



Afexa Life Sciences Inc.

Afexa

**Living our Values:  
Afexa  
Code of Conduct**

Approved by: Board of Directors

Effective Date: March, 2011

## MESSAGE FROM JACK MOFFATT, PRESIDENT AND CEO

Dear Colleague:

Afexa Life Sciences Inc is dedicated to doing the right thing in all aspects of its business. This requires that all of us, every day, exhibit an unwavering dedication to the highest standards of ethical behavior. This principle forms the foundation for building and maintaining trusted relationships with employees, customers, partners, suppliers and our shareholders. It is fundamental to our business, our reputation and our success.

Managing in an ethical way means our actions must be guided by a clear understanding of legal and regulatory requirements, our policies and procedures, and shared ethical principles and values. The Afexa Code of Conduct is a guide based on our Shared Values, and gives an overview of those key policies, practices and behaviours that define the standards of business conduct to which we hold ourselves accountable. All Afexa directors, officers, employees, contract workers and agents are required to read, understand and comply with the ethical and legal standards of conduct it describes.

In the final analysis, it comes down to trust. No matter how strong our reputation, everyday we must be *Living our Values*. Our values and standards are not only the foundation of our Company and all that we stand for, but they are the basis of our success. We must never forget that people choose our products and invest in us because they trust us.

Thank you,



Jack Moffatt  
President and CEO

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**SHARED VALUES**

**VISION**

Deliver the most trusted health brand on the planet

**MISSION**

Pioneer evidence-based natural medicines that empower people to achieve their health potential

**SHARED VALUES**

**INTEGRITY: "Do the right thing"**

- Be ethical
- Be honest
- Be socially and environmentally responsible

**INNOVATION: "Be a leader of change"**

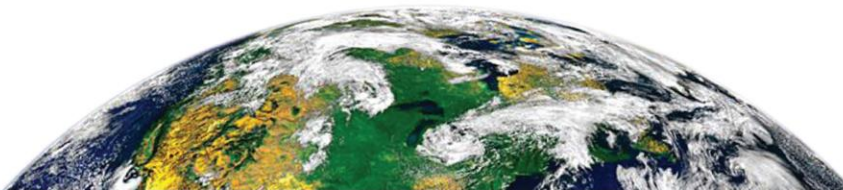
- Think big, be bold
- Challenge the norm
- Find creative solutions
- Embrace new ideas

**RELATIONSHIPS: "Empower each other"**

- Listen
- Communicate openly
- Be one team
- Be respectful
- Be accountable

**EXCELLENCE: "Exceed expectations"**

- Pursue excellence as a state of mind
- Deliver exceptional results
- Recognize and reward success



## REPORTING CONCERNS

As an employee, if you believe that a violation of the Code or any law, rule or regulation has been or is likely to be committed, you have an obligation to promptly report the incident to at least one of the following:

- **Supervisor** – You should begin by consulting your supervisor since your supervisor will generally be in the best position to resolve the issue.
- **Executive Leadership Team** - You may also contact any member of the Executive Leadership Team with your questions or concerns.
- **Audit Committee** - The Audit Committee of Afexa’s Board of Directors has created a process by which complaints about accounting, internal controls, or auditing matters can be reported. Confidential or anonymous submission of concerns regarding questionable accounting or auditing matters can be submitted via letter addressed to the Audit Committee Chair. This letter will be forwarded unopened and should be addressed as follows:

Personal and Confidential for Addressee’s Eyes Only  
Audit Committee Chairman  
c/o Corporate Secretary  
9604 20 Avenue, Edmonton, Alberta T6N 1G1

- If you are not comfortable with any of the above options, you can also contact the **Afexa Whistleblower Service** (also see Whistle Blower Policy). An independent third party manages this service and provides a toll free number ([1-877-266-2579](tel:1-877-266-2579)) and a website which any employee can use to report suspected unethical, illegal or unsafe behaviors. The Hotline is available toll-free, 24-hours a day, seven days a week. You may also register your concern through the website:

Website: [www.equitycsi.com](http://www.equitycsi.com)  
Login Username: Afexa  
Password: C7cold

If issues arise with your supervisor or manager, you should report them to the Human Resources Department.

