

NIGHTHAWK RADIOLOGY HOLDINGS, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

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INTRODUCTION

Nighthawk Radiology Holdings, Inc. and its subsidiary, NightHawk Radiology Services, LLC (together, "Nighthawk Radiology" or the "Company") is built upon a foundation of strong corporate values and business practices. NightHawk Radiology strives to employ individuals with personal standards consistent with that of our company standards: integrity, professionalism and commitment to superior results.

This Code of Business Conduct and Ethics is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents we file with or submit to the United States Securities and Exchange Commission and in our other public communications;
- compliance with applicable laws, rules, and regulations;
- the prompt internal reporting of violations of this Code; and
- accountability for adherence to this Code.

This Code applies to all directors, officers, and employees of the Company and its subsidiaries, who, unless otherwise specified, will be referred to collectively as employees. Agents and contractors of the Company are also expected to read, understand, and abide by this Code.

This Code should help guide your conduct in the course of our business. Many of the principles described in this Code are, however, general in nature, and the Code does not cover every situation that may arise. Use common sense and good judgment in applying this Code. **If you have any questions about applying the Code, it is your responsibility to seek guidance.**

This Code is not the exclusive source of guidance and information regarding the conduct of our business. You should consult applicable policies and procedures in specific areas as they apply. The Code is intended to supplement, not replace, the NightHawk Radiology Employee Handbook and the other policies and procedures of the Company.

We are committed to continuously reviewing and updating our policies and procedures. The Company therefore reserves the right to amend, alter, or terminate this Code at any time and for any reason, subject to applicable law.

YOUR RESPONSIBILITIES AS AN EMPLOYEE

- As an employee, you are expected to read and understand this Code of Business Conduct and Ethics.
- You must uphold these standards in day-to-day activities and comply with all applicable policies and procedures in the Code.
- Part of your job and ethical responsibility is to help enforce this Code. You should be alert to possible violations and promptly report violations or suspected violations of this Code to the Legal Department. If your situation requires that your identity be kept secret, your anonymity will be preserved to the greatest extent reasonably possible. If you wish to remain anonymous, send a letter addressed to the General Counsel at 250 Northwest Blvd., #202, Coeur d'Alene, Idaho 83814, or utilize Nighthawk's Radiology Holdings, Inc. third-party reporting agency as specified in the NightHawk Radiology Whistleblower Policy. If you make an anonymous report, please provide as much detail as possible, including copies of any documents that you believe may be relevant to the issue.
- If your concerns relate to accounting, internal controls or auditing matters, or if the General Counsel is implicated in any violation or suspected violation, you may also use the third-party reporting agency or contact the Audit Committee of the Board of Directors as detailed in the NightHawk Radiology Whistleblower Policy.
- You must cooperate with investigations into possible Code violations and be truthful and forthcoming in the course of these investigations.
- Reprisals, threats, retribution, or retaliation against any person who has in good faith reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in good faith in any investigation or process with respect to such a violation, is prohibited.
- In trying to determine whether any given action is appropriate, keep these steps in mind:
 - Obtain all relevant facts.
 - Assess the responsibilities and roles of those involved.
 - Using your judgment and common sense, evaluate whether the action seems unethical or improper.
 - Seek guidance.
- **If you are unsure about any situation or any provision of the Code, discuss the matter with the Legal Department.**

GENERAL STANDARDS OF CONDUCT

Overview

Honest and ethical conduct is critical to our business. All NightHawk Radiology employees, agents, and contractors have a duty to comply with applicable law and to act in an honest and ethical manner.

Compliance with law

You are responsible for complying with all laws, rules, regulations, and regulatory orders applicable to the conduct of our business. If you are located or engaging in business outside of the United States, you must comply with laws, rules, regulations, and regulatory orders of the United States, including the Foreign Corrupt Practices Act and U.S. export rules and regulations, in addition to the applicable laws of other jurisdictions, including the jurisdiction in which you are located or engaging in business. If compliance with the Code should ever conflict with law, you must comply with the law.

