

PROFOUND MEDICAL CORP.

ANTI-HARASSMENT AND ANTI-DISCRIMINATION POLICY

Statement of Philosophy. Profound Medical Corp. (the “**Company**”) is committed to ensuring a work environment that respects the dignity and worth of each individual. Inappropriate workplace behavior and unlawful harassment or discrimination create conditions that are wholly inconsistent with this commitment. The purpose of the policy set forth below is not to regulate the personal morality of employees, but rather to foster a positive work environment that is free from all forms of harassment or discrimination, whether that harassment or discrimination is because of race; national or ethnic origin, ancestry or citizenship; colour; creed, religion or religious belief; age; sex or gender; sexual orientation; marital status; family status, civil status or affiliation; disability; gender expression; conviction;¹ political belief or activity; source of income; social disadvantage or condition; disfigurement or any other characteristic protected by applicable federal, provincial or local law.

Behavior Defined. For the purpose of this policy, behavior includes conduct (what we do), comment (what we say whether orally, in writing, via pictures or images; communicated through any medium), vocal activity (making sounds), gestures and non-vocal activity.

Harassment or Discrimination Prohibited. Harassment or discrimination, including sexual or racial harassment or discrimination, will not be tolerated by the Company. This policy applies to all harassment or discrimination occurring in the work environment, whether on Company premises or in any Company-related setting, and applies regardless of the gender of the individuals involved.

This policy covers all employees of the Company, including applicants for employment and third parties over whom the Company has control.

Harassment Defined. For the purpose of this policy, harassment means any vexatious comment or conduct against a member of the Company, including but not limited to harassment and discrimination related to any prohibited ground, that is engaged in by someone who knows, or ought reasonably to know, that the comment or conduct is unwelcome. The unwelcome comment or conduct does not have to be directed at a specific person for harassment to occur. Any form of unsolicited behaviour characterized by words, acts or gestures, such as hurtful remarks, insults, humiliating jokes, display of offensive or obscene material, inappropriate physical contact, intimidation, inappropriate demands or reprisals, may constitute harassment.

Any vexatious behaviour involving hostile or unwanted conduct, verbal comments, actions or gestures that affect a person’s dignity or psychological or physical integrity and that result in a harmful work environment for the person can constitute harassment under this policy. Harassment can take many forms, including but not limited to sexual harassment and racial harassment.

¹ [NTD: In Ontario, the employer cannot discriminate on the basis of a candidate’s record of offences, meaning either an offence in respect of which a pardon has been granted, or a provincial offence.] If your primary place of work is not Ontario some differences may apply. For further details please contact the Director of Human Resources.

Discrimination Defined. For the purpose of this policy, discrimination means any action or inaction that differentiates between individuals or imposes a disadvantage or withholds an advantage on the basis of a prohibited ground protected by applicable federal, provincial or local law. A person does not have to intend to discriminate, for the behaviour to be discrimination. It is enough if the person knew or ought reasonably to have known that his or her behaviour would be inappropriate. **Discrimination often leads to harassment.**

Any person, regardless of his or her position of authority, may be responsible for committing an act of harassment or discrimination. While harassment usually involves repeated acts or a course of conduct, a single incident of harassment could be serious enough to constitute a breach of this policy.

However, a reasonable action taken by a principal or manager relating to the management and direction of an employee or the workplace does not constitute harassment or discrimination.

Sexual Harassment Defined. For purposes of this policy, sexual harassment may include, but is not limited to:

- engaging in a course of vexatious comment or conduct against an employee in the workplace because of sex, sexual orientation, gender identity or gender expression, where the course of comment or conduct is known or ought reasonably to be known to be unwelcome
- making a sexual solicitation or advance where the person making the solicitation or advance is in a position to confer, grant or deny a benefit or advancement of the employee and the person knows or ought reasonably to know that the solicitation or advance is unwelcome
- refusing to work with people because of their sex, sexual orientation, gender identity or gender expression
- remarks, jokes, or innuendos about sex, sexual orientation, gender identity or gender expression
- unwanted and unnecessary physical contact, including touching, patting, etc.
- demanding hugs
- using language that puts someone down based on their sex, sexual orientation, gender identity or gender expression, including sex-specific derogatory names
- leering or inappropriate staring
- sexually-suggestive gestures
- making gender-related comments about someone's physical characteristics or mannerisms

- making comments or treating someone badly because they don't conform with sex-role stereotypes
- showing or sending pornography, sexual pictures or cartoons, sexually explicit images, or other offensive images (including on-line)
- sexual jokes or comments, including passing around written sexual jokes or comments (for example, by e-mail)
- rough and vulgar humour or language related to sex, sexual orientation, gender identity or gender expression
- using sexual or gender-related comment or conduct to bully someone
- spreading sexual rumours (including on-line)
- making suggestive or offensive comments or hints about members of a specific gender
- unwelcome advances, invitations or propositions of a sexual nature or repeated invitations after previous requests have been refused
- verbally abusing, threatening or taunting someone based on sex, sexual orientation, gender identity or gender expression
- bragging about sexual prowess
- demanding dates or sexual favours
- unwarranted inquiries or comments about a person's personal life
- asking questions or talking about sexual activities
- asking someone to dress in a sexualized or gender-specific way
- threats to penalize or otherwise punish a person who refuses to comply with sexual advances (reprisal or "payback")
- sexual assault.

