



TERAGO INC.

CODE OF BUSINESS CONDUCT AND ETHICS

A. INTRODUCTION

The Code of Business Conduct and Ethics (the “**Code**”) embodies the commitment of TeraGo Inc. and its subsidiaries (collectively, “**TeraGo**” or the “**Company**”) to conduct its business in accordance with all applicable laws, rules and regulations and the highest ethical standards. TeraGo’s business success is dependent on trusting relationships, which are built upon the foundation of integrity of each of TeraGo’s officers, employees and directors. Accordingly, all officers, employees and members of TeraGo’s Board of Directors (“**Board**”) are expected to be familiar with the Code and adhere to its principles and procedures.

This is not a complete code of business and ethical conduct. Officers, employees and directors are expected to read the policies set forth in this Code, as well as TeraGo’s Disclosure, Confidentiality and Insider Trading Policy (the “**Disclosure Policy**”), Whistleblower Policy and Procedures (“**Whistleblower Policy**”) and Employee Policy and Procedure Handbook (the “**Employee Handbook**”), and ensure that they understand and comply with them. Each officer, employee and director of TeraGo will, upon joining TeraGo and annually thereafter, be required to sign a form of acknowledgment indicating that they have read the Code and all other Company policies and that they will abide by their principles. Copies of the Company’s policies are available on-line via TeraGo’s Intranet.

No statement can offer a complete guide to cover all possible situations that might be encountered. There are some areas, however, which because of their special importance, deserve particular attention and these are set out below. If there are any doubts as to whether a particular course of action is proper, or about the application or interpretation of any requirement of this Code, you should discuss it with (i) your manager, (ii) our Director, Human Resources or (iii) our VP, Legal (the “**Ethics Officer**”). The Ethics Officer will report directly to the Chief Executive Officer with respect to these matters and will make periodic reports to the Company’s Corporate Governance and Audit Committees regarding the implementation and effectiveness of, and compliance with, this Code and the Company’s other policies.

If you do not feel comfortable speaking with any of the above individuals, or the matter involves an executive officer of the Company, you can contact Michael Martin, the Chair of the Corporate Governance Committee, at governancechair@terago.ca.



B. STANDARDS OF CONDUCT

TeraGo and each of its employees, officers and directors must conduct their affairs in accordance with high standards of honesty, fairness and ethical conduct. TeraGo is proud to operate in an environment where each person conducts himself or herself in an appropriate and considerate manner. Examples of impermissible or inappropriate conduct is set forth under the heading “Standards of Conduct” in the Employee Handbook.

C. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

General

Officers, employees and directors of TeraGo must comply with all laws, rules and regulations applicable to TeraGo and its business, as well as TeraGo’s policies and procedures. TeraGo has designed its policies and procedures to ensure compliance with these laws, rules and regulations. Each officer, employee or director is expected to acquire appropriate knowledge of the legal requirements relating to his or her duties in order to recognize potential problems and to know when to seek advice from the Company’s Ethics Officer. Any questions as to the applicability of any law, rule or regulation should be directed to the Ethics Officer.

Insider Trading

Canadian securities legislation requires TeraGo to disclose material information in a timely manner. Additionally, such legislation also seeks to protect the public from abuse of material information by insiders of TeraGo before it is generally disclosed by imposing sanctions for such abuse. These sanctions may be imposed on directors, senior officers and other persons who have access to undisclosed material information about TeraGo as a result of that person’s relationship with TeraGo (or an insider of TeraGo). As well, such sanctions could, for example, be imposed on employees, family members of employees and other persons who learn of undisclosed material information through TeraGo’s employees. It is a violation of this Code to improperly trade or disclose material information. For further guidance, officers, employees and directors should refer to TeraGo’s Disclosure Policy.

Intellectual Property

Information and materials created and/or used in the course of work are protected by intellectual property laws and are proprietary to TeraGo or, as the case may be, TeraGo’s customers or suppliers. It is illegal to reproduce, distribute or alter proprietary material without the permission of the intellectual property owner. Use or copying of any intellectual property of TeraGo or its customers, suppliers or other third parties for personal advantage or private use or otherwise in contravention of applicable laws contravenes this Code. The obligation to protect TeraGo’s proprietary information exists whether or not the information is explicitly labeled or



otherwise designated as being proprietary, and such obligation continues even after employment or association with the Company has ceased.

