



LIGHTSCAPE TECHNOLOGIES INC.
(the “Company”)

CORPORATE GOVERNANCE GUIDELINES
(the “Guidelines”)

Adopted by the Board of Directors December 31, 2008

The following Guidelines have been approved and adopted by the board of directors of the Company (the “Board”). In addition to these Guidelines, the Company’s Articles of Incorporation, By-laws, and the Charters of the various Committees of the Board provide the foundation for its governance. See Appendix A for certain definitions of terms used in this document.

I. Roles of the Board of Directors and Executive Management

Each Director is elected by the Company’s shareholders. The Board is the ultimate decision making body of the Company, except with respect to those matters reserved to its shareholders in the Company’s Governing Documents or as required by other Regulatory Agencies. The Company’s business is conducted by its employees and officers under the direction of the CEO and subject to the oversight of the Board. Both the Board and the executive management seek to enhance the long-term value of the Company for the benefit of its shareholders. In doing so, the Company recognizes that the interests of its shareholders will also be advanced by responsibly taking into account the concerns of its other constituencies, including customers, employees, the communities in which it does business, the public at large, and the governmental entities that regulate its businesses.

II. Critical Functions of the Board of Directors

In addition to overseeing the Company’s Executives, the critical functions of the Board, at times in conjunction with an appropriate Committee, include, but are not limited to, the following matters:

- a.** considering and approving the Company’s fundamental business strategies and major corporate actions in accordance with direction set forth in the By-laws;
- b.** selecting, evaluating, and compensating Executive positions;
- c.** planning for succession to the position of CEO as well as certain other Executive positions; and

d. enhancing the Company's integrity and reputation by ensuring that the appropriate management establishes, implements, and maintains policies, practices, and procedures for full compliance with all applicable laws and for meeting the high ethical standards that the Board and the public expect of the Company.

III. Director Responsibilities

The primary responsibility of each Director is to exercise business judgment in good faith to act in what the Director reasonably believes to be in the best interests of the Company and its shareholders. In addition to those requirements set for in the Governing Documents, in discharging this responsibility, the Company requires that each Director shall:

- a.** preserve the confidential nature of material information given or presented to the Board;
- b.** disclose to the other Directors any potential conflicts of interest with respect to any matter under discussion and, if appropriate, refrain from voting on such a matter;
- c.** not serve as a director, officer, or employee of any entity which is in competition with the Company and not misappropriate any opportunity or asset belonging to the Company for direct or indirect benefit;
- d.** make every effort to attend the Company's annual general meeting of stockholders, for which the Company will reimburse reasonable out-of-pocket traveling expenses incurred by directors attending the annual general meeting; and
- e.** consistent with the Board's belief that management speaks for the Company, and except as provided in these Guidelines, refer all inquiries from the press, institutional investors, and others to the CEO or such other Executives or appropriate designees, provided, however, that a Director may, from time to time, meet or otherwise communicate with various third parties about the Company but only with the knowledge and advance approval of the Executive Committee or if requested by the Executive Committee.

While the Board does not establish the level of share ownership for individual directors, the Board believes that directors should be stockholders in order to align their interests with the long-term interests of the Company's stockholders.

IV. Director Qualifications and Selection Process

The Nominating and Corporate Governance Committee evaluates all Nominees, including current Directors who may be up for re-election, based on several different

professional criteria and in accordance with the minimum requirements as established in the Governing Documents. Additional general criteria include knowledge of business, industry, and economic environment, educational background, professional experience, and willingness and availability to serve as a Director of the Company. The Company seeks to have a Board representing diverse experiences in business, government, education, technology, and in various areas relevant to its businesses. This Committee will also consider the make-up of the Board as a whole in terms of the professional diversity represented by various occupations and review the overall qualifications in determining a combination of Directors that will best serve the needs of the Board and the Company. Other considerations and requirements include, but are not limited to, the following:

a. Integrity and Values

Each Director should possess the highest personal and professional ethics and integrity and be devoted to representing the interests of the Company and its shareholders. A Director must be willing to devote sufficient time to carrying out his or her duties and responsibilities effectively.

b. Independence

The make-up of the Board shall at all times meet the criteria for independence required by the Regulatory Agencies.

c. Nominations

Proposed nominations for Directors will be made to the Board by the Nominating and Corporate Governance Committee in accordance with the policies and principles in its Charter. Shareholders may also propose nominees for election as Directors for consideration by this Committee in accordance with the procedures set forth in Governing Documents. In the event of vacancies that occur on the Board between annual shareholder meetings, as set forth in the Governing Documents, the Board may fill such positions pursuant to recommendation by this Committee and as indicated in Governing Documents.