Racial Harassment Defined. For purposes of this policy, racial harassment may include, but is not limited to:

- comment or conduct which disparages, ridicules or insults a person's race, colour, ancestry, place of origin, ethnic origin, creed or citizenship, or related characteristics, including clothing related to one's background, speaking with an accent or practicing a certain religion

- insulting gestures, slurs or jokes which relate to race, colour, ancestry, place of origin, ethnic origin, creed or citizenship, or related characteristics
- mimicking a person's accent, speech or mannerisms
- displaying or distributing derogatory materials, cartoons or pictures which relate to race, colour, ancestry, place of origin, ethnic origin, creed or citizenship, or related characteristics
- using language that puts someone down based on their race, colour, ancestry, place of origin, ethnic origin, creed or citizenship, or related characteristics, including using racial-specific derogatory names
- unfairly singling someone out for humiliating treatment because of their race, colour, ancestry, place of origin, ethnic origin, creed or citizenship, or related characteristics
- refusing to work with people because of their race, colour, ancestry, place of origin, ethnic origin, creed or citizenship, or related characteristics
- violence or assault.

Harassment or Discrimination by Non-Employees. If you believe that you have experienced harassment or discrimination in the workplace by a person outside of the Company (including customers), you may bring your concerns to the attention of Corporate Office.

Consensual Relationships. Consensual romantic and/or sexual relationships between an employee with supervisory authority and any subordinate, including one not directly reporting to the supervisor, will compromise the Company's ability to enforce its policy against sexual harassment. Consequently, if such relationships arise, they will be considered carefully by the Company, and appropriate action will be taken. Such action may include a change in the responsibilities of the individuals involved in such relationships or transfer of location within the Company to diminish or eliminate the supervisory relationship and workplace contact that may exist. Any supervisory employee involved in such a relationship is required to promptly report the relationship to his or her supervisor, and to Corporate Office.

Reporting Harassment or Discrimination. The Company strongly encourages the prompt reporting of all incidents of harassment or discrimination. If you believe you are being harassed or discriminated against or have observed harassment or discrimination, the Company encourages you to notify Corporate Office promptly. If, at any time, an employee feels it would be unreasonable to use this procedure to report harassment or discrimination because of unusual or unique circumstances, the Company encourages the employee to discuss his/her concerns with a senior member of the management team.

Investigation. When an employee reports harassment as specified above, it is the Company's policy to undertake a prompt investigation appropriate to the circumstances. The steps to be taken during the investigation cannot be fixed in advance, but will vary depending upon the nature of the allegations.

Confidentiality. The Company will seek to maintain confidentiality throughout the investigative process to the extent practicable and consistent with the Company's need to undertake a full investigation. Information will only be provided to those who have a "need to know", or as required in the course of the investigation. It is the responsibility of all employees and managers to cooperate with the investigation and to maintain strict confidentiality of all information related to the allegations and investigations. It is a serious breach of this policy to break confidentiality unless disclosure of information relating to the complaint is required by law or is necessary in order for the proper investigation and resolution of the matter. Any such breach will be treated in the same manner as harassment.

Resolving the Matter. Upon completion of the investigation, appropriate remedial action will be taken, if necessary and supported by the facts. Remedial action may include, but not be limited to, one or more of the following: a formal apology, counselling and/or education on harassment or discrimination, a written warning, disciplinary suspension or probation, a record in the file of the employee, or termination of employment with the Company, with or without cause.

Nonretaliation. An individual who reports incidents that the employee, in good faith, believes to be violations of this policy, or who is involved in the investigation of harassment or discrimination, will not be subject to reprisal or retaliation. Retaliation is a serious violation of this policy and should be reported immediately. The report and investigation of allegations of retaliation will follow the procedures set forth in this policy. Any person found to have retaliated against an individual for reporting harassment or participating in an investigation of allegations of such conduct will be subject to appropriate disciplinary action, up to and including termination of employment for cause.

Communication. This policy is part of the Company's overall commitment to open communication. The Company encourages any employee with workplace concerns of any nature (including, but not limited to, any alleged discrimination) to bring those concerns to the attention of Corporate Office.

Restrictions. Harassment or discrimination in the workplace is a serious issue. This policy must not be used maliciously or in bad faith. Bad faith or misconduct in the use of this policy will be treated in the same manner as harassment.

This policy governs all aspects of employment, including the hiring process, job selection, job assignment, compensation, employee counseling steps, termination, and access to benefits and training.

To report harassment or discrimination, or discuss any questions or concerns related to this policy, please contact any of the following individuals at Corporate Office:

Maureen Belza : Director Human Resources & Org.Development

email: mbelza@profundmedical.com Cell: 416 700 8822 Office : 647 476 1350 ext 420

Arun Menawat: CEO

email:amenawat@profoundmedical.com Cell: 416 297 8920 Office:647 476 1350 ext 402

Adopted on August 14th, 2018.