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1. Purpose and Scope

- 1.1. The Code of Business Conduct (the “**Code**”) of Profound Medical Corp. (the “**Company**”) requires that all employees, officers and directors of the Company and its subsidiaries (collectively, “**Employees**”), as well as contractors, agents, consultants and other representatives of the Company and its subsidiaries (collectively, “**other representatives**”) observe high standards of business and personal ethics as they carry out their duties and responsibilities. The Company expects all Employees and other representatives to adhere to the Code and all of the Company’s statements and policies and to report any suspected violations.
- 1.2. The Company is committed to achieving compliance with all applicable laws and regulations, including accounting standards, accounting controls and audit practices. While the Company’s internal controls and operating procedures are intended to detect and prevent or deter improper activities, even the best system of internal controls cannot provide absolute protection against irregularities. Intentional and unintentional violations of applicable laws, policies and procedures may occur. In those instances, the Company has a responsibility to investigate and report to appropriate parties any allegations of suspected improper activities and any actions taken to deal with these issues within the Company.
- 1.3. Securities legislation requires that the Audit Committee of the Company (the “**Audit Committee**”) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The Audit Committee has approved this Whistleblower Policy (this “**Policy**”) and the reporting mechanisms contained herein in order to fulfill its responsibilities.
- 1.4. This Policy sets out responsibilities, policies and procedures in conjunction with any reports that are made pursuant to the Code or other incidents, as specified below. This Policy governs the reporting and investigation of allegations of suspected improper activities in respect of accounting, internal controls or auditing matters, violations of law and general violations of the Code. It is the responsibility of all Employees and other representatives to report violations or suspected violations in accordance with this Policy.

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2. Procedure or Instructions

2.1. REPORTABLE CONDUCT

2.1.1. Reports of complaints and/or concerns (“**Reports**”) may be made on the following matters (“**Reportable Matters**”):

- (a) questionable accounting, internal accounting controls and auditing matters, including the circumvention or attempted circumvention of internal accounting controls or with respect to matters that would otherwise constitute a violation of the Company’s accounting policies -- which may include, but are not limited to, the following:
 - (i) fraud or deliberate error in the preparation, evaluation, review or audit of any of the Company’s financial statements;
 - (ii) fraud or deliberate error in the recording and maintaining of the Company’s financial records;
 - (iii) deficiencies in or non-compliance with the Company’s internal accounting controls;
 - (iv) misrepresentation or a false statement to or by an officer, accountant or other person regarding a matter contained in the Company’s financial records, financial reports or audit reports; or
 - (v) deviation from full and fair reporting of the Company’s financial condition and/or results of operation;
- (b) potential or actual non-compliance with applicable legal and regulatory requirements;
- (c) retaliation against Employees and other representatives who report on any Reportable Matter;
- (d) a matter likely to receive negative media or other public attention;

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- (e) a matter that involves a significant threat to the health and safety of Employees or other representatives and/or the public;
- (f) a matter that may be judged to be significant or sensitive for other reasons;
or
- (g) any other violation of the Code.

2.1.2. In addition to the above Reportable Matters, any Employee or other representative who believes that he or she is being asked to commit a wrongdoing or who believes that a wrongdoing has been committed, should feel free (and is encouraged) to submit a good faith Report at any time.

2.2. MAKING A REPORT

2.2.1. Any person, including any Employee or other representative, acting truthfully, in good faith and with reasonable grounds for believing that an allegation in issue relates to a Reportable Matter, may make a Report. Knowledge or suspicion of improper activities may originate from Employees or other representatives in carrying out their assigned duties or in dealings with internal or external auditors, law enforcement officials, regulatory agencies, customers or other third parties.

2.2.2. *Confidential Designee*: The Audit Committee will designate from time to time a person, independent of the financial reporting function, to assist the Audit Committee in addressing Reports in a manner consistent with this Policy and the role of the Audit Committee (the “**Confidential Designee**”). Unless otherwise designated by the Audit Committee, the Confidential Designee will be the chair of the Audit Committee.

2.2.3. *Reports by Non-Employees*: Non-Employees may submit reports about a Reportable Matter to the Company’s Board of Directors, care of the Confidential Designee.

2.2.4. *Reports by Employees*: Employees should express any questions, concerns, suggestions or complaints they have with someone who can address them properly. Often, the Company’s Human Resources Management or an individual’s manager is in the best position to address a particular concern.

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2.2.5. Where it is not possible for the Employee to address a particular concern in consultation with Human Resources or their manager, the Employee may submit a Report about a Reportable Matter to the Board of Directors, care of the Confidential Designee.

