



## 1 PURPOSE

At Cardiac Science Corporation and its subsidiaries (collectively, the “Company”), we strive to operate our business in compliance with our company policies and procedures and all applicable laws and regulations. We expect each of our employees and agents to conduct themselves with the highest level of integrity and ethics. As representatives of the Company, we are committed to responsible behavior toward each other, stockholders, customers, vendors, and the environment and communities in which we do business. The Company’s Code of Conduct and Ethical Standards (the “Code”) specifies at the highest level our expectations for conduct and the running of our business, according to internal procedures and the state and federal laws and regulations governing medical device developers, publicly traded entities, and businesses involved in international trade.

## 2 SCOPE

The Code is applicable to the Company’s directors, officers, employees and agents.

Regulations applicable to the Company include but are not limited to those enforced by the Department of Health and Human Services, the Department of Labor, the Office of Inspector General, the European Union, the Food and Drug Administration, the NASDAQ Stock Market, the Occupational Safety and Health Administration, and the Securities and Exchange Commission (the “SEC”).

## 3 RESPONSIBILITY

It is the responsibility of the Company’s directors, officers, employees and agents to conduct themselves according to this Code and uphold the highest ethical standards as representatives of the Company.

## 4 POLICY

### 4.1 General Statement of Policy

This Code has been adopted by the Company to provide ethical standards and policies by which officers, directors, employees and agents of the Company will conduct themselves in order to promote integrity and sound business practices. These standards are linked closely to our corporate vision, strategies and operating ideals and are intended to provide guidance to persons functioning in executive, managerial, distribution or administrative capacities, as well as to all employees.

The integrity, reputation and profitability of the Company ultimately depend upon the individual actions of our employees, representatives, officers, directors, agents and consultants. It is the policy of the Company to comply with all applicable laws and to adhere to ethical standards in the conduct of our business. Each employee is expected to read and understand this Code, uphold these standards in daily activities, and take personal responsibility for compliance with all applicable policies and procedures. Because the principles described in the Code are general in nature, applicable Company policies and procedures should be reviewed for more specific guidance pertaining to particular topics discussed in the Code.

In furtherance of the Company's commitment to ethical standards, we are committed to regularly reviewing and updating our policies and procedures. While the Company will generally attempt to communicate changes concurrent with or prior to the implementation of such changes, the Company reserves the right to modify, amend or alter the Code at any time.

The guidelines in this Code are neither exclusive nor comprehensive. Because the business and legal environment in which the Company operates is complex, it would be impossible to formulate a single policy that would govern all possible situations. Employees are expected to know and required to comply with the letter and the spirit of all applicable laws and policies, whether or not specifically addressed within this Code. If questions arise regarding the interpretation, application, or existence of any law, they should be directed to the Company's Chief Executive Officer, Chief Financial Officer or VP of Human Resources (hereinafter referred to collectively as "Executive Management").

The Company is committed to promptly investigate any potential violations or concerns regarding the application of this Code and will take corrective action as appropriate. These potential violations or concerns should be directed to any member of management or through the Company's Hotline, 1-888-883-1499. The Company maintains a no retaliation policy for all good faith reporting. For further specifics on the process for reporting see the Whistleblower Policy.

#### **4.2 Compliance with Laws and Regulations**

All Company officers, directors, agents and employees must comply with all applicable laws, regulations, rules and regulatory orders applicable in the country, state and local jurisdictions where business is conducted, including securities laws, antitrust laws, anti-kickback laws and other fair competition and regulatory laws. Each officer, director and employee is expected to acquire appropriate knowledge of the requirements relating to his or her duties sufficient to enable him or her to recognize potential issues or violations and to know when to seek advice from the Company's outside legal counsel or other appropriate advisors on specific Company policies and procedures. Violations of laws, regulations, rules and orders may subject the employee to individual criminal or civil liability, as well as to disciplinary action which could include termination by the Company as described in the Employee Handbook. Because such individual violations may also subject the Company to civil or criminal liability or the loss of business, the Company takes legal compliance measures seriously and works diligently to enforce them.

