

XS CARGO INCOME FUND

JOINT WHISTLEBLOWER POLICY

As a publicly traded trust, the integrity, transparency and accountability of the financial, administrative and management practices of XS Cargo Income Fund (the "**Fund**") is critical. This information guides the decisions of the trustees of the Fund, the trustees of XS Cargo Operating Trust ("**XSCOT**") and the board of directors of XS Cargo GP Inc. (the "**GP**") and is relied upon by stakeholders of the Fund and the financial markets. For these reasons, it is critical for the Fund, XSCOT, the GP and XS Cargo Limited Partnership (the "**LP**") and their subsidiaries (collectively, the Fund, XSCOT, the GP, the LP and their subsidiaries are referred to herein as "**XS Cargo**") to maintain a workplace where concerns regarding questionable business practices can be raised without fear of any discrimination, retaliation or harassment.

All trustees, directors, officers, employees and consultants are encouraged to promptly report either orally or in writing to their immediate supervisor, all evidence of activity by a XS Cargo' trustee, director, officer, employee or consultant that may constitute any of the following:

- questionable accounting practices;
- inadequate internal accounting controls;
- the misleading or coercion of auditors;
- disclosure of fraudulent or misleading financial information; and
- instances of corporate fraud.

In instances where a satisfactory response is not received from your immediate supervisor, or if you are uncomfortable addressing your concerns to your supervisor any senior officer of the GP may be contacted.

In instances where a satisfactory response is not received from such senior officer, or if you are uncomfortable addressing your concerns to a senior officer, the Chairman of the Audit Committee of the trustees of the Fund may be contacted by mail, telephone, fax or email as follows:

Mr. Gordon Clanachan
14903 – 39 Avenue
Edmonton, Alberta T6R 1J6
Phone: (780) 431-0342
Fax: (780) 431-0374
Email: clanach@telusplanet.net

Anonymous communications will be accepted, but must be in written form.

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

All complaints under this Policy will be investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action and subject to applicable law.

All reports made to supervisors and senior officers in respect of matters specifically covered by this policy will be reported to the Audit Committee of the trustees of the Fund.

Any individual who in good faith reports such incidents described above will be protected from threats of retaliation, harassment, discharge, or other types of discrimination including but not limited to respecting compensation or terms and conditions of employment, that are directly related to the disclosure of such reports. If any employee or other person believes they have been unfairly or unlawfully retaliated against in respect of a report made by such employee or person under this policy, they may file a complaint with their supervisor or with a senior officer of the GP in instances where they are uncomfortable filing the complaint with their supervisor. If such a person is uncomfortable filing the complaint with a supervisor or any senior officer, they may file their complaint with the Chairman of the Audit Committee. XS Cargo reserves the right to discipline any individual who makes an accusation without a reasonable, good faith belief in the truth and accuracy of the information or who knowingly provides false information or makes false accusations, and such discipline may result in termination in the case of a trustee, director, officer or employee or termination of the consulting contract in the case of a consultant and, if warranted, legal proceedings.

All trustees, directors, officers, employees and consultants have a duty to co-operate in an investigation. Should an employee or consultant fail to co-operate or provide false information in an investigation, XS Cargo will take effective remedial action commensurate with the severity of the offence. This action may include disciplinary measures up to and including termination in the case of a trustee, director, officer or employee or termination of the consulting contract in the case of a consultant and, if warranted, legal proceedings.