2.2.6. Employees in a management position should ensure that employees under their supervision are aware of this Policy and are familiar with the mechanisms available to make a Report.

2.2.7. *Anonymous Reports:* Employees, other representatives or other persons wishing to submit a Report about a Reportable Matter may do so on an anonymous basis as described under the heading “Communication of Reports” below. It should be understood, however, that absent full information regarding the source or nature of the Report, it may be difficult or even impossible to fully investigate the Report (as described below under the heading “Investigation of a Report”). Depending on the nature of the Report, it may also be difficult or impossible to maintain the confidentiality or the identity of the reporting person.

2.2.8. *Communication of Reports:* Reports should explain in as much detail as possible the alleged Reportable Matter and the reasons for belief that such Reportable Matter is occurring or has occurred.

2.2.9. Reports may be addressed to: “Board of Directors of Profound Medical Corp. c/o the Chair of the Audit Committee, 2400 Skymark Avenue, Unit 6, Mississauga, Ontario, L4W 5K5” and marked “CONFIDENTIAL– TO BE OPENED ONLY BY ADDRESSEE”. If a Report relates to the Confidential Designee (being the Chair of the Audit Committee), then that Report should be addressed to another member of the Audit Committee who, in accordance with the Charter of the Board of Directors, will be an independent director.

2.3. RECEIPT OF REPORTS

2.3.1. Any Employee or other representative who receives a Report which has been made pursuant to this Policy in any written form (including by e-mail) must promptly forward the Report to the Board of Directors, care of the Confidential Designee. For Reports submitted by voicemail, the recipient should promptly forward a transcript of the voicemail message to the Board of Directors, care of the

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Confidential Designee. In the case of oral Reports, the recipient must prepare a reasonable summary of the Report and forward the summary to the Board of Directors, care of the Confidential Designee. If the Report has been made on an anonymous basis, the written or transcribed Report or the summary of the oral Report should state that fact.

2.3.2. The Confidential Designee must review all Reports promptly and, depending on the nature of the Report, take immediate and necessary action.

2.4. TREATMENT OF REPORTS

2.4.1. *Confidentiality:* All Reports will be treated as confidential, whether received anonymously or otherwise. Reports are accessible only to those persons who have, in the judgement of the Confidential Designee, a need to know. Ordinarily, a need to know arises from an obligation to investigate or to take remedial or disciplinary action on the basis of the information. For clarity, sharing information about a Report in a manner required by this Policy will not be considered a breach of confidentiality.

2.4.2. Unless the Report has been made on an anonymous basis, the person who made the Report will be advised that the Report has been received and the Confidential Designee will report when the investigation has been completed. Absent approval by the Audit Committee, the Confidential Designee shall not advise the person who made the Report of the results of the investigation.

2.4.3. *Investigation of a Report:* The Confidential Designee is responsible for assessing and evaluating Reports and for conducting investigations. In determining whether, and the extent to which, the Confidential Designee should investigate a Report, the Confidential Designee (if the Confidential Designee deems it appropriate, in consultation with the Audit Committee) will consider, among any other factors, the following:

- (a) *Who is the alleged wrongdoer?* If a member of management is alleged to have engaged in wrongdoing, that factor alone may influence the decision in favour of conducting the investigation;
- (b) *What is the nature of the alleged wrongdoing?* Depending on the nature of the allegation, the core investigation team should include a management representative from human resources, finance and other departments, as

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necessary, depending on their area of oversight and expertise (for example, regulatory affairs and health and safety);

- (c) *How serious is the alleged wrongdoing?* The more serious the alleged wrongdoing, the more appropriate it would be to undertake the investigation. If the alleged wrongdoing would materially adversely affect the integrity of the Company's financial statements, that factor alone may influence the decision in favour of conducting the investigation; and
 - (d) *How credible is the allegation of wrongdoing?* The more credible the allegation, the more appropriate it may be to undertake the investigation. In assessing credibility, all facts surrounding the allegation should be considered.
- 2.4.4. All Employees and other representatives have an obligation to cooperate and comply with any review or investigation initiated by the Confidential Designee pursuant to this Policy.
- 2.4.5. If a Report indicates that illegal activity or a regulatory breach has occurred, the Confidential Designee (in consultation with and on behalf of the Audit Committee) may make a report to the police or other law enforcement or regulatory agency, as appropriate. If the Audit Committee recommends against such a report and the Confidential Designee disagrees with such recommendation, the Confidential Designee shall further consult with the Chair of the Board of Directors.
- 2.4.6. At any time during the investigation of a Report, the Confidential Designee may notify the Chief Executive Officer of the Company, the CFO or the Company's outside auditors or legal counsel about the submission of the Report or about the progress of the investigation. The Confidential Designee may provide sufficient detail to allow for appropriate consideration by such parties of the ongoing disclosure obligations of the Company, including any required officer certifications, in each case, without compromising the confidential or anonymous nature of the Report.
- 2.4.7. If the Audit Committee deems it appropriate, the Audit Committee may engage independent advisors, at the Company's expense, to undertake investigations and/or recommend appropriate action.