#### **4.3 Foreign Corrupt Practices Act of 1977 ("FCPA")**

The Company abides by and will take disciplinary action against directors and Company personnel who violate the FCPA. The FCPA prohibits corrupt payments or the giving of anything of value (including offering or promising such payments) to foreign officials, public international organization officials, foreign political party officials or candidates for such offices for the purpose of obtaining or keeping private or public business.

Violations of the FCPA's antibribery provisions may result in criminal penalties, including fines for corporations and other business entities and fines and imprisonment for; officers, directors, stockholders, employees, and agents.

The FCPA imposes certain record-keeping requirements designed to ensure that records accurately reflect corporate transactions and dispositions of corporate assets in

order to make it difficult to hide improper foreign payments. Violations of these record-keeping requirements can also result in criminal penalties.

#### **4.4 Safety, Health and the Environment**

As a good corporate citizen of the communities in which we operate, the Company is committed to a safe work environment and sound environmental actions. The Company will comply fully with the spirit as well as the letter of all health, safety and environmental laws and regulations. All waste products and hazardous materials must be stored, handled and disposed of in full compliance with all laws, regulations and Company practices. Any unsafe work conditions or practices including the unsafe storage of a potentially toxic or hazardous material, or the improper release of any such materials into the environment, should be promptly reported to management or through the Company's Hotline 1-888-883-1499.

#### **4.5 Medical Device Laws**

Domestic and foreign regulatory agencies exercise extensive control over the manufacture and sale of the Company's products to assure their safety and quality. In addition, these laws require that our products be effective for their marketed use. To achieve these objectives, these laws impose strict requirements on the manufacture, labeling, sale and promotion of the Company's products. Violations of these laws can result in severe penalties. The Company expects its officers, agents and employees to comply fully with all applicable federal, state and foreign medical device laws and any regulations issued under those laws. The specific application of these requirements is described in the Company's Quality Manual. In the event of a question as to the scope or interpretation of these laws management or Company personnel responsible for regulatory affairs issues should be consulted as appropriate under the circumstances.

#### **4.6 Prohibited Foreign Economic Boycotts**

The policy of the Company is to strictly comply with U.S. laws pertaining to activities associated with prohibited unsanctioned foreign economic boycotts. The principal foreign economic boycott that is not sanctioned by U.S. law is the boycott of Israel, sponsored by the League of Arab States. However, the U.S. anti-boycott laws apply to all boycotts imposed by foreign countries that are not sanctioned by the U.S. The antiboycott laws prohibit a wide variety of activities connected with such organized, illegal boycotts, including:

- refusing to do business with boycotted countries, their nationals or blacklisted companies;
- furnishing information about the Company's or any person's past, present or prospective relationship with boycotted countries or blacklisted companies;
- furnishing information about any person's race, religion, sex, or national origin, or membership or support of charitable organizations supporting a boycotted country;
- discriminating against individuals or companies on the basis of race, religion, sex or national origin; and
- paying, honoring or confirming letters of credit containing boycott provisions.

The law also requires that the boycotting request be reported to the U. S. Government.

#### 4.7 Conflicts of Interest

Each officer, director and employee has a responsibility to the Company, its shareholders and each other to perform his or her duties in pursuit of the Company's best interests and to refrain from letting personal interests influence, or appear to influence, business activities. Officers, directors and employees are responsible for recognizing and avoiding any situation involving a conflict of interest. A conflict of interest exists when a duty of loyalty to the Company of an officer, director or employee may be prejudiced by actual or potential personal benefit from another source. Officers, directors and employees should always strive to avoid even the appearance of a conflict of interest by avoiding any association or investment interest that interferes, might interfere, or might appear to interfere, with the independent exercise of judgment in the Company's best interests.

Some scenarios that may pose potential conflict of interest problems include, but are not limited to, the following:

- Investing in any company that sells products or services similar to the Company's, or any company doing or seeking to do business with the Company, other than relatively small investments in securities widely held by the general public;
- Working for, or on behalf of, any such company;
- Placing Company business with relatives or friends, or working on a Company project that will have a direct impact on the financial interests of relatives or friends;
- Encouraging companies dealing with the Company to buy supplies or services from relatives or friends;
- Borrowing money from companies doing or seeking to do business with the Company other than on generally available terms;
- Participating in the regulatory or other activities of a community or governmental body that have a direct impact on the business of the Company or its affiliates;
- Hiring or supervising a relative or friend;
- Engaging in a personal relationship with another employee or vendor that affects one's ability to do one's job or disrupts the workplace;
- Serving as a director of any company that competes with the Company; and
- Accepting gifts or gratuities of other than nominal value from any customer, vendor, supplier, or other person doing business with the Company or its affiliates. Each officer, director and employee is responsible for recognizing situations in which a conflict of interest or the appearance of a conflict of interest is present or might arise and for taking appropriate action to eliminate or prevent such conflict or appearance of a conflict, including reporting the situation to the appropriate level of management. Where an officer, director or employee believes it is not possible to avoid any of these situations, or to avoid any other potential conflict of interest, he or she must fully inform (in advance if possible) his or her supervisor (in the case of employees other than Executive Management) or the Board of Directors (in the case of Executive Management or directors).

#### 4.8 Corporate Opportunities

Officers, directors and employees may not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or

position unless the opportunity is disclosed fully in writing (i) in the case of employees other than Executive Management, to a member of Executive Management, and (ii) in the case of Executive Management or a director, to the Company's Board of Directors, and such opportunity is explicitly declined by the member of Executive Management to whom such opportunity is disclosed or by the Board of Directors, as applicable. The fact that a particular business opportunity is closely related to an existing line of business of the Company or represents a desirable avenue of expansion of Company activities is a strong indication that the Company might be interested in the opportunity. Officers, directors and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

#### **4.9 Confidential Information and Intellectual Property**

The Company's confidential information is a valuable asset, and protecting that information is one of the most important obligations you have as an officer, director or employee of the Company. Upon joining the Company, each employee signs an agreement to protect and hold confidential the proprietary information of the Company and its affiliates. This agreement remains in effect for as long as the employee works for the Company and has continuing liability after the employee leaves the Company. Under this agreement, the employee may not disclose the Company's confidential information to anyone or use it to benefit anyone other than the Company without the prior written consent of an authorized Company officer.

Proprietary information of the Company's customers and suppliers should be treated as confidential. Except to the extent legally required, such information should not be disclosed to people outside the Company or to people inside the Company who do not have legitimate work-related need to know.

In the performance of assigned duties, employees may develop ideas, inventions, software, or create original works of authorship relating to the business of the Company ("Intellectual Property"). As more particularly set forth in the Company's standard Confidential Information and Inventions Agreement, Intellectual Property created by any employee is considered "work made for hire" to the extent applicable under copyright law or is assigned to the Company.

Directors, officers and employees are to comply with the laws and regulations that govern the rights to and protection of the Company's and others' copyrights, trademarks, patents, trade secrets, and other forms of intellectual property.

#### **4.10 Financial Statements and Public Disclosures**

As a company subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, the Company has special disclosure and financial reporting requirements. Adhering to these requirements are the specific responsibility of the Chief Executive Officer, Chief Financial Officer and other senior finance and accounting staff with responsibility for maintaining accounting records, preparing financial statements, preparing and filing reports with the Securities and Exchange Commission (the "SEC"), interfacing with internal or independent auditors and making other public communications regarding the Company. These individuals, due to the nature of their work, have special requirements regarding honest and ethical conduct including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

It is the policy of the Company that the Chief Executive Officer, Chief Financial Officer and other senior finance and accounting staff with responsibility for maintaining

accounting records adhere to, advocate and promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the SEC and in other public communications made by the Company. Generally, this information will be in conformance with generally accepted accounting principles ("GAAP") and will serve as the basis for managing the Company's business, measuring and fulfilling Company obligations, and complying with tax and financial reporting requirements. Financial reports, accounting records, research reports, expense accounts, time sheets and other documents must represent the relevant facts or the nature of the relevant transactions. Accounting and financial reporting practices including disclosure in reports and documents that the Company files with, or submits to, the SEC and other public communications must be fair and proper, in accordance with GAAP where necessary, and use management's best judgments.

Clear, open and frequent communication among all management levels and personnel on all significant financial and operating matters substantially reduces the risk of problems in the accounting and financial reporting areas. All management-level employees are expected to be aware of these risks and to communicate accordingly. All employees who interface with internal or independent auditors are prohibited from making false or misleading statements or improperly influencing any audit of the Company.

