

## **ECOSYNTHETIX INC.**

### **WHISTLEBLOWER POLICY**

#### **1. PURPOSE**

The purpose of this whistleblower policy (the “**Policy**”) of EcoSynthetix Inc. (the “**Corporation**”) is to establish procedures for:

- a. receipt and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, auditing matters or violations to the Corporation’s Code of Business Conduct and Ethics; and
- b. the submission by employees of the Corporation to the Chief Executive Officer or the Audit Committee, on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations of the Corporation’s Code of Business Conduct and Ethics.

The purpose of this Policy is also to state clearly and unequivocally that the Corporation prohibits discrimination, harassment and/or retaliation against any employee, director or officer who (i) complains to the Audit Committee regarding accounting, internal controls, auditing matters or violations of the Code of Business Conduct and Ethics or (ii) provides information or otherwise assists in an investigation or proceeding regarding any conduct that he or she reasonably believes to be a violation of employment or labour laws; securities laws (including the rules or regulations of the Ontario Securities Commission (the “**OSC**”), securities regulatory authorities in other provinces of Canada and the Toronto Stock Exchange, laws regarding fraud or the commission or possible commission of a criminal offence. Everyone at the Corporation is responsible for ensuring that the workplace is free from all forms of discrimination, harassment and retaliation prohibited by this Policy. No employee, director or officer of the Corporation has the authority to engage in any conduct prohibited by this Policy.

#### **2. APPLICATION OF THIS POLICY**

This Policy protects:

- a. any employee, director or officer who legitimately and in good faith discloses an alleged violation of employment or labour laws, securities laws, laws regarding fraud or the commission or possible commission of a criminal offence, by any person with supervisory authority over the employee, director or officer, or any other person working for the Corporation who has the authority to investigate, discover or terminate conduct prohibited by this Policy;
- b. any employee, director or officer who legitimately and in good faith files, causes to be filed, testifies, participates in, or otherwise assists in a proceeding filed under employment or labour laws, securities laws or laws regarding fraud;
- c. any employee who legitimately and in good faith provides information, causes information to be provided, or otherwise assists in an investigation, regarding any conduct that the employee reasonably believes constitutes fraud when the information or assistance is provided to or the investigation is conducted by law enforcement, regulatory authorities, a legislature, or the Corporation; or

- d. any employee who in good faith submits any complaint to the Audit Committee regarding financial statements disclosures, accounting, internal accounting controls, auditing matters or violations to the Corporation's Code of Business Conduct and Ethics in accordance with the procedures set out herein.

If an employee, director or officer legitimately and in good faith engages in any of the activities listed above, the Corporation will not discharge, demote, suspend, threaten, harass or otherwise discriminate or retaliate against him or her in the terms or conditions of employment because of that activity. However, since such allegation of impropriety may result in serious personal repercussions for the target person or entity, the employee, director or officer making the allegation of impropriety should have reasonable and probable grounds before reporting such impropriety and should undertake such reporting in good faith, for the best interests of the Corporation and not for personal gain or motivation.

### **3. COMMUNICATION OF THIS POLICY**

A copy of this Policy will be distributed annually to all directors, officers, employees, full-time consultants and full-time contractors of the Corporation, as well as those persons authorized to speak on behalf of the Corporation to ensure they are all aware of the Policy. As well, the Policy will be made available on the Corporation's website. All directors, officers and employees will be informed whenever significant changes are made to the Policy. New directors, officers, employees, full-time consultants and full-time contractors will be provided with a copy of this Policy and educated about its importance.

### **4. COMPLAINT PROCEDURES**

- a. Any employee, director or officer who legitimately and in good faith believes that he or she may have been the subject of prohibited discrimination, harassment and/or retaliation or is aware of any conduct that may be prohibited by this Policy or the Corporation's Code of Business Conduct and Ethics is strongly encouraged to report such belief to the Corporation's Chief Executive Officer or the Audit Committee.
- b. The Chief Executive Officer shall promptly forward to the Audit Committee any complaints that he/she has received.
- c. Any employee of the Corporation may submit, on a confidential or anonymous basis if the employee so desires, any concerns regarding financial statement disclosures, accounting, internal accounting controls, auditing matters or violations or suspected violations of the Corporation's Code of Business Conduct and Ethics or this Policy. All such concerns shall be set forth in writing and forwarded in a sealed envelope to the Chairman of the Audit Committee labeled with a legend such as "To be opened by the Audit Committee only, being submitted pursuant to the Whistleblower Policy adopted by the Corporation." If an employee would like to discuss any matter with the Audit Committee, the employee should indicate this in the submission and include a telephone number at which he or she might be contacted if the Audit Committee deems it appropriate. If management receives any such envelope, it shall be forwarded promptly and unopened to the Chairman of the Audit Committee without making an inquiry as to its origin or the identity of the sender. The Chairman of the Audit Committee can be reached as follows:

PRIVATE AND CONFIDENTIAL

Attn: Chairman of the Audit Committee

EcoSynthetix Inc.  
3365 Mainway  
Burlington, Ontario L7M 1A6

## 5. TREATMENT OF COMPLAINTS

The following procedures shall be followed when dealing with complaints:

- a. following the receipt of any complaints submitted hereunder, the Audit Committee will investigate each matter so reported. It is the obligation of all employees, directors and officers to cooperate in such investigation. Those responsible for the investigation will maintain the confidentiality of the allegations of the complaint and the identity of the persons involved, subject to the need to conduct a full and impartial investigation, remedy any violations of the Corporation's policies, or monitor compliance with or administer the Corporation's policies.
- b. the investigation will generally include, but will not be limited to, discussion with the complainant (unless the complaint was submitted on an anonymous basis), the party against whom allegations have been made, and witnesses, as deemed appropriate.
- c. during investigations, the Audit Committee shall endeavour to act in a prudent and reasonable manner, with minimal disruption to the business and affairs of the Corporation and with sensitivity to the personal circumstances of the individual being investigated.
- d. if so determined, the Audit Committee will take corrective and disciplinary actions where appropriate, which may include, alone or in combination, a warning or letter of reprimand, demotion, loss of merit increase, bonus or stock options, suspension without pay or termination of employment. The Audit Committee shall notify the Board and the Chief Executive Officer of such investigations.
- e. in the event that the investigation reveals that the complaint was frivolously made, or undertaken for improper motives, made in bad faith or without a reasonable and probable basis, that complainant's supervisor, the Chief Executive Officer or Audit Committee as appropriate will take whatever disciplinary action may be appropriate in the circumstances.
- f. in circumstances of impropriety alleged against the Board, as a whole or any member thereof, the Chief Executive Officer shall be responsible to investigate such allegations and the Chief Executive Officer shall report his or her findings to the Board.
- g. the Audit Committee may enlist employees of the Corporation and/or outside legal, accounting or other advisors, as appropriate, to conduct any investigation of complaints regarding financial statement disclosures, accounting, internal accounting controls, auditing matters or violations of the Corporation's Code of Business Conduct and Ethics or this Policy. In conducting any investigation, the Audit Committee shall use reasonable efforts to protect the confidentiality and anonymity of the complainant.
- h. the Audit Committee shall retain as a part of the records of the Audit Committee any such complaints or concerns for a period of no less than seven years.
- i. the Audit Committee will review and evaluate this Policy on an annual basis to determine whether the Policy is effective in providing appropriate procedures to report violations or

complaints regarding Accounting Standards or the Code of Business Conduct and Ethics. The Audit Committee will submit recommended changes to the Board for Approval.

Dated: August 10, 2011