If you have questions concerning laws and acceptable business practices you should contact the Legal Department for guidance.

## Getting Help & Advice

In our daily work we may face situations from time to time which are not explicitly covered by the Afexa Code of Conduct. When faced with a situation that requires an evaluation of what is, and what is not, proper business conduct, begin by applying the following criteria:

- Is it consistent with our Shared Values?
- Does it pass the compliance test?
  - Is the course of conduct legal?
  - Is the course of conduct in accordance with the guidelines set forth in this Code and with Company policies and procedures?
- Have I considered who is in the ripple effect?
  - Does the course of conduct reflect well on me and my organization?
  - Will it have positive consequences for my organization, my colleagues, my family, and my community once the decision becomes widely known?
- Does it pass the gut check?
  - Is the course of conduct aligned with my personal core values?
  - Would I be comfortable if it was reported in a newspaper?

If you are unable to answer “yes” to any of these questions, seek advice through the channels outlined under the section entitled “REPORTING CONCERNS”.

## **COMPLIANCE WITH THE CODE**

The Code prescribes the minimum moral and ethical standards of conduct required of all directors, officers, employees, contract workers and agents of Afexa (referred to as “employees”). Violations of the Code can have severe consequences and will result in the appropriate discipline being taken, up to and including discharge where warranted by the circumstances.

All supervisors and managers have a special responsibility to lead according to the standards in this Code in both words and actions.

## **OPEN DOOR POLICY**

Afexa encourages employees to present ideas, raise concerns and ask questions – especially those of a legal or ethical nature. All concerns, questions and complaints will be taken seriously and handled promptly, confidentially and professionally.

No retaliation will be taken against any employee for raising any concern, question or complaint in good faith. We wish to encourage an open culture where all concerns expressed in good faith will be investigated and, if appropriate, acted upon.

*Q. What if I fear retaliation?*

A. Retaliation against any employee, who seeks advice, raises a concern or reports misconduct is strictly prohibited. If you suspect that you or another employee have been retaliated against for raising an issue, please contact the Human Resources or the Legal Department.

*Q. Many of the topics don't seem to apply to me. Why should I be concerned with this booklet?*

A. As a Company-wide document, some sections and topics may be more relevant to certain functions or departments than to others. However, it may be helpful to be aware of how business is conducted in different areas of the Company.

*Q. Is the Company encouraging employees to report on one another?*

A. The Company encourages employees to address and resolve work-related concerns themselves before they become significant problems, and certainly before they rise to the level of violations of law or risk to health and safety. At times, it may be appropriate to approach the person directly with your concerns, providing him or her with an opportunity to clarify the behavior.

In the event that you are uncomfortable handling the situation on your own, or if you are aware of a violation of the Code, you must consult your manager or supervisor, or any of the resources listed in this booklet. We all have an obligation to report non-compliance with the Code when we are aware of a violation..

## OUR EMPLOYEES

### EMPLOYMENT PRINCIPLES

Afexa is committed to promoting and maintaining a culture of respect and equal employment opportunity in which individual success depends on personal ability and contribution. We ensure employees are treated fairly, with dignity and consideration for their goals and aspirations and that diversity in the workplace is embraced. We will not engage in or tolerate improper or unlawful workplace conduct, including discrimination, intimidation or harassment. For more information refer to the Employee Handbook - Respect in the Workplace Policy.

*Q. My co-worker keeps telling racially charged jokes. She thinks they are funny; but I feel the jokes are inappropriate. What should I do?*

A. Your co-worker should be made aware that her jokes are creating a negative work environment. You are encouraged to do this yourself if you are comfortable doing so. You should also report this to your supervisor who will be expected to take action or you can call the Human Resources department.

*Q. I think my boss is bullying me. How would I know?*

A. There are many differences between a strong management style and bullying. An effective manager uses objective comments and constructive feedback to motivate their employees. These techniques are much different than the repeated, patterned, aggressive behaviour a bully uses to humiliate their target. If a reasonable person would consider the behaviour unacceptable then you may be a victim of bullying (or harassment). If you feel you have been harassed, inform the person that the action is unwelcome. If you are not comfortable with a direct approach or if it fails to correct the problem, discuss the matter with the Human Resources Department, or refer to the Respect in the Workplace Policy.

