



Code of Business Conduct and Ethics

Introduction

The Board of Directors (the “**Board**”) of Crosswinds Holdings Inc. (the “**Corporation**”) has developed this Code of Business Conduct and Ethics (the “**Code**”) for the purposes set out below. The Code applies to all directors, trustees, managers, officers and employees (each a “**Representative**”) of the Corporation and its subsidiary entities (the “**Group**”) and members of their immediate families and, where applicable, third parties engaged to represent the Group.

The Code is not a prescriptive set of rules. Rather, it is a practical set of policies and standards intended to guide and influence behaviour. As a result, the exercise of common sense and good judgment is required with respect to matters not specifically covered by the Code.

The Board will review and, if appropriate, make changes to the Code annually. All changes to the Code will be promptly disclosed to the shareholders of the Corporation.

The Code is posted on the Corporation's website at www.crosswindsinc.com. The Code may be obtained through the Corporation’s website, or in hard copy upon request to Helen Martin, COO (1-800-439-5136).

Purposes

The purposes of the Code are to deter wrongdoing and to promote:

- honest and ethical conduct, including ethical handling of actual or apparent conflicts of interest between personal and business relationships;
- full, fair, accurate, timely, and understandable disclosure in all reports and documents filed, and other public communications made, by the Group;
- compliance with all applicable laws, regulations, and rules;
- protection and proper use of corporate assets and opportunities;
- confidentiality with respect to corporate and personal information;
- fair dealing with security holders, customers, suppliers, and competitors;

- accountability for adherence to the Code; and
- prompt internal reporting of violations of the Code.

Compliance Violations

All Representatives must comply with the Code. Representatives who violate the Code may be subject to disciplinary action, including dismissal. Senior management of the Corporation is responsible for monitoring compliance with the Code of Business Conduct within their respective areas of responsibility, and shall make regular reports to (and seek guidance from) the Board as to the administration of the Code.

Any waiver of the Code with respect to officers and directors of the Corporation may only be made by the Board. Pursuant to applicable regulatory policy breaches and waivers of the Code by directors and/or officers must be publicly disclosed.

No punishment or disciplinary or retaliatory action may be taken against a Representative for complying with the Code.

Accountability

All Representatives must be familiar with the Code and seek assistance from their supervisor/direct report or the corporate counsel of the Corporation (“**Corporate Counsel**”) or his or her designate if they do not understand any part of the Code or what to do in any particular situation.

The senior officers of the Group are responsible to the Board for ensuring that Representatives comply with the Code and must take reasonable steps to ensure that all Representatives and, where applicable, third parties engaged to represent the Group are familiar and comply with the Code.

Reporting

Representatives must report any case of suspected fraud, theft, bribery, or other illegal activity involving the Group and any suspected serious breach of the Code to one or more of the following individuals: their manager/direct report, the Corporate Counsel or his or her designate, the Chief Executive Officer of the Corporation, the Chair of the Audit Committee, or the Chair of the Board.

Unless otherwise determined, the Corporate Counsel (or where the activity involves the Corporate Counsel, another party identified by the Audit Committee) is responsible for investigating all reports and taking appropriate action, including advising the Chief Executive Officer of the Corporation, the Chair of the Audit Committee, and the Chair of the Board.

Assistance

Representatives who do not understand any part of the Code or what to do in any particular situation should seek assistance from their manager/direct report or his or her designate or Corporate Counsel.

Policies and Standards

Compliance with Laws

Employees must understand and comply with the letter and, where clear, the spirit of all laws, regulations and rules applicable to the Group and their own work. Ignorance does not excuse the obligation to comply.

Relationships with Governmental Authorities

The Group seeks to have open, honest, and constructive relationships with all governments and governmental, regulatory, and other similar bodies having jurisdiction or authority over the Group and its business and operations (“**Governmental Authorities**”).

All information provided by Representatives to Governmental Authorities must be full, fair, accurate, timely, and understandable.

Political Activities

The Group is impartial with respect to party politics.

