



LAB Research Inc.

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## Code of Ethics and Business Conduct

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Approved by the Board of Directors on July 5, 2006

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**LAB RESEARCH INC.**  
**(the “Corporation”)**

**Code of Ethics and Business Conduct**

**Introduction**

All of directors, officers and employees of LAB Research Inc. (the “Corporation”) are committed to preserve the reputation of the Corporation for integrity and conduct the businesses and activities of the Corporation honestly and ethically and in compliance with applicable laws, rules and regulations.

Accordingly, the Board of Directors of the Corporation has adopted this Code, which applies to all directors, officers and employees of the Corporation and its subsidiaries.

This Code does not summarize all policies of the Corporation. In addition, this Code reflects general principles of conduct and does not anticipate or cover in detail every topic or situation. If you have a question about anything covered in this Code or if you are unsure about whether some action would be consistent with this Code, you can refer to the Chief Financial Officer of the Corporation (also referred to as the **Compliance Officer**). Therefore, if you should encounter a situation in which you are unsure what to do, you agree to consult the Compliance Officer and ask for help.

**Policies and Practice**

*General Conduct - Conflicts of Interest*

All directors, officers and employees of the Corporation and its subsidiaries must act ethically, honestly and with integrity. Their duty to act ethically, honestly and with integrity includes avoiding actual or apparent conflicts of interest between their personal, private interests and the interests of the Corporation, including using their position to receive improper personal benefits. This obligation applies to both business relationships and personal activities. A “conflict of interest” exists whenever the interests (financial or otherwise) of a director, officer or employee of the Corporation and its subsidiaries interfere or conflict in any way (or even appear to interfere or conflict) with the Corporation’s interests. A conflict of interest can arise when they take actions or have interests that may make it difficult to perform their work for the Corporation objectively and with the highest efficiency. Conflicts of interest may also arise when they, or members of their family, receive improper personal benefits as a result of their position with the Corporation, regardless of where those benefits were provided from.

All directors, officers and employees of the Corporation and its subsidiaries also owe the Corporation a duty to advance its legitimate interests when the opportunity to do so arises. They are prohibited from (i) taking for themselves personal opportunities that properly belong to the Corporation or are discovered through the use of the Corporation’s resources, property, information or their position with the Corporation; (ii) using corporate property, information (confidential or otherwise) or position for personal gain; or (iii) competing with the Corporation.

### *Compliance with Laws, Rules and Regulations*

In performing duties on behalf of the Corporation, all directors, officers and employees of the Corporation and its subsidiaries must comply with all applicable governmental laws, rules and regulations, as well as the rules and regulations of any stock exchanges and quotation systems on which the securities of the Corporation are listed.

### *Public Disclosure - Confidentiality of Non-Public Information*

As a public company, all directors, officers and employees of the Corporation and its subsidiaries must provide full, fair, accurate, timely, and understandable disclosure in reports and documents that are filed by the Corporation or its subsidiaries with, or submits to, the securities regulatory authorities, other regulators or in public communications.

Consequently, the Corporation's books, business records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Corporation's transactions and must conform both to applicable legal and regulatory requirements, including, if applicable, maintaining the financial and accounting records in accordance with generally accepted accounting principles, and to the Corporation's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

In addition, all directors, officers and employees are expected to comply with the disclosure controls and procedures of the Corporation and its subsidiaries, as the case may be, to ensure that material information is timely recorded, processed, summarized and reported in accordance with all applicable laws, rules and regulations. All directors, officers and employees of the Corporation and its subsidiaries must ensure that all information or data that are reported to management is accurate and honest, and fully and accurately comply with all audits, requests for special record keeping or retention of documents, documents or other material from or on behalf of auditors or management.

All directors, officers and employees of the Corporation and its subsidiaries must also take all reasonable measures to protect the confidentiality of non-public information about the Corporation and its customers obtained or created in connection with their activities and prevent the unauthorized disclosure of such information unless required by applicable law or regulation or legal or regulatory process.

### **Compliance with this Code**

All directors, officers and employees of the Corporation and its subsidiaries, regardless of their level or their seniority in the Corporation, have a duty to review, understand and adhere strictly to the guidelines set forth in this Code.

The Corporation and its subsidiaries are committed to holding all directors, officers and employees accountable for adherence to this Code.

## **Duty to Report Violations of this Code - No Retaliation**

The Corporation and its subsidiaries recognize that employees may be reluctant in reporting certain types of potential issues relating to violations of this Code. It is for that reason, in addition to those enumerated above, that the Chair of Audit Committee has been selected to provide a confidential and anonymous communication channel for reporting concerns about possible violations of this Code as well as financial and/or accounting irregularities or fraud.

All inquiries will be transmitted to the Chair of the Audit Committee and handled promptly and discreetly. Anonymity and confidentiality will be maintained. Employees will not be penalized, dismissed, demoted or suspended and no retaliatory action will be taken against them for reporting or inquiring in good faith about potential breaches of this Code, or for seeking guidance on how to handle suspected breaches.

## **Disciplinary Measures**

The Corporation and its subsidiaries are committed to the appropriate, prompt investigation and follow-up of any violation or suspected violation of this Code. Reports of violations will be investigated.

As far as legally possible, violations of this Code may result in disciplinary measures, including, depending on the individual circumstances, the level of involvement and knowledge and the severity of the violation, (i) warning and/or reprimand; (ii) demotion; or (iii) termination of the employment.

In addition, violations of this Code may also constitute violations of law and may result in civil and criminal penalties.

## **Waivers of any Provision of this Code**

Any request for a waiver of any provision of this Code for a director, officer or employee of the Corporation and its subsidiaries must be in writing and addressed to the Compliance Officer who will forward same to the Corporate Governance Committee (the "CGC") any demand that involves a director or an executive officer of the Corporation and its subsidiaries. This Committee then presents all new demands as well as its recommendations to the Board of Directors who will approve or not all waivers relating to the present Code which concerns a director or executive officer. Waivers of any provision of this Code for an employee of the Corporation and its subsidiaries (other than a person who is a director or an executive officer of the Corporation) may be made by the Compliance Officer.

The Corporation and its subsidiaries are required to publicly disclose any waivers granted to a director or an executive officer of the Corporation and its subsidiaries, along with the reasons for such waivers, in accordance with the provisions of the relevant rules of any stock exchanges and quotation systems on which our securities are listed.

## **Amendments to this Code**

The Board of Directors of the Corporation may update or otherwise amend this Code. When there are material changes, each of directors, officers and employees of the Corporation and its subsidiaries will be provided with an updated copy of the Code. This code will be distributed to each of directors, officers and employees of the Corporation and its subsidiaries on a regular basis.

Adopted and approved by the Board of Directors of the Corporation on July 5, 2006