

FUN TECHNOLOGIES INC.

CODE OF BUSINESS CONDUCT AND ETHICS

This Code of Business Conduct and Ethics (the “**Code**”) is applicable to all directors, officers and employees of FUN Technologies Inc. (“**FUN**”), including our chief executive officer and chief financial officer. Each employee, officer and director is expected to read and become familiar with the Code and is required, from time to time, to affirm his or her agreement to adhere to the Code by signing the Compliance Certificate attached to the Code as Appendix “A”. The Code does not summarize all applicable laws, rules and regulations. If you have any questions regarding the applicability of specific laws, rules and regulations, please consult your personal counsel or FUN’s designated law firm.

This Code is a codification of standards designed to deter wrongdoing and promote:

1. honest and ethical conduct, including the handling of actual or apparent conflicts of interest between personal and professional relationships;
2. avoidance of conflicts of interest, including disclosure to a director or officer of FUN of any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest;
3. full, fair, accurate, timely and understandable disclosure in reports and documents that FUN files with, or submits to, the Canadian and/or U.K. securities regulatory authorities and in other public communications made by FUN;
4. compliance with applicable governmental laws, rules and regulations;
5. the prompt reporting to a director or officer (or if appropriate, to the Ontario Securities Commission (“**OSC**”)) of FUN of violations of this Code; and
6. accountability and responsibility by all directors, officers and employees for adherence to this Code.

A. Complying with Law. All employees, officers and directors of FUN and its subsidiaries must respect and comply with all of the laws, rules and regulations of the countries, provinces, states and other jurisdictions in which FUN conducts its business. Specifically, FUN 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 FUN’s employees, officers and directors separate from FUN’s business;
5. prohibiting any illegal payments to any government officials or political party representatives of any country; and

6. complying with all applicable provincial, state and federal securities laws in Canada and the U.K.

Legal compliance includes compliance with the “insider trading”/“insider dealing” prohibitions applicable to FUN and its employees, officers and directors. Generally employees, officers and directors who have access to or knowledge of confidential or non-public information from or about FUN are not permitted to buy, sell or otherwise trade in FUN’s securities, whether or not they are using or relying upon that information. This restriction extends to sharing or tipping others about that information. FUN has trading restrictions to reduce the risk, or appearance, of insider trading. In that regard, FUN employees, officers and directors must refer to FUN’s Statement Regarding Confidentiality and Trading Restrictions; provided that if there are questions regarding the applicability of such statement, the individual employee, officer or director should seek advice thereon from his or her personal lawyer or from FUN’s designated law firm.

B. Conflicts of Interest. All employees, officers and directors of FUN and its subsidiaries must be scrupulous in avoiding a conflict of interest with regard to FUN’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 FUN. 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 FUN work objectively and effectively. It is almost always a conflict of interest for a FUN 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 FUN’s customers, suppliers or competitors, except on FUN’s behalf. Conflicts of interest 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 FUN, whether received from FUN or a third party. Loans to, or guarantees of obligations of, employees, officers and directors of FUN and their respective family members may create conflicts of interest. Conflicts of interest are prohibited as a matter of FUN policy, except under guidelines or circumstances approved by the Board of Directors or committees of the Board. Conflicts of interest 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 FUN’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 FUN.

C. Corporate Opportunity. Employees, officers and directors are prohibited from: (a) personally taking opportunities for monetary or ‘in kind’ gain that properly belong to FUN or are discovered through the use of FUN property, information or position; (b) using FUN property, information or position for personal gain; and (c) competing with FUN, except, in each case, under guidelines or circumstances approved by the Board of Directors of its own motion or upon the recommendation of an appropriate Committee of the Board.

D. Confidentiality. Employees, officers and directors of FUN and its subsidiaries must maintain the confidentiality of confidential information entrusted to them by FUN or its suppliers or customers, except when disclosure is authorized by the Board of Directors or is required by laws, regulations or legal proceedings. Employees, officers and directors must consult with FUN’s designated law firm if they believe they have a legal obligation to disclose confidential information. Confidential information includes all non-public information that might be of use to competitors of FUN, harmful to FUN or its customers if disclosed or would provide an undue advantage in the trading of FUN’s publicly traded securities.

E. Fair Dealing. Each employee, officer and director must deal honestly and fairly with FUN’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 FUN through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

F. Protection and Proper Use of FUN Assets. All employees, officers and directors must protect FUN's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on FUN's profitability. All FUN assets should be used for legitimate business purposes as provided in corporate policy or in situations approved by the Remuneration Committee of the Board as additional compensation or where reimbursement is made on a commercially reasonable basis for personal use.

G. Financial Supervisors. For purposes of this Code, "Financial Supervisors" means, collectively, FUN's chief executive officer, chief operating officer, chief financial officer, chief accounting officer, controller or any person performing similar functions. No Financial Supervisor shall, directly or indirectly, make or cause to be made a materially false or misleading statement, or omit to state, or cause another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with:

- any audit or examination of the financial statements of FUN; or
- the preparation or filing of any document or report required to be filed with the Canadian or U.K. securities regulatory authorities.

No Financial Supervisor, or any other person acting under the direction thereof, shall directly or indirectly take any action to fraudulently or improperly influence, coerce, manipulate or mislead any independent public or certified public accountant engaged in the performance of an audit or review of the financial statements of FUN that are required to be filed with the Canadian and/or U.K. securities regulatory authorities if that person knew or was unreasonable in not knowing that such action could, if successful, result in rendering such financial statements materially misleading.