## **PRIVACY**

We will respect the privacy of all individuals from whom we receive any personal information.

We will collect, use and disclose personal information only with the knowledge and permission of the affected person unless otherwise permitted by applicable laws.

If asked, we will tell the affected person if Afexa holds any personal information about them and, if so, we will allow them to see that information. If the affected person asks, we will tell them how we collected the information, how we are using the information and to whom we have disclosed the information.

For more information, refer to the Employee Handbook - Privacy.

*Q. My co-worker is having a birthday next month but I am not sure of the date. Can I contact the Human Resources Department for that information?*

A. No. The Company has an obligation to safeguard the privacy, confidentiality, and security of all personal information in compliance with the Privacy Act. This includes personal information such as birth date, age, address, race, national or ethnic origin, colour, religion, marital status, medical and employment history, education and financial transactions.

*Q. Does the Company actively monitor Internet access or our e-mail? If so, under what circumstances?*

A. The Company accesses its communications systems for a variety of business reasons. For example, Company operations and network staff may access e-mail in the course of normal system maintenance, network administration or problem resolution. In addition, management may authorize the monitoring of e-mail usage to investigate inappropriate use or theft of Afexa intellectual property or for other business purposes in accordance with applicable laws. Depending upon the circumstances, this may involve the reading or disclosure of e-mail messages. Similarly, as part of standard computer systems administration, the Company maintains logs of Internet usage activity which authorized personnel may use to investigate performance concerns, security incidents (e.g., network/system intrusions, inappropriate use or virus attacks) or for other business purposes. Employees should keep in mind that they should have no expectation of privacy when using Company assets. For further information, refer to the Computer Use Policy.



**SOCIAL AND ENVIRONMENTAL RESPONSIBILITY**

Afexa is committed to being socially and environmentally responsible. This means contributing to our local communities, reducing our environmental footprint, promoting environmentally responsible business activities and offering environmentally responsible products. We believe that fulfilling our goals in these areas will lead to short and long term benefits for shareholders, clients, employees and the communities in which we live and conduct business, and the environment we all share. For more information refer to the Employee Handbook - Corporate Social Responsibility Policy.

*Q. I have to print a lot of paper in my daily activities and the printer that is closest to me only prints on one side.*

A. Talk to the IT department about the possibility re-setting your default setting to print on both sides, if this is not a possibility IT will be able to refer you to other printers where you securely print all your documents on both sides.

## **HEALTH AND SAFETY**

Afexa carefully considers the health and safety of its employees, customers, and the general public. Each of us is responsible for maintaining a safe workplace and complying with all applicable laws, regulations and Company policies.

We are all responsible to understand the hazards associated with our work and those of our teams, manage the risks responsibly and only undertake work, which can be completed safely.

Each employee is responsible to promptly report to his or her supervisor or Human Resources, accidents, incidents of non-compliance with safety protocols, or any other matter posing a threat to safety or health. For more information refer to the Employee Handbook - Safety Policy.

*Q. I feel a mild pain in my wrist when I spend more than an hour typing at my office computer. Since the pain goes away when I take a break from the computer, do I really need to report this?*

A. Yes. You must report all workplace accidents, injuries and illnesses to your supervisor, no matter how minor they may be. This is to ensure that an injury or illness is treated promptly and to help identify potentially dangerous conditions that can be corrected before serious injuries or illnesses occur.

## OUR COMPANY

### ACCURATE BOOKS AND RECORDS

Each of us is responsible to ensure that any data, information or records we create or for which we are responsible are

- full,
- true,
- fair,
- understandable, and
- timely.

These books and records can take many forms ranging from Afexa financial statements, research and development data, production records, to our personal expense claims or even our emails.

Our Company relies on each of us to maintain books and records to accurately reflect the true nature of our business transactions.

