

**Gendis Inc.**  
**Code of Business Conduct and Ethics**

Each director, officer and employee of Gendis Inc. (the "Company") occupies a position of trust. In varying measure, each of them represents the Company in his or her relations with others, whether with other employees, customers, competitors, governments, investors or the general public. It is the Company's intention that each and every director, officer and employee maintain the highest ethical standards in the conduct of the Company's business. Whatever the area of activity and whatever the degree of responsibility, the Company expects its people to act in a manner that will enhance the Company's reputation for honesty, integrity and faithful performance of its undertakings and obligations.

To assure the foregoing, the Company has adopted the following Code of Business Conduct and Ethics (the "Code"). This Code is intended to serve as the basis for the legal, moral and ethical obligations the directors, officers and employees of the Company assume in carrying on the business and affairs of the Company. It sets forth the standards of behaviour which the Company requires of its directors, officers and employees. Although the various matters dealt with in this Code do not cover the full spectrum of director, officer and employee activities, they are indicative of the Company's commitment to the maintenance of high standards of conduct and are to be considered descriptive of the type of behaviour expected from directors, officers and employees in all circumstances.

The provisions of this Code, as set forth in Sections 1-9, are mandatory and compliance is expected under all circumstances. Further, any director, officer or employee who is aware of any contravention of this Code is expected to report the matter promptly to his or her superior. The Code affirms in specific terms the Company's commitment to honesty, to uphold high moral and ethical standards and to specify the basic norms of behaviour for those who are involved in representing the Company.

The Company's Policy on specific issues is as follows:

**1) ALL DIRECTORS, OFFICERS AND EMPLOYEES OF THE COMPANY SHALL COMPLY WITH THE LETTER AND THE SPIRIT OF ALL LEGAL REQUIREMENTS APPLICABLE TO THE COMPANY'S BUSINESSES.**

NOTE: If any director, officer or employee is in doubt about the application of any legal requirement, the director, officer or employee should refer the matter to his or her superior. Where doubt continues to exist, advice should be obtained from Gendis' counsel.

Many of the Company's activities are subject to complex, changing and, in some cases, conflicting laws. Ignorance of the law is not a defence. Moreover, agreements or arrangements need not necessarily be in writing to be contrary to such laws since it is possible for a contravention to be inferred from the conduct of the parties. Accordingly, directors, officers and employees must diligently seek to avoid conduct which might be interpreted as being in contravention of laws governing the affairs of the Company in any jurisdiction where it carries on business and, where there is uncertainty, should seek the advice of his or her supervisor.

**2) DIRECTORS, OFFICERS AND EMPLOYEES SHALL NOT OFFER OR FURNISH, ON BEHALF OF THE COMPANY, EXPENSIVE GIFTS OR EXCESSIVE ENTERTAINMENT OR BENEFITS TO OTHER PERSONS.**

NOTE: Directors, officers and employees whose duties permit them to do so, may furnish modest gifts, favours and entertainment, provided ALL of the following tests are met:

- i) they are not in a form such as cash, bonds or negotiable securities, or of sufficient value to be construed as being a bribe, payoff or other improper payment;
- ii) they are made as a matter of general and accepted business practice;

- iii) they do not contravene the law and are made in accordance with generally accepted ethical practices and standards; and
- iv) if subsequently, they become a matter of public attention, they would not, in any way, reflect unfavourably on the Company or their recipients.

For example, reasonable expenses for the entertainment of customers, prospective employees or business associates are permissible on the part of the directors, officers and employees whose duties embrace the provision of such entertainment, provided proper accounting documentation, such as receipts and proper identification of those entertained is made. Secret commissions or other direct or indirect compensation to customers or their family members or associates are contrary to this Policy and are prohibited.

**3) THE COMPANY'S BOOKS AND RECORDS MUST REFLECT, IN AN ACCURATE AND TIMELY MANNER, ALL COMPANY TRANSACTIONS.**

NOTE: No undisclosed or unrecorded funds, payments, obligations, bank accounts or assets are permissible. The use of corporate funds or assets for any unlawful or improper purpose is prohibited. Those responsible for the accounting and record keeping functions are expected to be vigilant in ensuring enforcement of this policy.

**4) DIRECTORS, OFFICERS AND EMPLOYEES SHALL NOT USE THEIR DIRECTOR, OFFICER OR EMPLOYMENT STATUS TO OBTAIN PERSONAL GAIN OR BENEFIT FROM THOSE DOING OR SEEKING TO DO BUSINESS WITH THE COMPANY.**

NOTE: Directors, officers and employees should neither seek nor accept gifts, payments, services, fees, valuable privileges, pleasure or vacation trips or accommodations or loans from any person (except from persons in the business of lending and then on conventional terms) or from a supplier, contractor, or any other person, organization or group that does, or seeks to do, business with the Company, or from a competitor of the Company. However, directors, officers and employees may accept modest gifts, favours or entertainment provided that in so doing standards consistent with the tests relating to the furnishing or gifts set forth in Section 2 are met.

**5) THE USE OF COMPANY FUNDS, GOODS OR SERVICES AS CONTRIBUTIONS TO POLITICAL PARTIES, CANDIDATES, CAMPAIGNS OR REFERENDA IS FORBIDDEN, EXCEPT AS AUTHORIZED BY THE CHAIRMAN OR PRESIDENT OF THE COMPANY.**

NOTE: Contributions include money or anything having value, such as loans, services, excessive entertainment, trips and the use of the Company's facilities or assets. Further, no director, officer or employee is to be reimbursed for any such contributions which he or she might have made personally. The Company encourages political activity and political involvement by its directors, officers and employees in support of parties, candidates and issues of their choice, but only when acting on their own behalf and not as representatives of the Company.

