



**Statement of General Business Principles  
And  
Code of Ethics**

## **Statement of General Business Principles**

### **1.0 Overview**

QuestAir understands that retaining the confidence of its employees, shareholders, customers and other stakeholders is very important to the growth of its business.

QuestAir's Code of Ethics forms the foundation of how we conduct business and work together to achieve our goals. QuestAir is committed to achieving the highest level of ethical conduct and standards and we believe this is extremely important to the success of our Company.

### **2.0 Objectives**

QuestAir follows ethical and responsible business practices when conducting its operations. The Company has set a standard of high performance in its research and development activities and in the delivery of its products to customers to allow it to create and maintain a competitive position in the marketplace.

## **RESPONSIBILITIES**

<b>To Our Employees</b>	To respect each other and to provide employees with a safe place to work, satisfying and rewarding employment, on-going professional development and an open team environment.
<b>To Our Customers</b>	To provide products and services with high value and excellent quality, delivered on time.
<b>To Our Suppliers</b>	To create long-term supply chain relationships to ensure continued product and service excellence.
<b>To Our Shareholders</b>	To steward our resources in a manner that will provide a very attractive return on investment.
<b>To Our Community</b>	To honour environmental and regulatory obligations and to develop our technology so that it will contribute to the long-term environmental health of our planet.

## **BUSINESS INTEGRITY**

Our core values are based on honesty and integrity in carrying out our business activities. Employees must avoid conflicts of interest between their private financial affairs and their business conduct with QuestAir. All business activities must be accurately and fairly reflected in our financial statements, in accordance with applicable accounting principles, and shall be subject to audit.

## **POLITICAL ACTIVITIES**

QuestAir does not make contributions to political parties, organizations or their representatives or take part in party politics. However, it does have dealings with governments and is interested in keeping itself informed of political issues that have the potential to impact its business. In the course of pursuing its commercial interests, it may be necessary for QuestAir to attend various governmental events and some payment may be required to attend these events.

## **HEALTH, SAFETY, ENVIRONMENT & COMMUNITY**

The Company is committed to promoting and providing a safe working environment for all employees and to complying with all applicable environmental regulations. QuestAir takes a proactive approach to health, safety and environmental matters, including providing training to employees to minimize the risk of any such incidents.

We also actively participate in contributing to the betterment of society. To the extent practical, QuestAir will be involved in community, education or donations programs.

## **COMMUNICATION**

QuestAir recognizes that open communication and a team environment have a positive impact on the Company's operations. To this end, we provide information about our business operations to interested parties, to the extent that is allowable within the bounds of securities regulations, confidentiality arrangements and business practicality.

# **The Code of Ethics of QuestAir Technologies Inc.**

## **1.0 Introduction**

QuestAir's Business Principles have been integrated into our Code of Ethics ("Code") to provide guidance on what type of conduct we expect from our employees to support our fundamental business principles.

*This Code applies to all directors, officers and employees of QuestAir. For simplicity, all such persons are referred to as "employees" in this Code.*

## **2.0 Employee Responsibility**

It is the responsibility of each employee to ask questions, seek guidance and express concerns regarding compliance with this Code. No employee will be subject to retaliation by QuestAir for reporting in good faith a violation of this Code.

The Code will be amended and updated from time-to-time as the situation warrants. Employees will be notified of changes and will be bound by them.

## **3.0 Board and Management Responsibility**

The Chief Executive Officer and management at all levels of the Company are responsible for ensuring adherence to this Code. The Board of Directors has a general oversight function. Any significant deviation from the standards of conduct in this Code, whether actual or apparent, will be reported by management to the Board along with actual or proposed remedial actions.

Amendments to this Code will be reviewed and approved by the Board. Only the Board may grant a waiver of any provision of the Code. A request for such a waiver should be submitted in writing to the Corporate Governance and Nominating Committee for consideration. Any amendment to or waiver of this Code will be publicly disclosed to the extent required by applicable laws and regulations.