Employees may participate in political activities as long as they do not do so on company time, do not purport to do so on the Group’s behalf and do not use the financial or other resources of the Group.

Financial Inducements

Employees must not make payments or give gifts or other favours to third parties to induce or influence them to give business opportunities to, or make business decisions in favour of, the Group. Bribes, “kick-backs”, secret commissions, and similar irregular payments are prohibited (as prescribed by anti-corruption and applicable criminal laws, and more generally).

Gifts and Benefits

Employees must exercise care and good judgment in accepting or offering business-related gifts.

Accepting or offering business-related gifts of moderate value is acceptable in situations where business-related gift giving is legal and in accordance with local business practice, and the gifts involved are appropriate for the occasion. Employees must not, however, accept or offer business-related gifts of any kind in circumstances that could be perceived as inducing or influencing the recipient to give business opportunities to, or make business decisions in favour of, the Group, or where such activity would violate the requirements or principles of applicable law. If there is any doubt with respect to a particular situation, Representatives should seek assistance from their manager/direct report or from the Corporate Counsel or his or her designate.

Representatives who accept gifts must report the gift to their manager/direct report or the Corporate Counsel or his or her designate. The monetary value of the gift, local customs, and legal requirements will be considered when determining whether the gift should be retained by the Representatives, given to the Group or returned. A gift that is given to the Group will normally be donated to a charity or made available to all Representatives in the applicable work unit.

The following items must not be accepted or offered as gifts under any circumstances, regardless of value:

- cash or personal cheques;
- drugs or other controlled substances;
- product or service discounts that are not available to all Representatives;
- personal use of accommodation or transportation; and
- payments or loans to be used toward the purchase of personal property (other than borrowing on commercial terms from entities who are in the business of lending).

Representatives may not request a gift of any kind from a supplier, customer, or other person with whom the Group conducts business, or from a competitor of the Group.

Conflicts of Interest

Conflicts of interest arise where an individual's position or responsibilities with the Group present an opportunity for personal gain, including gain by a family member or other person in a personal or professional relationship with the individual, apart from the normal rewards of employment, directorship or other relationship. They also arise where an employee's personal interests are inconsistent with those of the Group and create conflicting loyalties. Representatives must avoid all situations where their personal interests may conflict, or may be perceived to conflict, with their duties to the Group.

The following factors should be considered in evaluating any particular situation:

- any potential positive or negative impact on the Representative's job performance or responsibilities;
- whether the Representative has access to Confidential Information (as defined below under “Confidential Information”);
- any potential positive or negative impact on the business or operations of the Group;
- any potential positive or negative impact on the relationships between the Group and its customers, suppliers, or service providers;
- any potential positive impact on a competitor's position;
- any potential financial or other benefit (direct or indirect) to the employee or customer, supplier, or other person with whom the Group conducts business; and
- whether the matter would appear improper to an outside observer.

The following are examples of situations in which a possible conflict of interest may arise:

- employment by or service to (e.g., as a consultant or director) a competitor, customer, supplier, or person with whom the Group conducts business;
- having, directly or indirectly, a significant financial interest in any entity that does business, seeks to do business, or competes with the Group;
- accepting gifts, favours, loans (other than borrowing on commercial terms from entities that are in the business of lending), or preferential treatment from any person that does business, seeks to do business, or competes with the Group unless consistent with the policy described under “Gifts and Benefits” above;
- conducting business on behalf of the Group with immediate family members or an entity in which an employee or his or her immediate family members or friends have a significant financial interest; and
- taking personal advantage of opportunities that are presented to or discovered by an employee as a result of his or her position with the Group or through the use of the property or information of the Group.

If there is any doubt with respect to a particular situation, Representatives should seek assistance from their manager/direct report or from the Corporate Counsel or his or her designate.

Personal Information

Representatives who collect personal information from other employees or third parties on behalf of the Group must do so in a lawful, ethical, and non-intrusive manner and must inform the individual involved in advance of the purpose for which information is being collected. Representatives must take appropriate steps to ensure that all personal information collected is accurate, is not used or disclosed in any manner contrary to applicable law and is retained for no longer than necessary.