Internal controls will be adopted from time to time by management as needed to further assist in preventing and detecting errors and fraud, promoting accuracy and completeness in financial records and providing full, fair, accurate, timely and understandable disclosure in periodic reports and other public communications.

Any person who becomes aware of suspected violations of these requirements should promptly report their concerns to the Audit Committee, who will forward these reports to the Company's Board of Directors. Alternatively, these reports can be made through the Company's Hotline at 1-888-883-1499. The Company maintains a no-retaliation policy for any good faith reports of concerns or violations. For further specifics on the process for reporting see the Company's Whistleblower Policy.

#### **4.11 Securities Laws and Insider Trading**

It is against Company policy for any individual to profit from material undisclosed information relating to the Company or any company with which the Company does business. If an officer, director or employee is in possession of material inside information that the Company has not yet disclosed to the public, he or she may not purchase or sell any of the securities of the Company or "tip" others to trade in Company stock. Material inside information is defined as facts that have not been disclosed to the public that would influence a reasonable investor's decision to buy or sell a company's stock or other securities. Also, if an officer, director or employee has inside or unpublished knowledge about any of the Company's public-company suppliers, customers or any other public company that the Company does business with, he or she may not purchase or sell securities of those companies or tip others to do so.

Insider trading is a crime. Criminal penalties for individuals include fines and imprisonment. In addition, the SEC may seek the imposition of a civil penalty of up to three times the profits made or losses avoided from the trading. Insider traders must also disgorge any profits made and are often subjected to an injunction against future violations. Insider traders may further be subjected to civil liability in private law suits.

Moreover, U.S. securities laws provide for penalties not only for those who engage in insider trading, but also for those controlling persons who fail to take appropriate action when they either knew or should have known that persons within their control were violating these rules. Controlling persons, including supervisory personnel, may face penalties if they recklessly fail to take preventive steps to control insider trading. Therefore, it is essential that employees be alert to those situations where others within the Company (particularly those over whom the employee has some supervisory authority) may not be observing the rules of insider trading. We urge you to contact the Company's Executive Management, Corporate Controller or Assistant Controller if you are unsure as to whether or not you are free to trade under a particular set of circumstances.

For further details and guidance, please consult the Company's Insider Trading Policy.

#### **4.12 Antitrust Laws**

The Company is committed to obeying both the letter and the spirit of the many laws designed to encourage and protect free and fair competition. The United States antitrust laws prohibit agreements or actions in "restraint of trade," defined as restrictive practices that may reduce or hinder competition. These laws require that decisions be made and activities undertaken without any agreement or coordination with competitors. Among those agreements and activities constituting clear violations are agreements and understandings to fix or control prices and other terms of sale, to allocate products, territories or markets, or to limit the production or sale of products. Accordingly, directors, officers and employees must take great care to avoid any communications with the Company's competitors with respect to these types of matters.

The antitrust laws also regulate conduct with suppliers. For example, resale price agreements are prohibited, and the Robinson-Patman Act prohibits price discrimination by suppliers and knowingly inducing or receiving discriminatory pricing by buyers. Individuals involved in pricing discussions with suppliers must be knowledgeable with respect to the price discrimination rules and must consult with the Company's Executive Management as issues arise.

No employee, agent or contractor of the Company may enter into an agreement or understanding, written or oral, express or implied, with any competitor concerning prices, discounts, other terms or conditions of sale, profits or profit margins, costs, allocation of product or geographic markets, allocation of customers, limitations of production, boycotts of customers or suppliers, bids or the intent to bid or even discuss or exchange information on these subjects. In some cases, legitimate joint ventures with competitors may permit exceptions to these rules, as may bona fide purchases from or sales to competitors of non-competitive products, but the Company's Executive Management must review all such proposed ventures or arrangements in advance. Collusion among competitors is illegal, and the consequences of a violation are severe and include disciplinary action up to termination and possible criminal prosecution.

Although the spirit of antitrust laws is straightforward, their application to particular situations can be quite complex. To ensure that the Company complies with these laws, officers, directors and employees of the Company should consult with the Company's Executive Management or outside legal counsel early on when questionable situations arise.