d. Material Changes in Qualifications; Retirement

If a Director changes principal occupation, position, or represented responsibility held when elected to the Board, the Director must immediately notify the Chairman of the Board and the Chairperson of the Nominating and Corporate Governance Committee. The individuals will review the circumstances and situation, review the appropriateness of continued Board service under the new circumstances, and make a recommendation as to retention or removal to the full Board.

e. Service on Other Boards of Directors

A Director will advise the Chairman of the Board and the Chairperson of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve as a director of another public company. The Nominating and Corporate Governance Committee will review whether such board membership

may unduly impact the ability of the Director to fulfill his or her responsibilities as a Director of the Company and shall make a recommendation to the Board. Generally, a Director of the Company should not serve on more than three other public company boards of directors.

f. Chairman of the Board

The Company has no fixed policy with respect to the separation of the offices of Chairman of the Board and the CEO. The Board believes that this issue is part of the succession planning process, and that it is in the best interests of the Company for the Board to make this determination from time to time, when selecting a new CEO.

V. Independence of Directors

The Nominating and Corporate Governance Committee shall be responsible for creating categorical standards to assist it and the Board in making a determination of independence of Directors in accordance with the Governing Documents and the rules and regulations of the Regulatory Agencies. Upon approval by the Board, the standards shall be disclosed to interested parties of the Company. On an annual basis, this Committee shall re-evaluate and determine the status of independence of all Directors in accordance with the set standards. This Committee shall present for approval to the full Board a report regarding its determination on the independence (or lack thereof) of each Director serving on the Board.

VI. Membership, Terms, and Term Limits

The number of Directors on the Board and the terms of each Director shall be in compliance with the Governing Documents. The Board does not believe it should establish term limits for its Directors and, as such, each Director may be re-elected to additional terms. The nomination process and associated criteria will ensure that there are fresh ideas and viewpoints available to the Board while maintaining the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

VII. Meetings of the Board of Directors

a. Meetings Scheduled

The Board, in accordance with Governing Documents, may have meetings, regular or special, as frequently as the Board determines. Although the Company has no formal policy regarding the required number of meetings held each year, the Board has generally found that four regularly scheduled meetings per year have been appropriate and sufficient.

b. Meeting Attendance and Preparation

Each Director is expected to attend all Board meetings and all meetings of Committees on which the Director serves. A Director should notify the

Company's Secretary or Assistant Secretary as soon as practical after becoming aware of being unable to attend a meeting. Each Director is expected to spend the amount of time and effort needed, and to meet as frequently as necessary, to properly discharge the required and appropriate responsibilities. Information and data that are important to the Directors' understanding of the business to be conducted at a Board meeting generally should be made available or distributed to the Directors as soon as possible and practicable. All Committees may establish information distribution guidelines and timelines within their individual Charters. Each Director should review the materials in advance of the meeting.

c. Meeting Agenda

Prior to each meeting, the Chairman of the Board will establish the agenda for each Board meeting and establish an agenda to be discussed during the meeting to the degree that this can be foreseen. Directors are encouraged to suggest the inclusion of additional items on the agenda. Whenever possible, such additional agenda items should be discussed with the Chairman of the Board or Corporate Secretary in advance of the meeting so that appropriate notice and materials relating to such item can be distributed to all Directors prior to the meeting. A Director may raise subjects for discussion at any Board meeting whether or not included within the formal agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that it will face in the future during at least one Board meeting each year.

d. Meetings of Non-Management Directors

Executive sessions or meetings of those members of the Board who meet the then current standards of independence shall be held at least annually and more frequently if the independent Directors so desire. No member of the Company's management shall be present at such executive sessions except by specific invitation by the Presiding Director of the meeting. The independent Directors may meet in executive session completely separate from a scheduled meeting of the full Board, or after a scheduled Board meeting upon first excusing all members of the Company's management from that segment of the meeting. The Presiding Director for this Committee will be determined annually.

VIII. Board Committees

a. Standing Committees

The Board will have at all times an Executive Committee and any other Committee required by the Governing Documents or Regulatory Agencies. Other than the Executive Committee, all of the members of these Committees shall be Directors who then meet the independence criteria then in effect and as established by the Regulatory Agencies. The Board may create additional standing and ad hoc committees as deemed appropriate from time to time. Consideration will be given to rotating Committee members periodically, but the Board does not believe that rotation should be mandated.

b. Committee Charters

Each Board Committee will have its own Charter or other governing document. Each Charter will set forth the purposes, goals, and responsibilities of the Committee as well as certain specific qualifications for Committee membership and procedures for Committee member appointment. Each Charter will address the nature of items that, and the frequency with which, the Committee will report to the full Board. Each Charter will require the Committee to annually evaluate its own performance.

c. Committee Meetings and Agendas

The Committee Chair, in consultation with the Committee members and the Company's Chairman of the Board, CEO and Executives, where appropriate, will determine the frequency and length of the Committee meetings consistent with any requirements set forth in the Committee's Charter. The Committee Chair, in consultation with the appropriate members of the Committee and Executives, will develop the Committee's agenda for each meeting. The meeting schedule for each Committee will be furnished to all Directors.