Representatives must maintain the confidentiality of all personal information held by the Group. Representatives must not disclose such personal information to other employees unless it is reasonably required by them to perform their jobs. Representatives must not disclose such personal information to third parties unless required by applicable law or regulation (and then only to the extent required) or unless the informed consent of the relevant individual has been obtained.

The Group's policy is to, and all employees are expected to, comply with all applicable laws regulating the disclosure of personal information, including where applicable the *Personal Information Protection and Electronic Documents Act* (Canada) and other applicable federal or provincial laws.

Confidential Information

All information that has been developed or acquired by the Group, including technical, financial, and business information, and not generally disclosed information ("**Confidential Information**") is the property of and confidential to the Group, and must be protected against theft, loss, or misuse. Confidential Information includes but is not limited to information and data regarding the Group and its assets, operation, business, financial affairs, know how, records, data, plans, strategies, processes, business opportunities and ideas relating to present and contemplated operations and projects, its customers and suppliers, and/or other Representatives. Confidential Information also includes documents containing any of the above information, whether or not labeled "confidential" or "proprietary".

Representatives must not disclose Confidential Information to other employees without authorization from their manager/direct report, unless it is reasonably required by them to perform their jobs. Representatives must not reveal Confidential Information to third parties (other than approved auditors, lawyers and other professional advisers, financial advisers, and banks or other financial institutions) without authorization by the Corporate Counsel or his or her designate. Such disclosure should be limited only to those who "need-to-know" and be made pursuant to a confidentiality agreement restricting the recipient from disclosing or using the information in an unauthorized manner.

See also the "Statement of Policies and Procedures" with respect to Confidentiality, Disclosure, Insider Trading and Tipping, and Insider Reporting of the Corporation.

Employees must only use Confidential Information for authorized purposes on behalf of the Group, and not for their own personal gain or benefit.

Public Disclosure

The Corporation is required to make public disclosure of all information with respect to the business, operations, or capital of the Group that would reasonably be expected to have a significant effect on the market price or value of the securities of the Corporation (“**Material Information**”). Employees must advise the Corporate Counsel or his or her designate of any developments that may constitute Material Information. Reference should be made to the Corporation’s Disclosure Policy.

Employees must not make public statements or speeches on topics related to the business and operations of the Group without first obtaining the authorization of the Corporate Counsel or his or her designate.

See also the Corporation’s Insider Trading and Confidential Information Policy”.

Insider Trading

As outlined in the Corporation’s Insider Trading and Confidential Information Policy”, Representatives are prohibited from buying or selling securities of the Corporation, or securities of a company in a “special relationship” with the Corporation, while in possession of Material Information concerning the Corporation or the special relationship company that has not been generally disclosed. Employees are also prohibited from disclosing such Material Information to third parties except in the necessary course of business. These prohibitions also apply to persons to whom employees may disclose such Material Information (e.g., immediate family members or friends).

A company is in a “special relationship” with the Corporation if the Corporation owns, directly or indirectly, 10% or more of the shares of the company or the Corporation is proposing to make a take-over bid for the company, effect a merger or business combination with the company, acquire a substantial interest in the company or its property, or enter into any other transaction with the company that is material to the company.

Information Systems

The computers and other information systems (e.g., voice mail, electronic mail, the Internet, facsimile) of the Group (information systems) are valuable assets of the Group.

Representatives must comply with the following policies when conducting business on the information systems:

- Representatives must protect and maintain the confidentiality of all information communicated or stored using the information systems, including using passwords and properly secured communication methods.
- Representatives may use the information systems for modest personal use, if such use is unrelated to outside business activities, does not interfere with the business or operations of the Group, is not performed during working hours, and is not use that could reasonably be expected to adversely affect the reputation of the Group.
- Representatives must not illegally copy information system software in the course of their employment.
- All electronic or automated messages created, distributed, or stored on the information systems are the property of the Group. The Group may access these messages from time to time for any reason, including to investigate breaches of security or company procedures, or to respond to external requests for information that the Group is required to provide legally.
- Offensive material (e.g., pornography, hate literature) is prohibited.
- Sensitive transactions (e.g., take-over bids, acquisitions) must not be conducted electronically, unless an appropriate level of security is implemented to protect Confidential Information.

