

# NEULION, INC.

## CODE OF CONDUCT AND TEAM ETHICS

### A. CODE OF CONDUCT

NeuLion, Inc. and its subsidiaries (collectively “NeuLion” or the “Company”) are committed to promoting integrity and maintaining the highest standard of ethical conduct in all of our activities. Our business success is dependent on valued relationships, which are built on this foundation of integrity. We also strive for the highest level of corporate governance and observance of local laws.

The Company is dedicated to:

**Honest and Open** communication with our employees within the Company and with our channel partners, subscribers and suppliers, while at the same time protecting the Company’s confidential information.

**Respect** in our relationships with our employees within our Company, with business partners and subscribers.

**Fairness** to all our employees, shareholders, subscribers and suppliers through adherence to all applicable laws, regulations and policies.

**Team Focus and Mutual Respect** for our co-workers, shareholders, customers and suppliers through high standards of professional behaviour.

NeuLion expects employees to follow this code of conduct that will protect the interests and safety of employees and the Company. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace, but the following are examples of infractions of rules of conduct that may result in disciplinary action, including suspension, demotion, or termination of employment without warning. NeuLion reserves the right to impose disciplinary action up to and including termination for actions not specifically listed here. The following list is merely a sampling of egregious behavior.

- Falsification of employment records, employment information, time and attendance, or other records.
- Unauthorized possession or careless damage of any Company property or the property of any employee or customer.
- Removing or borrowing Company property without prior authorization.
- Possessing, distributing or attempting to distribute, selling, transferring, or using—or being under the influence of—alcohol or illegal drugs while conducting company business or on during work hours and/or on Company owned or occupied premises; driving a vehicle on Company business while under the influence of alcohol or an illegal drug, intoxicant, or controlled substance.
- Violating any Company policy regarding alcohol and drug use.

- Harassment of other employees, suppliers or customers.
- Carrying firearms or any other dangerous weapons, at any time, on premises owned or occupied by the Company or while conducting company business.
- Engaging in criminal conduct whether or not related to job performance.
- Insubordination, including but not limited to failure or refusal to obey the orders or instructions of any manager or member of management, or the use of abusive or threatening language toward any employee, manager, client or potential client, or anyone who has dealings with NeuLion.
- Unreported absence of three (3) consecutive scheduled workdays.
- Excessive absenteeism.
- Committing a fraudulent act or a breach of trust in any circumstances.
- Sexual or other illegal harassment or discrimination.
- Use of violence toward any employee or those having business dealings with NeuLion.
- Violation of any Company policy including, but not limited to, NeuLion's Disclosure Policy, Code of Ethics, Insider Trading and Accounting and Travel Expense Policy.

The Company may occasionally find it necessary to investigate activities, where behaviour or other relevant circumstances raise questions concerning the safety of co-workers or others. Employee investigations may, where permissible in accordance with applicable law, include obtaining credit reports and investigations of criminal records, including appropriate inquiries about any prior unpardoned convictions. Employees subject to an investigation are required to cooperate with this Company's lawful efforts to obtain relevant information, and may be disciplined, up to and including termination for failing to do so.

## **B. COMMUNICATION**

NeuLion recognizes that employees will have suggestions for improving the workplace and, from time to time, you may also have concerns. The most satisfactory solution to a job-related issue or concern is usually reached through a prompt discussion with your manager. Please feel free to contact your manager with any suggestions and/or concerns. Be assured that your comments are welcome and you will not be subjected to any adverse employment action for raising issues or concerns in good faith.

While the Company provides you with this opportunity to communicate your views, please understand that not every complaint or suggestion can be resolved to your satisfaction. That being said, NeuLion believes that open communication is essential to a successful work environment and all employees should feel free to raise issues of concern without fear of reprisal.

## **C. EQUAL EMPLOYMENT OPPORTUNITY (EEO) POLICY**

NeuLion is committed to providing and promoting equal employment opportunity for all employees and applicants. To this end, NeuLion will comply with all applicable laws and regulations. It is our policy to fill positions with qualified candidates regardless of the candidate's race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, disability and conviction for which a pardon has been granted. Reasonable accommodation is available for qualified individuals with disabilities upon request.

All managers are required to ensure that all human resource actions are in accordance with this policy and applicable laws and regulations, and that the principles of providing EEO for all employees are observed every day.

