

Warnex Inc.

Code of Ethics

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Dear Colleague:

The subject of this booklet is ethics, and it is a subject about which all of us should have strong and aligned views.

As such, one of my primary concerns in order to ensure the success of Warnex Inc. and its subsidiaries (“Warnex”) is that each and every one of us understand and abide by the rules of conduct of Warnex’s Code of Ethics (the “Code”).

The Code guides us on how to manage business activities that we engage in every day. It helps define what is allowed and not allowed.

However, we have to keep in mind that this Code’s purpose is guidance. Please read it carefully and keep it continually in mind. If a situation arises which raises a question in your mind as to ethical or legal compliance, it is your obligation to communicate with your supervisor, the human resources department, the Chairman of the Board of Directors or me personally.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark J. Busgang', with a long horizontal flourish extending to the right.

Mark J. Busgang
President and Chief Executive Officer

CODE OF ETHICS – WARNEX INC.

Standards of Conduct

Introduction

Warnex's Code of Ethics addresses the fundamental values of Warnex. It also provides a framework for decision-making. Each one of us is personally responsible and accountable for compliance with our Code. This Code applies to all employees, members of management as well as directors of Warnex. In addition, any representatives, agents or consultants of Warnex shall be prohibited from acting on its behalf in any manner which is inconsistent with the standards of conduct applicable to employees under the present Code.

The object of the Code is to assist in defining our ethical principles in general and cannot encompass all situations or opportunities that may arise. We must each be mindful of avoiding at all times, on and off the job, circumstances and actions that give even the appearance of an impropriety or wrongdoing which could discredit Warnex.

The present Code will be enforced equitably at all organizational levels.

Principles of Warnex

As a rule, Warnex makes it a point to ensure that the highest standards of ethics and business conduct are abided by on an ongoing basis. This encompasses relationships between Warnex and its customers and shareholders as well as relationships between employees at every level of our organization. These commitments and the responsibilities they entail are summarized herein.

Our Customers

We are liable to those who use our products and services, and commit to provide them with high quality and value, as well as fair prices and honest transactions. We will deal both lawfully and ethically with all our customers.

Our Employees

We are committed to treating one another fairly and maintain employment practices based on equal opportunity for all employees. We will respect each other's privacy and treat each other with dignity and respect irrespective of age, ethnic group, color, sex, religion or nationality. We are committed to providing our employees with safe and healthy working conditions, free of discrimination, harassment or personal behaviour not conducive to a productive work climate and with an atmosphere of open and honest communication.

Our Shareholders

We are committed to providing a superior return to our shareholders and to protecting and improving the value of their investment through the prudent utilization of corporate resources and by observing the highest standards of legal and ethical conduct in all our business dealings.

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1.0 Customers and others

1.1 Conflicts of Interest

Warnex directors and employees must deal with customers, suppliers and others doing business with Warnex in a manner that avoids even the appearance of conflict between personal interests and the interests of Warnex. This requirement applies equally to business relationships and personal activities.

1.2 Quality of Products and Services

All the subsidiaries of Warnex have the responsibility to design, manufacture and deliver quality products and services.

This standard of products and services quality must be reflected in the operating policies and procedures of all the subsidiaries of Warnex.

1.3 Marketing and Selling

It is our responsibility to understand our customers' requirements and to satisfy those requirements by offering quality products and services.

We will sell our products and services honestly, based upon their merits, and will not pursue any sale requiring us to act unlawfully or creating a violation of these standards.

1.4 Relation with Competitors

We will follow sound and fair competitive practices. To maintain our competitive edge, we must understand our competitors' strategies, products and services and benchmark against them; however, Warnex employees must not use improper means for gathering information on our competitors.

1.5 Consultants, Representatives and Agents

When it is necessary to engage the services of an individual or a firm to consult for or otherwise represent Warnex, special consideration must be given to avoiding conflicts of interest between Warnex and the person or firm to be employed. Consultants, representatives and agents of Warnex must not act on Warnex's behalf in any manner which is inconsistent with the standards of conduct applicable to employees under the Code of Ethics or any applicable laws or regulations.

1.6 Protection of Proprietary Information

All Warnex directors and employees will respect the proprietary information and trade secrets of Warnex as well as those of our customers. New employees are not to divulge the proprietary information of their former employers. Warnex directors and employees will not disclose any proprietary information respecting Warnex and/or customers unless the release or disclosure is properly authorized by Warnex or the individual or firm owning the information.

1.7 Error Reconciliation

It is Warnex's policy to advise customers and suppliers of any clerical or accounting errors and promptly to effect correction of the error through credits, refunds or other mutually acceptable means.

