

October 31, 2008

VIA COURIER

Allan Seidenfeld, President INSCYTE Corporation 2 Berkeley Street, Suite 403 Toronto, Ontario M5A 2W3

Dear Dr. Seidenfeld:

RE: Review of the Practices and Procedures of INSCYTE Corporation in respect of CytoBase

Pursuant to subsection 13(2) of Regulation 329/04 of the *Personal Health Information Protection Act*, 2004 ("the Act"), my office is responsible for reviewing the practices and procedures implemented by each prescribed person to protect the privacy of individuals whose personal health information it receives, and to protect the confidentiality of that information, every three years.

Given the practices and procedures of INSCYTE Corporation in respect of Cytobase, a prescribed person within the meaning of the *Act*, were initially approved on October 31, 2005, my office was again required to review these practices and procedures on or before October 31, 2008.

My office has now completed its review, which included a review of the privacy and security policies, procedures and practices implemented by INSCYTE Corporation in respect of Cytobase and an on-site meeting to discuss questions arising from these policies, procedures and practices.

Based on this review, I am satisfied that INSCYTE Corporation in respect of Cytobase continues to have practices and procedures in place for sufficiently protecting the privacy of individuals whose personal health information it receives and for sufficiently maintaining the confidentiality of that information.

Accordingly, effective October 31, 2008, I am pleased to advise that the practices and procedures of INSCYTE Corporation in respect of Cytobase continue to be approved for a further three-year period.

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Attached is a report summarizing the findings of the review and making recommendations to further enhance the practices and procedures of INSCYTE Corporation in respect of Cytobase, which must be implemented prior to the next legislated review.

I would like to extend my gratitude to you and your staff for the cooperation provided during the course of the review, including your diligence and timeliness in submitting the requested documentation, in responding to requests by my office for further information and in making the amendments requested to the practices and procedures of INSCYTE Corporation.

Sincerely yours,

Ann Cavoukian, Ph.D.

Commissioner

Attach.

cc: Jack Golabek, Privacy Officer