#### 4.13 Political Activity

The Company reserves the right to communicate its position on important issues to elected representatives and other government officials. It is the Company's policy to comply with all local, state, federal, foreign and other applicable laws, rules and regulations regarding political contributions. The Company's funds or assets must not be used for, or be contributed to, political campaigns or political practices under any circumstances without the prior written approval of the Company's Executive Management and, if required, the Board of Directors. If directors, officers and employees engage in personal political activity on their own time, they must take particular care not to imply that they are acting on behalf of the Company.

#### 4.14 Stewardship

The Company recognizes its corporate responsibility for the advancement of medical education and research which could include both patient and public venues, and partnering with the communities in which it employs. The Company may demonstrate that support through charitable donations or sponsorship of events aligned with these values. This environment of giving may be through cash, products or services, volunteerism or other in-kind donations. Among other factors that may be considered when evaluating these requests, the Company will assess whether the request is for a bona-fide charitable purpose consistent with this stewardship clause and whether the request is from a bona-fide charitable organization. In no way will these contributions be considered an inducement to purchase or use, nor a reward for purchase or use of the Company's products.

#### 4.15 Maintaining and Managing Records

The Company maintains a record retention policy. The purpose of this policy is to set forth the Company's business and legal requirements in managing records, including all recorded information regardless of medium or characteristics. Records include paper documents, electronic documents, emails, compact disks, computer hard disks, floppy disks, microfiche, microfilm and audio recordings. The Company is required by local, state, federal, foreign and other applicable laws, rules and regulations to retain certain records and to follow specific guidelines in managing its records. Civil and criminal penalties for failure to comply with such guidelines can be severe for employees, agents, contractors and the Company, and failure to comply with such guidelines may subject the employee, agent or contractor to disciplinary action, up to and including termination of employment or business relationship at the Company's sole discretion.

The Company must make and retain books, records and accounts that, in reasonable detail, fairly reflect the Company's transactions and the disposition of its assets, conforming to applicable legal requirements and, where necessary, generally accepted accounting principles (GAAP). No entry may be made on the Company's books and records that misrepresents hides or disguises any transaction. Company books and records should be retained for the period of time specified in the applicable record retention schedule. After that time, they may be disposed of unless required to be retained in connection with pending litigation or a pending investigation. Employees should consult with the Company's Executive Management for assistance in reviewing applicable retention guidelines or the propriety of disposing of a Company record.



#### **4.16 Discrimination and Sexual Harassment**

The Company believes the fair and equitable treatment of employees is critical in fulfilling its vision and ideals. It is the policy of the Company to treat each employee, supplier and customer without regard to the gender, race, ethnicity, sexual orientation, physical or mental disability, age, religion, veteran status or national origin of such person, or any other classification prohibited by law.

No form of harassment or unlawful discrimination against anyone on the basis of gender, race, ethnicity, sexual orientation, physical or mental disability, age, pregnancy, religion, veteran status, national origin or any other legally protected status will be tolerated. This includes any demeaning, insulting, embarrassing or intimidating behavior directed at an individual on the basis of any of the foregoing.

If you believe that you or another person may have been subjected to harassment or discrimination or if you believe that the conduct of any person at the workplace violates any aspect of this policy, you must report such conduct or statements to the Human Resources Director/Manager or through the Company's Hotline at 1-888-883-1499.

Each allegation of harassment or discrimination will be promptly investigated in accordance with Company policy. See the Company's Employee Handbook for further details of policies prohibiting discrimination and harassment.

#### **4.17 Unauthorized Commissions, Kickbacks, and Similar Inducements**

It is Company policy to obtain business only by use of sales and marketing activities that have been formally approved and are in full accordance with Company policies and procedures and applicable laws and regulations. The decision of a customer to purchase the Company's products and services should be based on superior product features, quality and value and the customer service that the Company provides. No director, officer, employee or agent of the Company may offer or give anything of value to a customer with an explicit or implicit expectation or requirement to use or purchase the Company's products or services. In addition, no director, officer, employee or agent of the Company may offer or give anything of value to a customer as a reward for prior use or purchase of the Company's products or services.

The making of unauthorized concessions or the giving of unauthorized commissions, rebates, bribes, bonuses, kickbacks or any other payments or inducements to obtain, reward or retain a private or governmental customer's business or for any other purpose is strictly against Company policy. For further specifics on the policies governing the Company's sales and marketing activities, see the Policy and Guidelines for Interactions with Healthcare Professionals.

