



## **WHISTLEBLOWER POLICY AND PROCEDURES FOR INDEX OIL AND GAS INC.**

### **PURPOSE:**

This policy establishes the standards and procedures to ensure that the handling of complaints related to the following areas complies with managements' and the Board of Directors ("the Board") objectives:

1. Accounting and audit related complaints ("Accounting Complaints")
2. Business conduct complaints ("Business Conduct Complaints"): these may cover any aspect of the Company's operations and its' business conduct and adherence to Company policies and procedures, including, but not limited to, the following subject areas: Business Ethics and Conduct; Health, Safety and Environment; Human Resources.

*Whistleblower procedures should be updated and consistent with the Sarbanes-Oxley Act of 2002 – Section 301.4 – concerning procedures for making such complaints directly to the Board of Directors, generally via the Chairman of the Board ("the Chairman"). The procedures facilitate access for employees and related parties to reach the Board.*

### **SCOPE:**

The policy applies to all domestic and international offices and subsidiaries of the Company.

This initial Whistleblower policy has been structured to enable and invite complaints to be communicated directly to the Board. The communication is generally expected to be made direct to the Chairman, although any and all Board members are available to be contacted (and who then hold the responsibility to communicate the complaint to the Chairman). In the future it is expected that the Audit Committee, when established, will take on the responsibilities arising from the Whistleblower policy.

### **PROCEDURES:**

#### **A. Responsibilities of the Board with Respect to Specified Complaints**

1. The Board shall receive, retain, investigate and act on complaints and concerns of employees and other parties regarding: a) questionable accounting, internal accounting controls and auditing matters, including those regarding the circumvention or attempted

circumvention of internal accounting controls or that would otherwise constitute a violation of the Company's accounting policies (an "Accounting Allegation" or Accounting Complaint); b) Business Conduct Complaints.

Any Board member who is conflicted in respect of a complaint shall be excluded from its deliberations.

2. At the discretion of the Board, responsibilities of the Board created by these procedures may be delegated to any member of the Board or to a subcommittee of the Board, including the Audit Committee (if constituted).

## **B. Procedures for Receiving Complaints**

1. Any complaint that is made directly to management, whether openly, confidentially or anonymously, shall be promptly reported to the Board.

2. Each complaint forwarded to the Board by management and each complaint that is made directly to the Board, whether openly, confidentially or anonymously, shall be reviewed by the Board, who may, in their discretion, consult with any member of management or employee whom they believe would have appropriate expertise or information to assist the Board. The Board shall determine whether the Board or management should investigate the complaint, taking into account the considerations set forth in Section C below.

(a) If the Board determines that management should investigate the complaint, the Board will notify the General Counsel or External Counsel in writing of that conclusion. Management shall thereafter promptly investigate the complaint and shall report the results of its investigation, in writing, to the Board. Management shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

(b) If the Board determines that it should investigate the complaint, the Board shall promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The Board shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

## **C. Considerations Relative to Whether the Board or Management Should Investigate a Complaint**

In determining whether management or the Board should investigate a complaint, the Board shall consider, among any other factors that are appropriate under the circumstances, the following:

1. Who is the alleged wrongdoer? If an executive officer, senior financial officer or other high management official is alleged to have engaged in wrongdoing, that factor alone may militate in favor of the Board conducting the investigation.
2. How serious is the alleged wrongdoing? The more serious the alleged wrongdoing, the more appropriate that the Board should undertake the investigation. If the alleged wrongdoing would constitute a crime involving the integrity of the financial statements of the Company, that factor alone may militate in favor of the Board conducting the investigation.
3. How credible is the allegation of wrongdoing? The more credible the allegation, the more appropriate that the Board should undertake the investigation. In assessing credibility, the Board should consider all facts surrounding the allegation or complaint, including but not limited to whether similar allegations or complaints have been made in the press or by analysts, or other persons.

#### **D. Protection of Whistleblowers**

Consistent with the policies of the Company, the Board shall not retaliate, and shall not tolerate any retaliation by management or any other person or group, directly or indirectly, against anyone who, in good faith, makes a complaint or provides assistance to the Board, management or any other person or group, including any governmental, regulatory or law enforcement body, investigating a complaint. The Board shall not reveal the identity of any person who makes a good faith complaint and who asks that his or her identity as the person who made such complaint remain confidential and shall not make any effort, or tolerate any effort made by any other person or group, to ascertain the identity of any person who makes a good faith complaint anonymously.

#### **E. Records**

The Board shall retain for a period of seven years all records relating to any complaint and to the investigation of any such complaint.

#### **F. Procedures for Making Complaints**

In addition to any other avenue available to an employee, any employee may report to the Board openly, confidentially or anonymously any complaint. Complaints can be made orally or in writing to the Chairman of the Board of Directors or any Director. Such reports can also be made anonymously by calling the Chairman or any Director at any time.