

Code of Business Conduct and Ethics for Directors

Officers and Directors of SemBioSys Genetics Inc. (SemBioSys) are expected to abide by the highest standards of ethical conduct and to act honestly and in good faith with a view to the best interests of SemBioSys and its shareholders.

The Board of Directors of SemBioSys has adopted the following Code of Business Conduct and Ethics for Directors of the Company. This Code is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability.

Each Director must comply with the letter and spirit of this Code.

No code or policy can anticipate every situation that may arise or replace the thoughtful behavior of an ethical Director. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chairman of the Corporate Governance and Nominating Committee.

CONFLICT OF INTEREST

Directors must avoid any conflicts of interest between the Director and the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Chairman of the Corporate Governance and Nominating Committee. A “conflict of interest” can occur when:

- A Director's personal interest is adverse to—or may appear to be adverse to—the interests of the Company as a whole; and
- A Director or a member of his or her immediate family (including a person's spouse, parents, children, siblings, mothers-in-law and fathers-in-law, sons-in-law and daughters-in-law, brothers-in-law and sisters-in-law, and; anyone other than employees, who share such person's home) receives improper personal benefits as a result of his or her position as a Director of the Company.

Some of the more common conflicts which Directors should avoid are listed below:

- Relationship of Company with third-parties
 - Directors may not receive a personal benefit from a person or firm which is seeking to do business or to retain business with SemBioSys. A Director shall excuse him or herself from any Company Board decision involving another firm or company with which the Director is affiliated.
- Compensation from non-Company sources
 - Directors may not accept compensation (in any form) for services performed for the Company from any source other than the Company.

- Gifts
 - Directors may not offer, give, or receive gifts from persons or entities who deal with SemBioSys, in those cases where any such gift is being made in order to influence the Directors' actions as members of the Board, or where acceptance of the gifts could create the appearance of a conflict of interest.
- Personal use of Company assets
 - Directors may not use Company assets, labor or information for personal use unless approved by the Chairman of the Corporate Governance and Nominating Committee, or as part of a compensation or expense reimbursement program available to all Directors.

CORPORATE OPPORTUNITIES

Directors are prohibited from:

- Taking for themselves or their companies opportunities that are discovered through the use of Company property, Company information or their position as a Director;
- Using the Company's property or information for personal gain; or
- Competing with the Company for business opportunities. However, if the Company's disinterested Directors determine that the Company will not pursue an opportunity that relates to the Company's business, a Director may then do so.

CONFIDENTIALITY

- Directors must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source, in their capacity as a Director, except when disclosure is authorized or legally mandated.
- For purposes of this Code, “confidential information” includes all non-public information relating to the Company.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS; FAIR DEALING

- Directors recognize that the integrity of the capital markets is based on consistently honest and just actions by its participants, the conformity to market regulation, and the transparency of credible financial and non-financial corporate information, and will work to ensure that SemBioSys acts in such a manner consistent with such principles. Directors must comply and oversee compliance by employees, officers and other Directors with laws, rules and regulations applicable to the Company, including insider trading laws.
- Directors must deal fairly, and must oversee fair dealing by employees and officers, with the Company's customers, suppliers, competitors and employees.
- Directors must take such action as is appropriate to confirm that SemBioSys provides full, fair, accurate, timely, and understandable disclosure in reports and documents that it files with or submits to public regulatory bodies, and that SemBioSys complies with applicable governmental laws, rules and regulations.

ENCOURAGING THE REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR

Directors should promote ethical behavior and take steps to ensure the Company:

- Encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation;
- Encourages employees to report violations of laws, rules, regulations or the Company's Code of Conduct to appropriate personnel; and
- Informs employees that the Company will not allow retaliation for reports made in good faith.

COMPLIANCE STANDARDS

- Directors should communicate any suspected violations of this Code promptly to the Chairman of the Audit Committee. Violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken in the event of any violations of the Code.

WAIVER OF CODE OF BUSINESS CONDUCT AND ETHICS

- Any waiver of this Code may be made *only* by the Board of Directors and must be promptly disclosed to the Company's shareholders.

This Code of Ethics applies to all Directors of SemBioSys. A person to whom this Code of Ethics applies will be deemed to have breached it by way of being sanctioned by a governmental agency or judicial body for violating laws or regulations affecting the performance of his or her duties of office or by a finding of the Board of Directors of SemBioSys. Any person with power to influence or control the direction or management, policies or activities of the sanctioned person, who was aware that a breach of the Code of Ethics was likely to occur and failed to take appropriate steps to prevent such an act from occurring, will be deemed to have also breached the Code of Ethics. Any person found breaching the Code of Ethics will, in addition to any regulatory or judicial sanction, receive sanctions from the Company, including possible suspension or termination of employment.