

**CLOUDMD SOFTWARE & SERVICES INC.
(THE "COMPANY")**

CODE OF BUSINESS CONDUCT

1. PURPOSE

The Code of Business Conduct (the "**Code**") of the Company is a guide that highlights key issues and identifies policies and resources to help employees, consultants, officers and directors of the Company (the "**Representatives**") reach appropriate decisions. The Code is neither a contract nor a comprehensive manual that covers every situation that might be encountered.

2. RESPONSIBILITY AND ACCOUNTABILITY

All Representatives have the personal responsibility to make sure that their actions conform to the Code and the laws that apply to their work. Any questions or concerns about illegal or unethical acts should be discussed with management. Failure to abide by the Code or the law may lead to appropriate disciplinary measures, up to and including dismissal.

All Representatives are expected to read the entire Code.

3. ADDITIONAL RESPONSIBILITIES OF EMPLOYEES IN POSITIONS OF SENIOR MANAGEMENT

Employees in positions of senior management are expected to lead according to high standards of ethical conduct, in both words and actions. Managers are responsible for promoting open and honest two-way communications with Representatives. Managers must be role models who show respect and consideration for everyone involved with the Company. Managers must be diligent in looking for indications that unethical or illegal conduct has occurred. Anyone having a concern about unethical or illegal activities is expected to inform their manager and take appropriate and consistent action.

4. RESPONSIBILITY TO EMPLOYEES AND CONSULTANTS

All employees, consultants, officers and directors of the Company will treat each other with respect and fairness at all times, valuing the difference of diverse individuals with various backgrounds. Employment decisions will be based on business reasons, such as qualifications, talents and achievements, and will comply with all applicable employment laws.

A. *Harassment*

Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Representatives are encouraged to speak out when a co-worker's conduct makes them uncomfortable and to report harassment when it occurs.

Threats or acts of violence or physical intimidation are prohibited.

B. Safety and Health

All Representatives are responsible for maintaining a safe workplace by following safety and health rules and practices and are further responsible for immediately reporting accidents, injuries, and unsafe equipment, practices or conditions to a supervisor or other designated person. The Company strives to keep its workplaces free from hazards.

In order to protect the safety of all employees, all Representatives must report to work free from the influence of any substance that could prevent them from conducting work activities safely and effectively.

C. Responsibility to Business Partners

Neither the Company nor the Representatives will do business with others who are likely to harm the Company's reputation, including, for example, those who intentionally and continually violate laws including, but not limited to, environmental, employment, safety and anti-corruption statutes. All arrangements with third parties must comply with the policies of the Company as outlined in the Code and applicable laws. Neither the Company nor the Representatives will use a third party to perform any act prohibited by law or by the Code.

D. Agents and Consultants

Commission rates or fees paid to agents, consultants or other similar parties must be reasonable in relation to the value of the product or work that is actually being done.

E. Subcontractors

Subcontractors play a vital role in the fulfillment of many of the Company's contracts. In some cases, subcontractors are highly visible to customers. It is therefore very important to ensure that subcontractors of the Company preserve and strengthen the Company's reputation by acting consistently with the Code.

F. Joint Ventures and Alliances

All Representatives will strive to ally with businesses that share the commitment of Representatives to ethics and also work to make the standards of any joint ventures compatible with those of the Company.

5. RESPONSIBILITY TO SHAREHOLDERS

All Representatives must be committed to managing business operations of the Company in the best interests of all shareholders and to act in what they perceive to be the best interests of shareholders.

All Representatives have a responsibility to protect the assets of the Company from loss, damage, misuse or theft. Assets of the Company may only be used for business purposes and other purposes approved by management and in any case may never be used for illegal purposes.

6. PROPRIETARY INFORMATION

All Representatives will safeguard all proprietary information. Proprietary information includes any information that is not generally known to the public and is of value to the Company, or would be of value to competitors of the Company. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve proprietary information continues even after employment ends.

7. INSIDE INFORMATION AND SECURITIES TRADING

No one is permitted to trade in securities of the Company or any other kind of property based on knowledge stemming from their position or employment with the Company where that information hasn't been reported publicly. Trading or "tipping" others who might make an investment decision based on inside job information violates several laws including provincial securities legislation. For example, using non-public information to buy or sell common shares, other securities of the Company or the stock of a supplier or customer of the Company is prohibited both by law and this Code. Each officer, director and employee shall receive and agree to be bound by the Company's Black-Out Policy as defined within the Company's Insider Trading Policy.

8. ACCURACY OF RECORDS OF THE COMPANY

Honest and accurate recording and reporting of information is essential in order to make responsible business decisions. All financial books, records and accounts of the Company must accurately reflect transactions and events, and conform both to the applicable accounting principles as well as to the internal controls of the Company.

9. BUSINESS COMMUNICATIONS

All business records and communications should be clear, truthful and accurate. Business records and communications may become public through litigation, government investigations or the media. Representatives should avoid exaggeration, colorful language, guesswork, legal conclusions, and derogatory remarks or characterizations of people and businesses. This applies to communications of all kinds, including e-mail and "informal" notes or memos. Records should always be retained and destroyed according to record retention policies of the Company.

10. RESPONSIBILITY TO COMPETITORS

Representatives must never use any illegal or unethical methods to gather competitive information. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other businesses, is prohibited.

If information is obtained by mistake that may constitute a trade secret or confidential information of another business, or if there are questions about the legality of information

gathering, either management or, where appropriate, the Company's legal counsel should be consulted immediately.

11. PERSONAL COMMUNITY ACTIVITIES

Representatives are free to support community, charity and political organizations and causes of their choice, as long as it is made clear that their views and actions are not those of the Company. Outside activities must not interfere with job performance.

