



PROMETIC

## CODE OF ETHICS AND BUSINESS CONDUCT

### 1. PURPOSE AND SCOPE

#### 1.1 Purpose

The purpose of this Code of Ethics and Business Conduct is to outline guidelines and procedures for the behavior expected of ProMetic directors, officers, employees and consultants in course of their mandate, employment or duties. They will abide by the highest standards of ethical conduct and will act honestly and in good faith with a view to the best interests of the Company and its shareholders.

Loyalty, integrity, respect and confidentiality are values at the core of ProMetic's culture and this Code of Ethics and Business Conduct. ProMetic directors, officers, employees and consultants are expected to promote and contribute to these values. This Code of Ethics and Business Conduct is purposely general and destined to be supplemented and refined through evolution of its activities and the context within which they are conducted, as well as experience of specific sets of circumstances. Those outlined in this Code do not necessarily cover the entire scope of all foreseeable factual situations.

Employees, officers, directors and consultants of the Company must use sound judgment in determining the most appropriate course of action in a given set of circumstances. When in doubt, employees should check with their managers or a member of the executive team.

Conduct that may raise questions as to any of ProMetic's employees', directors' or representatives' honesty, integrity, impartiality, reputation or activities or that could cause embarrassment to ProMetic or damage its reputation is prohibited. Any activity, conduct, or transaction that is or may appear to be unethical, illegal or improper business conduct must be avoided.

#### 1.2 Scope

This Code of Ethics and Business Conduct applies to all directors, officers, employees, external consultants and relevant contracting parties (*ie.* suppliers) (also referred to as the "**representatives**") of ProMetic Life Sciences Inc. and its subsidiaries ("**ProMetic**") or (the "**Company**"). Compliance with this policy is a condition of employment, contract or office.

## 2. GENERAL CONDUCT AND BEHAVIOUR

### 2.1 Loyalty

ProMetic expects that all directors, officers, employees and consultants will act with loyalty, to protect and promote ProMetic's good reputation and its interests. Diligent attendance to one's duties, maintaining one's knowledge current and demonstrating quality and rigor in discharging of such duties attest to such loyalty.

A representative may take part, in his or her personal capacity, in non-professional activities of his or her choice to the extent that such participation does not go against this Code, compliance with his or her terms of employment or contract and is not detrimental to the interests of ProMetic. No representative may express political opinions on behalf of ProMetic.

### 2.2 Ethical Conduct

ProMetic culture provides the foundation for ethical conduct and behavior by directors, officers, employees and consultants. ProMetic will:

- Maintain good corporate governance and adhere to all applicable laws and regulations;
- Promote and enforce a work environment free from harassment or discrimination where individuals are treated with respect and dignity;
- Provide a safe and healthy workplace, emphasizing good housekeeping and compliance with applicable laws; and
- Respect our employees' commitments and responsibilities to their families and communities.

Guidelines: All directors, officers, employees and consultants of ProMetic will:

- Uphold and comply with ProMetic policies & procedures and culture;
- Strive for their personal success and that of their team and the entire Company;
- Ensure that all information provided in all reports and documents for internal use and external audiences, including individual expense reports, will be complete, accurate, honest and timely;
- Deal honestly and fairly with our customers, suppliers, competitors, and regulatory bodies; and
- Protect the Company's assets and use them efficiently and only for Company purposes.

Strictly Prohibited Behaviour: All ProMetic representatives, and any visitors to the Company's premises, are strictly prohibited from the following acts (even if such acts or comments are made in jest):

- Possession or use or threat of use of any type of weapon;
- Threat or actual use of violence or intimidation in the workplace;

- Willful destruction of Company property or an individual's personal property; and
- Use, possession or being under the influence of illicit substances while on duty or on Company premises.

Each ProMetic director, officer, employee and consultant is accountable for observing rules of conduct that are normally accepted as standard in a business enterprise. They shall give precedence to ethical principles and obligations in their decisions and actions. They shall respect all ethical obligations deriving from applicable laws, acts and regulations and shall not condone unethical conduct.

### 2.3 Respectful Behaviour

Directors, officers, employees and consultants will deal with business partners, clients, suppliers and other parties with integrity, respect, courtesy, moderation and without undue aggressiveness, negativity or arrogance.

They will deal with their colleagues fairly, with integrity, respect, politeness and without negative prejudices, and will avoid any abuse of power. Representatives will refrain from making disparaging or discriminatory comments, innuendos, or gossip and from taking unfair advantage of others through manipulation, misrepresentation or other unfair practices.