Workplace Safety

Safety and health in the workplace is a shared responsibility of TeraGo and its managers and employees. Managers are responsible for ensuring that employees are aware of potential work hazards, are trained in safe work practices and are expected to comply with the safety and health laws, rules and regulations in Canada. All employees are to take every reasonable and necessary precaution to ensure personal safety and health as well as that of their colleagues.

D. FAIR DEALING

TeraGo seeks to outperform its competition fairly and honestly. TeraGo's business is premised on superior performance and the Company does not condone and will not tolerate unethical or illegal business practices as a means of obtaining competitive advantages. Stealing proprietary information, possessing or using trade secrets obtained without owner consent, or inducing such disclosures from past or present employees of other companies is prohibited. No officer, employee or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

E. CONFIDENTIALITY

In carrying out TeraGo's business, officers, employees and directors often learn confidential or proprietary information about TeraGo or its customers, suppliers, business partners or other third parties. Officers, employees and directors must respect and support the confidentiality of such information, except when disclosure is authorized or legally mandated. Confidential or proprietary information includes all non-public information that might be of use to competitors of TeraGo or harmful to TeraGo or its customers, suppliers, business partners or other third parties, if disclosed. This can include, among other things, any non-public information concerning TeraGo, including its businesses, financial performance, results or prospects, and any non-public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed. Officers, employees and directors should refer to the policies set forth in TeraGo's Disclosure Policy for more detailed guidance on this topic. Any questions about whether information is confidential should be directed to TeraGo's Ethics Officer.

F. PUBLIC DISCLOSURE

Information in TeraGo's public communications, including securities regulatory filings and communications with shareholders, must be complete, fair, accurate, timely and understandable. All officers, employees and directors who are involved in TeraGo's disclosure



process are expected to act in furtherance of this policy. In particular, these individuals are required to be familiar with the disclosure requirements for TeraGo and are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit, material facts about TeraGo to others, whether within or outside TeraGo, including TeraGo's independent auditors. Additionally, any officer, employee or director with a supervisory role in TeraGo's disclosure process is required to discharge his or her responsibilities diligently. For further guidance, please refer to TeraGo's Corporate Disclosure Policy.

G. CONFLICTS OF INTEREST

General

A "conflict of interest" occurs when an individual's personal interest improperly interferes (or appears to interfere) with the interests of TeraGo. Even the slightest impression of an impropriety or conflict of interest can have a devastating effect. Conflicts of interest are prohibited as a matter of policy. In particular, officers, employees and directors must always disclose whether they have a conflict of interest in any transaction involving TeraGo that would, or may be perceived to, reasonably be expected to affect their conduct.

A conflict of interest can arise when an officer, employee or director takes actions or has interests that may make it difficult to perform his or her TeraGo responsibilities objectively and effectively. Any officer, employee or director who is aware of any situation that is or could reasonably be expected to give rise to a conflict of interest must discuss the matter promptly with the Ethics Officer. Full disclosure and discussion creates an opportunity to resolve unclear situations and dispose of conflicting interests before any difficulty arises.

Corporate Opportunities

Officers, employees and directors are expected to advance TeraGo's legitimate business interests when the opportunity to do so arises. Officers, employees and directors may not take for themselves (or direct to a third party) a business opportunity that is discovered through the use of TeraGo's property, information or position, unless TeraGo has already been offered the opportunity and turned it down. More generally, officers, employees and directors are prohibited from using corporate property, information or position to compete with TeraGo.

The line between personal benefits and those of TeraGo is often difficult to draw and sometimes both personal and benefits to TeraGo may be derived from certain activities. The best policy is to avoid any direct or indirect business connection with TeraGo's customers, suppliers or competitors, except on behalf of TeraGo. Specifically, an officer, employee or director may not, without the prior consent of TeraGo's officers (and, in the case of such officers, TeraGo's Board of Directors), serve as a director, partner, employee of or consultant to, or otherwise work for or receive compensation for personal services from, any customer, partner, supplier or competitor of



TeraGo, provided that any such activities shall only be conducted during such individual's personal (non-Company) time.

If an officer, employee or director has any questions that a personal use of TeraGo's property or services may not solely be for the benefit of TeraGo, he or she should discuss the matter with the Ethics Officer.

