

# HARRY WINSTON

## HARRY WINSTON DIAMOND CORPORATION

### WHISTLEBLOWER PROTECTION POLICY

#### 1.0 SCOPE

This policy applies to all employees worldwide of Harry Winston Diamond Corporation and its subsidiary and affiliated companies (collectively, “Harry Winston”).

#### 2.0 POLICY

This policy addresses Harry Winston’s commitment to integrity and ethical behavior by helping to foster and maintain an environment where employees, officers and directors can act appropriately, without fear of retaliation. This policy is consistent with Harry Winston’s *Code of Ethics and Business Conduct* (the “Code”). Employees are strongly encouraged to discuss with supervisors, managers or other appropriate personnel, when in doubt, about the best and ethical course of action in a particular situation.

This policy provides a process for disclosing complaints or concerns regarding financial matters, certain adverse employment actions, and other matters including violations of the Code. This policy provides information on how and where to submit a complaint or concerns, who deals with the complaint and how that complaint is expected to be handled and processed. This policy also describes the standards and principles that are expected to govern the processing of complaints and concerns, whether they are received from people within Harry Winston or external parties.

Securities laws require Harry Winston establish procedures for the receipt, retention and treatment of complaints regarding financial matters. This may include complaints that are received from third parties. Accordingly, any complaint regarding such matters received from a third party (including Harry Winston’s external auditors) shall be forwarded to the Chairman of the Audit Committee and the Chairman and Chief Executive Officer of Harry Winston (the “CEO”).

#### 3.0 NO RETALIATION

This policy confirms that Harry Winston will not tolerate harassment, retaliation or any type of discrimination against an employee (“whistleblower”) who:

- (a) makes a good faith complaint about suspected Company or employee violations of law or violations of Harry Winston’s policies or the Code including, without limitation, a conflict of interest, a breach of applicable law, regulations or rules or what appears to be unethical, fraudulent or other illegal behaviour on the part of a colleague;

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- (b) makes a good faith complaint regarding accounting, internal accounting controls or auditing matters (“Accounting Allegations”) that may lead to incorrect, or misrepresentations in, financial accounting;
- (c) provides information (or causes information to be provided) or assists in an investigation regarding violations of law; or
- (d) files, testifies or participates in a proceeding relating to alleged violations of law.

## **4.0 SAFEGUARDS**

### *4.1 Adverse Employment Action*

Harassment, discharge, demotion, suspension or victimization of or threats (collectively “Employment Actions”) made to the whistleblower will not be tolerated. Wrongdoers will be disciplined consistent with the severity of the misconduct.

### *4.2 Confidentiality*

Employee complaints of Accounting Allegations, breach of the Code, wrongdoing, or Employment Actions will, to the extent permitted by law and consistent with an effective investigation, be kept confidential.

### *4.3 Anonymous Allegations*

This policy encourages a whistleblower to put his or her name to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously will be investigated, but consideration will be given to:

- (a) the seriousness of the issue raised;
- (b) the credibility of the concern; and
- (c) the likelihood of confirming the allegation from alternative sources.

### *4.4 Disciplinary Action*

Anyone filing a complaint under this policy must be acting in good faith and have an honest belief that the complaint is well-founded, including a reasonable factual or other basis. A whistleblower is not expected to prove the truth of an allegation, but must demonstrate to the person contacted that there are sufficient grounds for concern. Good faith is evident when the complaint is made without malice or consideration of personal benefit. Whistleblowers making complaints not in good faith may face disciplinary action consistent with the severity of the

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matter. Any complaints based on allegations that are without basis, cannot be substantiated, or are proven to be intentionally misleading or malicious will be viewed as a serious offence.

## **5.0 REPORTING PROCESS – INFORMAL PROCEDURE**

Harry Winston has an open door policy and invites all directors, officers and employees to share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an immediate supervisor is in the best position to address an area of concern. Where it is appropriate an individual can also speak to anyone in management whom the individual is comfortable approaching. The following management representatives have been specifically designated for handling all communications made under the *Reporting Process – Informal Procedure* (“Informal Complaints”): Senior Vice President and General Counsel, Legal and Human Resources (“SVP, Legal and Human Resources”) and Corporate Secretary. Supervisors and managers are encouraged to report complaints to Harry Winston’s SVP, Legal and Human Resources, or Corporate Secretary. Notice of each Informal Complaint will be given to the CEO who will determine the manner in which the investigation of such complaint will be made, including, without limitation, if an outside investigator should be retained. The CEO or his designate will advise the Chairman of the Audit Committee that an Informal Complaint has been made.

