



PICOV DOWNS INC. O/A AJAX DOWNS
SUMMARY WHISTLEBLOWING POLICY

(For Completed detailed Policy refer to Health and Safety Boards or Bulletin Board by on site AGCO office)

Confidential Reporting

1. What is Whistleblowing?

Ajax Downs (the “Company”) provides an avenue for Company employees and members of the public to raise any concerns they may have about the subjects covered by this Policy and to be assured that in making complaints they will be protected from reprisal or victimization for raising their concerns in good faith.

In this Policy “Whistleblowing” means the reporting by employees and members of the public of suspected misconduct, illegal acts or failure to act within the Company.

Employees are often the first to realize that there may be something seriously wrong within the Company or with the actions of company personnel, including employees, directors, officers and contract workers within the Company (“Company Personnel”). Whistleblowing is viewed by the Company as a positive act that can make a valuable contribution to the Company’s efficiency and long-term success. The Company is committed to achieving the highest possible standards of service and the highest possible ethical standards in all of its practices. To help achieve these standards it encourages its employees to speak up.

This Policy outlines:

- the type of issues that can be raised;
- how to raise a concern;
- how the person raising a concern will be protected from victimization and harassment; and
- the course of action that the Company will take.

The Company Code of Conduct reads: “Turning a blind eye to wrongdoing or potential wrongdoing, in effect condoning such behaviour, is itself unethical. The Company expects any Company Personnel who have reason to suspect any violation of the Code, applicable law or regulation or has concerns about potential business/ethical misconduct, financial misconduct with regard to the Company's accounting practices, financial controls or the safeguarding of its assets, to notify his/her manager/supervisor/ of such violations or concerns. The Company will not permit any retaliation against any Company Personnel for making any such report in good faith.”

2. What is the aim of the Policy and when does it apply?

2.1. Purpose

It is the policy of the Company to comply with and require its Company Personnel to comply with all applicable legal and regulatory requirements relating to the Company's business, including its corporate reporting and disclosure, and accounting and auditing controls and procedures.

2.2. Aims of the Policy

The Policy is designed to ensure that concerns can be raised about wrongdoing or malpractice within the Company at the earliest opportunity so that they can be investigated, without fear of victimization, subsequent discrimination, disadvantage or dismissal.

It is also intended to encourage and enable you to raise serious concerns within the Company rather than ignoring a problem or 'blowing the whistle' outside of the Company.

This Policy aims to:

- encourage you to feel confident in raising serious concerns at the earliest opportunity and to question and act upon concerns about practice;
- provide avenues for you to raise those concerns and receive feedback on any action taken;
- ensure that you receive a response to your concerns and that you are aware of how to pursue them under the escalation procedure referred to in Section 4; and
- reassure you that you will be protected from possible reprisal or victimization if you have made disclosure in good faith.

The Policy is not intended to replace existing procedures. If your concern relates to your own treatment as an employee, you should raise it under the existing Workplace Violence and Workplace Harassment Policy. If a client has a concern about services provided to him/her, it should be raised as a complaint to the Company.

2.3. Scope of the Policy

This Policy applies to all Company Personnel in all jurisdictions in which the Company conducts business, where such Company Personnel have knowledge that constitutes a reportable activity (each, a "Reportable Activity"). A Reportable Activity includes, but is not limited to:

- fraud or misrepresentation with respect to the Company's accounting, auditing or other financial reporting systems or records;
- gaming law compliance problems or situations which may adversely affect the objectives of gaming control;
- an actual or potential violation of federal, provincial or municipal law that could result in fines or civil damages payable by the Company, or that could otherwise significantly harm the Company's reputation or public image or the objectives of gaming control;
- unethical business conduct in violation of the Code of Conduct; or

- danger to the health, safety or well-being of employees and/or the general public.

The Company's internal controls and corporate reporting and disclosure procedures are intended to prevent, deter and remedy any violation of the applicable laws and regulations that relate to gaming law compliance, corporate reporting and disclosure, and accounting and auditing controls and procedures. Even the best systems of control and procedures, however, cannot provide absolute safeguards against such violations. The Company has a responsibility to investigate and, if required, report to appropriate governmental authorities, any violations relating to gaming law compliance, corporate reporting and disclosure, and accounting and auditing controls and procedures, and the actions taken by the Company to remedy such violations.

2.4. Who can raise a concern under this Policy?

The Policy applies to all:

- Company Personnel;
- employees of suppliers and suppliers;
- volunteers working with the Company; and
- members of the public.

