

Route1 Inc.

Code of Business Conduct and Ethics

1.0 Introduction

The *Code of Business Conduct and Ethics* (referred to herein as the “**Code**”) sets forth Route1 Inc.’s (referred to herein as “**Route1**” or the “**Company**”) expectations of legally and ethically correct conduct required of all employees, officers and members of the Company’s Board of Directors (collectively, “**employees**”) in a variety of identified business situations.

The Code does not and cannot cover every situation in which you will be faced with ethical questions. Questions will arise concerning interpretation, intent, and application. All such questions should be discussed with your manager, who will consult with higher authority, which consist of the Chief Executive Officer, Chief Financial Officer and/or Chief Operating Officer (hereafter referred to as the “**Appropriate Personnel**”).

In performing their duties for the Company, all employees must comply with all applicable laws, rules, and regulations and must avoid situations that could result in the appearance of wrongdoing or impropriety under these guidelines. Employees are encouraged to talk to managers or Appropriate Personnel about observed illegal or unethical behavior and, when in doubt, about the best course of action in a particular situation. Unless authorized by the employee or required by law, the identity of the employee reporting a violation, a concern, or a complaint will not be disclosed.

If you have any questions or concerns regarding potential violations of applicable laws, rules, and regulations or of these guidelines, you should immediately contact your manager or the Appropriate Personnel.

If any employee of the Company has concerns or complaints regarding questionable accounting or auditing matters of the Company, then the employee is encouraged to submit those concerns and/or complaints (anonymously, confidentially or otherwise) to the Chairman of Audit Committee via email to Mr. Michael Doolan at michael.doolan@route1.com.

All reports will be treated with appropriate confidentiality. The Company will not allow retaliation of any kind for reports made in good faith.

2.0 SUMMARY OF CODE OF BUSINESS CONDUCT AND ETHICS

The following list summarizes your obligations under the Code. Each of these items is described in greater detail below.

1. Protect Route1’s assets, and use them properly and with care for the benefit of Route1.
2. Protect the confidentiality of Route1’s “confidential information”.
3. Use email, the internet, telephone and other forms of communications provided by Route1 appropriately, which means primarily for business-related purposes.
4. Do not speak on behalf of Route1 unless authorized to do so.

5. Avoid situations in which your personal interests conflict, may conflict or may appear to conflict with the interests of Route1.
6. Do not offer excessive or inappropriate gifts or other benefits to persons, including public officials that may influence or be perceived to influence a business decision.
7. Do not accept excessive or inappropriate gifts or other benefits from persons doing or seeking to do business with Route1.
8. Before joining the board of another entity, consider whether you have a conflict of interest by virtue of your role with Route1 and advise the Chair of the Board (if you are a director) or the Chief Executive Officer (if you are an officer or employee).
9. Do not take personal opportunities which arise through the use of property or information of Route1 or through you role with Route1.
10. Maintain complete and accurate books and records of Route1.
11. Be committed to the prevention of workplace discrimination and harassment.
12. Be committed to ensuring the health and safety of other directors, officers and employees.
13. Know and comply with all laws, rules and regulations applicable to you.
14. Deal fairly with route1's suppliers and employees.

Business Conduct Code 1:

BE HONEST AND FAIR IN ALL BUSINESS DEALINGS

As a Company employee you are expected to be honest and fair in dealings with fellow employees, the Company, suppliers, customers, competitors, and other members of the business community. At some time or another, you may have the opportunity to profit, at the expense of the Company, fellow employees or others, by dishonesty. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice. Such behavior could take the form of filing a false expense statement; accepting a bribe or kickback from a supplier; copying computer software; lying to a manager or customer concerning business facts; taking merchandise, supplies, or money; or other similar misdeeds.

The Company has taken precautions to reduce temptation and to encourage honesty. We would like to see each of you enjoy a long-term, productive relationship with the Company. However, we will not hesitate to discipline, discharge and/or prosecute in court, as appropriate, anyone who knowingly violates the rule of basic honesty and fairness, whether or not covered specifically by the Code.

Business Conduct Code 2:

AVOID CONFLICTS OF INTEREST IN ANY FORM

A conflict of interest is divided loyalty between the interests of the Company and the personal interests of the employee. A conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and

effectively. Conflicts of interest can also arise when an employee, or a member of the employee's family, receives improper personal benefits as a result of a Company position whether received from the Company or a third party. You must act honestly and ethically and not allow personal considerations or relationships, either actual or potential, to influence you in any way when representing the Company in dealings with other persons or organizations.