1.8 Compliance with the Law

It is Warnex's policy to comply with all applicable acts, statutes and regulations governing its activities and Warnex directors and employees must do likewise. Persons having concerns or questions in this regard

should address them to the CEO or to the Chairman of the Board of Warnex.

2.0 Employees

2.1 Equal Employment Opportunity

It is Warnex policy to afford equal employment opportunity to qualified individuals regardless of their ethnic group, religion, color, nationality, age, sex, handicap or other factors not related to Warnex's legitimate business interests.

This policy applies to all phases of the employment relationship, including the hiring of new employees, promotions, compensation, administration and benefit programs.

2.2 Workplace Environment

Warnex is committed to providing its employees with a workplace that is free from recognized safety and health hazards and a work environment free from discrimination, harassment or personal behaviour not conducive to a productive work climate.

2.3 Drug and Alcohol Abuse

Warnex strictly prohibits the use, sale, purchase, transfer, possession or presence in one's system of drugs other than medically prescribed drugs while on Warnex premises.

Similarly, Warnex prohibits the use, sale, purchase, transfer or possession of alcoholic beverages by employees while on its premises, except as authorized by Warnex.

2.4 Employee Privacy

Warnex operates on the firm belief of respect for employee privacy and dignity. It is Warnex's policy to acquire and retain employee personal information that is solely required for the management of its operations. Access to such information will be restricted internally to those with a recognized need to know.

Warnex will comply with all applicable laws regulating the disclosure of personal information about employees. In any location where applicable law does not regulate the release of such information, Warnex will adopt policies designed to protect such information from unreasonable disclosure.

Warnex's respect for employee privacy normally precludes any concern relative to personal conduct off the job, unless such conduct impairs the employee's work performance or affects the reputation or legitimate business interests of Warnex.

2.5 Communication

Warnex will provide its employees with timely information on business results, product and services performance, customer relations and employee achievements. Communication channels will be provided that encourage self-expression and open avenues relative to employee opinions, attitudes and concerns.

2.6 Employee Development

Warnex is dedicated to promoting employee self-development through assistance in improving and broadening work-related skills.

2.7 Compensation and Benefits

Warnex's compensation programs and levels will be based on attracting, motivating and retaining competent, dedicated personnel. Compensation and benefits programs will be consistent with remaining competitive on Warnex's market.

3.0 Shareholders

3.1 Return on Investment

It is one of Warnex's basic objectives to earn a profit in an ethical manner in order to make investments in Warnex's future and to provide a superior return on our shareholders' investments.

3.2 Protection of Assets

3.2.1 Tangible Assets

Every Warnex employee is responsible for the proper use, conservation and protection of Warnex assets. The management and the Board of Directors of Warnex are responsible for establishing and communicating to employees the policies and procedures necessary to meet those responsibilities. Each employee has the responsibility to respect those policies and procedures.

3.2.2 Intellectual Property

Warnex directors and employees frequently have access to Warnex's intellectual property, such as inventions, sensitive business information, and sensitive technical information, including computer programs and manufacturing expertise. All directors and employees are charged with the responsibility to use and protect these assets in accordance with Warnex guidelines regarding Information Protection.

3.3 Accuracy of Company Records

Warnex business transactions must be properly authorized and be completely and accurately recorded on Warnex's books and records in accordance with generally accepted accounting practice and established Warnex financial policy.

3.4 Shareholder and Public Communication

Warnex will comply with all laws and regulations governing the public disclosure of business information to its shareholders and to the public. All public statements, whether verbal or written, must be accurate with no material omissions. All public disclosures will be made in accordance with Warnex's guidelines governing communications.

4.0 Environmental issues

Warnex will conduct its operations in a manner that safeguards the natural environment.

The management of Warnex is responsible for establishing and maintaining approved Warnex policies and procedures which meet this requirement. Each employee has the responsibility to respect those policies and procedures.

5.0 Employee Responsibilities

5.1 Compliance

It is the responsibility of all Warnex directors and employees to comply with these Standards of Conduct. Any questions of applicability or interpretation should be addressed to cognizant supervision, to the human resources department or to the CEO of Warnex.

5.2 Preventing and Reporting

Employees should take all necessary measures to prevent a violation of these standards and must immediately report to their managers, to the human resources department, to the CEO or to the Chairman of the Board of Directors, situations of non-compliance and suspected violation of the Code.

5.3 Consequences

Failure to comply with these Standards and associated Warnex policies will result in appropriate sanctions that could lead to dismissal and/or civil or criminal proceedings.

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