#### **D. WHISTLE-BLOWER POLICY**

NeuLion's Whistle-blower Policy has been created to give employees a confidential process to disclose any malpractice or misconduct within the Company which they become aware and to provide a confidential process for employees who report allegations of such malpractice or misconduct. At NeuLion we are committed to ensuring that all allegations are thoroughly investigated and suitable action taken where necessary. Whistle-blowing policies are required under Canadian and US regulatory rules.

Any whistle-blowing employee is protected against adverse employment actions (discharge, demotion, suspension, harassment, or other forms of discrimination) for raising allegations of business misconduct. An employee is protected even if the allegations prove to be incorrect or unsubstantiated provided these allegations are not malicious in intent. Employees who participate or assist in an investigation will also be protected. NeuLion's whistle-blower policies and procedures are administered through a confidential process with Shareholder.com. Through Shareholder.com the whistleblower process structure is totally confidential and can be reached at [www.openboard.info/neulion/index.cfm](http://www.openboard.info/neulion/index.cfm). Please refer to the company's posted information regarding the confidential tollfree number (866) 654-1554 in English or French or by email to [neulion@openboard.info](mailto:neulion@openboard.info).

As an employee of NeuLion you may be the subject of reports of misconduct by other employees and your personal information in this regard may be collected, used or disclosed in accordance with this policy.

Any act of retaliation or victimization against the whistle-blower will result in disciplinary action, up to and including termination of employment.

The malicious use of the whistle-blowing policy will result in disciplinary action against the whistle-blowing complainant, up to and including termination of employment.

Below are some examples of business misconduct:

- A criminal offence
- The use of deception to obtain an unjust or illegal financial advantage, either for the business unit or personally
- Intentional misrepresentations directly or indirectly affecting financial statements
- A failure to comply with any legal obligation
- A miscarriage of justice
- Endangering the health and safety of any individual
- Damage to the environment
- A serious breach of fundamental internal control
- Serious non-professional or non-ethical behaviour

and the deliberate concealment of information tending to show any of the matters listed above.

## **E. FINANCIAL REPORTING**

Maintaining accurate and complete financial records is required by law and is fundamental to our ethical commitment to our shareholders. Inaccurate records can harm the Company in many ways, including, but not limited to, subjecting us to legal sanctions, breaching our promises to stakeholders, and weakening the effectiveness of our internal controls.

### **Obligations of All Employees**

All employees have the following responsibilities to help ensure accurate financial record keeping:

- Record transactions accurately, completely, consistently, and in a timely manner.
- Maintain books, accounts, and records (electronic and paper) using sufficient detail to reflect NeuLion transactions accurately and fairly.
- Never mislead an internal or external auditor through false, incomplete, or non-responsive information.
- Maintain the confidentiality of Company information and disclose records and information as authorized by Company policy.
- Report any pressure to inappropriately influence reporting of financial results.
- Challenge any business practice or behavior that may undermine the principles of this Code and the integrity of our Company.

### **Additional Obligations of all Employees with Financial or Accounting Responsibilities**

Employees with financial or accounting responsibilities must be aware of their special responsibilities. For example they are obligated but not limited to:

- Fairly and accurately record all transactions and maintain records in accordance with Canadian Generally Accepted Accounting Principles (“Canadian GAAP”).
- Ensure there is adequate and appropriate review and approval of all transactions recorded in accordance with Canadian GAAP and other applicable principles and standards.
- Communicate unfavorable as well as favorable information and provide judgments and/or opinions.
- Maintain awareness of and perform their duties in a manner consistent with finance and accounting-related laws, regulations, and professional standards and request appropriate professional advice as required.
- Be alert for and cognizant of potential violations of law and NeuLion policies and procedures that may become apparent in the course of their work through financial data processing and knowledge of business operations and report these as appropriate.
- Retain financial records according to prevailing laws and regulations.

**Senior Financial Accounting Employees (and those to whom they report)** also have obligations to:

- Ensure that financial and accounting staff have the appropriate level of functional expertise and resources to accomplish operational objectives and maintain professional standards.
- Support and promote continuous training and development of financial and accounting staff to ensure appropriate transition of duties to new personnel.
- Prevent and detect any pressure on financial or accounting personnel, with respect to accounting judgments and estimates for the purpose of inappropriately influencing the reporting of financial results.
- Take all other steps necessary to ensure that the reports and other documents filed with government agencies, including the Canadian Securities Commissions and Toronto Stock Exchange, and all other public accounting and finance-related communications are accurate and complete in every respect and are filed in a timely manner.