H. Reporting Any Illegal or Unethical Behaviour. FUN has a Whistleblower Policy that, among other things, establishes procedures for reporting complaints with respect to accounting, internal accounting controls or auditing matters at FUN. Employees, officers and directors are encouraged to discuss with other appropriate personnel other types of illegal or unethical behavior they observe and, when in doubt, about the best course of action in a particular situation and when observed should report such conduct to an appropriate officer or director; or FUN's Audit Committee; or to its Nominating and Corporate Governance Committee; or to FUN's designated law firm. If their concerns or complaints require confidentiality, including keeping their identity anonymous, then this confidentiality will be protected, subject to applicable laws, regulations or legal proceedings.

- i. **Anonymous Concerns.** Provision of as specific detail as possible is required, including back-up documentation where feasible, in order to permit adequate investigation of the concern or conduct reported. Vague, non-specific or unsupported allegations are inherently more difficult to pursue and may not warrant the costs and effort necessary to adequately investigate them.
- ii. **Procedures for Reporting.** All complaints should be in writing and forwarded to either the Chairman of the Audit Committee or the Chairman of the Nominating and Corporate Governance Committee at 175 Bloor Street East, South Tower, Suite 803, Toronto, Ontario, M4W 3R8.

I. No Retaliation. FUN will not permit retaliation of any kind by or on behalf of FUN and its employees, officers and directors against good faith reports or complaints of violations of this Code or other illegal or unethical conduct.

J. Investigation. FUN's Nominating and Corporate Governance Committee will investigate any reported violations and will oversee any appropriate response, including corrective action and preventative measures. Employees, officers and directors that violate any laws, governmental regulations or this Code will face appropriate, case specific disciplinary action, which may include demotion or discharge.

K. Public Company Reporting. As a public company, it is of critical importance that FUN's filings with the Canadian and U.K. securities regulatory authorities be full, fair, accurate and timely. Depending on his or her position with FUN or its subsidiaries, an employee, officer or director may be called upon to provide necessary information to ensure that FUN's public reports are complete, fair and understandable. FUN expects employees, officers and directors to take this responsibility very seriously and to provide prompt, accurate answers to inquiries related to FUN's public disclosure requirements. Financial Supervisors must exercise the highest standard of care in preparing reports and documents that FUN files with the Canadian and/or U.K. securities regulatory authorities, and other public communications, or in ensuring that such reports, documents and other public communications are prepared, in accordance with the guidelines set forth below.

- Compliance with applicable generally accepted accounting principles ("GAAP") is required at all times. However, technical compliance with GAAP may not be sufficient and, to the extent that technical compliance with GAAP would render financial information that FUN reports misleading, additional disclosure will be required.
- Compliance with FUN's system of internal accounting controls and procedures is required at all times, and no action designed to circumvent such controls and procedures will be tolerated.
- Compliance with FUN's disclosure controls and procedures is required at all times, and no action designed to circumvent such controls and procedures will be tolerated.

All of FUN's books, records, accounts and financial statements must be maintained in reasonable detail and on a timely basis, must appropriately reflect FUN's transactions and must conform both to applicable legal requirements and to FUN's system of internal controls. Unrecorded or "off the books" funds or assets must not be maintained unless permitted by applicable law or regulation. Records must be retained or destroyed only according to FUN's record retention policy. In the event of litigation or governmental investigation, FUN's Chief Executive Officer must be advised promptly, and all books or records to the matter in question must not be altered or destroyed.

Financial Supervisors are responsible for establishing and managing FUN's financial reporting systems. In particular, Financial Supervisors are responsible for ensuring that:

- books, records and accounts are kept which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of FUN's assets, liabilities, revenues and expenses;
- all business transactions are properly authorized;

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- transactions are recorded as necessary to permit the preparation of financial statements in conformity with GAAP (or any other applicable criteria);
- transactions are recorded as necessary to maintain accountability for assets;
- access to assets is permitted only in accordance with proper authorization;
- the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;
- all records fairly and accurately reflect the transactions or occurrences to which they relate;
- FUN's accounting records do not contain any false or intentionally misleading entries;
- all transactions are supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period; and
- no information is concealed from the internal auditors, the independent auditors, the Audit Committee or the full Board of Directors.

No Financial Supervisor shall knowingly circumvent or knowingly fail to implement a system of internal accounting controls or knowingly falsify or misclassify any transaction, book, record or account described in this section.

L. Amendment and Modification. This Code may be amended or modified by a resolution of the Board of Directors.

M. Waivers. The provisions of this Code may be waived for directors or officers only by a resolution of FUN's Board of Directors after receiving a recommendation from the Nominating and Corporate Governance Committee. Any waiver of this Code granted to a director or officer will be publicly disclosed to the extent required by the securities exchange(s) on which FUN's securities are listed or quoted for trading or any other applicable securities legislation. Any change in or waiver of this Code for any officer or director will be publicly disclosed to the extent required by the OSC or any other regulatory body.

N. Public Availability of this Code. As required by National Instrument 58-101 of the Canadian Securities Administrators, this Code will be made publicly available by FUN on the SEDAR website and the text of this Code will be posted on FUN's website. Furthermore, any amendment of this Code will be filed on SEDAR.

March 2006

APPENDIX "A"

COMPLIANCE CERTIFICATE

I have read and understand the Company's Code of Business Conduct and Ethics (the "Code"). I will adhere in all respects to the ethical standards described in the Code. I further confirm my understanding that any violation of the Code will subject me to appropriate disciplinary action, which may include demotion or discharge.

I certify to the Company that I am not in violation of the Code, unless I have noted that violation in a signed Statement of Exceptions attached to this Compliance Certificate.

DATED as of this _____ day of _____, _____.

Name:

Title/Position:

Check one of the following:

_____ A Statement of Exceptions is attached.

_____ No Statement of Exceptions is attached.