For suspected fraud, or when the whistleblower is not satisfied or comfortable with following Harry Winston’s open door policy, the whistleblower should follow the procedures set out under *Reporting Process – Formal Procedure*.

## **6.0 REPORTING PROCESS – FORMAL PROCEDURE**

- (a) A whistleblower may direct concerns and complaints relating to Accounting Allegations or unethical or illegal conduct to the Audit Committee of Harry Winston’s Board of Directors through the Chairman of the Audit Committee. Complaints, including anonymous complaints, may be delivered in a sealed envelope addressed to the Chairman of the Audit Committee labelled “Private and Confidential to be opened by addressee only”.
- (b) A whistleblower may direct complaints concerning Employment Actions to the SVP, Legal and Human Resources. Complaints, including anonymous complaints, may be delivered in a sealed envelope addressed to the SVP, Legal and Human Resources labelled “Private and Confidential to be opened by addressee only”.
- (c) A whistleblower may direct complaints concerning breaches of the Code to the SVP, Legal and Human Resources or the Corporate Secretary. Complaints, including anonymous complaints, may be delivered in a sealed envelope addressed to either the SVP, Legal and Human Resources or the Corporate Secretary labeled “Private and Confidential to be opened by addressee only”.

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- (d) If a whistleblower prefers to communicate anonymously or if any of the persons to whom the whistleblower has reported concerns or complaints previously has not, in the whistleblower's view, responded appropriately, the whistleblower may utilize a third party compliance hotline. The compliance hotline is answered by an outside service provider and is available to all employees. If an employee requires an interpreter, every reasonable effort will be made to provide one. The contact information of the compliance hotline is listed on Appendix A to this policy.

## **7.0 HANDLING COMPLAINTS MADE UNDER THE REPORTING PROCESS – FORMAL PROCEDURE**

All reports made under *The Reporting Process – Formal Procedure* (a “Formal Complaint”) will be dealt with promptly. Except if the Formal Complaint involves the CEO, the recipient of a Formal Complaint will advise the CEO that a Formal Complaint has been received and consult with the CEO to determine the best approach to investigate the Formal Complaint, including, without limitation, determining if an outside investigator should be retained. Some concerns may be resolved by agreed action without the need for investigation. Appropriate corrective action will be taken if warranted by the investigation. .

## **8.0 REPORTING OF COMPLAINTS**

- (a) Either the SVP, Legal and Human Resources or the Corporate Secretary will provide to the Audit Committee quarterly:
  - (i) a summary of the number and category of Formal Complaints and Informal Complaints;
  - (ii) a report on each complaint including the results of investigations and actions taken.
- (b) The Secretary of the Audit Committee will retain copies of all complaints, results of investigations, if any, and reports for a period of seven (7) years. Investigation details and a final report must be retained by the department that performed the investigation.
- (c) The report of the SVP, Legal and Human Resources or the Corporate Secretary may be in summary format if the CEO agrees that the complaints fall into one or more of the following categories:
  - (i) complaints that have no supporting details and which are clearly issued in bad faith;
  - (ii) complaints which are so vague that conducting an investigation would be impossible or impractical;

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- (iii) complaints that are so minor that they would not impact the financial reporting process (for example, a small theft of petty cash by a non-management employee).
- (d) All reports will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

## **9.0 REPORT TO WHISTLEBLOWER**

Whistleblowers will be informed, in general terms (to avoid revealing confidential information), about the investigation outcome.

## **10.0 CHANGES TO THE POLICY**

The Board of Directors of Harry Winston Diamond Corporation may, from time to time, permit departures from this policy, either prospectively or retrospectively. This policy is not intended to give rise to civil liability on the part of Harry Winston or its directors or officers to shareholders, investors, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part. This policy may be amended at any time.

**APPROVED** by the Board of Directors of Harry Winston Diamond Corporation on the 14<sup>th</sup> day of January, 2009.

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## APPENDIX A TO THE WHISTLEBLOWER PROTECTION POLICY COMPLIANCE HOTLINE

The confidential compliance hotline service provider is MysafeWorkplace™.

MysafeWorkplace™ is available twenty four (24) hours a day, seven (7) days a week:

- (a) toll free number 1 800 461 9330; and on the Internet at [www.MysafeWorkplace.com](http://www.MysafeWorkplace.com)