You should undertake to acquire knowledge of the legal requirements relating to your duties sufficient to enable you to recognize potential dangers and to know when to seek advice from managers or other appropriate personnel.

Violations of laws, rules, regulations, and orders may subject you to individual criminal or civil liability, in addition to discipline by the Company. Violations may also subject the Company to civil or criminal liability or the loss of business.

No discrimination or harassment

The Company is committed to providing a work environment that is free of discrimination and harassment. The Company is an equal opportunity employer and makes employment decisions on the basis of merit and business needs. In addition, the Company strictly prohibits harassment of any kind, including harassment on the basis of race, color, veteran status, religion, gender, sex, sexual orientation, age, mental or physical disability, medical condition, national origin, marital status, or any other characteristics protected under federal or state law or local ordinance.

Health and safety

You are responsible for using good judgment to help ensure a safe and healthy workplace for all employees.

AVOIDING CONFLICTS OF INTERESTS

Overview

Your decisions and actions in the course of your employment with the Company should be based on the best interest of the Company, and not based on personal relationships or benefits. You should seek to avoid situations where your personal activities and relationships conflict, or even appear to conflict, with the interests of the Company, except under guidelines approved by the Board of Directors. This includes situations where you may have or appear to have an indirect conflict through, for example, a significant other or a relative or other persons or entities with which you have a relationship. A conflict may also arise when you take actions or have interests that make it difficult for you to perform your work for the Company objectively and effectively. You must disclose to your manager any interest that you have that may, or may appear to, conflict with the interests of the Company.

There are a variety of situations in which a conflict of interest may arise. While it would be impractical to attempt to list all possible situations, some common types of conflicts are discussed below.

Outside employment and directorships

Unless you are a non-employee director of the Company, you may not perform services as a director, employee, agent, or contractor for a customer, a supplier or any other entity that has a business relationship with the Company without the prior written approval from the Company's General Counsel or Human Resources Department. Non-employee directors of the Company must promptly inform the Company's Human Resources Department of any such service. You may not perform services as a director, employee, agent, or contractor for any competitor of the Company.

The following types of outside employment are strictly prohibited:

- employment that conflicts with your work schedule, duties, and responsibilities;
- employment that creates a conflict of interest or is incompatible with your employment with the Company;
- employment that interferes with the protection of the Company's proprietary or confidential information;
- employment that impairs or has a detrimental effect on your work performance with the Company;
- employment that requires you to conduct work or related activities on the Company's property during the Company's working hours or using the Company's facilities or equipment; and

- employment that directly or indirectly competes with the business or interests of the Company.

Financial interests in other companies

You should not have any financial interest—including, for example, an indirect interest through a relative or significant other—in any organization if that interest would give you, or would appear to give you, a conflict of interest with the Company. You should be particularly sensitive to financial interests in competitors, suppliers, customers, distributors, and strategic partners.

Transactions with related parties

If you have a significant financial interest in a transaction between the Company and a third party—including, for example, an indirect interest through a relative or significant other—you must disclose that interest, and that interest must be approved in writing by the Company's General Counsel. We encourage you to seek guidance if you have any questions as to whether an interest in a transaction is significant. If it is determined that the transaction is required to be reported under SEC rules, the transaction will be subject to review and approval by the Audit Committee of the Board of Directors. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to this business.

Corporate opportunities

You may not directly or indirectly exploit for personal gain any opportunities that are discovered through the use of corporate property, information, or position unless the opportunity is disclosed fully in writing to the Board of Directors or its designated committee and the Board of Directors or its designated committee declines to pursue the opportunity.

Loans by the Company

Loans from the Company to directors and executive officers are prohibited. Loans from the Company to other officers and employees must be approved in advance by the Board of Directors or its designed committee.

Improper benefits

You may not receive any improper benefit as a result of your position with the Company.

Election or appointment to public office

You may serve in an elected or appointed public office provided that the position does not create or appear to create a conflict of interest.

