

TERAGO INC.

WHISTLEBLOWER POLICY

I. Purpose

The *Audit Committee* (the “Audit Committee”) of TeraGo Inc. (the “Corporation”) has approved the following procedures for the receipt of complaints and concerns of employees of the Corporation and its subsidiaries, including TeraGo Networks Inc., regarding accounting and auditing matters relating to the Corporation. Employment related concerns of an employee should continue to be reported through the Human Resources Department.

II. Responsibilities of Senior Management and the Audit Committee with Respect to Specified Complaints

You may submit any complaints or concerns arising under this policy through one of the following channels:

- (a) *Director of Legal*
- (b) *Manager, Human Resources*
- (c) *Audit Committee Chairman*

If you feel uncomfortable approaching the *Director of Legal*, the *Manager, Human Resources* or the *Audit Committee Chairman* with your concern, you can do so via e-mail, fax or letter. (Mailing information can be found in section III, “**Procedures for Making and Receiving Reports**”)

At the discretion of the *Audit Committee*, responsibilities of the *Audit Committee* created by these procedures may be delegated to *Legal Counsel* (the “contact”). Where the contact is delegated the obligation to receive and investigate complaints and concerns pursuant to this Policy, he or she shall provide a report to the full *Audit Committee* at each *Audit Committee* meeting. Such a report shall consist of a summary of complaints and concerns received and investigated since the last *Audit Committee* meeting including the disposition of any complaints and concerns investigated.

Upon receiving a complaint, the receiving party will immediately ensure that Legal Counsel is aware in order to retain a log of all complaints or concerns. This log will be maintained in such a manner that protects the confidentiality of the sender. Legal Counsel and/or Human Resources will, when possible, acknowledge the receipt to the sender and will expeditiously determine whether or not to commence an investigation of the complaint.

Human Resources and/or Legal Counsel will determine the need for an investigation. Where the CEO/CFO is not named in the complaint, the CEO/CFO will also determine that need. The *Audit Committee* shall receive, investigate and act on complaints and concerns (“Reports”) of employees of the Corporation regarding:

- (a) Accounting, internal accounting controls and audit matters, including those regarding the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation of the accounting policies (an “Accounting Allegation”) of the Corporation;
- (b) Compliance with legal and regulatory requirements (a “Legal Allegation”); and
- (c) Retaliation against employees of the Corporation who make Accounting Allegations or Legal Allegations (a “Retaliatory Act”).

III. Procedures for Making and Receiving Reports

1. Any person acting in good faith and with reasonable grounds for believing and allegation of suspected improper activities may make a report of such allegations. Knowledge or suspicion of improper activities may originate from employees in day work or in dealing with internal or external auditors, law enforcement officials, regulatory agencies, customers or other third parties. Employees should express any questions, concerns, suggestions or complaints they have with someone who can address them properly. Often, an individual’s manager is in the best position to address a particular concern. However, an employee may also report matters according to the procedures set out in this Policy.

2. Reports can be made in person, via e-mail or in writing. Reports should be factual in nature and contain as much specific information as possible to allow proper assessment and investigation of the allegations reported and may be made openly, confidentially or anonymously, to:

Name: Mark Lau
Title: *Director of Legal*
Address: 800-55 Commerce Valley Drive West
Phone: 905-482-6512
Email: mark.lau@terago.ca

Name: Heather McManus
Title: *Manager, Human Resources*
Address: 800-55 Commerce Valley Drive West
Phone: 905.326.5286
Email: heather.mcmanus@terago.ca

Name: Gary Sherlock
Title: *Audit Committee Chairman*
Address: 102 – 918 Cooperage Way, Vancouver, BC V6B 0A7
Phone: 604-512-7477
Email: auditchair@terago.ca

3. For the purpose of determining whether a Report warrants further investigation or review, each Report referred to the *Audit Committee*, whether openly, confidentially or anonymously, shall be reviewed by the *Audit Committee*, who may, in its discretion, consult with any director, officer or employee of the Corporation who is not the subject of the allegation and who may have appropriate knowledge to assist the *Audit Committee*.

4. If the *Audit Committee* determines that further review or investigation is warranted in respect of Report, the *Audit Committee* shall decide whether it will be the responsibility of the *Audit Committee* or of Human Resources to investigate the Report, taking into account the considerations set forth in section V, “**Considerations Relative to Whether the *Audit Committee* or Human Resources Should Investigate a Report**”.