Each of you has the obligation to avoid not only situations that give rise to a conflict of interest, but also those situations that create the appearance of a conflict of interest.

You may encounter potential conflicts of interest in a variety of situations. Some of the more likely areas are:

1. Relationships with customers or suppliers, especially relating to entertainment situations or gifts.
2. Financial or other dealings, including loans or guarantees, with outside organizations that do business with our Company.
3. Outside employment with any competitor, customer, or supplier of the Company, or any other outside employment arrangements that could jeopardize your independence or adversely affect our interests or productivity.
4. Transactions not in the ordinary course of business involving a member of the Company's Board of Directors that have not been appropriately approved by the Board and disclosed to the public.

You should reexamine your investments, relationships, and activities periodically to avoid becoming involved in a conflict of interest. If you are in doubt concerning the propriety of any activity, you are obliged to review the situation with your manager or Appropriate Personnel.

You are required to tell us immediately about any conflicts of interest or potential conflicts of interest between your personal and your business relationships.

The Company reserves the right to determine whether certain activities constitute a conflict of interest. If, after such determination and appropriate discussion, you persist in engaging in such activities, discharge may result.

Business Conduct Code 3:

MAKE SURE THAT ALL ENTRIES IN THE BOOKS AND RECORDS OF THE COMPANY ARE COMPLETE AND ACCURATE

All entries made in the Company's books, records, and accounts must properly and fairly reflect the transactions being recorded, to the best knowledge, information, and belief of the employees making the entries.

Regardless of your position with the Company, you are involved in our database; e.g., a sales representative files customer call reports or other documents, a product manager fills out price data, an employee prepares an expense statement, and another employee makes an entry in a computerized data system. All of you report Company information, and you are required to do it completely, correctly, and honestly.

Our policy expressly forbids the improper handling of our funds and assets. All funds and assets of the Company must be disclosed and recorded properly; no undisclosed or unrecorded fund or asset of the Company is to be established for any purpose.

All directors, officers and employees have a responsibility to submit good faith questions and concerns regarding accounting, auditing or disclosure matters. Complaints and concerns related to such matters include, among others, actions involving:

1. Fraud or deliberate errors in the preparation, maintenance, evaluation, review or audit of any financial or financial record;
2. Deficiencies in, or noncompliance with, internal accounting controls;
3. Misrepresentation or false statements to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports; or
4. Deviations from full and fair reporting of the Company's financial condition.

For more information you should refer to Route1's Whistleblower Policy as detailed and disclosed hereafter in this Policy.

Business Conduct Code 4:

COMPLETE, ACCURATE AND TIMELY PUBLIC DISCLOSURE

The Company's filings with The TSX Venture Exchange must be full, fair, accurate, timely and understandable. Depending on their position with the Company, employees may be called upon to provide necessary information to assure that the Company's securities filings and other public communications meet these standards. The Company expects employees to take this responsibility very seriously and to provide prompt accurate answers to inquiries related to the Company's public disclosure requirements.

Business Conduct Code 5:

USE OF COMPANY FUNDS OR RESOURCES, DIRECTLY OR INDIRECTLY, FOR POLITICAL PURPOSES IS PROHIBITED

Personal Political Activities

In support of the democratic process, we encourage you to participate in political activities, provided that such activities are kept separate from your work. If you are engaged in political activity of any kind, you must be careful not to use the Company name or resources, and ensure that such activities do not adversely affect any business relationships. In addition, you should exercise discretion in discussing political subjects with business contacts. If you have any questions about your participation in political activities, you are obliged to discuss the situation with your manager or Appropriate Personnel.

Prohibition Against Company Political Contributions

Company funds or assets shall not be used for making political contributions of any kind, except as shown below. This prohibition covers not only direct contributions, but indirect support of

candidates or political parties; e.g., the purchase of tickets for special dinners or other fund-raising events, the loan of employees to political parties or committees, and the furnishing of transportation or duplicating services. In exceptional situations, based on the Company's need and with prior approval of the Chair of the Board and Chief Executive Officer, political activity may be permitted relative to matters that are:

1. Clearly lawful, and
2. Determined to be closely related to the interests of the Company, its employees, or its shareholders.

Business Conduct Code 6:

DO NOT USE THE COMPANY NAME, ASSETS, OR INFORMATION FOR PERSONAL GAIN

Corporate Opportunities

Employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Employees are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information, or position without the consent of the Board of Directors. No employee may use corporate property, information, or position for personal gain and no employee shall compete with the Company directly or indirectly.

General

The Company name, assets, and information belong to the Company and not to individual employees, regardless of position in the Company.