Guidance and approvals

Evaluating whether a conflict of interest exists, or may appear to exist, requires the consideration of many factors. We encourage you to seek guidance and approval in any case where

you have any questions or doubts. The Company may at any time rescind prior approvals to avoid a conflict of interest, or the appearance of a conflict of interest, for any reason deemed to be in the best interest of the Company.

PUBLIC COMMUNICATIONS

Public communications and filings

The Company files reports and other documents with regulatory authorities, including the United States Securities and Exchange Commission and the Nasdaq National Market. In addition, from time to time, the Company makes other public communications, such as issuing press releases.

Depending upon your position with the Company, you may be called upon to provide information to help assure that the Company's public reports and communications are complete, fair, accurate, and understandable. You are expected to use all reasonable efforts to provide complete, accurate, objective, relevant, timely, and understandable answers to inquiries related to the Company's public disclosures.

Individuals involved in the preparation of public reports and communications must use all reasonable efforts to comply with our disclosure controls and procedures, which are designed to ensure full, fair, accurate, timely, and understandable disclosure in our public reports and communications.

If you believe that any disclosure is materially misleading or if you become aware of any material information that you believe should be disclosed to the public, it is your responsibility to bring this information to the attention of the Company's General Counsel or Chief Financial Officer. If you believe that questionable accounting or auditing conduct or practices have occurred or are occurring, you should notify the Audit Committee of the Board of Directors. For additional details on how to report questionable accounting or auditing conduct or practices, please consult the NightHawk Radiology Whistleblower Policy.

Communication procedures

You may not communicate externally on behalf of the Company unless you are authorized to do so. The Company has established specific policies regarding who may communicate information to the public, the press, market professionals (such as securities analysts, institutional investors, investment advisors, brokers and dealers) and security holders on behalf of the Company:

- Our Chief Executive Officer, Chief Financial Officer, and investor relations personnel, and their authorized designees, are our official spokespeople for financial matters.
- Our Chief Executive Officer and investor relations personnel, and their authorized designees, are our official spokespeople for public comment, press, marketing, technical and other such information.

You should refer all calls or other inquiries from the press, market professionals or security holders to the General Counsel, who will see that the inquiry is directed to the appropriate persons within the Company.

All communications made to public audiences on behalf of the Company, including formal communications and presentations made to investors, customers, or the press require prior approval of the General Counsel and the Chief Financial Officer.

FINANCIAL REPORTING

Overview

As a public Company, we are required to follow strict accounting principles and standards, to report financial information accurately and completely in accordance with these principles and standards, and to have appropriate internal controls and procedures to ensure that our accounting and financial reporting complies with law. The integrity of our financial transactions and records is critical to the operation of our business and is a key factor in maintaining the confidence and trust of our employees, security holders, and other stakeholders.

Compliance with rules, controls and procedures

It is important that all transactions are properly recorded, classified, and summarized in our financial statements and books and records in accordance with our policies, controls, and procedures, as well as all generally accepted accounting principles, standards, laws, rules, and regulations for accounting and financial reporting. If you have responsibility for or any involvement in financial reporting or accounting, you should have an appropriate understanding of, and you should seek in good faith to adhere to, relevant accounting and financial reporting principles, standards, laws, rules, and regulations and the Company's financial and accounting policies, controls, and procedures. If you are a senior officer, you should seek to ensure that the internal controls and procedures in your business area are in place, understood, and followed.

Accuracy of records and reports

It is important that those who rely on records and reports—managers and other decision makers, creditors, customers, and auditors—have complete, accurate, and timely information. False, misleading, or incomplete information undermines the Company's ability to make good decisions about resources, employees, and programs, and may, in some cases, result in violations of law. Anyone involved in preparing financial or accounting records or reports, including financial statements and schedules, must be diligent in assuring that those records and reports are complete, accurate, and timely. Anyone representing or certifying as to the accuracy of such records and reports should make an inquiry or review adequate to establish a good faith belief in their accuracy.

