



Whistleblowing Policy

CANNARA BIOTECH INC.

Whistle-Blowing Policy

Regarding Complaints and Concerns Procedures

Preamble

Regulatory authorities in Canada have introduced new investor confidence rules aimed at avoiding accounting scandals that shook the integrity of financial markets at the beginning of the new millennium. In such regard, all public companies must establish a “whistle blowing” policy that allows an interested party such as an employee to alert persons in authority of any improper accounting or financial practices, without fear of retribution. Since the integrity of Cannara Biotech Inc. (the “Corporation”) as a public company can be negatively affected by either improper accounting/financial practices, the Board of Directors wishes to extend our whistle blowing policy to this field of activity. This policy sets out the guidelines to be followed by any interested party who wishes to denounce any impropriety of a public reporting, accounting or financial nature observed in the course of the exercise of their duties, without fear of loss of employment, prejudice or other form of undesirable reprimand.

Purpose of Policy

Cannara Biotech Inc. (the “Corporation”) has established accounting policies and procedures and an internal control process to ensure the accuracy and integrity of the Corporation’s financial statements. It is recognized that there may be situations from time to time where employees or other parties believe that these policies and procedures have not been followed or that information has been intentionally or unintentionally misstated or omitted which may impair the integrity or accuracy of the Corporation’s financial statements.

This policy sets out procedures to address the receipt, retention and treatment of complaints received by the Corporation in respect of matters relating to public reporting, accounting, internal accounting controls or auditing. This policy also sets up means to protect the confidentiality and anonymity of any submission by employees or consultants of the Corporation.

In the case of questions relating to accounting, accounting procedures or control procedures, questions or comments may be directed to the Chairman of the Audit Committee at the address mentioned below or by e-mail.

Amy Satov
Chairman of the Audit Committee of Cannara Biotech Inc.
333 Decarie Blvd., Suite 200
Ville St. Laurent, Quebec
H4N 3M9

Email: _amy@cannara.ca

Procedures for Receiving and Addressing Complaints and Concerns

Complaints regarding accounting, internal accounting controls or auditing matters and concerns regarding questionable accounting or auditing matters should be reported to the Chairman of the Audit Committee, or raised by sending a written communication to the Chairman of the Audit Committee in an envelope marked “*Private and Confidential – Audit Committee Policy Regarding Complaints and Concerns Procedures*”. If the complaint or concern is anonymous, there must be clear, accurate and sufficient details, as there will be no opportunity to have the information clarified due to the anonymity of the complainant.

General Complaints and Concerns: Upon receipt of a complaint, the Chairman of the Audit Committee will record the complaint or concern and act to resolve any issue by offering to meet with the complainant or communicating with that person through another appropriate means. Each of the complaints and concerns will be thoroughly investigated and appropriate action taken. All complaints and concerns and their disposition will be advised to the committee at a meeting next following the date of the complaint or concern. The chairmen may elect, if he thinks fit, to call a special meeting sooner to deal with the complaint or concern.

Confidentiality: Each complaint or concern will be treated as confidential, and the anonymity of the complainant or filer, if requested, will be preserved.

Prohibition Against Retaliation: Should the individual concerned not request anonymity, the Corporation will not discharge, threaten, harass, discipline, withhold or suspend payment of salary and/or benefits, demote, transfer or otherwise take any disciplinary or retaliatory action against any employee or consultant of the Corporation who in good faith raises a concern, files a complaint, reports any suspected wrongdoing, or who discloses or provides information or assistance in connection with any internal investigation or governmental proceeding or inquiry because of their actions related to the reporting of this information or provision of this assistance.

Logs:

Complaints and Concerns Logs: The chairmen will ask the Corporate Secretary to supervise the maintenance of a log (the “Logs”) of all complaints and concerns received from any source.

Complaints and Submission of Concerns Reports: Each complaint and concern will be documented by the Chairman. Such documentation shall include a report that contains a complete description of the allegation(s), the action taken (including investigative and/or disciplinary action), the status of the file as pending or closed and, if closed, a statement describing the final disposition of the case. All documentation with respect to a complaint or a concern shall be retained by the Corporate Secretary.

Audit Committee Oversight: The Audit Committee will have full access to the logs, complaints and concerns reports and related documentation at all times, except for any information that may be used to identify a complainant or filer who has requested anonymity.