(a) If the *Audit Committee* determines that Human Resources will investigate the Report, the *Audit Committee* will notify the Manager, Human Resources in writing of that determination. Human Resources shall thereafter promptly investigate the Report and shall report the results of its investigation, in writing, to the *Audit Committee*. Human Resources shall be free, in its discretion, to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

(b) If the *Audit Committee* determines that it will investigate the Report, the *Audit Committee* shall promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The *Audit Committee* shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

5. If on preliminary examination, issues or facts raised are considered to be without substance or merit, the matter will be dismissed and the individual who raised the concern will be informed of the decision and the reasons for such dismissal by General Counsel or Human Resources. If it is considered that the issue(s) have merit, the matter will be dealt with in accordance with this policy and the normal disciplinary procedures and/or as otherwise may be deemed appropriate according to the nature of the case. The outcome of the investigation will be reported to the individual who raised the concern.

6. You are obliged to cooperate with the investigations relating to complaints and you must always be truthful and forthcoming in the course of these investigations.

IV. Protection of Whistleblowers

1. All complaints and concerns will be taken seriously and kept confidential, except to the extent information is required to be disclosed in the investigation process as described in this policy, or as required by law.
2. If you identify yourself when raising a complaint or concern, your name will not be disclosed unless you consent or unless the law requires such a disclosure. However, if you raise a complaint or concern and after an investigation it is determined that the complaint was made maliciously or recklessly, your identity may be disclosed.
3. TeraGo will treat all complaints or concerns received as confidential and privileged to the fullest extent permitted under the law. The company will exercise particular care to keep confidential the identity of any individual making a complaint under this policy until a formal investigation is launched. Thereafter, the identity of the individual will be kept confidential, unless such confidentiality is incompatible with a fair investigation, there is overriding reason for identifying or otherwise disclosing the identity of the individual or the law requires such disclosure. In this incidence, the individual will be informed in advance of his or her being identified. Where disciplinary proceedings are invoked against any individual under this policy, TeraGo will normally require the name of the person who made the complaint to be disclosed to the person subject to such proceedings.
4. The *Audit Committee* shall not retaliate, and shall not tolerate any retaliation by management or any other person or group, directly or indirectly, against anyone who in good faith makes an Accounting Allegation or Legal Allegation, reports a Retaliatory Act or provide assistance to the *Audit Committee*, management or any other person or group, including any governmental, regulatory or law enforcement body, investigating a Report. The *Audit Committee* shall not, unless compelled by judicial or other legal process, reveal the identify of any person who makes an Accounting Allegation or Legal Allegation or reports Retaliatory Act and who asks that his or her identity as the person who made such Report remain confidential. The *Audit Committee* shall not make any effort, or tolerate any effort made by management or any other person or group, to ascertain the identity of any person who makes a Report anonymously.

V. Considerations Relative to Whether the *Audit Committee* or Human Resources Should Investigate a Report

In determining whether it will be the responsibility of the *Audit Committee* or of Human Resources to investigate the Report, Legal Counsel will consider, among any other factors that are appropriate under the circumstances, the following:

- a. Who is the alleged wrongdoer? If an executive officer or financial officer of the Corporation is alleged to have engaged in wrongdoing, that factor alone may support a decision by the *Audit Committee* to conduct an investigation.

b. How serious is the alleged wrongdoing? The more serious the alleged wrongdoing, the more appropriate that the *Audit Committee* should undertake the investigation. If the alleged wrongdoing would constitute an offence involving the integrity of the financial statements of the Corporation, that factor alone may support a decision by the *Audit Committee* to conduct an investigation.

c. How credible is the allegation of wrongdoing? The more credible the allegation, the more appropriate that the *Audit Committee* should undertake the investigation. In assessing credibility, the *Audit Committee* should consider all facts surrounding the allegation, including, but not limited to, whether similar allegations have been made in the press or by analysts.

VI. Records

The *Audit Committee* shall retain for a period of seven years all records relating to any Accounting Allegation or Legal Allegation or report of a Retaliatory Act and to the investigation of any such Report. The types of records to be retained by the *Audit Committee* shall include records of all steps taken in connection with the investigation and the results of any such investigation.

The *Audit Committee*, or any other person designated by the *Audit Committee*, will create a quarterly report to the Board of the following:

- a. The number of complaints made and a brief summary of the nature of the complaints;
- b. The number of investigations commenced in response to the complaints;
- c. The number and nature of wrongdoings discovered; and
- d. All actions taken in response to wrongdoings discovered through any complaints, including any disciplinary action.

VII. Notification of Others

At any time during a review and/or an investigation of a Report, the *Audit Committee* may notify the Corporation's counsel or external auditors of the receipt of a Report and/or the progress or results or any review and/or investigation of the report and will provide such level of detail as may be necessary to allow for appropriate consideration by such persons of the Corporation's ongoing disclosure obligations, including with regard to any required officer certifications.

VIII. Review

This policy will be reviewed annually by the Board of Directors, senior management of TeraGo and by the *Audit Committee* after consultation with other individuals as deemed necessary to ensure the effectiveness of the policy, to maintain compliance with federal, provincial, state, or local regulations and to minimize the likelihood of improper investigations.