No Representative may pressure another employee to express a view that is contrary to a personal belief, or to contribute to or support political, religious or charitable causes.

12. ENVIRONMENT

All Representatives will respect the environment by complying with all applicable environmental laws. The Company is committed to the protection of the environment by minimizing the environmental impact of the Company's operations and operating its business in ways that will foster a sustainable use of the world's natural resources. Representatives must notify management if hazardous materials come into contact with the environment or are improperly handled or discarded.

13. RESPONSIBILITY TO GOVERNMENTS

A. *Compliance With the Law*

All Representatives are required to comply with all applicable laws and regulations where and when doing business on behalf of the Company. Representatives are also responsible for checking with management or, where appropriate, the Company's legal counsel, if there are any questions or concerns about the legality of an action. Representatives shall comply with all applicable antitrust and competition laws.

B. *Political Activities*

No one may, except with approval from management, make any political contribution on behalf of the Company or use the Company's name, funds, property, equipment or services for the support of political parties, initiatives, committees or candidates. This includes any contribution of value. Additionally, engaging in lobbying activities or pursuing government contacts on behalf of the Company, should be approved and coordinated with management.

14. CONFLICTS OF INTEREST

A. *General Guidance*

Business decisions and actions must be based on the best interests of the Company, and must not be motivated by personal considerations or relationships. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect the independent and sound judgment made on behalf of the Company. General guidelines to assist in understanding several of the most common examples of situations that may

cause a conflict of interest are listed below. However, directors, officers and employees are required to disclose to management any situation that may be, or appear to be, a conflict of interest. When in doubt, it is best to disclose.

B. Material Interest of Officers and Directors

The directors and officers of the Company shall comply with the provisions of the Company's Articles and By-laws in respect of any transaction or agreement in which a director or officer has a material interest.

C. Outside Employment

Representatives may not work for or receive payments for services from any competitor, customer, distributor, sub-contractor or supplier of the Company without approval of management. The skills acquired by Representatives and used for the benefit of the Company must not be used in such a way that could hurt the business of the Company.

D. Board Memberships

Employees of the Company serving on boards of directors or similar bodies for an outside company or government agency requires the approval of management. Such approval must be obtained in advance.

E. Family Members and Close Personal Relationships

No Representative may use his or her personal influence to persuade the Company to do business with a company in which their family members or friends have an interest.

F. Investments

No Representative may allow his or her investments to influence, or appear to influence, their independent judgment on behalf of the Company. This could happen in many ways, but it is most likely to create the appearance of a conflict of interest if a Representative has an investment in a competitor, supplier, customer, or distributor and the decisions of the Representative may have a business impact on this outside party. If there is any doubt about how an investment might be perceived, it should be disclosed to management.

No Representative is permitted to buy, directly or indirectly, or otherwise acquire rights to any property or materials while possessing knowledge that the Company may be interested in pursuing such an opportunity and the information possessed by the Representative is not yet public.

G. Receiving Gifts

Representatives are prohibited from accepting kickbacks, lavish gifts or gratuities. Representatives may accept items of nominal value, but may not accept anything that might make it appear that their judgment regarding the Company would be compromised.

In certain rare situations, where it would be impractical or harmful to refuse or return a gift, the situation is to be discussed with management.

H. *Giving Gifts*

Where a situation calls for giving a gift or gifts, the Company's gifts must be legal, reasonable, and approved by management. No Representative may ever pay bribes.

No Representative will provide any gift if applicable law or the policy of the recipient's organization prohibits it. For example, the employees of many government entities around the world are prohibited from accepting gifts. If in doubt, check with management first.

Gifts are not always physical objects but may include services, favors or any other item of value.

15. ENTERTAINMENT

A. *Receiving Entertainment*

Representatives may accept entertainment that is reasonable in the context of the business and that advances the Company's interests. For example, accompanying a business associate to a local cultural or sporting event, or to a business meal, would in most cases be acceptable.

Entertainment that is lavish or frequent may appear to influence one's independent judgment on behalf of the Company. Where an invitation appears inappropriate, the offer must be turned down or the true value of the entertainment paid. Accepting entertainment that may appear inappropriate should be discussed with management in advance if possible.

B. *Providing Entertainment*

Representatives may provide entertainment that is reasonable in the context of the business. Any concern regarding the appropriateness of providing entertainment should be discussed with management in advance.

Applicable law may prohibit entertainment of government officials. Obtain approval from management in each instance.

16. TRAVEL

A. *Acceptance of Travel Expenses*

Employees may accept transportation and lodging provided by a supplier or other third party, provided the trip is for business purposes and is approved in advance by management. All travel expenses accepted must be accurately recorded in the relevant expense records.

B. Providing Travel

Unless prohibited by applicable law or the policy of the recipient's organization, the Company may pay the transportation and lodging expenses incurred by customers, agents or suppliers in connection with a visit to a Company property. The visit must be for a business purpose, for example, on-site examination of equipment, contract negotiations or training.

Management must approve all travel expenses by government officials that are sponsored or paid for by the Company in advance.

17. MONITORING AND COMPLIANCE

This code shall be monitored by the directors of the Company. Management shall report to the directors on compliance with the Code no less frequently than annually. Any waivers from the Code requested by any officer or director shall be granted by the directors only.

18. HOW TO GET HELP

All questions about the Code should, in the first place, be directed to a supervisor or manager. Should it be inappropriate in the circumstances to discuss the issue with a supervisor, an alternate member of management or, where appropriate, the Company's legal counsel should be consulted.