#### **4.18 Industry Standards on Relationships with Medical Professionals, and Company Sponsorship of Educational and Scientific Symposia**

In all its dealings with customers, including those that may be considered Healthcare Professionals, the Company recognizes its ethical obligation to ensure that relationships with customers do not interfere with medical decisions based on the best interest of the patient nor interfere with the independent judgment of healthcare practitioners. The Company's relationships with customers are intended to promote the advancement of Medical Technologies, enhance the safe and effective use of these technologies, encourage research and education and foster an environment for charitable donations and giving.

It is Company policy to abide by the spirit of certain guidelines established by industry and professional groups that concern industry relationships with medical professionals and sponsorship of medical education and scientific symposia. These guidelines may not be legally binding but represent good business practice in the management of the Company. These guidelines include the AdvaMed Code of Ethics and the Accreditation Council for Continuing Medical Education (ACCME) Guidelines for Commercial Support of Continuing Medical Education.

Although not every sales and marketing activity can be fully described, the Policy and Guidelines for Interactions with Healthcare Professionals provides policy and guidance on the Company's expectations regarding interactions with customers and Healthcare Professionals. The Company expects that all employees that interact with customers abide by these policies and guidelines and seek guidance from management on those activities that may be grey in their specific application.

Any person who becomes aware of suspected violations of the Policy and Guidelines for Interactions with Healthcare Professionals should promptly report their concerns to their management or the Compliance Officer, who will investigate and take action as appropriate. Alternatively, these reports can be made through the Company's Hotline at 1-888-883-1499. The Company maintains a no-retaliation policy for any good faith reports of concerns or violations. For further specifics on the process for reporting see the Whistleblower Policy.

#### **4.19 Advertising Standards**

It is Company policy to advertise, promote and label its products in a factual and informative manner. In addition, all such communications must be consistent with the requirements of the appropriate federal and state agencies, including the Federal Trade Commission, and the Food and Drug Administration. The Company's publicly disseminated material must not be false, misleading or deceptive.

#### **4.20 False Reporting and the Submission of False Claims to Government Agencies**

The federal False Claims Act deems it a crime subject to fine or imprisonment to make any false, fictitious or fraudulent statement to any government agency or, in making such statement, to conceal any material fact. The False Claims Act also makes it a crime to submit a false claim to the United States. Similar laws exist in many states. The Company's policy is to assure that information it provides to government agencies, whether orally or in writing, is truthful, accurate and complete, and that no false claims are submitted to any federal or state agency. The Company and its employees and officers must adhere to this policy. For a copy of the relevant acts in their entirety, please contact the human resources department.

#### **4.21 No Contractual Rights**

All statements contained in this Code are intended to reflect general policies, principles, and procedures, do not represent contractual commitments on the part of the Company and may be changed at any time. Without limiting the generality of the foregoing, nothing in this Code should be construed as providing any additional employment rights, employment contracts or terms of employment to any person.

#### **4.22 Dissemination and Compliance Certification**

Current versions of the Code will be distributed periodically to all officers, directors and employees of the Company. Upon receipt, you must sign the acknowledgement form at

the end of the Code and return it to the Company's Human Resources Department indicating that you have read, understand, and agree to comply with the Code provisions.

#### **4.23 Routine Monitoring**

Compliance with the Code is, first and foremost, the individual responsibility of every employee. The Company seeks to foster an environment in which ethical issues and concerns may be raised and discussed with supervisors or others without fear of retribution. Managers and supervisors have key roles in assuring employee compliance with the Code and remaining accessible and open to discuss employee ethical concerns. All management-level employees are expected to demonstrate their personal commitment to the Company's standards of conduct and to manage their employees accordingly.

The Company will require an annual Code of Conduct Certification from all officers, directors, and others who may be designated because of the nature of their work, such as senior financial and accounting staff, stating that they have complied with the Code, brought it to the attention of everyone under their supervision whose acts or failures to act could contribute to a violation of policy, and know of no violations that have not been disclosed.