d. Committee Reports to the Board

After each Committee meeting, but not less than annually, each standing Committee will make a report to the Board as required in each Committee's Charter and including other issues that may be of interest to the Board. Such reports shall include an analysis of the issues and how such issues were resolved or otherwise addressed by the Committee.

e. Engagement of Advisors

The Board and each Committee have the power to hire, at the expense of the Company, independent legal, financial or other advisors as it may deem necessary, without consulting or obtaining the approval of any Executive of the Company in advance. Directors are expected to use their best judgment in determining when such engagements are necessary and shall consider the qualifications and fees to be charged by such advisors when making their selection. The Board and/or the Committee that engages such advisor shall promptly notify the Company's Corporate Secretary or Assistant Secretary of such engagement so that the Corporate Secretary or Assistant Secretary can confirm the independence of such advisor and make the necessary arrangements for the payment of fees to such advisor. Except for the Audit Committee, any other standing Committee shall be limited to \$5,000 per engagement unless otherwise authorized by the Board. A report will be made to the Board regarding the reason for the engagement and the fees at the next Board meeting.

IX. Non-Delegable Actions of the Board of Directors

The Board may delegate responsibility for certain actions within the scope of the Board's authority to the extent such delegation is permissible by applicable law. Any such matters delegated to a Committee must be within the scope of authority granted to such Committee in its Charter. Notwithstanding any such delegation, the Board shall remain

responsible for such actions and the Committees and/or persons to whom such actions have been delegated shall report the status of such matters to the Board from time to time as directed by the Board. However, the Company believes that the following matters may not be delegated outside the Board and must be addressed by the Board as a whole:

- a. any matter which is required by applicable law to be acted upon by the entire Board, such as amendments to the Company's Articles of Incorporation, issuances of shares, share repurchases, and declarations of dividends;
- b. any amendment to, or waiver of, the Company's Code of Ethics; and
- c. any business acquisition or disposition requiring approval by the Company's shareholders;

X. Director Access to Officers and Employees

a. Contacts

Directors shall have full and free access to Executives and employees of the Company. Any meetings or contacts that a Director wishes to initiate may be arranged directly or through the CEO or Corporate Secretary. A Director will use judgment to ensure that any such contact is not disruptive to the business operations of the Company and may, if appropriate, copy the CEO and Corporate Secretary on any written communications between a Director and an Executive or employee of the Company.

b. Participation in Meetings

In addition to the Directors and the Company's Corporate Secretary, the Board may extend invitations to other Company personnel or affiliates to attend various Board or Committee meetings, or certain portions of such meetings. Meeting attendance of non-members should be approved by the Chairman of the Board or by the Committee Chair or by a majority of the members of the Board or Committee.

XI. Management Evaluation

At least annually, the Board, in conjunction with the Compensation Committee, shall review the performance of the CEO and Executives, particularly the Company's Named Executive Officers, to ensure that these senior management individuals are providing the best leadership for the Company in the long and short-term.

XII. Succession Planning

In order to be prepared in the event of an unexpected inability of the CEO to continue to serve, the Board, upon recommendations of the Executive Committee and the Nominating and Corporate Governance Committee, shall evaluate potential successors to the CEO. In evaluating potential successors, the Board or these Committees shall meet

with the CEO to discuss the CEO's recommendations and evaluations, including a review of any development plans recommended for such potential successors.

XIII. Director Compensation

The form and amount of Director compensation will be determined by the full Board on the recommendation of the Nominating and Corporate Governance Committee in accordance with the policies and principles set forth herein, in its Charter, and any Regulatory Agency. This Committee will conduct an annual review of Director compensation. The Board, upon the advice of this Committee, shall consider whether the independence of Directors may be jeopardized: a) if Director compensation and perquisites exceed customary levels; b) if the Company makes substantial charitable contributions to organizations with which a Director is affiliated; or c) if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a Director or an organization with which the Director is affiliated.

XIV. Director Education and Continuing Education

The Company will establish, or identify and provide access to, appropriate orientation programs, sessions, or materials for newly elected directors of the Company for their benefit prior to or within a reasonable period of time after their nomination or election as a Director. The program or materials will include information to familiarize new Directors with the Company's strategic plans, its significant financial, accounting, and risk management issues, its compliance programs, its Code of Ethics, its Executives, and its internal and independent auditors. The Board encourages its members to participate in continuing education programs sponsored by universities, stock exchanges, or other organizations or consultants specializing in director education. Subject to approval by the Board's Executive Committee, a Director may attend continuing education programs at the Company's expense.