Use of Company Name

Employees may not use the Company name in connection with personal activities, except as part of biographical summaries of work experience. If you intend to speak to the media, participate in meetings or publish materials where your involvement is primarily that of a Company representative so that you are perceived as acting on behalf of the Company or as expressing Company views, advance approval of the Appropriate Personnel, is required. In addition, the actual content of any speech, presentation material, paper, or article to be published must be reviewed by management, prior to presentation or publication.

Use of Company Assets

Employees must regard the protection of Company assets (both physical and intangible) and services as a vital responsibility. Company assets include Company manuals, samples, forms, plans, customer lists, information and files, goodwill, databases, software, and all other data, documents, writings, copies, and information in any format used or relied upon in your employment. These materials and property are proprietary to the Company and must be used efficiently.

Theft, carelessness and waste have a direct impact on the Company's profitability

All Company assets should be used for legitimate business purposes. They must not be used for personal benefit or any other improper purpose. They must not be sold, lent, given away, or otherwise disposed of, regardless of condition or value, except with proper authorization. They must be returned upon request or upon termination of employment. Personal use of Company telephones must be reasonable.

While employed at the Company and for a year thereafter, employees shall not employ or attempt to employ any current Company employee about whom they had knowledge during their employment.

Use of Company Information

Employees shall maintain the confidentiality of information entrusted to them by the Company or by its customers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that, if disclosed, might be of use to competitors, or harmful to the Company or its customers. In this technology-rich environment, information is a vital competitive advantage, which must be protected. This confidential and proprietary information includes, for example, pricing, Company manuals, Territory Customer Information Listings, employee records, customer and supplier information, and Intranet and Internet-related sites. Improper disclosure of such information could do harm to the business and have a material effect on the Company's financial well being.

A disclosure of confidential and proprietary information by one of us could affect all of us. Therefore, you are required to take reasonable precautions to protect the Company information you have been entrusted with. This includes not disclosing Company information on Internet chat rooms.

The Company has established a set of controls to help guide you to protect Company information and to help prevent unauthorized distribution of this information. Documents containing classified information are identified as: Company Confidential, Personal, or Legal Department Privileged. Classified information stored on the personal computers, and LANs is protected by passwords, access controls, and other security procedures. You are required to use these measures.

Business Conduct Code 7:

Insider Trading

Ontario securities laws make it illegal to trade or "tip" others to trade in Company stock or the stock of other companies if you have "material" non-public information from or about the Company. This prohibition applies whether or not you are relying on the "inside" information. Insider trading is both unethical and illegal, and will be dealt with decisively.

A specific area of concern relates to non-public information about the Company, positive or negative, that could have an effect on the market price of the Company's stock. Examples are a pending acquisition, the expectation of substantially higher or lower earnings, a stock split, a major new product line, or a major new customer. As a matter of law, you are prohibited from buying or selling Company securities based on inside information.

You are similarly prohibited from buying or selling securities of other companies on the basis of confidential information acquired by reason of your relationship with the Company. Obvious situations include publicly held acquisition candidates, and publicly held candidates to become important suppliers of goods or services to the Company.

The same prohibitions apply to anyone to whom the inside information or other confidential information is communicated; e.g., a family member, business associate, friend, or neighbor. Violating any of these prohibitions is cause for dismissal and could result in criminal prosecution as well. In this connection, you also may not, other than pursuant to a Company-approved trading program, buy or sell Company securities prior to the third business day after such information is released to the public. If you have any questions concerning your obligations in this regard, you should contact Anthony Rzepka, EVP and CFO at (416) 848-8391 ext. 2224 or email anthony.rzepka@route1.com.

Put and call options on Company stock, as well as short sales of Company stock, are inherently speculative. Company employees who trade in options on, or who engage in short sales of, Company stock give the appearance of attempting to profit through inside information, even if no such attempt is involved. Accordingly, you are prohibited from doing either.

Directors and certain officers are subject to additional requirements with respect to Company securities.

Business Conduct Code 8:

NO PROMOTING, USING, OR SELLING OF ILLEGAL DRUGS

Improper use of narcotics and other controlled substances, commonly referred to as illegal drugs, has become a significant problem to businesses, employees, and society in general. Their sale, use, and abuse, when connected to the conduct of business and the work environment, can threaten the safety, morale, and public image of the Company and its employees. Because of our strong concerns in this area, we have established the following policy regarding illegal drugs:

No person will be hired who is known to be a promoter, user, or seller of illegal drugs.

Possession or use of illegal drugs on Company premises or during working hours, including break or meal periods, or working under the influence of illegal drugs, is strictly prohibited. Violation of this policy is cause for immediate disciplinary action, up to and including termination of employment.