## **4.0 Expectations of Conduct**

QuestAir expects that all business should be conducted in accordance with its Business Principles and Code. All employees are expected, in good faith, to report any violations of the Principles and Code to their immediate supervisor and this will be met with the full support of QuestAir. Please refer to the Company's Whistleblower Policy which was implemented in January 2004 and is posted on our website at [www.questairinc.com](http://www.questairinc.com).

We require our employees to observe the following general guidelines:

- (a) Act with honesty, integrity and openness in dealings with our customers, suppliers, shareholders and others with whom QuestAir does business
- (b) Treat others with fairness, dignity and respect to create a trusting environment in which all of our employees can excel
- (c) Strive for excellence in individual work and that of our peers to support the achievement of corporate goals and objectives.

### **Employees**

QuestAir is committed to:

- respecting the human rights of its employees
- treating employees with dignity and respect
- providing safe work conditions for its employees
- providing career development and advancement opportunities
- respecting the confidentiality of employee records.

### **Customers and Suppliers**

QuestAir is committed to:

- dealing openly and honestly with its customers and suppliers.

### **Shareholders**

QuestAir is committed to:

- accurately and fairly reporting material information to our shareholders on a timely basis so that shareholders can make informed decisions.

## **5.0 Business Integrity and Controls**

QuestAir expects that all of its employees will work honestly and fairly when conducting their business affairs. The direct or indirect solicitation, offer, payment or acceptance of bribes is prohibited. All employees must avoid conflicts of interest between their private financial affairs and the activities of the Company. All business transactions must be accurately and fairly reflected in our financial statements, in accordance with applicable accounting principles, and shall be subject to audit.

Individuals must also ensure that business transactions are conducted within their level of authority and in accordance with prescribed policies and procedures. If one is not certain that they have the authority to conduct a transaction, or if they believe that the posted procedures or authorities to be

inappropriate or outdated, they must discuss these issues with their supervisor prior to conducting a transaction.

## **6.0 Conflict of Interest**

A QuestAir employee must conduct his or her employment activities objectively. Anyone that finds himself or herself in a situation where he or she may be placing their own or others' interests ahead of the interests of QuestAir must seek advice from his or her direct supervisor. As well, employees must also avoid the appearance of a conflict of interest – that is, one where a reasonable individual may assume that there is a conflict of interest.

The examples below indicate only a few conflicts that commonly arise and that QuestAir employees should be aware of. These examples are not exhaustive and employees must be aware that there are several other potential situations in which conflicts may arise.

### Accepting gifts and invitations

In general, the Company allows the acceptance of token gifts, business meals and entertainment provided their value is appropriate to the business purpose served; and accepting is consistent with local business norms and practices. Employees are not prohibited from accepting social invitations which are customary and proper under the circumstances and are in keeping with good business ethics, where there is no reciprocal obligation involved in such acceptance. In the case of a gift, it must be of sufficiently limited value (usually less than \$50) and in a form that cannot be construed as a bribe.

In some cases, an employee may feel that refusal of a gift would be construed as discourteous by the host. In these cases, employees must accept the gift on behalf of QuestAir (rather than personally) and must report it to their manager, who will consult with senior management to determine how best to treat it.

Employees must use their best judgment when deciding whether to accept a gift or invitation. When in doubt, an employee should consult his or her supervisor.

### Choosing suppliers

QuestAir employees must undertake a selection process that is fair and ethical. Employees should weigh facts impartially and objectively when choosing a supplier among competitors for any goods or service. Employees should choose a supplier who offers the best value for product or service in accordance with the Company's needs. QuestAir employees must not accept personal or inappropriate consideration such as gifts, personal favours, kickbacks and bribes.

QuestAir employees must disclose to their supervisor any personal relationships which could influence the selection of a supplier and they should abstain from the decision-making process.

### Financial conflicts of interest

QuestAir employees must avoid any activity or arrangement that could compromise, or appear to compromise, their ability to objectively perform their employment duties. This ability is compromised if employees have personal interests or obligations that conflict or compete with QuestAir's business interests.