2.5. What should be reported?

Any serious concerns that you have about services or the conduct of Company Personnel or others acting on behalf of the Company that:

- make you feel uncomfortable and are not in line with Company standards;
- are not in keeping with Company policies;
- fall below established standards of practice; or
- would be considered improper behaviour.

These might relate to:

- conduct which is an offence or a breach of the law including a criminal offence committed or a failure to comply with any other legal obligation;
- discrimination on the following grounds: race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, gender identity, gender expression, age, record of offences, marital status, family status or disability;
- health and safety of the public and/or other employees;
- damage to the environment;
- unauthorized use of public funds or Company funds;
- possible fraud and corruption;
- neglect or abuse of clients; or
- other unethical conduct.

This list is non-exhaustive.

2.6. Investigation of Complaints

Upon receipt of a complaint or concern relating to a Reportable Activity, the Board or committee that may from time to time be designated by the Board (the “Committee”), will make a determination as to whether a reasonable basis exists for commencing an investigation into the Reportable Activity alleged in the complaint or concern.

If the Board or the Committee, as the case may be, or a designated member of either, concludes that an investigation is warranted, the Chair of the Committee, or designated member, shall take appropriate measures to implement a thorough investigation of the complaint or concern. The Committee shall have the authority to obtain assistance from management, the Company’s counsel or auditors, or to retain separate outside expertise as the Committee deems necessary or desirable in order to conduct the investigation.

Semi-annually, the Board or the Committee will discuss the status of any ongoing investigations and review the resolution of each complaint or concern submitted during the previous six months, including whether or not the complaint or concern resulted in the commencement of a formal investigation.

2.7 Corrective Action

The Board is ultimately responsible for determining the validity of each complaint or concern brought to its attention. It is further ultimately responsible for fashioning, with the input of advisors and management, if requested, the appropriate corrective action.

The Board or the Committee shall report any legal or regulatory non-compliance to relevant governmental authorities, where appropriate. Any Company Personnel deemed to have committed a Reportable Activity may be subject to disciplinary action, up to and including termination.

3. Protecting the Whistleblower

3.1. The Law

Section 425.1 of the Criminal Code of Canada makes it a criminal offence for employers, anyone acting on behalf of an employer, or a person in a position of authority over an employee, to take disciplinary action, demote, terminate, otherwise adversely affect the employee’s employment, or threaten to do any of the aforementioned actions, in order to force the employee to refrain from providing information to law enforcement officials about the commission of an offence by his or her employer or by an officer, employee or director of the employer.

Section 425.1 also makes it an offence to threaten or retaliate against an employee who has already provided information. However, employees are only protected if they approach a person whose duties include law enforcement.

The offence carries a maximum term of imprisonment of five years. Moreover, the amount of the fine is unlimited for corporations when the Crown proceeds by indictment.

3.2. Support to You

Throughout this process:

- you will be given full support from senior management;
- your concerns will be taken seriously; and
- the Company will do all it can to help you throughout the investigation.

If appropriate, the Company will consider temporarily re-deploying you for the period of the investigation.

For those who are not Company employees, the Company will endeavour to provide appropriate advice and support wherever possible.

3.3. Confidentiality

All concerns will be treated in confidence and every effort will be made not to reveal your identity. If disciplinary or other proceedings follow the investigation, it may not be possible to take action as a result of your disclosure without your help, so you may be asked to come forward as a witness. If you agree to this, you will be offered advice and support.

3.4. Anonymous Allegations

Under this Policy, you can choose to express your concerns anonymously or put your name to your allegation. If making an anonymous allegation, follow up feedback to the concerned individual will be difficult and result of investigation will not be communicated to any party unless wrongdoing has been found.

As with any allegation, the factors to be taken into account would include:

- the seriousness of the issue raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from other sources.

3.5. Untrue Allegations

If you make an allegation in good faith and reasonably believing it to be true, but it is not confirmed by the investigation, the Company will recognize your concern and you have nothing to fear. If however, you make an allegation frivolously, maliciously or for personal gain, appropriate action that could include disciplinary action may be taken.

3.6. No Reprisal

Anyone should feel confident to report complaints, concerns or violations as described above or to assist in the investigation of same. There shall be no reprisal or other action taken against any Company Personnel who, in good faith, bring forward concerns about actual or potential violations of laws or the Corporate Governance Program. Anyone engaging in any form of retaliatory conduct will be subject to disciplinary action, which may include termination.

4. Raising a Concern

4.1. Who should you raise your concern with?

This will depend on the seriousness and sensitivity of the issues involved and who is suspected of the wrongdoing.