Even if you are not directly involved in financial reporting or accounting, you are likely involved with financial records or reports of some kind—a voucher, time sheet, purchase requisition, invoice, or expense report. In addition, most employees have involvement with product, marketing, or administrative activities, or performance evaluations, which can affect our reported financial condition or results. Therefore, the Company expects you, regardless of whether you are otherwise required to be familiar with finance or accounting matters, to use all reasonable efforts to ensure that every business record or report with which you deal is accurate, complete, and reliable.

Intentional misconduct

You may not intentionally misrepresent the Company's financial performance or otherwise intentionally compromise the integrity of the Company's reports, records, policies, and procedures. For example, you may not:

- report information or enter information in the Company's books, records, or reports that fraudulently or intentionally hides, misrepresents, or disguises the true nature of any financial or non-financial transaction or result;
- establish any undisclosed or unrecorded fund, account, asset, or liability for any improper purpose;
- enter into any transaction or agreement that accelerates, postpones, or otherwise manipulates the accurate and timely recording of revenues or expenses;
- intentionally misclassify transactions as to accounts, business units, or accounting periods; or
- knowingly assist others in any of the above.

Dealing with auditors

Our auditors have a duty to review our records in a fair and accurate manner. You are expected to cooperate with independent and internal auditors in good faith and in accordance with law. In addition, you must not fraudulently induce or influence, coerce, manipulate, or mislead our independent or internal auditors regarding financial records, processes, controls, or procedures or other matters relevant to their engagement. You may not engage, directly or indirectly, any outside auditors to perform any audit, audit-related, tax, or other services, including consulting, without written approval from the Chief Financial Officer and the Audit Committee of the Board of Directors.

Obligation to investigate and report potential violations

You should make appropriate inquiries in the event you may see, for example:

- financial results that seem inconsistent with underlying business performance;
- inaccurate financial records, including travel and expense reports, time sheets, or invoices;
- the circumventing of mandated review and approval procedures;
- transactions that appear inconsistent with good business economics;
- the absence or weakness of processes or controls; or

- persons within the Company seeking to improperly influence the work of our financial or accounting personnel, or our external or internal auditors.

Dishonest or inaccurate reporting can lead to civil or even criminal liability for you and the Company and can lead to a loss of public faith in the Company. You are required to promptly report any case of suspected financial or operational misrepresentation or impropriety.

Keeping the Audit Committee informed

The Audit Committee plays an important role in ensuring the integrity of our public reports. If you believe that questionable accounting or auditing conduct or practices have occurred or are occurring, you should notify the General Counsel of the Company or otherwise make a report under the Company's Whistleblower Policy, which includes the procedures for bringing the matter to the attention of the Audit Committee of the Board of Directors. In particular, the Chief Executive Officer and senior financial officers such as the Chief Financial Officer and the Chief Accounting Officer should promptly bring to the attention of the Audit Committee any information of which he or she may become aware concerning, for example:

- the accuracy of material disclosures made by the Company in its public filings;
- significant deficiencies in the design or operation of internal controls or procedures that could adversely affect the Company's ability to record, process, summarize, or report financial data;
- any evidence of fraud that involves an employee who has a significant role in the Company's financial reporting, disclosures, or internal controls or procedures; or
- any evidence of a material violation of the policies in this Code regarding financial reporting.

Reporting and remedial action

In the event the Company discovers (i) any intentional misconduct, questionable accounting, internal accounting controls, or audit matters, (ii) the reporting of any fraudulent financial information, or (iii) any other type of fraud, the Company will make any and all required disclosures to the appropriate law enforcement agencies (including any necessary disclosures in the Company's periodic reports that are filed with the Securities and Exchange Commission). The Company will also undertake a review of how any such events occurred (and could occur) and take all necessary steps to improve its internal controls or implement any procedures to prevent similar events from happening in the future. The Company will also communicate, as appropriate, any such new controls or procedures to all employees affected by them.