Any remarks made by the representatives must not be defamatory or hateful toward the Company or one of its representatives; such acts could be considered wrongful or criminal acts.

## **3. INTEGRITY OF BOOKS AND RECORDS AND COMPLIANCE WITH SOUND ACCOUNTING PRACTICES**

Accuracy and reliability in the preparation of all business records is of critical importance to the Company's decision making process and its compliance with financial, legal and reporting obligations. Full, fair, accurate and timely disclosure in the reports and other documents that the Company files with its regulators and in the Company's other public communications must comply with the Company's obligations under applicable laws, including securities laws, and meet expectations of the Company's shareholders and other members of the investment community.

### 3.1 Preparation of Books and Records

All business records, expense reports, invoices, bills, payroll, corporate records and other similar reports must be prepared with care, accuracy and honesty. False or misleading entries in the Company's books and records are not permitted.

### 3.2 Recording and Reporting Financial Transactions

Financial transactions must be properly recorded in the books of account. Accounting procedures and entries must be supported by the necessary internal controls. Books and records of the Company must be available for audit purposes.

Those representatives who are responsible for producing and managing the Company's financial reporting and internal controls systems will ensure that:

- business transactions are properly authorized;
- records fairly and accurately reflect the transactions or occurrences to which they relate;
- records fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues and expenses;
- the Company's accounting records do not contain any false or intentionally misleading entries;
- no transactions are intentionally misclassified as to accounts, departments or accounting periods;
- transactions are supported by accurate documentation in reasonable detail and recorded in the proper account and period;
- records comply with the International Financial Reporting Standard ("IFRS"). However, technical compliance with IFRS may not be sufficient and, to the extent that technical compliance with IFRS would render reported financial information misleading, additional disclosure will be required; and
- no information is concealed from the Chief Financial Officer or the Director of Finance, the Company's independent auditors, the Audit & Risk Committee of the Board of Directors or the Board itself.

### 3.3 Responsibilities of Representatives

While representatives who produce and manage the Company's financial reporting and internal control systems are ultimately responsible for the completeness, fairness, accuracy and timeliness of such reports and communications, their ability to do so is dependent on everyone's full cooperation in their own sphere of activity. As a result, each representative will:

- not intentionally cause Company documents to be incorrect;
- not create or participate in the creation of any records intended to conceal anything that is improper;
- properly and promptly record or cause to be recorded all disbursements of funds;
- not make any unusual financial arrangements with a client or a supplier (such as over-invoicing or under-invoicing) for payments on their behalf to a third party;
- comply with the Corporation's system of internal accounting controls, disclosure controls, and related procedures; and
- co-operate with the Chief Financial Officer, the Director of Finance and the Company's independent auditors.

Representatives are encouraged to report, in accordance with section 8 of this Code, untruthful or inaccurate statements or records or transactions that do not appear to serve a legitimate commercial purpose.

#### **4. CONFLICT OF INTEREST**

ProMetic representatives will:

- put the interests of the Company before their own to the extent that this does not conflict with a director's fiduciary obligations or any applicable legislation;
- avoid situations or relationships which create, or create the appearance of, a conflict of interest with those of the Company;
- choose suppliers in an objective and ethical manner, to obtain the best value for the Company;
- notify management in writing of the existence of any personal or professional relationships which may create a conflict of interest with the Company or with a customer, supplier or other outside party;
- avoid holding a significant financial interest in a supplier, customer or other party with whom the Company does business;
- refrain from giving or accepting gifts or social invitations of more than a nominal value which could create, or create the appearance of, a conflict of interest;
- not solicit gifts or social invitations from customers, suppliers or other outside parties;
- protect the Company's assets against loss, theft, abuse or unauthorized use or disposal; and
- not use the Company assets, facilities or positions to promote personal interests.

#### **5. HARASSMENT AND DISCRIMINATION**

ProMetic will not tolerate any form of harassment or discrimination. Harassment or discrimination are any conduct that is offensive, humiliating or unduly embarrassing for anyone, that is often repetitive and deprives a person of her/his rights to dignity and respect, as understood under applicable laws.

ProMetic promotes a working environment that is free of any form of sexual harassment. Sexual harassment means any conduct, statements, act or contact of a sexual nature that:

- a) is of a nature so as to humiliate or offend a person; or
- b) could reasonably lead a person to believe that the continuation of his or her employment, service or duties, a promotion or any other advantage to which he or she may be entitled or aspire is dependent on sexual favours.