Employees who are found to be sellers or involved in the sale, solicitation, or dealing of illegal drugs will be subject to immediate termination of employment from the Company.

Business Conduct Code 9:

EXERCISE GOOD JUDGMENT IN THE USE OF ALCOHOL

The Company discourages the use of alcoholic beverages during business hours, including lunch, except as permitted at the end of the business day and as provided for by the Company. The possession or use of alcoholic beverages on Company premises, except as authorized and/or as

provided for by the Company, is prohibited. Reporting to work or performing your job assignments under the influence of alcohol is cause for immediate disciplinary action, up to and including termination of employment. At no point in time can an employee be intoxicated while on the Company premises or conducting Company business.

Business Conduct Code 10:

APPROPRIATE WORKPLACE BEHAVIOUR

A pleasant place to work is important to the effectiveness of Company employees. The workplace must have an atmosphere free of discrimination, harassment, threats, and violence.

Harassment

The Company strives to maintain a working environment free from ethnic, religious, racial, or sexual harassment. If any such inappropriate conduct occurs, whether in verbal, written, pictorial, or physical form, the affected employees should immediately notify their manager, or Appropriate Personnel. All complaints of harassment will be promptly investigated, and treated with appropriate confidentiality.

Threats and Violence

The Company is committed to providing a workplace that is safe, secure, and free from threats of harm, intimidation, or violence. If you feel threatened or unsafe, or are aware of a potentially threatening or unsafe situation, you should notify your manager, or Appropriate Personnel.

If you observe harassment or threatening behavior, you are to report it immediately through any one of the reporting channels described in the Introduction. If managers observe such behavior, they should take immediate action to stop the behavior, and then report it through the channels outlined in the Introduction. Violation of this policy will result in disciplinary action, up to and including termination of employment.

Safe Working Conditions

Be committed to ensuring the health and safety of fellow directors, officers and employees.

Directors, officers and employees of the Company have the right to work in an environment that is safe and healthy. Accordingly, you must:

1. Comply strictly with the letter and spirit of applicable occupational, health and safety laws and the public policies they represent;
2. Follow work instructions or procedures on health and safety laws;
3. Not engage in illegal or dangerous behaviours; and
4. Not possess or use weapons or firearms or any type of combustible materials in the Company's facilities or at the Company's sponsored functions unless you are authorized by the Company or the law to do so.

Email, the Internet, Telephones and Other Forms of Communication

Email, the internet, telephone and other forms of communication provided by the Company should be used appropriately and primarily for business-related purposes.

The Company provides its employees with access to email, the internet, telephones and other forms of communication for business purposes, and while Route1 understands the need for limited and occasional use of these tools for personal purposes, such use should not be excessive or detrimental to the Company. Internet use must be conducted in a professional manner. For example, accessing internet sites containing obscene or offensive material, or sending emails that are derogatory or harassing to another person or group of people or chain emails, is prohibited. In addition, employees must be vigilant to ensure that the network access security is maintained.

Business Conduct Code 11:

INTERNATIONAL BUSINESS

Canadian and especially United States laws pertaining to international trade and export are numerous and complex. These laws cover trade sanctions, boycotts and embargoes, and export controls designed to protect our country's economic and homeland security interests. Seemingly routine business transactions with Company's customers, suppliers and business partners around the world can potentially violate these laws.

Each employee involved in international transactions must follow the international trade and export controls laws. Therefore, before doing business with people outside Canada and the United States or selling products that an employee has reason to know may be sent outside Canada and the United States, employees must consult Anthony Rzepka, EVP and CFO at (416) 848-8391 ext. 2224 or email anthony.rzepka@route1.com.

The following are critical issues that employees need to be aware of in order to comply with Company Policies and Canada/United States laws.

Country Prohibitions – Exports to certain countries such as defined by the Governments of Canada and the United States of America are prohibited and sales to other countries are significantly limited. This country list changes periodically.

Boycotts and Embargoes – There are strict prohibitions against participating in certain economic boycotts or embargoes.

Denied Parties – Sales to certain individuals are prohibited.

Restricted Goods – Exporting goods or technology without appropriate government approvals is restricted.

Failure to comply with international trade and export laws can result in the loss of export privileges, and subject the Company and individuals to civil and criminal penalties.

REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOUR

The Company proactively promotes ethical behaviour and encourages each director, officer and employee to seek guidance when in doubt about the best course of action in a particular situation.