Afexa must comply with applicable laws and external accounting standards and ensures that the information it supplies to its auditors and stakeholders (such as equity and debt investors, regulatory authorities, and government bodies) provides a full, true, fair, timely and understandable view of our business operations and financial situation, and fully meets our disclosure requirements.

If you have a concern regarding activities which may lead to inaccurate books or records, including accounting issues, internal controls, or audit matters, you should report your concern either to your supervisor, the CFO or VP of Finance and Accounting, the Legal Department, or to the Audit Committee.

*Q. It is March and there is money left in our annual budget. Is it acceptable to pre-pay for next year's activities using this year's budget?*

A. No. Activities and payments must be matched to the same period. If an event occurs this fiscal year then payment should be recorded as taking place this year. If an activity is set for next year then the payment must be charged to the next year's budget and accounts.

*Q. Can I delay processing sales orders until the next period to help us attain our income targets in that period?*

A. No. Sales orders received must be processed in accordance with our accounting procedures. It is inappropriate to manipulate sales orders for processing during the next financial period.

*Q. One of my direct reports took a business trip. In reviewing her expense report, I noticed a small discrepancy. Should I ignore it?*

A. No. The size of the discrepancy doesn't matter when preparing accurate books and records. You should address the discrepancy with the employee.

*Q. I am concerned that a Company employee is not keeping accurate lab books for new product research we are working on together. What should I do?*

A. You are right to be concerned. Accurate documentation is critical to IP registration. This may be a serious issue and should be reported to your manager or the Legal Department. Selective release of data may adversely affect Afexa's reputation for quality research and may violate regulations.

## PROTECTING CONFIDENTIAL INFORMATION

We will maintain in confidence and protect Afexa's confidential information from inappropriate disclosure. Confidential information is any information relating to the Company's products or business activities that is not publicly available. Confidential information includes not only information about manufacturing methods, business plans, financial data, marketing and sales strategies, launch of new products, strategic activities, but also research and development projects.

We dedicate significant resources to research and development in order to deliver innovative new products that are both safe and effective. The Scientific data obtained from these efforts may be valuable Company Intellectual Property. Taking appropriate actions to recognize and protect our IP is vital to our success

In addition to our confidential information, we may also receive confidential information from a third party. If we share confidential information with a third party, we will ensure any such exchange takes place under the protection of a confidentiality agreement.

To protect confidential information from inappropriate disclosure:

- it should not be disclosed without appropriate prior approval;
- it should only be discussed with others on a need-to-know basis;
- our vendors should be reminded that they may only use it for the purpose of conducting business with us;
- we should use caution to avoid inadvertent disclosure at all times and in all settings, including social interactions;
- we should use caution in discussing Company business outside the office; and
- we should ensure that confidential information is maintained and disposed of according to Company procedures.

*Q. I am working for Afexa. My cousin has recently started working for another company in the same industry. He is keen to talk with me about the differences and similarities between our companies. How much am I allowed to say?*

A. You should be very careful about what you say about the Company, even when discussing with a close member of your family. Ask yourself whether information you are sharing is available to the public. If not, you should not share the confidential information with an unauthorized person.

*Q. I have just joined the Company from a competitor and brought with me some of their confidential information which I think would be useful to the Company. Is it okay to share this information with my new team?*

A. No. You are not allowed to share information of a confidential nature. Even if you have left the company, the information may remain confidential. You must respect the contractual confidentiality obligation of your former employer even after the termination of the employment contract.

*Q. I am flying together with a colleague to Toronto and plan on discussing an ongoing clinical trial with her along the way. Is this ok?*

A. You must be extremely careful how you handle confidential information in public places, such as airplanes, trains, bars, elevators, restaurants and the like. Take precaution to ensure confidential information is not made available to third parties which could harm Afexa's interests and assets by

## NON-PUBLIC MATERIAL INFORMATION & INSIDER TRADING

### MATERIAL INFORMATION

The way in which we handle material non-public information, as well as the conduct of employees and contractors who are exposed to this information is controlled by law and by Company policy.

You must not disclose material non-public information about the Company or the companies with whom we do business to anyone inside or outside the Company who is not authorized to receive the information, including friends and family.