**6) ALL DEALINGS BETWEEN DIRECTORS, OFFICERS, EMPLOYEES OR THE COMPANY AND PUBLIC OFFICIALS OR OTHER PERSONS ARE TO BE CONDUCTED IN A MANNER THAT WILL NOT COMPROMISE THE INTEGRITY OR QUESTION THE REPUTATION OF ANY PUBLIC OFFICIAL OR OTHER PERSON OR THE COMPANY.**

NOTE: Even the appearance of impropriety in dealing with public officials and others is improper and unacceptable. Participation, whether directly or indirectly, in any bribes, kickbacks, contributions or similar payments is forbidden.

**7) DIRECTORS, OFFICERS AND EMPLOYEES MUST AVOID ALL SITUATIONS IN WHICH THEIR PERSONAL INTERESTS CONFLICT OR MIGHT APPEAR TO CONFLICT WITH THEIR DUTIES TO THE COMPANY.**

NOTE: Directors, officers and employees should avoid acquiring any interest or participating in any activity that would tend:

- i) to deprive the Company of the time or attention required to perform their duties properly, or
- ii) to create an obligation or distraction which would affect their judgment or ability to act solely in the Company's best interest.

In certain circumstances, ownership or participation in ownership of a competing or a complementary business enterprise might create or appear to create such a conflict. Directors, officers and employees shall disclose promptly to their superiors in writing, or as may be otherwise required, all business, commercial or financial interests or activities where such interests or activities might reasonably be regarded as creating an actual or potential conflict with their duties of employment. Every director, officer and employee of the Company is required to see that actions taken and decisions made within his or her jurisdiction are free from the influence of any interests that might reasonably be regarded as conflicting with those of the Company. Directors, officers and employees must do more than merely act within the law. They must act in such a manner that their conduct will bear the closest scrutiny should circumstances demand that it be examined. Not only actual conflicts of interest, but the very appearance of conflict, must be avoided.

In most jurisdictions the law requires that if personal financial benefit is gained by the use or misuse of Company property or of information that is confidential to the Company's business, then the director, officer or employee must account to the company for any benefit.

- 8) *UNLESS PREVIOUSLY PUBLISHED, THE COMPANY'S REPORTS, PAPERS, DEVICES, PROCESSES, PLANS, METHODS AND APPARATUS ARE CONSIDERED BY THE COMPANY TO BE SECRET AND CONFIDENTIAL AND DIRECTORS, OFFICERS AND EMPLOYEES ARE PROHIBITED FROM REVEALING INFORMATION CONCERNING SUCH MATTERS WITHOUT PROPER AUTHORIZATION.***

NOTE: Customers, directors, officers, employees, investors and the public should have such information about the Company as is necessary for them to judge adequately the Company and its activities. The Company believes that full and complete reporting to regulatory agencies and the provisions, by properly authorized directors, officers, and employees of the Company, of information required by the public constitute a responsible and workable approach to the interests of disclosure. However, the Company, except as required by law, will not disclose information which might impair its own competitive effectiveness or which might violate the private rights of individuals or institutions.

- 9) *INSIDE INFORMATION OBTAINED AS A RESULT OF AN INDIVIDUAL'S EMPLOYMENT WITH THE COMPANY SHALL NEITHER BE DISCLOSED TO OTHERS NOR USED FOR PERSONAL FINANCIAL GAIN. SHOULD THERE BE ANY UNCERTAINTY ON THE PART OF A DIRECTOR, OFFICER OR EMPLOYEE AS TO WHETHER A PROPOSED TRANSACTION MIGHT INFRINGE ON THIS RULE, THE DIRECTOR, OFFICER OR EMPLOYEE SHOULD CONSULT GENDIS' COUNSEL BEFORE CONSUMMATING THE PROPOSED TRANSACTION.***

NOTE: Directors, officers and employees may find themselves in violation of applicable securities laws if they misuse information not generally known to the public or if they either trade or induce others to trade in Gendis stock or in the stock of another corporation ("investee company"). Specific confidential information would include information concerning significant changes in sales or earnings figures or information concerning major contracts, proposed acquisitions or mergers.

A purchase or sale of securities of Gendis or securities of an investee company of Gendis by persons who are in a "special relationship" with the Company, or the investee company, including insiders, may result in such person incurring substantial liability if use is made of confidential information which has not been generally disclosed. All insiders and those

in a special relationship with the Company or the investee company must not take any action which might or might appear to be taken on the basis of improper use of confidential information. Failure to comply with the following rules could result in a violation of the Securities Act (Ontario).

The following two rules apply to “insiders” and others in a “special relationship” with the Company or an investee company. It should be noted that they include directors, officers and employees of Gendis, relatives and partners of insiders, trusts in which an insider has a substantial beneficial interest and trusts as to which an insider serves as trustee.

- 1) Such persons must not deal in securities of Gendis or an investee company at any time if they are in possession of information which can reasonably be expected to have a significant effect on the market price or value of the securities of Gendis or the investee company and the public does not have the same information; and
- 2) The information which such person has by reason of his position with the Company and which has not then been generally disclosed must not be communicated to any other person or used for any other purpose than to carry out such person’s duties to the Company.

In addition to the two general rules set out above, the following specific rules must also be observed:

- a) If Gendis should make a news release of material information, at any time, no trading shall take place from the time of release until two business days have elapsed since the issue of the release.
- b) No such person shall, at any time, sell short any securities of Gendis.
- c) Directors and officers of Gendis Inc. are to contact the Corporate Secretary for advice prior to committing to the purchase or sale of securities of Gendis.

In order to avoid possible inadvertent conflict with the above rules, standing sell orders or purchase orders should not be left with a broker. Options under any employee stock option plans may be exercised at any time but the resale of shares purchased under any such plan is, of course, subject to these rules.