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2.4.8. During the investigation of a Report, an Employee or other representative who is the subject of an investigation may be placed on an administrative or investigatory leave (or other similar arrangement if the subject is not an Employee), as appropriate, when it is determined by the Audit Committee that such a leave would serve the interests of the Employee or other representative, the Company or both. Such a leave is not to be interpreted as an accusation or a conclusion of guilt or innocence of any individual, including the person on leave.

2.4.9. *Remedial Action:* At the conclusion of any review, assessment, investigation or evaluation of a Report that the Confidential Designee has determined was made in good faith and related to a Reportable Matter that did occur or was about to occur, the Audit Committee will determine by majority vote what, if any, remedial action is appropriate. The Audit Committee will promptly inform the Board of such proposed remedial action in a written letter.

2.4.10. If the Report involves a complaint against the Audit Committee or the Confidential Designee, the Audit Committee will retain independent advisors to provide the Audit Committee with their views on the appropriate remedial action.

2.4.11. Individuals who are informed that they are the subject of an investigation relating to a Report will be informed of the completion of an investigation. Individuals who are investigated will be given an opportunity to be heard prior to the taking of any disciplinary action against the individual.

2.4.12. This Policy is not intended to supersede any of the Company's other complaint procedures, which remain available as alternatives to this Policy. For clarity, this Policy should not serve as an appeal mechanism for employees dissatisfied with the outcome of a properly investigated internal complaint

2.5. PROTECTION OF WHISTLEBLOWERS

2.5.1. The Company will not permit retaliation (including, without limitation, discharge, demotion, suspension, threats, harassment or any other form of discrimination) and will not condone any retaliation by any person or group, directly or indirectly, against any Employee or other representative who, truthfully and in good faith:

- (a) reported a Reportable Matter;

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- (b) lawfully provided information or assistance in an investigation regarding any conduct which the Employee reasonably believes constitutes a violation of applicable securities laws or other laws relating to fraud against shareholders;
- (c) filed, caused to be filed, testified, participated in or otherwise assisted in a proceeding related to a violation of applicable securities laws or other laws relating to fraud against shareholders;
- (d) provided a law enforcement officer with truthful information regarding the commission or possible commission of a criminal offence or other violation of law, unless the individual reporting is one of the violators; or
- (e) provided assistance to the Confidential Designee, the Audit Committee, management or any other person or group in the investigation of a Report.

2.5.2. Any retaliation against an Employee or other representative who has made a Report about a Reportable Matter in accordance with this Policy is subject to discipline, up to and including dismissal.

2.5.3. The Confidential Designee, the Audit Committee and any persons involved in or retained to assist in an investigation of a Report must take all reasonable steps to not reveal the identity of any person who reports a Reportable Matter anonymously, unless required to do so by law or unless the Audit Committee determines it is necessary to conduct a proper investigation. Any person failing to so maintain confidentiality is subject to discipline, up to and including dismissal.

2.5.4. Any Employee or other representative who feels that he or she has been subjected to any behaviour that violates this Policy should immediately report such behaviour to the Company's Human Resources Management or his or her manager.

2.5.5. *Records Relating to Reports:* The Confidential Designee will maintain a log of all Reports, tracking how and when each Report was received, the nature and results of any investigation and the resolution of the matter and shall provide to the Audit Committee a quarterly summary of Reports received, under investigation and resolved within the preceding quarter.

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2.5.6. Records pertaining to a Report about a Reportable Matter are the property of the Company and will be retained in accordance with the Company’s record retention policies in a secure manner.

3. Other Relevant Policies

HR-SP-POLICY005 - Code of Business Conduct and Ethics

Attachments:

Appendix A – Policy Acknowledgement and Sign-off Form

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Appendix A

PROFOUND MEDICAL CORP.

WHISTLEBLOWER POLICY

Acknowledgement and Sign-off

I acknowledge receipt of the **Whistleblower Policy**. I confirm that I have read and fully understand the contents of the policy and my responsibilities as an employee of the Company.

By my signature below I agree to comply with the policy as a condition of my employment and my continuing employment at Profound Medical Corp.

I understand that if I have questions, at any time, regarding this policy that I will consult with the Director Human Resources & Org. Development or the CEO of the Company.

Employee Signature: _____

Employee Printed Name: _____

Date: _____