



WHISTLE BLOWER POLICY AND PROCEDURES

1. PURPOSE

To outline the guidelines and procedures for alerting the management of the company to a possible serious violation of internal policies, procedures or external laws or regulations. SemBioSys welcomes such information and considers it essential to preserving its reputation and long-term viability. SemBioSys is committed to compliance with all applicable laws, regulations, and policies. Our compliance will only be possible if all employees follow all applicable laws and regulations and all internal policies. When in doubt on the appropriate course of action, employees should seek guidance from their manager or a member of the executive team or they may choose to provide information anonymously by contacting an independent agency through the process described herein.

2. SCOPE

This policy applies to all employees, officers and Directors of SemBioSys Genetics Inc. Compliance with this policy is a condition of employment or office.

3. ALERTING MANAGEMENT OR AN INDEPENDENT AGENCY

Employees must inform executive management or an independent agency through the process described herein if they have information which, in their best judgment, demonstrates the involvement of the company, or one of its employees, officers, or directors, in any of the following:

- A violation of one of the company's policies;
- A violation of any external law, rule, or regulation;
- An unsafe work environment, or situation or circumstance which poses a threat to the health or safety of employees or the general public;
- Corruption, fraud, or mismanagement of company resources; and
- Questionable auditing or accounting matters.

Employees who believe they have such information must inform executive management of the company or the independent agency as soon as possible in order for the company to take action to quickly remedy the situation. Employees should focus on providing facts in their disclosure, not simply speculation, and provide as much detail as possible to support a thorough investigation.

Employees may contact their own manager or any member of the executive management team. Where it is not practicable, or when an employee is uncomfortable notifying a member of management, SemBioSys has retained the services of an independent agency for the confidential and anonymous reporting of the matters listed above. The process for contacting the independent agency is outlined in Appendix “A” attached hereto.

4. PROTECTION OF INFORMANTS

Employees who inform management or the independent agency of what they believe is a genuine serious contravention of internal policies, external laws or regulations will not suffer any negative repercussions for bringing the matter forward. Attempts to intimidate or threaten an employee to prevent disclosure under this policy, or any retaliation or harassment of an employee following a disclosure made under this policy, are strictly prohibited and will be subject to disciplinary action, up to and including termination of employment.

Additionally, disclosures under this policy which are made in bad faith, or with the sole intent to be malicious, vindictive or merely disruptive, will not be tolerated and will be subject to disciplinary action, up to and including termination of employment.

5. INVESTIGATIVE PROCESS

All information received under this policy will be thoroughly and promptly investigated. Normally, this investigation will be conducted by a team of SemBioSys employees, though outside resources may also be used where appropriate and expedient. The investigation will be completed as soon as possible after the receipt of the information so that the matter can be dealt with as quickly as possible. A report will then be made to the executive team, and/or the company’s external legal counsel or the Chair of the Board, of the investigation’s findings. During the investigation process, the identity of the employee disclosing the information will be kept confidential to the greatest extent possible and will be revealed only on a need-to-know basis or as required by law or court order.

All information related to the disclosure under this policy will be maintained in a confidential file for a period of six (6) years and will be subject to review by the Audit Committee of the Board of Directors.

6. SEMBIOSYS’ RESPONSE TO INFORMATION RECEIVED

If the investigation confirms the allegations made in the disclosure under this policy, immediate steps will be taken to bring the company into compliance with the applicable law, regulation or policy. Unsafe working conditions will be promptly remedied and no work will be performed until it is safe to do so.

Where appropriate, the company may also report any violations to external regulators or authorities.

7. DISCIPLINARY ACTION

Employees who violate external laws or regulations or SemBioSys internal policies, or who knowingly fail to report such a violation, may be subject to disciplinary action, up to and including termination of employment. The extent of the discipline will be based on a number of factors, including but not limited to, the nature and extent of the violation, the intent of those involved, whether the violation was an honest mistake, whether reasonable efforts were made to avoid the violation or seek appropriate guidance before the violation occurred, and whether those involved reported the violation themselves. Employees who report their own violations will have that fact noted when disciplinary action, if any, is determined.

8. POLICY INTERPRETATION

The independent Chair of the Board and Corporate Legal Counsel are jointly responsible for all interpretations of this policy.

Appendix “A”

“Whistleblowing Compliance Hotline”

As part of Audit Committee requirements public companies must provide a procedure for the confidential and anonymous reporting of questionable accounting or auditing procedures to their employees. In an effort to offer our employees complete anonymity and confidentiality we have retained Global Corporate Compliance Inc. to monitor this procedure.

This service enables you to contact them by any of the methods below:

- Via their website at www.globalcci.com. Login ID: SemBioSys; Password: S2bio.
 - Toll free telephone line that has been dedicated solely to this service 1-877-266-2579
 - Toll free fax 1-877-216-8459
- *Both the toll free phone and fax lines are available in Canada and the United States.

Once you have reached their website this is what you will see.



For all your
Public Company
Reporting Requirements



Select this

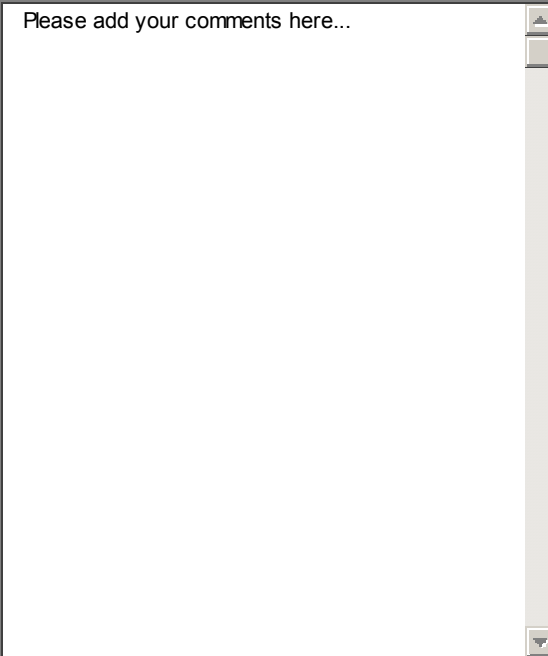
You will be prompted to enter your login ID and password.

After entering the appropriate login and ID you will reach the contact form below.

Whistle Blower Contact Form

Company Name:

Comments:



Name:

Email:

Phone Number:

**When you have submitted your form you will need to logoff of the internet.
Once an issue has been lodged with Global Corporate Compliance they will contact
the Chairman of the Audit committee or designate within 24 hours.**

**Should you have any questions or concerns regarding the process please contact
Global Corporate Compliance at the numbers provided above.**