Gifts, Entertainment, Other Benefits and Payments

Officers, employees and directors must not offer or give on behalf of TeraGo extravagant gifts or excessive entertainment or benefits to others. Modest gifts and reasonable entertainment may be given for business purposes by appropriate employees, where legally permitted and in accordance with local business practices, to persons or entities doing business or seeking to do business with TeraGo. No gift or entertainment should be of such value as to constitute a real personal enrichment of the recipient or to be perceived as such. Cash or cash value vouchers are not to be given. Gifts or entertainment given on behalf of TeraGo should be of a nature and amount that avoid embarrassment and would not reflect unfavorably on TeraGo or the recipient, if subjected to public scrutiny.

Officers, employees and directors must not use their position to obtain personal gain or benefit from those doing or seeking to do business with TeraGo. Officers, employees and directors must not seek any gifts, payments, services, loans, or other benefits. Officers, employees and directors are required to select and deal with third parties doing or seeking to do business with TeraGo in a completely impartial manner and be perceived by others to be acting in an impartial manner, without favour or preference based upon any considerations other than the best interests of TeraGo. Modest gifts and reasonable entertainment may be received from business associates of TeraGo. No gift, favor or entertainment shall be of such a nature as might affect, or reasonably be perceived to affect, an employee's judgment or conduct in matters involving TeraGo. Cash or cash value vouchers are not to be accepted.

If the suitability of a gift, entertainment or other benefit is questionable, employees should consult with their functional head, our Director, Human Resources or the Ethics Officer, while directors and officers should forward inquiries directly to the Ethics Officer.

H. EQUAL EMPLOYMENT OPPORTUNITY AND HARASSMENT

TeraGo's personnel decisions are made on the basis of merit and contribution to the Company's success. Concern for the personal dignity and individual worth of every person is an indispensable element in TeraGo's standard of conduct. TeraGo affords equal employment opportunity to all qualified persons without regard to any impermissible criterion or circumstance. This means equal opportunity in regard to each individual's terms and conditions of employment and in regard to any other matter that affects in any way the working environment of the employee. TeraGo does not tolerate or condone any type of discrimination prohibited by law, including



harassment. Employees who experience or observe work-related discrimination, harassment or similar problems are urged to report them

I. INTEGRITY OF RECORDS

The books and records of TeraGo are to be maintained with scrupulous integrity and are to accurately reflect all business dealings. As an officer or employee, you are to ensure that all transactions, documents, agreements and dealings are recorded and maintained in an accurate and timely manner, and that such records are managed in accordance with records management policies. No officer, employee or director should ask or direct another person to report anything other than fair and accurate financial and other information.

J. WHISTLEBLOWER POLICY

It is TeraGo's policy to comply with all applicable financial reporting and accounting regulations applicable to the Company. If any TeraGo officer, employee or director has concerns or complaints regarding questionable accounting or auditing practices of the Company, you should submit those concerns or complaints in accordance with the procedures outlined in TeraGo's Whistleblower Policy.

K. REPORTING OF CODE VIOLATIONS

Any officer, employee or director who becomes aware of any existing or potential violation of the Code should promptly notify (i) his or her manager, (ii) our Director, Human Resources or (iii) the Ethics Officer. An employee, officer or director who is unsure of whether a violation has occurred should discuss the situation with the Director, Human Resources or the Ethics Officer.

If you do not feel comfortable speaking with any of the above individuals, or the matter involves an executive officer of the Company, you can contact our Chair of the Corporate Governance Committee.

Reprisal, threats, retribution or illegal conduct against any person who has in good faith reported a violation or suspected violation of law, this Code or other TeraGo policies, or against any person assisting in any investigation or process with respect to such violation, is prohibited.

L. ACCOUNTABILITY

Officers, employees and directors will be held accountable for their adherence to the Code. Failure to observe the terms of the Code may result in disciplinary action, including termination of employment or removal from the Board. Violations of the Code may also constitute violations of law and may result in civil or criminal penalties for officers, employees, directors and TeraGo.



M. WAIVER OF THIS CODE

TeraGo may waive certain provisions of the Code when deemed absolutely appropriate under the circumstances. Any employee who believes that a waiver may be called for should discuss the matter with the Ethics Officer. Waivers for executive officers or directors of TeraGo may be made only by the Chair of the Board or the Chair of the Corporate Governance Committee. Waivers will be disclosed as required under applicable securities and stock exchange rules.

N. AMENDMENTS

This Code has been reviewed and approved by TeraGo's Board and may be amended or modified by the Board from time to time.