You should be especially careful of the following types of material non-public information:

- internal financial information;
- development, regulatory approval, or lack of approval of a new product or technology;
- contemplated acquisition or venture with another company; or
- the initiation or termination of significant litigation.

For more information, you can refer to the Public Disclosure Policy.

### INSIDER TRADING

Afexa strives to preserve fair and open markets for the buying and selling of the Company's securities. We may not buy or sell securities on the basis of non-public material information. Likewise, anyone with knowledge of material non-public information about companies with whom Afexa does business may not buy or sell securities of those companies.

If you have questions on when you can buy or sell the Company's securities, you can contact the Senior Director, Board Affairs and Investor Relations or the Legal Department.

*Q. What is non-public material information?*

A. Non-public material information is information

- That has not been released (by press release, report to shareholders, or reported in the media) to the public, and
- That a reasonable investor is likely to consider important in determining whether to buy, sell or hold Company stock.

*Q. I am aware that an employee who I supervise has material non-public information and is trading in Company securities. What should I do?*

A. You should immediately report the matter to the Legal Department. All employees have an obligation to report if they believe that others, especially anyone they supervise, may be ignoring the insider trading rules.

*Q. I heard a rumour that Afexa was going to buy a small pharmaceutical company but I don't know if it is certain. Am I allowed to trade in Afexa stock or the possible target company's stock?*

A. Rumours don't count as insider trading. In theory, the trading you are talking about would be ok. However, if your information is from an Afexa source who might be involved in the transaction, you may have insider information. Ask yourself the question "Why is it important for me to buy this stock now?" Your answer should guide your decision. If in doubt, before you trade, you should discuss this situation with the Senior Director of Investor Relations or the Legal Department.

## CONFLICTS OF INTEREST

We have a responsibility to our shareholders to make decisions strictly on the basis of Afexa's best interests, without regard to personal interests.

A potential conflict of interest exists when our personal interests impair or are perceived to impair our business judgement. Examples include:

- having a personal financial interest in a supplier, customer, competitor or distributor (e.g. owning interests of 1% or more for publicly traded companies);
- having a close family member (e.g. spouse, parent, sibling, child or in-law), or anyone you treat like family (e.g. fiancé, partner, or partner of a family member) work for a supplier, customer, competitor, or distributor;
- receiving any form of compensation from a supplier, customer, competitor or distributor;
- serving on an advisor board and/or Board of Directors of an association or company which is in a similar market/industry to Afexa;
- having a close family member that works at our regulatory authority;
- hiring an employee/consultant due to their family relationship with regulatory authority decision makers.

Even the appearance of a conflict of interest can damage the Company's reputation, as well as your own. The key to addressing conflicts of interest is full disclosure. Often just disclosing the potential conflict to the Company will be the only required action.

Certain employees, including directors, officers and other designated employees must file conflict of interest certifications describing any potential conflicts of interests. If you believe you may have a conflict of interest, you must discuss the situation with your manager or the Legal Department.

*Q. My father works for one of our distributors? Could there be a conflict of interest?*

A. Yes. Our family and household members who work for an Afexa business partner pose special potential for conflict of interest. In this case, there may be a conflict of interest depending on your position. You should disclose the information to your supervisor, or the Legal Department. The Company can then take appropriate actions to ensure any conflicts do not hinder our business.

*Q. Are there any guidelines to help us avoid potential conflicts of interest with customers, healthcare professionals, or other business partners that are also personal friends?*

A. If there is a potential conflict of interest (or appearance of a conflict of interest) you must disclose these relationships to your supervisor. Your manager will review the situations to determine next steps. You can also consider the following questions to determine if there is a potential conflict of interest:

- Is this a personal friendship or a friendly professional relationship?
- Do you socialize with the other party?
- Do you discuss business in non-work settings?
- Are you disclosing information that the Company would consider confidential or proprietary?
- Would your personal loyalty override or appear to compromise your ability to make decisions in the Company's best interest?

If you are unsure how to proceed, it is always best to discuss the situation with your manager or the Legal Department.