XV. Reliance on Others; Liability Insurance

In discharging the obligations and responsibilities as a Director of the Company, each Director is entitled to rely on the honesty and integrity of other Directors and of the Company's Executives, independent auditors, and other outside advisors. Further, in order to promote the ability of each Director to act in accordance with the Director's reasonable, good faith business judgment without undue concern for the substantial risk of personal liability faced by directors of public companies, the Company shall purchase and maintain directors' and officers' liability insurance in amounts reasonably deemed appropriate from time to time. To the extent deemed advisable by the Board, the Company shall bestow on the Directors the benefits of indemnification and exculpation to the fullest extent permitted by law and by the Company's Governing Documents and any indemnification agreements.

XVI. Annual Performance Evaluation

The Board, in conjunction with the Nominating and Corporate Governance Committee, will conduct an annual self-evaluation to determine whether it and its Committees are functioning effectively. The performance assessment will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve. In addition, at least annually the Board shall review whether the Company is in line with its long-term strategic plans and shall revise such plans as necessary.

XVII. Conduct and Ethics Standards for Directors

Directors are subject to applicable provisions of the Company's Code of Ethics. Among other things, Directors must conduct themselves in a manner that avoids actual or apparent conflicts of interest and that protects the Company's business reputation. A conflict of interest occurs when a Director's private interest interferes in any way - or even appears to interfere - with the interest of the Company. Except as authorized by the Board, no outside Director shall have a direct economic relationship with the Company. Company loans to, or guarantees of obligations of, Directors and their family members are prohibited.

Directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Accordingly, Directors are prohibited from taking for themselves personally business opportunities that are discovered through the use of Company property, information or position.

Directors, in the course of their Company duties, must comply fully with all federal, state and foreign laws applicable to the Company's businesses, and with applicable Company policies (including policies relating to use of confidential information and insider trading).

XVIII. Annual Meetings of Stockholders

The Company shall hold an annual general meeting of stockholders, if required by the Regulatory Agencies and/or the Governing Documents.

XIX. Amendment, Waiver and Modification

The Board recognizes that these Guidelines must continue to evolve in accordance with the changing needs of the Company, its shareholders, and the applicable laws and regulations of Regulatory Agencies. At least annually, the Board, in conjunction with the Nominating and Corporate Governance Committee, will review these Guidelines and the Company's Governing Documents to determine whether any changes are appropriate. The Board may amend, modify, or waive these Guidelines, subject to the disclosure and other provisions of laws, rules, and regulations applicable to the Company.

APPENDIX A

DEFINITION OF TERMS

Articles - Articles of Incorporation, as amended and/or restated, of Lightscape Technologies Inc. in effect at the time

Company - Lightscape Technologies Inc. and its subsidiaries unless otherwise noted

Board - the Board of Directors of Lightscape Technologies Inc.

By-laws - the By-laws, as amended, of Lightscape Technologies Inc. in effect at the time

CEO - the Chief Executive Officer of Lightscape Technologies Inc.

Chairman of the Board - the Chairman of the Board of Directors of Lightscape Technologies Inc.

Charters - the Charters, or other governing documents, of the specified Committees of the Board of Directors of Lightscape Technologies Inc.

Committee - any specified Committee of the Board of Directors of Lightscape Technologies Inc.

Committee Chair - the Chairman (or Presiding Director) of the specified Committee of the Board of Directors of Lightscape Technologies Inc.

Director - any member of the Board of Directors of Lightscape Technologies Inc.

Executives - the Chief Executive Officer, the Named Executive Officers, and the other Executive Officers of Lightscape Technologies Inc. as defined as “executive officer” for purposes of Form 10-K Report and Proxy Statement reporting and as defined as “officer” for purposes of Section 16 of the Securities Exchange Act of 1934

Governing Documents - including, but not limited to, the Articles of Incorporation, as amended and/or restated, the By-laws, as amended, and the Charters of specified Committees of the Board of Directors of Lightscape Technologies Inc.

Guidelines - the corporate governance principles approved and adopted by the Board of Directors of Lightscape Technologies Inc. as contained in this particular document

Nominee - a nominee to the Board of Directors of Lightscape Technologies Inc.

NASDAQ - the NASDAQ Stock Market (or similar exchange on which Lightscape Technologies Inc.'s stock is traded and regulated)

Regulatory Agencies - including, but not limited to, the Financial Industry Regulatory Authority ("FINRA"), the National Association of Securities Dealers ("NASD"), the Over-the-Counter Bulletin Board service ("OTCBB"), the New York Stock Exchange ("NYSE"), the United States Securities and Exchange Commission ("SEC"), the United States Internal Revenue Service ("IRS"), other similar governing and rule-making agencies, and the rules and regulations of the Sarbanes-Oxley Act of 2002 which the Company may be subject to at any time and from time to time

SEC - the United States Securities and Exchange Commission

SOX - the rules and regulations of the Sarbanes-Oxley Act of 2002