#### **6. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

All directors, officers, employees and consultants are expected to act in full compliance with all domestic and foreign laws, rules and regulations applicable to ProMetic's business. Violation of applicable laws, rules or regulations or compromise of the Company's ethical expectations could result in written reprimands or other disciplinary action, including termination and criminal or civil legal proceedings where applicable.

All Representatives shall ensure at all times, that all dealings with third parties, including without limitation public officials, are carried in accordance with all applicable laws, statutes and regulations relating to anti-corruption and anti-bribery, including *inter alia*:

- the *Corruption of Foreign Public Officials Act* of Canada (S.C. 1998, c. 34);
- the U.S. *Foreign Corrupt Practices Act* of 1977, as amended *et seq.* (15 U.S.C. §§ 78dd-1); and
- the UK Bribery Act 2010 (2010 Chapter 23)

(together the “Anti-Corruption Laws”). In the event of conflict between applicable Anti-Corruption Laws, Representatives shall comply with the most stringent applicable Anti-Corruption Laws.

ProMetic is involved, from time to time, in matters which are sensitive in nature and important to the Company, its representatives and its shareholders. Securities laws impose certain obligations on the Company regarding the disclosure of information to the public. In addition, maintaining the confidentiality of certain information is essential to preserve the value of the Company, its technology (including trade secrets), its intellectual property, and to reduce the risks and liabilities associated with disclosure of confidential information of others that is provided to us in confidence. To comply with these laws and related regulations and mitigate such risks and liabilities, ProMetic has established an Information Disclosure Policy and an Insider Trading Policy applicable to all ProMetic representatives.

The following confidentiality and insider trading guidelines are intended to supplement, and not replace, such policies to facilitate their implementation at every level:

#### 6.1 Confidentiality

The Company’s ability to discharge effectively its disclosure obligations under securities laws can be adversely affected by the premature or otherwise unauthorized disclosure of Company’s internal information. All representatives, therefore, must make every effort to maintain the confidentiality of the Company’s internal information. These efforts include adhering to the following guidelines.

ProMetic directors, officers, employees and consultants will:

- comply fully with the confidentiality expected of their mandate or offices, or the confidentiality provisions of their employment or consulting contract and all related confidentiality agreements;
- maintain the strict confidentiality of ProMetic’s confidential information and such information entrusted to us by third parties;
- securely handle and store all sensitive documents containing confidential information;
- disclose such information only when appropriate permissions and controls are in place and in accordance with the Information Disclosure Policy and applicable securities laws;
- not discuss details of the Company’s business or internal information with friends or family, or at social or public events, or with third parties except as may be

required in the ordinary course of business and in accordance with the Information Disclosure Policy;

- refrain from obtaining confidential information of third parties (except in the normal course of business) or from possessing or retaining such information which has been inadvertently disclosed to us;
- not use ProMetic confidential information or such information entrusted to ProMetic by a third party for personal advantage or the advantage of others; and
- not display or work on Company confidential material in a public area, including on airplanes or in airports.

## 6.2 Designated Spokesperson

Employees who are not authorized spokespersons may not respond under any circumstances to inquiries from the investment community or the media unless specifically asked to do so by an authorized spokesperson. All such inquiries must be referred to the persons designated for this purpose in the Information Disclosure Policy.

## 6.3 Trading of Securities

ProMetic directors, officers, employees and consultants will not trade in any Company securities or other securities based on insider information which is not generally known and unavailable to the general public. The Insider Trading Policy sets out prohibitions of certain trades of ProMetic's securities and other guidelines to be complied with if contemplating a trade in the Company's securities.

The above is intended as an overview and practical guide to matters of confidentiality and insider trading, and all directors, officers, employees and consultants are directed to the specific provisions of the Information Disclosure Policy and Insider Trading Policy on these matters.

## 7. **INTELLECTUAL PROPERTY**

ProMetic directors, officers, employees and consultants may not use ProMetic assets or time for purposes other than those required by their duties. ProMetic conducts its business in a field where intellectual property, information regarding technologies and trade secrets constitute essential aspects of its business and require the implementation and enforcement of protective measures to preserve the value of such business.

