



## POLICIES & PROCEDURES

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### EMPLOYEE WHISTLEBLOWER POLICY

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#### I. INTRODUCTION

Perpetual Energy Inc. (the “Corporation”) is committed to the highest standards of openness, honesty and accountability. The integrity of the financial and other information of the Corporation is vital as it guides the decisions of the Board of Directors of the Corporation and is relied upon by our shareholders, financial markets and other stakeholders.

The Corporation encourages an environment where individuals can confidentially and anonymously report complaints and concerns regarding questionable business practices without fear of reprisal. This requires a program by which the appropriate body can receive, retain and investigate all reports of complaints and concerns regarding unethical conduct.

#### II. POLICY

##### Reportable Conduct

This program is designed to encourage the reporting of complaints and concerns regarding questionable business practices including, but not limited to:

- suspect, questionable, unethical, and unlawful accounting and auditing policy, practices or procedures;
- intentional breach of or failure to implement accounting and auditing policy, practices and procedures approved by the Board of Directors;
- inadequate internal accounting controls;
- the misleading or coercion of auditors;
- disclosure of fraudulent or misleading financial information; and,
- instances of corporate fraud.

## Who is protected?

Any person who makes a disclosure or raises a concern under this program will be protected if the person:

- discloses the information in good faith;
- believes it to be substantially true;
- does not act maliciously or make false allegations, and,
- does not seek any personal or financial gain.

## Reporting a Concern

Concerns can be anonymously reported via e-mail, telephone or post. In instances where a satisfactory response is not received from your immediate supervisor, or if you are uncomfortable addressing your concerns to the Chief Financial Officer, President, or Corporate Counsel, the Chairman of the Audit Committee may be contacted by mail, telephone, fax or e-mail as follows:

Mr. Robert Maitland  
3200, 605 – 5th Avenue S.W.  
Calgary, Alberta T2P 3H5

Telephone: (403) 247-8646  
Facsimile: (403) 288-9526  
E-mail: robamait@telus.net

Employees are encouraged to provide as much specific information as possible including names, dates, places and events that took place, the employee's perception of why the incident(s) may be improper, and what action the employee recommends be taken.

## Investigating a Report

The Corporation will respond positively to concerns in accordance with this Policy. Reporting parties should remember that investigating concerns is not the same as either accepting or rejecting them.

Where appropriate, the matters raised may:

- be investigated by senior management, the Audit Committee, internal audit, or legal counsel;
- be referred to the police;
- be referred to the external auditor; and/or,
- form the subject of an independent inquiry.

In order to protect reporting parties, those accused of misdeeds or possible malpractice, and third parties, initial inquiries may be made to determine whether an investigation is appropriate and if so, what form it should take.

The overriding principle which the Corporation will have in mind is the best interests of the Corporation and its shareholders.

Some concerns may be resolved by agreed action without the need for further investigation or action. If urgent action is required, such action may be taken before an investigation is completed.

Within fifteen (15) working days of a concern being raised the reporting party will receive a letter:

- acknowledging that the concern has been received;
- reciting the reporting party's suggestion as to how the matter should be dealt with;
- giving an estimate of how long it will take to provide a final response;
- telling the reporting party whether any initial inquiries have been made; and,
- telling the reporting party whether further investigations will take place and if not, why not.

The amount of contact between the persons considering the issues and the reporting party will depend on the nature of the matters raised, the potential difficulties involved, and the clarity of the information provided. If necessary, the Corporation will seek further information from the reporting party, and will do so discreetly.

The Corporation will take steps to minimize any difficulties which the reporting party may experience as a result of raising a concern. For instance, if the reporting party is required to give evidence in criminal or disciplinary proceedings, the Corporation will arrange for the reporting party to receive independent advice about the procedure.

In determining what further actions to take, considerations include, but are not limited to:

- the alleged wrongdoer;
- the seriousness of the allegation;
- the credibility of the allegation; and,
- the urgency of an investigation and resolution.

### **Confidentiality**

The investigating body will respect the confidentiality of any reporting party who so requests, but can only do so to the extent permitted by the law. Reporting parties should recognize, however, that it is easier to follow up and verify complaints if the reporting party is prepared to give his or her name.

### **Victimization, Discrimination and Harassment**

The Corporation will not tolerate any attempts, to any degree, on the part of anyone to in any way sanction a reporting party who reported a complaint or concern in good faith. Any such attempt should be reported immediately to a member of the Audit Committee or the Chairman of the Committee.

### **False, Malicious and Bad Faith Reports**

The sensitive nature of corporate and professional reputation demands that the Corporation view very seriously any report that proves to be unsubstantiated or which proves to have been submitted knowing it to be false, or with malicious intent, or in bad faith. The Corporation regards the making of such reports as a serious disciplinary offence which may result in disciplinary action up to and including dismissal for cause.

### **Records**

The Audit Committee shall retain for a period of three (3) years all records relating to reports submitted under this program.