## GIFTS

We believe in competing fairly and wish to avoid even the appearance of improper conduct with our business partners. Even when gifts or entertainment are exchanged out of the purest of motives, they can be misunderstood and may create improper influence.

For this reason, no employee, director, officer, contractor or any member of his or her family shall, directly or indirectly, seek, accept, retain, or give gifts or other personal or business favours from or to any business partner of the Company, or any individual or organization seeking to do business with the Company where there is perceived personal benefit.

A personal benefit means any type of gift, gratuity, use of facilities, favour, entertainment, service, loan, fee or compensation or anything of monetary value. Each employee, director, officer and contractor should refuse to give, accept, or return, any gift or gifts from or to a supplier, customer or other business partner exceeding \$150 in value. Exceptions to this limit must be authorized in writing by the Chief Legal Officer or the Chief Financial Officer.

Specific exceptions to this dollar limit will be made if there is no reasonable likelihood of improper influence and if the personal benefit falls into one of the following categories:

- normal business courtesies, such as meals, involving no more than ordinary amenities;
- gifts of nominal value during the holiday season; or
- business entertainment that is reasonable in nature, frequency and cost, such as, an occasional athletic, social or cultural event, or participation in corporate promotional events (such as golf tournaments).

If you have questions or concerns, you can discuss with your supervisor or Legal Department.

*Q. A potential supplier has invited me to attend a professional sporting event with him. May I attend?*

A. If the sporting event is appropriate and not excessive, and the supplier will be attending with you and, available to discuss business, then it is acceptable. It is important that accepting the invitation is neither intended nor likely to be perceived as an attempt to improperly influence a business decision.

*Q. A key Afexa customer has invited my wife and I for a golf weekend as a thank-you for being a long-standing customer. May I accept?*

A. No. Accepting the invitation could compromise (or appear to compromise) your and Afexa's independence.

*Q. In my area, it is custom for suppliers to provide their clients with fairly expensive gifts. How should I treat this?*

A. Managers should look for opportunities to notify our business parties of these requirements before the situation arises. For example, the supplier can be presented with our Supplier Code of Conduct (available from Legal). In this situation, you should politely decline the gift and explain our Code.

*Q. I recently attended a Company funded conference and won a TV as the door prize. Can I keep it?*

- A. Employees can keep prizes from raffles if:
- an Afexa supplier or customer is not a sponsor of the raffle, and;
  - the employee is not placed under any obligation for having entered or won the raffle (e.g. an obligation to use company services or provide the sponsor with business attention).

*Q. Can I give a gift to a business partner?*

A. Gifts to business partners are discouraged. You should consult with your manager to determine if a gift within the guidelines is appropriate. Gifts outside these guidelines should be referred to the CFO or CLO for approval.

## USE OF COMPANY ASSETS

Our shareholders have a right to expect that the Company's assets are properly maintained and used economically and efficiently. As a general rule, we should not use Company assets for personal use.

### USE OF TECHNOLOGY RESOURCES

The Company provides us with access to technology resources such as email, the Internet, telephones, photocopiers and fax machines to accomplish business goals.

As long as personal use does not interfere with our duties, does not conflict with the Company's business, and does not violate any Company policy, occasional or incidental use of technology resources for personal purposes is acceptable. You should refer to the Company's Computer Use Policy for required guidelines.

Company assets must be used responsibly. To protect the Company's reputation and assets, under no circumstances are employees permitted to use the Company's technology resources to

- disclose confidential or proprietary information to unauthorized third parties;
- access, download, or contribute to gross, indecent, or sexually-oriented materials; gambling sites; or illegal drug-oriented sites;
- posting your opinions or views about the Company or the Company's business unless you are specifically authorized by the Company;
- solicit or promote a religious, charitable, political or other non-business related cause, unless authorized by the Company;
- publish any comments which are libelous or defamatory of any other company's reputation, products or services; or
- operating or promoting a personal business.

*Q. An industry colleague has recommended I use software they downloaded from the Internet. Can I download it to my Afexa BlackBerry?*

**A.** Generally this is not acceptable. To reduce risk to our network, only software provided by the Company may be used on Company assets. Exceptions may be authorized by the IT Manager.

