporting procedure available to them.

Whistleblowing procedures are designed to encourage the reporting of concerns or complaints regarding accounting, internal accounting controls or auditing matters or any other actual, potential or perceived wrongdoings relating to or involving the business and operations of the Company. Such wrongdoing may include any act or omission concerning, for example, a violation of any law or regulation or the misuse of company funds or assets.

## 2.0 Scope

This policy applies to all employees, directors and officers of Pinnacle and its subsidiaries and affiliates.

## 3.0 Background

Pinnacle requires its directors, officers and employees to observe high standards of professionalism and ethical conduct in maintaining the financial records of the Company. Pursuant to its Charter, the Audit Committee of the Board of Directors is responsible for establishing and reviewing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, and auditing matters and the anonymous submission by employees of concerns regarding questionable accounting or auditing matters. In order to carry out its responsibilities under its Charter, the Audit Committee has adopted this Whistleblower Policy.

For the purposes of this Policy, any accounting or auditing matter which is the subject of a complaint or submission is referred to as an “Accounting Irregularity”. Such complaints or submissions could be based upon, for example, concerns that:

- Pinnacle’s assets are not being appropriated protected;
- There are inadequacies in Pinnacle’s control processes;
- An individual or individuals are misappropriating Pinnacle assets;
- Pinnacle is accounting for a matter inappropriately or not in accordance with International Accounting Standards; or
- Inaccurate or misleading information is being provided to the auditors for the purpose of their audit.

While this Policy is adopted principally to address concerns relating to accounting and auditing matters in particular, employees may also use the procedures set out below to report other actual, perceived or potential breach of law or regulation by, or involving, Pinnacle and any other wrongdoing related to or involving the Company, including breaches of the Company’s Code of Ethics (collectively, “Wrongdoings”). Employees who report any such breach or other wrongdoing in good faith will be afforded all of the protections described below.

#### 4.0 No Retaliation

This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns with the comfort that they will not suffer any adverse consequence for the act of reporting a violation and that the concern will be appropriately received, considered and investigated. No director, officer or employee of the Company who, in good faith, reports an Accounting Irregularity or Wrongdoing shall suffer harassment, retaliation, discipline or adverse employment consequence for the act of reporting a violation. An officer, director or employee who retaliates against someone who has reported an Accounting Irregularity or Wrongdoing in good faith is subject to discipline up to and including termination of employment. In addition, it is a specific criminal offence for the Company or any person who acts on behalf of the Company or is otherwise in a position of authority with respect to an employee to take or threaten any action to prevent anyone from reporting a concern that a law has been or is being breached, or to retaliate against anyone who makes such a report.

## 5.0 Reporting Violations

It is the responsibility of all directors, officers and employees to report all suspected Accounting Irregularities in accordance with this Whistleblower Policy and any such individual is also encouraged to report any other suspected Wrongdoing. Reports may be made through an appropriate individual within the Company or anonymously through a third party service the Company has retained for this purposes.

### 5.1 Internal Reporting

The Company maintains an open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. An employee's supervisor may be more knowledgeable about the issue and will appreciate being brought into the process. It is the supervisor's responsibility to help solve the problem. If one is not comfortable speaking with a supervisor or is not satisfied with the supervisor's response, he or she is encouraged to speak with another member of management whom he or she is more comfortable approaching, or to follow the Anonymous Reporting procedures outlined below. Supervisors and managers are required to report suspected Accounting Irregularities to the Company's Chief Financial Officer and the Chair of the Audit Committee, as well to any member of the Audit Committee of the Board of Directors. The Audit Committee has specific and exclusive responsibility to investigate all reported Accounting Irregularities. For suspected fraud or securities law violations, or when one is not satisfied or comfortable with following the Company's open door policy, he or she should contact the Chief Financial Officer and Chair of the Audit Committee of the Company or any member of the Company's Audit Committee directly or report the violation anonymously. All complaints relating to Accounting Irregularities will be reported to the Audit Committee within five days of receipt.

### 5.2 Anonymous Reporting

The Company has engaged the Compliance Partners ("TCP"), an independent third party anonymous reporting service, to receive anonymous reports in the following venues:

- Phone: 1-888-205-6832
- Email: [pinnaclepellet@signius.com](mailto:pinnaclepellet@signius.com)
- Internet: [www.thecompliancepartners.com/pinnacle](http://www.thecompliancepartners.com/pinnacle)  
(complete anonymous report form)

The individual reporting the matter is not required to identify him/herself but may choose to do so if he/she wishes to be contacted by TCP during the review process. TCP does not share the identity of the reporter with the Company.

### 5.3 Acting in Good Faith

Anyone making a complaint concerning a suspected Accounting Irregularity or other Wrongdoing must be acting in good faith and have reasonable grounds for believing the information disclosed indicates an Accounting Irregularity or Wrongdoing. Any allegations that prove not to be substantiated and that prove to have been made maliciously or with the knowledge that they are false will be viewed as a serious disciplinary offense. However, the mere fact that an allegation proves to be unsubstantiated will not expose an employee in any way to discipline or other retaliation where the allegation is made in good faith and on reasonable grounds.

### 5.4 Confidentiality

Complaints or submissions concerning a suspected Accounting Irregularity or Wrongdoing may be submitted on a confidential basis by the complainant whether the complainant chooses to make such complaint anonymously or on an identified basis. All complaints or submissions will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

## 6.0 Investigations of Complaints

The Company's Audit Committee is responsible for investigating and resolving all reported complaints and allegations concerning Accounting Irregularities and other matters. The Audit Committee may retain independent legal counsel, accountants or others to assist in its investigations.

## 7.0 Handling of Reported Violations

Where a complaint is submitted outside the anonymous reporting process and relates to an Accounting Irregularity, the Chair of the Audit Committee will notify the complainant and acknowledge receipt of the reported suspected Accounting Irregularity within five business days. Where a complaint relating to an Accounting Irregularity is submitted anonymously, TCP will deliver a report of the complaint to the Chair of the Audit Committee within five business days and, if the complainant has provided contact information, will notify the complainant that the report has been delivered. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

The Company shall retain records of complaints for a period of no less than seven years as a separate part of the records of the Audit Committee.

## 8.0 Privacy Violations

In addition to these rules regarding accounting, internal accounting controls and auditing matters, federal privacy legislation, the Personal Information Protection and Electronic Documents Act (Canada) (“PIPEDA”), provides that any person who has reasonable grounds to believe that there has been, or is about to be, a contravention of PIPEDA may notify the Privacy Commissioner. A complainant may choose to require that the Commissioner keep his or her identity confidential. Details regarding the complaint process under PIPEDA are available on the Commissioner’s website at [www.privcom.gc.ca](http://www.privcom.gc.ca).

All of the protections and provisions set out above under “No Retaliation” and “Acting in Good Faith” apply to a report made by an employee in respect of a suspected or intended violation of PIPEDA and no officer or employee of the Company who, in good faith, reports that the Company has violated or intends to violate PIPEDA shall suffer harassment, retaliation, discipline or adverse employment consequence. Retaliatory conduct is a criminal offence, an offence under PIPEDA and a serious disciplinary matter.

## 9.0 Implementation

This Policy is effective immediately and provides procedures through which directors, officers or employees of Pinnacle may report suspected Accounting Irregularities or other Wrongdoings by, or with respect to, the Company.