## **F. CONFIDENTIALITY**

Information about NeuLion, its employees, customers, suppliers, and vendors is to be kept confidential and divulged only to individuals within NeuLion with both authorization to receive the information and the need to receive that information. When employees are in doubt as to whether information should be divulged, employees must err on the side of not divulging information and then must promptly discuss the situation with their manager.

All records and files maintained by NeuLion are confidential and remain the property of the Company. Records and files must not be disclosed by NeuLion employees to any outside party without the express permission of their manager.

When dealing with certain outside third parties, employees must, where appropriate, request that the third party sign a non-disclosure agreement before disclosing any confidential information to that third party.

Confidential information includes, but is in no way limited to:

inventions, programs, trade secrets, formulas, techniques, and processes; financial records;

the identity of, contact information for, and any other account information on, customers, vendors, and suppliers;

personnel and payroll records regarding current and former employees; business, marketing, and strategic plans; and

any other documents or information regarding NeuLion's operations, procedures, or practices.

No employee may use confidential information obtained during or through employment with NeuLion for the purpose of furthering current or future outside employment, or activities for obtaining personal gain or profit. NeuLion reserves the right to avail itself of every and all legal or

equitable remedies to prevent impermissible use of confidential information or to recover damages incurred as a result of the impermissible use of confidential information.

As a condition of employment with NeuLion, all employees are required to enter written confidentiality agreements confirming their understanding of the Company's confidentiality policies.

#### **G. WAIVERS OF THE CODE**

The provisions of this Code may be waived only in rare circumstances. For directors or officers, only by a resolution of NeuLion's Board of Directors. For employees, the provisions of the Code may be made by the Chief Financial Officer. Any waiver of this Code granted to a director or officer will be publicly disclosed to the extent required by the securities exchanges on which NeuLion's securities are listed or quoted for trading or any other applicable securities legislation. Any non-compliance with the Code or waiver will be reported to the Chairman of the Audit Committee.

#### **H. FAIR DEALING**

Each employee, officer and director must deal honestly and fairly with NeuLion's customers, suppliers, competitors, officers, employees and other third parties. No employee, officer or director should take advantage of anyone in connection with the business or operations of NeuLion through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

#### **I. CONFLICTS OF INTEREST**

All employees, officers and directors of NeuLion and its subsidiaries and variable interest entities must be scrupulous in avoiding a conflict of interest with regard to NeuLion's interests. A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of NeuLion. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her NeuLion work objectively and effectively. It is almost always a conflict of interest for a NeuLion employee to perform work or services (paid or voluntary) simultaneously for a competitor, customer or supplier. The best practice is to avoid any direct or indirect business connection with NeuLion's customers, suppliers or competitors, except on NeuLion's behalf. Conflicts of interests may also arise when an employee, officer or director, or members of his or her family, receives personal benefits as a result of his or her position in NeuLion, whether received from NeuLion or a third party. Loans to, or guarantees of obligations of, employees, officers and directors of NeuLion and their respective family members may create conflicts of interest. Conflicts of interest are prohibited as a matter of NeuLion policy, except under guidelines or circumstances approved by the Board of Directors or committees of the Board. Conflicts of interests may not always be clear-cut, so, if any employee, officer or director has a question, he or she should consult with his or her own lawyer or NeuLion's designated law firm. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the immediate attention of an appropriate director or officer of NeuLion.

#### **J. COMPLYING WITH LAW**

All employees, officers and directors of NeuLion, its subsidiaries and variable interest entities must respect and comply with all of the laws, rules and regulations of the countries, provinces, states and other jurisdictions in which NeuLion conducts its business.

Specifically, NeuLion is committed to:

1. maintaining a safe and healthy work environment;
2. promoting a workplace that is free from discrimination or harassment based on race, colour, religion, sex or other grounds prohibited by applicable law;
3. supporting fair competition and laws prohibiting restraints of trade and other unfair trade policies;
4. keeping the political activities of NeuLion's employees, officers and directors separate from NeuLion's business;
5. prohibiting any illegal payments to any government officials or political party representatives of any country; and
6. complying with all applicable securities laws.

Legal compliance includes compliance with the "insider trading" prohibitions applicable to NeuLion employees, consultants, and directors. Generally employees, consultants, or directors who have access to or knowledge of material non-public information about NeuLion are not permitted to buy, sell or otherwise trade in NeuLion's securities, whether or not they are using or relying upon that information. This restriction can extend to sharing, or tipping others about, that information. NeuLion has trading restrictions and blackout policies to reduce the risk or appearance of insider trading. If there are questions regarding the restrictions, policies or laws, the individual employee, consultant or director should seek advice from his or her personal lawyer.