All directors, officers and employees of the Company must immediately report all incidents or evidence of the following involving the Company or a director, officer or employee of the Company:

1. A breach of this Code;
2. Fraudulent activity or theft;
3. Misconduct by a member of senior management;
4. Harassment or other appropriate work-related conduct;
5. Questionable accounting or auditing practices;
6. Coercion of the Company's external auditors or any other attempt to improperly affect the Company's financial statements or financial reporting processes;
7. A violation of applicable statutes, regulations, rules or policies applicable to the Company or the workplace; or
8. Retaliation against a person who raises a concern or reports below.

Inappropriate delay in reporting a suspected or discovered violation is itself a violation of this Code.

WHISTLEBLOWER POLICY

In order to facilitate the reporting of complaints, the Company's Board has established a Whistleblower Policy which provides an effective, consistent and appropriate procedure by which all incidents that potentially violate policies, procedures or practices of the Company, including this Code, or statutes, regulations, rules or policies applicable to the Company or the workplace are properly received, reviewed, investigated, documented and brought to an appropriate resolution.

The Whistleblower Policy is intended to encourage and enable directors, officers and employees of the Company to raise good faith concerns regarding potential violations without fear of adverse consequences to them by virtue of raising those concerns. Accordingly, the Company will not permit any retribution or retaliation of any kind against any individual for raising a concern or reporting a potential violation in good faith.

Any director, officer or employee who knowingly makes a false report of a potential violation (including a statement or disclosure that is not made in good faith) may be subject to disciplinary action up to and including termination.

COMPLIANCE STANDARDS AND PROCEDURES

The Company's Board is responsible for monitoring compliance with this Code.

Any waiver from the Code for the benefit of an employee or officer may only be granted by the Chief Executive Officer. Any waiver from the Code for the benefit of the Chief Executive Officer or a director may only be granted by the Board.

Each director, officer or employee should note that it is not the Company's intention to grant or to permit waivers from the requirements of this Code.

Directors, officers and employees who violate the Code will be subject to disciplinary action, including potential termination of employment, depending upon the particular circumstances involved. Information regarding possible infringement of the Code by directors, officers and employees will be referred to the Chair of the Board.

Other than pursuant to a waiver that has been approved as set out above, the Company will not excuse any violation of this Code by a director, officer or employee, even if the violation was specifically requested or authorized by another director, officer or employee.

The Board will periodically review this Code (i) to ensure that it conforms to applicable law, and (ii) to address any weakness in this Code or any other policy of the Company revealed through monitoring, auditing and reporting systems.

AMENDMENTS AND EMPLOYMENT

The Company reserves the right to modify, suspend or revoke this Code and any and all of its policies and procedures at any time. Any amendment to this Code must be approved by the Board. The version of the Code that appears on the Company's website may be more current and up-to-date and supersedes any printed copies should there be any discrepancy between printed copies and the version that is posted online.

This Code does not confer any rights, privileges or benefits on any employee, create an entitlement to continued employment at the Company, establish conditions of employment, or create an express or implied employment contract of any kind between employees and the Company. In addition, all employees should understand that this code does not modify their employment relationship, whether at will or governed by a written contract.

ACCOUNTABILITY FOR ADHERENCE TO THE CODE

Each director, officer and employee of the Company will be provided with a copy of this Code of Business Conduct and Ethics. Each director, officer and employee will be required to sign an acknowledgement in the form attached to this Code as Schedule A.

HELPFUL CONTACT INFORMATION

President and Chief Executive Officer

Andrew White

Executive Vice President and Chief Financial Officer

Anthony Rzepka

Chairman of the Board of Directors

Ian Currie

Chairman of the Audit Committee

Michael Doolan

Email: MDoolan@neomaterials.com

Route1 Inc.

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Toronto, Ontario M5H 3B7

Tel: (416) 848-8391

Fax: (416) 848-8394

SCHEDULE A

CODE OF BUSINESS CONDUCT AND ETHICS – STATEMENT OF COMPLIANCE

I have reviewed and am familiar with Route1’s Code of Business Conduct and Ethics (the “Code”) for directors, officers and employees.

I hereby agree to comply with the Code, including its provisions for non-disclosure of information both during and after appointment or employment.

To the best of my knowledge, I am not involved in any situation that conflicts or might appear to conflict with the Code.

I also agree to notify the Chief Executive Officer (if I am an officer or an employee) or the Chair of the Board (if I am the Chief Executive Officer) immediately of any change that might adversely affect my compliance with the Code.

Signature: _____
(please print)

Name: _____
(please print)

Position Title: _____
(please print)

Date: _____
(MM/DD/YY)