Company Personnel should raise a complaint or concern with his or her manager/supervisor. If that is not possible due to various reasons or if a manager/supervisor does not resolve the matter, Company Personnel must refer the matter up the chain of management within the Company. Ultimately, unresolved complaints and concerns should be referred to the Board.

The Board is required to treat all disclosures in confidence and will involve only those individuals who need to be involved in order to conduct an investigation

Reporting Structure

- Your Manager/Supervisor
- The General Manager (Emilio Trotta, etrotta@ajaxdowns.com, 905-686-8001 ext. 244)
- The President (Justin Picov, jpicov@picovfarms.com, 416-605-0022)
- Alcohol and Gaming Commission of Ontario (the “AGCO”) (1-800-522-2876)
- AGCO Racing Steward (1-289-407-5245) Horse racing related
- AGCO Manager of Racing (1-905-991-4761) Horse racing related

The address of the Company for correspondence is **380 Kingston Rd. East, Ajax, Ontario, L1Z 1W4.**

If the concern is about the General Manager of the Company, your concern should be raised with the President who will decide how the investigation will proceed. If the concern is with the President or any member of the Board of Directors, please contact the AGCO at 1-800-522-2876. The AGCO may conduct an external investigation at their discretion.

However, under any situation or circumstance, you can also make an anonymous call to the Whistleblowing hotline. 905-686-8001 Ext. 223

4.2. How to raise a concern

You may raise your concern by telephone, in person or in writing. The earlier you express your concern, the easier it is to take action. You will need to provide the following information:

- the nature of your concern and why you believe it to be true; and
- the background and history of the concern (giving relevant dates)

Reports of alleged Reportable Activities or concerns 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 Reportable Activity or concern should be candid and should clearly set forth all of the information that the employee knows regarding the Reportable Activity. In addition, the complaint should contain sufficient corroborating information to support the commencement of an investigation. The Company 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.

Although you are not expected to prove the veracity of your suspicion, you must demonstrate that you have a genuine concern and reasonable grounds for your concern relating to suspected wrongdoing or malpractice within the Company.

You may wish to consider discussing your concern with a colleague first who may have had a similar experience or is expressing similar concerns. You may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.

You may invite your colleague or a friend to be present for support during any meetings or interviews in connection with the concerns you have raised.

5. What the Company Will Do

The Company will respond to your concerns as quickly as possible. Do not forget that testing your concerns is not the same as either accepting or rejecting them.

The overriding principle for the Company is what is in the public interest. In order to be fair to all Company Personnel, including those who may be wrongly or mistakenly accused, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take.

The investigation may need to be carried out under terms of strict confidentiality, i.e. by not informing the subject of the complaint until (or if) it becomes necessary to do so. In certain cases however, such as allegations of ill treatment of others, suspension from work may have to be considered immediately. Protection of all those involved is paramount in all cases.

Where appropriate, the matters raised may:

- be investigated by management
- be referred to the police
- be referred to an external auditor
- be referred to the AGCO
- form the subject of an independent inquiry

If the matter was not raised anonymously, the person investigating your concern will contact you within fifteen working days of a concern being raised, acknowledging that the concern has been received and will inform you:

- how the Company proposes to deal with the matter
- supply you with information related to staff support mechanisms
- tell you whether further investigations will take place and if not, why not.

The amount of contact between you and those considering the issues will depend on the nature of the matters raised, the potential difficulties involved and the clarity of your information. It is likely that you will be interviewed to ensure that your disclosure is fully understood.

Any meeting can be arranged away from your workplace, if you wish, and a colleague or a friend may accompany you for support.

The Company will do what it can to minimize any difficulties that you may experience as a result of raising a concern. For instance, if you are asked to give evidence in criminal or disciplinary proceedings, the Company will arrange for you to receive appropriate advice and support.

The Company will ensure that your disclosure has been properly addressed. Unless there are any legal reasons why this cannot be done, you will be kept informed of the progress and outcome of any investigation.

6. The Responsible Officer

The Board of Directors have overall responsibility for this Policy, with day-to-day maintenance and operation delegated to the Compliance Officer.

7. How the Matter can be Taken Further

This Policy is intended to provide you with an avenue within the Company to raise concerns. The Company hopes you will be satisfied with any action taken. If you are not, and you feel it is right to take the matter outside the Company, the following are the Company's prescribed contacts:

- AGCO (1-800-522-2876)
- AGCO Racing Steward (1-289-407-5245)
- AGCO Manager of Racing (1-905-991-4761)
- The police

You should not disclose information that is confidential to the Company or to anyone else, such as a client or contractor of the Company, except to those included in the list of prescribed contacts.

This Policy encourages you to seek your own legal advice.