In accordance with ProMetic's Intellectual Property Policy, the results of work performed by an employee in the course of his or her employment, including the development and improvement of its confidential and proprietary information are for the sole benefit of ProMetic and the assignees of its rights. A director, officer, employee or consultant may not use them for purposes other than those strictly related to his or her duties. ProMetic directors, officers, employees and consultants are directed to the specific provisions of the Intellectual Property Policy on these matters.

## 8. SOCIAL NETWORKS

ProMetic recognizes that social networks including but not limited to blogs, chat rooms and social network websites (the “**social networks**”) offer an opportunity to interact with third parties such as business partners or other employees.

ProMetic allows the use of social networks for professional purposes if such use is relevant to the tasks to be carried out in the course of the relevant representative’s duties.

It is forbidden to use the social networks for personal purpose from ProMetic’s computer network or from personal equipment during the normal business hours; however, ProMetic tolerates the use of social networks during break times provided that such use does not impair the good functioning of the Company and its image.

The representatives are not allowed to use their ProMetic email address for the creation of a personal account in any social networks.

When using social networks, information may be collected, used and disclosed by third parties. Such information could include subjects or comments on ProMetic that could harm the Company. In all cases, the comments disclosed by the representatives in the social networks (including comments disclosed outside business) must not be defamatory or hateful toward the Company or one of its representatives; such acts could be considered wrongful or criminal acts.

The use of social networks by the representatives is subject to all of the Company’s relevant policies such as this Code of Ethics and Business Conduct and the Information Disclosure Policy.

## 9 REPORTING CODE VIOLATIONS (WHISTLEBLOWING)

ProMetic directors, officers, employees and consultants have a responsibility to report promptly any conduct or proposed conduct that they reasonably believe to be a violation of this Code. The Company has adopted a Whistleblower Policy applicable to the reporting any such conduct or proposed conduct and investigation of an reported incident. Representatives are directed to the Whistleblower Policy for greater details on how to report, who to report to, confidentiality and investigation procedures.

ProMetic does not consider reporting a known or suspected violation of this Code of Ethics and Business Conduct to be an act of ‘disloyalty’ and it is against Company policy to retaliate against any employee who reports what he or she reasonably believes to be a violation or suspected violation of this Code. This means that employees will not be disciplined, fired or discriminated against in any way for voicing concern about a violation or potential violation so long as the employee acts honestly and in good faith. Any reprisal or retaliation against the employee who has in good faith reported a known or suspected violation of this Code is itself cause for disciplinary action, including termination.

## **10. SANCTIONS AND CONSEQUENCES**

Violation of this Code is a serious matter that could subject ProMetic or its representatives to legal liability and furthermore, in the case of representatives who are employees, disciplinary sanctions including termination.

In addition, conduct by a director or officer which represents a material departure from this Code may constitute a material change triggering the material change reporting requirements of applicable securities laws.

## **11. BOARD MONITORING AND WAIVERS**

The Board of Directors of the Company will monitor compliance with this Code. Where appropriate, either the Corporate Governance Committee or the Audit & Risk Committee of the Board of Directors may grant waivers of any provision of this Code.

**CONTACTS FOR THE PURPOSES OF WAIVERS OF  
THIS CODE OF ETHICS AND BUSINESS CONDUCT:**

The President of the Audit & Risk Committee and/or  
Corporate Governance Committee of the Board of Directors:

440 Boul. Armand-Frappier, suite 300  
Laval, Quebec H7V 4B4  
Canada  
Tel: 450-781-0115  
Fax: 450-781-4477



PROMETIC

**ACKNOWLEDGEMENT OF RECEIPT**

**CODE OF ETHICS AND BUSINESS CONDUCT**

I CONFIRM HAVING RECEIVED A COPY OF THE CODE OF ETHICS AND BUSINESS CONDUCT (THE "CODE").

I FURTHER CONFIRM THAT I HAVE READ AND UNDERSTOOD THE TERMS OF THE CODE AND I AGREE TO ABIDE BY THEM.

COMPANY NAME <i>(IF APPLICABLE)</i>	
SIGNATURE	
NAME	
DATE	

PLEASE RETURN THIS SIGNED AND DATED FORM BY MAIL OR FACSIMILE:

**FOR EXTERNAL CONSULTANTS AND RELEVANT CONTRACTING PARTIES:**  
TO THE ATTENTION OF THE LEGAL DEPARTMENT

**FOR DIRECTORS, OFFICERS AND EMPLOYEES:**  
TO THE ATTENTION OF HUMAN RESOURCES DEPARTMENT

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