As an example, QuestAir employees should avoid acquiring or holding a significant financial interest in companies where it may give rise to a conflict between the employee's financial interest and QuestAir's interests. A financial interest generally will be considered "significant" if it does or could be viewed as being important enough to influence how a QuestAir employee carries out his or her employment duties. If a QuestAir employee holds a significant interest in another company which does business or is negotiating to do business with QuestAir, the QuestAir employee must disclose the potential conflict to his or her supervisor and refrain from all decision making related to and from all interaction with that other company during the course of his or her employment.

Another example relates to a QuestAir employee having direct business dealings with a personal friend who is employed by a company that has or is attempting to close a business relationship with QuestAir. Again, the QuestAir employee must disclose the potential conflict to his or her supervisor and refrain from all decision making related to and from all interaction with that company during the course of his or her employment.

## **7.0 Insider Trading**

Insider trading legislation imposes obligations on all employees in possession of confidential material information. Penalties for breaching this legislation are severe.

Employees should refer to the Company's Corporate Disclosure and Stock Trading Policy for further guidance on this subject.

## **8.0 Confidentiality**

Confidentiality provisions are contained in QuestAir employee contracts and the Company's Corporate Disclosure and Stock Trading Policy. Employees should refer to their employment contracts and the Corporate Disclosure and Stock Trading Policy for further guidance on this subject.

## **9.0 Protection and Use of Property**

The Company has valuable property, both physical (eg. computers, manufacturing equipment, tools and test rigs) and intangible (eg. Intellectual property, copyrights, trademarks, trade secrets and business information such as customer lists) and it is the responsibility of every employee to take reasonable steps to prevent the theft, misuse or damage to this property. Additionally, this property shall only be used for QuestAir's legitimate business interests. The purchase, sale, lease or borrowing of such property must be approved by senior management of the Company.

## **10.0 Health, Safety and Environment**

QuestAir is committed to managing health, safety and environmental issues as one of our critical business activities. To this end, our employees and contractors are required to observe our health, safety and environmental guidelines and report any material issues to our Safety Committee and to our senior management team for further review and action. In addition, we encourage our employees to continuously monitor their activities so that they can make improvements in the way in which they conduct themselves to minimize any health, safety and environmental issues.

## **11.0 Compliance with applicable laws and monitoring and enforcement procedures**

QuestAir expects all of its employees to adhere to its policies and guidelines, as well as to all laws and regulations that apply to our business. The Company has set up an orientation program for new employees, training sessions for all employees and an Intranet site to ensure they are aware of the applicable laws, regulations, policies and guidelines that apply to them.

If an employee violates a policy, law or regulation, QuestAir's senior management must be informed in a timely manner so that issues can be investigated. Employees should consult their supervisor and refer to the Company's Whistleblower Policy for further guidance.

## **12.0 Termination of Employment**

At the end of employment with QuestAir, all employees must abide by certain obligations set out in their employment agreements. Employees should refer to their employment agreements for further guidance.

## **13.0 General Guidance**

Individuals are responsible for using their best judgment when assessing whether a situation might contravene QuestAir's Business Principles or Code.

To help individuals understand if their actions would contravene QuestAir's Business Principles or Code, they should consider whether:

- the conduct is legal
- the conduct is a violation of QuestAir's policies and procedures
- the conduct would be authorized by their supervisor
- the conduct would not harm fellow employees, our customers, suppliers, shareholders, other stakeholders and our community
- the disclosure of this conduct would not be a concern to internal or external parties
- the conduct would be considered to be honest and ethical.

If, having considered the above, an employee still has questions regarding whether the conduct would be a violation of QuestAir's Business Principles or Code, he/she is encouraged to seek the advice of their supervisor.

#### **14.0 Reporting Violations**

Any director, officer or employee of QuestAir who has knowledge of a potential or suspected violation of this Code has an obligation to report relevant information to your supervisor, the HR manager, the Corporate Secretary or the President and CEO.

Generally, your supervisor will be in the best position to resolve any issue quickly. However, you are welcome to raise any specific or general question or concern with any of the contacts listed above. Reports will be treated confidentially to the extent possible and consistent with QuestAir's responsibility to address the issue. No employee will be subject to retaliation by QuestAir for reporting in good faith a violation of this Code.