*Q. Is it acceptable for me to do Internet banking on a work computer?*

**A.** Yes. Employees can use the Internet for appropriate personal tasks as long as the activity is infrequent and insubstantial and does not interfere with the employee's job performance.

*Q. I am a contractor and have a number of other clients. As long as it's not impacting my performance, can I use my Afexa phone and email to deal with other clients?*

**A.** No. This is an example of operating a personal business and is prohibited.

## OUR BUSINESS

### FAIR COMPETITION

We will always compete vigorously and independently in the conduct of our business. At all times we must maintain independence of judgment and action in the producing, pricing and selling of our products. We must never act in contravention of antitrust or competition laws in any of the jurisdictions in which we do business.

Afexa supports membership in organizations that aim to maintain a sound business environment, such as trade associations. Exchanging information about industry issues may help you in the course of your work and improve the overall industry. If you are appointed to represent Afexa in a trade association or other organization, your contributions must respect the confidentiality of Company proprietary information. Furthermore, these discussions must never be used as a means for competing companies to reach any understanding, which tends to restrict competition or to impair the ability of participants to exercise independent business judgment regarding matters affecting competition.

*Q. I am attending a trade association meeting and several members are discussing pricing strategy. What should I do?*

A. If issues such as pricing strategy are discussed among competitors, there is the possibility that price-fixing or collusion could occur or be perceived to have occurred. Many countries prohibit the discussion of pricing among competitors for this reason. If you find yourself in this situation, you must excuse yourself from the meeting immediately. Promptly advise the Legal Department of what you have observed.

*Q. I am not sure what activities fall under the Antitrust or Competition Laws?*

A. These laws are complex. Please contact the Legal Department for more information.

## MARKETING PRACTICES

Afexa's products are sold solely based on their price, quality, efficacy and safety. Advertising must be truthful and specific claims must be fair and substantiated. We do not engage in deceptive advertising or unlawful promotional activity. Materials that are created for use in marketing and selling our products must be reviewed and approved as required by the applicable policies for their use.

*Q. A healthcare professional wants to tell his clients about our product and asks if we could pay him a consulting fee to do so. What should I do?*

A. You should tell him that we pay healthcare professionals only through Company programs designed to meet business needs. As part of such programs, the Company may compensate a healthcare professional for consulting services under a written contract approved in advance by the Legal department.

*Q. A physician friend of mine has asked me questions about product use for indications not on our product label or on our website. What should I do?*

A. Product education is usually undertaken by our Healthcare Professionals group. You should tell your friend that Afexa doesn't recommend use of the product for purposes other than those on the label or in our product information. If the physician would like more product information, you can refer the request to the Healthcare Professionals group.

## RESEARCH AND DEVELOPMENT

Product safety and efficacy are core concerns in product research, and development through to commercialization.

We strictly adhere to regulations designed to promote product safety, efficacy and quality. Our research, development and manufacturing processes are designed to comply with regulatory standards such as Good Laboratory, Good Clinical and Good Manufacturing Practice.

Afexa is committed to protecting the health and safety of our patients and volunteers who take part in our clinical trials and to upholding the highest ethical, scientific and clinical standards in all our research initiatives. Throughout clinical trials and after product launch, we comply with applicable laws and regulations and continue to monitor our products for safety and side effects.

All employees have an obligation to ensure that they report non-compliance with regulatory standards to their supervisor or the Vice President of Scientific and Regulatory Affairs.

*Q. How do I report a product side effect (e.g. an adverse event)?*

A. Product side effects can be reported to our product information hotline: 1-888-843-7239.

*Q. We are behind schedule and under a great deal of pressure. May we modify a few manufacturing steps or quality tests to speed up production and release?*

A. No. Our processes have been developed with great rigour to protect our consumers and would never be modified without thorough study and testing. While we strive to streamline our processes to make them as efficient as possible, we must go through proper approval processes to make any changes. If you have suggestions as to how a process can be improved, you can talk to the head of Research and Development.

