



**POLICY AND PROCEDURES FOR
SUBMISSION OF COMPLAINTS**

**RELATING TO FINANCIAL AND OTHER MATTERS:
WHISTLEBLOWER POLICY**

ADOPTED: November 8, 2005

VECTOR AEROSPACE CORPORATION

WHISTLEBLOWER POLICY

General

Vector Aerospace Corporation (“**Vector**”) is committed to seeking to maintain the highest standards of integrity and accountability in its business affairs while at the same time seeking to grow its business and enhance shareholder value. The guidelines and principles that govern the business conduct of Vector and its controlled subsidiaries are set out in the Code of Business Ethics and Conduct (the “**Code**”) which is available at http://www.vectoraerospace.com/about_us/code_of_business_ethics_conduct.aspx. As part of Vector’s commitment to ethical and responsible business conduct, Vector, on its own behalf and on behalf of all its wholly-owned subsidiaries (Vector and such subsidiaries, collectively, the “**Company**”) are committed to seeking to maintain accountability of accounting, internal accounting controls and auditing processes (“Financial Matters”) of the Company. We expect all directors, officers and employees of the Company to participate actively in seeking to maintain this standard.

Purpose

The purpose of this whistleblower policy (the “Policy”) is to provide directors, officers, employees and third parties with a process for disclosing complaints or concerns regarding violation of the Code, including, without limitation, Financial Matters. Financial Matters include accounting matters, internal accounting controls and auditing matters. This Policy outlines exactly how and where to submit a complaint or concern, who deals with your complaint and how that complaint is expected to be handled, processed and documented. This Policy also describes the standards and principles that are expected to govern the processing of all complaints and concerns.

Reporting Process

Step 1

The Company has an open door policy and invites all directors, officers, employees and others to share their questions, concerns, suggestions or complaints with any one within the Company who can address them properly. In most cases, your immediate supervisor is in the best position to address an area of concern and as such you should initially direct all questions or concerns to your supervisor. Where it is appropriate, you can also speak to anyone in management at your location whom you are comfortable in approaching. The following management representatives have been specifically designated for handling all communications relating to this Policy: (i) at Vector Aerospace Helicopter Services and related subsidiaries – Director, Human Resources; (ii) at Vector Aerospace Engine Services-Atlantic Inc. and related subsidiaries – Director, Human Resources; (iii) at Vector Aerospace (UK Holdings) Limited and related subsidiaries – Director, Human Resources; and (iv) at Vector Aerospace Corporation – VP, Human Resources or VP, Finance. Supervisors and managers are encouraged to report complaints or concerns to their managers or the persons identified above. Divisional management, in turn, are encouraged to report serious or material complaints and concerns to Vector’s Audit Committee who would be responsible to investigate or cause to be investigated all such matters. For suspected fraud, or when you are not satisfied or comfortable with following the Company’s open door policy, you should contact directly, Vector’s general outside counsel, namely Wayne E. Shaw, Stikeman Elliott LLP (Toronto).

Step 2

In certain circumstances, after careful thought and investigation and exhausting all local channels, it may be necessary for you to make a formal submission regarding a perceived or suspected violation of financial matters, securities laws or other matters. In all such cases you should communicate (on a confidential basis) directly with Vector’s Senior Vice President and Chief Financial Officer, Randal L. Levine, through the following means:

1. by telephone: (416) 925-1143
2. in writing: Name: Vector Aerospace Corporation
Address: 2 Bloor Street West, Suite 2100
Toronto, Ontario M4W 3E2
Fax: (416) 925-7214
Attention: Randal L. Levine, Chief Financial Officer

Confidentiality

The Company, including all persons designated to handle complaints under this Policy, will seek to treat all communications as confidential to the fullest extent permitted under law and to the extent possible, consistent with the need to conduct an adequate investigation. We encourage you to identify yourself when making a complaint or communicating a concern. However, you may also do so anonymously, if necessary. The Company has a procedure for the submission of confidential, anonymous complaints concerning questionable accounting or auditing matters to the Audit Committee. All such complaints should be communicated in writing (on a confidential basis) to the Chair of the Vector Audit Committee, through the following means:

1. by telephone: 1-866-399-4296
2. in writing: Name: Vector Aerospace Corporation
Address: 2 Bloor Street West, Suite 2100
Toronto, Ontario M4W 3E2
Fax: 416-925-7214
Attention: Gordon M. Cummings

No Retaliation

It is the Company's policy to seek to ensure that you can communicate freely in respect of matters covered by this Policy and seek to be protected from any form of penalty or adverse employment consequence, including discharge, suspension, demotion or transfer, harassment or discrimination ("retaliation"). Every director, officer or employee of the Company who makes a complaint in good faith regarding a perceived violation under this Policy will be protected against any retaliation. Any director, officer or employee of the Company who retaliates against someone who has reported a violation in good faith under this Policy will be subject to discipline up to and including termination of employment. This Policy is intended to encourage and enable directors, officers, employees and others to raise serious concerns within the Company for proper resolution.

Acting in Good Faith

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

Handling of Reported Violations

Once your concern has been communicated to the Senior Vice President and Chief Financial Officer of Vector (the "Designated Officer"), the following procedures are intended to be followed:

1. The Designated Officer will confirm receipt of your communication or complaint within five business days of receipt wherever practicable.

2. The Designated Officer will register your complaint in a log and open a file (both to be confidential and secure).
3. If the Designated Officer determines that your concern is covered by this Policy, the Designated Officer will conduct an investigation and determine whether further action is required. In conducting such investigation, the Designated Officer may enlist inside or outside legal, accounting, human resource or other advisors, and may also refer the matter to the Audit Committee.
4. The Designated Officer will conduct any investigation pursuant to fair rules and procedures and will take all reasonable efforts to seek to keep the complaint and investigation confidential, if requested or required. In certain circumstances, the Company may be required to disclose matters relating to material infractions of financial matters or other matters in accordance with securities laws or stock exchange rules. In such cases the Designated Officer may be required to make adequate disclosure in a timely and appropriate matter.
5. All investigations should be conducted efficiently, taking into account the nature and complexity of the issues involved.
6. At least quarterly, the Designated Officer will report to the Audit Committee the aggregate number of complaints received, investigations conducted and the outcome of those complaints and investigations. The Audit Committee may also discuss such complaints with the full membership of the Board of Directors where appropriate.
7. The Designated Officer should promptly report to the Audit Committee any complaint that is well-founded and that may have material adverse consequences for the Company.

In addition to reporting suspected violations of financial matters, certain other provincial and federal legislation relating to environmental, labour, privacy, human rights, competition and other matters also provide protection to individuals who report suspected violations by their employers. We encourage all employees to comply fully with the requirements of these laws if any violation or breach is suspected, without fear of retaliation.

Complaints as to Financial Matters

Securities laws require the Company to 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 director, officer or employee should forward any complaint regarding Financial Matters, including those received from a third party directly to the Chair of the Audit Committee of Vector.

The Chair of the Audit Committee should discuss such complaints at regularly scheduled meetings of the Vector Audit Committee (unless they are unfounded or unless the materiality of the complaint requires earlier action).

The Vector Audit Committee is a committee of the Vector Board of Directors and is not and shall not be deemed to be an agent of Vector's shareholders for any purpose whatsoever. The Vector Board of Directors may, from time to time, permit departures from the terms of this Policy, either prospectively or retrospectively. This Policy is not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

This Whistleblower Policy was approved by the Vector Board of Directors on November 8, 2005, and may be amended from time to time and at any time by the Vector Board.