#### **4.24 Reporting of Illegal and Unethical Behavior**

You have the right and the responsibility to question or challenge situations in which you suspect that something improper, unethical or illegal is occurring. Employees are expected to promptly report what they believe in good faith to be a violation of law or Company policy, whether accidental or deliberate, to their immediate supervisor or other member of management. If the reporting individual is not satisfied with the response or requires an alternative means of reporting a violation, he or she may report the matter directly to the Company's Executive Management, the Audit Committee of the Board of Directors, or through the Company's Hotline at 1-888-883-1499. The Company maintains a no-retaliation policy for any good faith reports of concerns or violations.

We encourage you to err on the side of reporting rather than letting a possible violation go uncorrected. A knowing failure to promptly report a violation may itself be a violation of the Code. Upon learning of a credible suspected violation of law or Company policy, management must communicate the employee's report to more senior management and, where appropriate, to the Company's Executive Management or Audit Committee, so that the substance of the report may be investigated.

You may confront an ethical issue that this Code or other Company policies do not expressly address. Employees should feel comfortable contacting a member of management, a supervisor or the Company's Executive Management or Audit Committee for guidance in such situations. Any employee who in good faith raises an issue regarding a possible violation of law or Company policy will not be subject to retaliation, and their confidentiality will be protected to the extent possible, consistent with law, corporate policy and the requirements necessary to conduct an effective investigation. Allegations will be investigated promptly and, if appropriate, reported to authorities. In order to facilitate implementation of this Code, officers, directors and employees have a duty to cooperate with the investigation process and to maintain the confidentiality of investigative information unless specifically authorized to disclose such information.

For further details and guidance on the process making such reports and internal and third-party reporting channels consult the the Whistleblower Policy.

#### **4.25 Waivers and Amendments to the Code**

Any waiver of any provision of this Code for a director or an executive officer of the Company, including those that are of an accounting, accounting control or audit matter, must be approved in writing by the Board of Directors and publicly disclosed in a prompt manner to the extent required by applicable rules and regulations of the SEC and the NASDAQ Stock Market. Any waiver of any provision of this Code with respect to any other employee, agent or contractor must be approved in writing by the Company's Executive Management. In addition, any amendments to this Code (other than technical, administrative or other non-substantive amendments) shall be publicly disclosed on a timely basis, to the extent required by applicable rules and regulations of the SEC and the NASDAQ Stock Market.

#### **4.26 Penalties for Violations of the Code**

The matters covered in this Code are important to the Company, its stockholders and its business partners. We expect all of our officers, directors, agents and employees to adhere to these policies in carrying out their duties for the Company. Appropriate action will be taken against anyone whose actions are found to violate these policies. No improper or illegal behavior will be justified by a claim that it was ordered by someone of higher authority. No one, regardless of position, is authorized to direct an employee to commit a wrongful act. Any officer, manager or supervisor who directs, approves or condones infractions, or has knowledge of them and does not act promptly to report and correct them in accordance with this Code, will also be subject to disciplinary action. It is each employee's responsibility to resolve with the Company's Executive Management any potential conflicts with this Code.

Upon receiving reports of alleged violations of the Code, the Company will weigh relevant facts and circumstances, including but not limited to the extent to which the behavior was contrary to the express language or general intent of this Code or other Company policies, the atrociousness of the behavior, the employee's history with the Company and other factors which the Company deems relevant. Disciplinary actions may range from censure to revocation of privileges to re-assignment, demotion, suspension or termination of employment or business relationship at the Company's sole discretion. Where the Company has suffered a loss, it may pursue legal remedies against the persons or entities responsible. Where laws have been violated, the Company will cooperate with the appropriate authorities. In some cases, the Company may have a legal or ethical obligation to call violations to the attention of external enforcement authorities.

#### **4.27 Prohibition against Acts of Retaliation and Retribution**

The Company does not tolerate any retribution or retaliation taken against any employee who has, in good faith, sought out advice or has reported questionable behavior and/or a possible violation of laws that govern the Company. However, if any employee makes a knowingly false report of questionable behavior and/or a possible violation for the purpose of harming another individual, that employee will be subject to disciplinary action.

## 5. APPLICABLE DOCUMENTS

The Code is not intended to cover every issue or situation that an officer, director, employee or agent of the Company may face. Nor does it replace other, more detailed documents and policies of the Company. Officers, directors, employees, and agents of the Company should use the Code as a reference guide in addition to other applicable documents and policies of the Company.