*Q. I work with the Healthcare professionals group. A physician has asked if he can use our samples to conduct a small clinical trial with a group of his patients. Is this acceptable?*

A. Afexa has detailed standards and guidelines for clinical trials and study protocols. If you would like more information as to whether the physician could participate in an existing or future clinical trial, you can contact Clinical and Scientific Affairs.



**INTERNATIONAL BUSINESS**

We will comply with the law, rules and regulations in the countries and communities in which we operate. At a minimum, we must comply with all the laws that apply to our business. This includes competition and antitrust laws, and laws prohibiting corrupt practices. We also commit to work within the spirit of the law.

Afexa will never offer, pay, solicit or accept bribes in any form, directly or indirectly. This includes those transactions sometimes known as facilitation payments. Any demand or offer of a bribe in whatever form to any Afexa employee or agent must be rejected and reported immediately to management.

*Q. I have been asked to provide cash to the administrator of the Government Pharmaceutical Association in a foreign country to pay for education of the staff. Is this acceptable?*

A. Situations such as these must be reviewed with the Legal Department to ensure we are not in violation with the Canadian Corruption of Foreign Public Officials Act, and other applicable laws

## MEDIA, PUBLIC AND GOVERNMENTAL INQUIRIES

As outlined in the Company's Public Disclosure Policy, we have professionals who are trained and qualified as spokespersons to release information to the public and only those professionals are authorized to release Company information to the media, financial community or government authorities.

When members of the media, financial analysts or government authorities contact the Company to request information, the response can have far-reaching implications, including effects on the Company's stock price and ability to compete. When we provide information on the Company's operational strategies or financial results, we must ensure that the information is accurate and that it is an appropriate time to "go public" with that information.

In addition, we must comply with the requirements of securities regulators and stock exchanges about how and when we disclose information, and understand that there are strict consequences for doing so improperly.

*Q. What do I do if I receive a request for information from outside the Corporation?*

A. If you are not authorized to speak on behalf of Afexa Life Sciences Inc. all questions should be forwarded to the VP of Communications, the Senior Director, Board Affairs and Investor Relations, the Chief Executive Officer, Chief Scientific Officer or the Chief Financial Officer..

*Q. I will make a presentation at a conference where press coverage is likely. How should I respond if I'm approached by the media following my presentation?*

A. Journalists often approach scientists and executives who make presentations at professional forums. You should feel free to clarify for the reporter anything that was formally presented at the meeting. Questions that go beyond what was formally presented should be referred to the VP of Communications, the Senior Director, Board Affairs and Investor Relations, the Chief Executive Officer, Chief Scientific Officer or the Chief Financial Officer.



## **ANNUAL ACKNOWLEDGEMENT**

New employees and Directors are asked to provide a commitment to comply with the Code. Each year, employees and Directors are asked to reaffirm their commitment to comply with the Code.

## **WAIVERS**

Waivers of the Code for employees may be granted only in writing by Afexa's Chief Executive Officer and will be reported to the Audit Committee of the Board of Directors. Any waiver of the Code for Afexa executive officers or directors may only be made in writing by the Board or the Corporate Governance and Nominating Committee and will be promptly disclosed to shareholders to the extent required by law, regulation or stock exchange requirement.

**SCHEDULE A**

**CODE OF CONDUCT**

**AFEXA LIFE SCIENCES INC.**

**STATEMENT OF COMPLIANCE**

I have reviewed and am familiar with Afexa Life Sciences Inc.'s Code of Conduct (the "Code") for directors, officers, employees and contractors. I hereby agree to comply with the Code.

To the best of my knowledge, I am not involved in any situation that conflicts or might appear to conflict with the Code.

I also agree to notify either my supervisor, the Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, Senior Director, Human Resources and Administration, or in the case of directors, the Chairperson (or Lead Director) of the Board immediately of any change that might adversely affect my compliance with the Code.

**Name:** \_\_\_\_\_  
*(signature)*

\_\_\_\_\_  
*(print name)*

**Title:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Dept. :** \_\_\_\_\_

**Note:** All directors, officers, employees, and agents must complete this statement of Compliance upon commencement of employment and annually thereafter.

**Where specified in their contract, contract workers are asked to complete this statement upon contract signing and annually thereafter should the contract period extend beyond one year.**