

# **PROFIRE ENERGY, INC.**

## **POLICY REGARDING ACCOUNTING AND AUDITING MATTERS**

### **Policy and Purpose**

Profire Energy, Inc. is committed to the honest and accurate reporting of its financial results and related information in compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. In furtherance of this commitment, we have adopted this policy to encourage the confidential and, if desired, anonymous submission by our employees of any concerns they may have regarding questionable accounting or auditing matters, and to facilitate the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters. Our Audit Committee oversees the treatment of employee concerns in this area.

In order to ensure our financial integrity, we will not tolerate any:

- auditing, reporting or communication of our financial statements and related information that is conducted in an unethical manner or that does not comply with generally accepted auditing and professional standards;
- reporting or communication of our financial statements and related information that does not fairly present in all material respects our financial condition and results of operations or that is not made in a full, fair, accurate, timely, and understandable way;
- fraud or deliberate error in the preparation, evaluation, review or audit of any of our financial statements, or in the recording and maintaining of our financial records;
- inaccurate reporting of significant deficiencies or material weaknesses in our internal accounting controls
- untrue statements of material facts or omissions of material facts in our financial records, financial reports or audit reports that would render any portion of those records or reports misleading;
- behavior that could constitute securities fraud, mail fraud, bank fraud or fraud by wire, radio or television communication; or
- behavior that violates or is intended to violate any rule or regulation of the Securities and Exchange Commission, or any provision of applicable federal or state law relating to fraud against shareholders.

## **Complaint Procedures**

If an employee believes that a violation of this policy has occurred or has a concern regarding questionable accounting or auditing matters, he or she immediately should report the suspected violation or concern, anonymously if desired, by sending an e-mail to the Audit Committee Chairman at [auditcommitteechair@profireenergy.com](mailto:auditcommitteechair@profireenergy.com), or calling a third-party hotline at **(855) 400-6002** (complaints can be provided anonymously through this hotline to the Audit Committee Chairman), or placing a description of his or her concern in the box labeled “Anonymous Communications with the Audit Committee Chair” located in the Company’s offices.

It is not sufficient to report a suspected violation of this policy to a co-worker or to any person other than as designated above.

## **External Complaints**

This policy also provides for the receipt, retention and treatment of complaints from non-employees and other third-parties regarding accounting, internal accounting controls or auditing matters. Any such complaints from non-employees or other third-parties must be submitted in writing to our [Chief Financial Officer].

## **Investigation and Treatment of Complaints**

Upon receipt of a complaint under this policy, our Audit Committee, or an appropriate person designated by our Audit Committee, will investigate the complaint and will involve agencies and resources outside the Company if, and, or when such outside involvement appears advisable or necessary. The report and investigation will be kept confidential to the extent consistent with the need for a thorough investigation and response and taking into consideration our disclosure obligations and requirements under law.

Employees who choose to identify themselves in submitting a complaint under this policy should expect to receive some response to the complaint within two weeks after the complaint was made, or as soon thereafter as practicable.

If it is determined that an officer or employee of the Company has violated this policy, we will take prompt and appropriate corrective action, including, but not limited to, disciplinary action, up to and possibly including immediate termination of employment. If it is determined that a non-employee (including any director, contractor, subcontractor, or other agent) has violated this policy, we will take prompt and appropriate corrective action, which could include severing the director, contractor, subcontractor, or agency relationship. In either event, we will take necessary corrective action reasonably calculated to address and to correct the alleged violation.

## **Retention of Complaints**

The Chair of our Audit Committee will retain a log of all complaints, tracking their receipt, investigation and resolution. A copy of each complaint and its log will be maintained in a file in a secure location to protect the confidentiality of the complaints.

Any and all complaints and related information received under this policy will be retained in accordance with our document retention policies for a period of seven (7) years from the date of the complaint, or for such longer period of time as may be required by law.

### **Non-Retaliation**

We are committed to maintaining an environment in which our employees can feel free to report all suspected incidents of inaccurate financial reporting or fraud. We also expect all employees to fully cooperate in internal investigations of complaints under this policy. We will not allow reprisal or retaliation of any kind against any person who acts in good faith in reporting any conduct which he or she reasonably believes may violate this policy, or against any person who in good faith assists, provides information or participates in an investigation, proceeding, or hearing relating to a complaint about our auditing or financial disclosures, or who files, causes to be filed, testifies, participates or otherwise assists in such a proceeding against the Company.

### **Annual Review and Reporting**

The Chair of our Audit Committee will prepare a quarterly summary report to the Audit Committee regarding the complaints received, their investigation and their resolution.