Financial Books and Records

All financial and other transactions involving or affecting the Group must be properly authorized and approved and fully and accurately recorded in the financial books and records of the Group in accordance with applicable laws and regulations, the controls and procedures of the Group, generally accepted accounting principles, and the highest standards of integrity.

Employees responsible for establishing and managing the financial reporting systems of the Group (“**Finance Employees**”) must ensure that:

- all business transactions are properly authorized;
- all records fairly and accurately reflect the transactions or occurrences to which they relate;
- all records fairly and accurately reflect in reasonable detail the assets, liabilities, revenues, and expenditures of the Group;
- the accounting records do not contain any false or intentionally misleading entries;

- no transactions are intentionally misclassified as to accounts, departments, or accounting periods; and

- all transactions are supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.

Officers responsible for establishing and managing the financial reporting systems of the Group must establish and maintain procedures to:

- educate Finance Employees about, and monitor their compliance with, applicable laws and regulations;

- identify any possible violations of applicable laws and regulations and report them to the Corporate Counsel or his or her designate and the Audit Committee;

- encourage and reward professional integrity;

- eliminate any pressure to achieve specific financial results by altering records and other entries, misapplying accounting principles, or entering into transactions that are designed to circumvent accounting controls or otherwise disguise the true nature of the transaction; and

- encourage Finance Employees to report deviations from accounting practices and procedures.

Employees must not conceal information relating to the Group from management, the auditors, or the legal advisers of the Group.

Employees must protect the financial books and records of the Group from destruction or tampering.

Questions relating to the financial books and records of the Group should be referred to the Chief Financial Officer of the Corporation.

Corporate Social Responsibility

The Group is committed to sustainable development. Health, safety, environment, and community responsibilities are integral to the way in which the Group conducts its business.

Health and Safety

The most valuable assets of the Group are its people. The Group is committed to providing a safe, healthy, and productive work environment, and to promoting safe and productive work practices throughout its operations.

Representatives must comply with all occupational health and safety laws, regulations, and rules applicable to the business and operations of the Group and their own work. Employees have a responsibility to promote health and safety in the workplace, and must report or correct dangerous conditions immediately so that workplace accidents are minimized.

The misuse of drugs and other controlled substances, both legal and illegal, interferes with a safe, healthy, and productive work environment and is prohibited. Representatives must not use, possess, distribute, or sell illegal drugs or other controlled substances on premises; in vehicles owned, leased, or occupied by the Group; or while conducting business for or on behalf of the Group.

Representatives must not work while under the influence of drugs or alcohol. Representatives who are taking a drug or other medication, whether or not prescribed by a physician, that could impair judgment, coordination, or other senses important to the safe and productive performance of work, must notify their manager before starting work. The manager will determine whether the employee can work, and will impose any necessary work restrictions.

Environment

Representatives must comply with all environmental laws, regulations, and rules applicable to the business and operations of the Group and their own work.

Equality in Employment

The Group does not permit discrimination, intimidation, or harassment of, or by, employees on the basis of race, gender, marital status, national origin, or religious beliefs, or on the basis of any other personal characteristics protected by law. Representatives are entitled to freedom from sexual and all other forms of personal harassment. They are also entitled to have their dignity honoured and their rights protected.

Discrimination is not permitted anywhere in the Group or in any part of the employment relationship, including recruitment, promotion, training, opportunities, salary, benefits, and terminations. Representatives must promote and maintain an environment that encourages personal respect and mutual trust. Differences between individuals, such as race, gender, religion, and physical limitations, must be respected.