SAFEGUARDING COMPANY ASSETS

Overview

All employees, agents, and contractors are responsible for the proper use of Company assets. This responsibility applies to all of the Company's assets, including your time, work and work product; cash and accounts; physical assets such as inventory, equipment, vehicles, computers, systems, facilities, and supplies; intellectual property, such as patents, copyrights, trademarks, and trade secrets; and other proprietary or nonpublic information.

- You should use all reasonable efforts to safeguard Company assets against loss, damage, misuse, or theft.
- You should be alert to situations that could lead to loss, damage, misuse, or theft of Company assets, and should report any loss, damage, misuse, or theft as soon as it comes to your attention.
- You should not use, transfer, misappropriate, loan, sell, or donate Company assets without appropriate authorization.
- You must take reasonable steps to ensure that the Company receives good value for Company funds spent.
- You may not use Company assets in a manner that would result in or facilitate the violation of law.
- You should use and safeguard assets entrusted to the Company's custody by customers, suppliers, and others in the same manner as Company assets.

Protecting the Company's information

In the course of your involvement with the Company, you may come into possession of information that has not been disclosed or made available to the general public. This nonpublic information may include, among other things:

- financial data and projections;
- proprietary and technical information, such as trade secrets, patents, inventions, product plans, and customer lists;
- information regarding corporate developments, such as business strategies, plans for acquisitions or other business combinations, divestitures, major contracts, expansion plans, financing transactions, and management changes;
- personal information about employees; and

- nonpublic information of customers, suppliers, and others.

If you have any questions as to what constitutes nonpublic information, please consult the Company's General Counsel.

All nonpublic information must only be used for Company business purposes. You have an obligation to use all reasonable efforts to safeguard the Company's nonpublic information. You may not disclose nonpublic information to anyone outside of the Company, except when disclosure is required by law or when disclosure is required for business purposes and appropriate steps have been taken to prevent misuse of that information. This responsibility includes not disclosing nonpublic information in Internet discussion groups, chat rooms, bulletin boards, or other electronic media. In cases where disclosing nonpublic information is required or necessary, you should consult with the Company's General Counsel. The misuse of nonpublic information is contrary to Company policy and may also be a violation of law.

From time to time you may need to disclose Company confidential information to potential business partners in order to further the Company's business. This disclosure, however, should never be done without carefully considering its potential benefits and risks. If you determine in consultation with your manager and other appropriate Company officers that disclosure of confidential information is necessary, you must then contact the Company's General Counsel to ensure that an appropriate written nondisclosure agreement is signed prior to the disclosure. The Company has standard nondisclosure agreements suitable for most disclosures. You must not sign a third party's nondisclosure agreement or accept changes to the Company's standard nondisclosure agreements without review and approval by the Company's General Counsel. Many of these nondisclosure agreements require that confidential information be marked as confidential, and it is your responsibility to make sure that all the Company's confidential information is properly marked as confidential. In addition, all Company materials that contain Company confidential information, including presentations, must be reviewed and approved by the Company's General Counsel prior to publication or use.

When you joined the Company, you signed an agreement to protect and hold confidential the Company's proprietary information. This agreement remains in effect for as long as you work for the Company and even after you leave the Company. Under this agreement, you 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.

Prohibition on insider trading

You may not directly or indirectly—through, for example, significant others, family members or controlled entities—buy or sell stocks or other securities of the Company or any other Company based on nonpublic information obtained from your work at the Company. In addition, you may not "tip" others by providing them nonpublic information under circumstances that suggest that you were trying to help them make an investment decision. These obligations are in addition to your obligations with respect to nonpublic information generally, as discussed above.

Under United States securities laws, it is unlawful for any person who has "material" nonpublic information about a Company to trade in the stock or other securities of that Company or to disclose such information to others who may trade. Material nonpublic information is information about a Company that is not known to the general public and that a typical investor would consider important in making a decision to buy, sell or hold securities. Insider trading is a crime, penalized by fines of up to \$5,000,000 and 20 years in jail for individuals. In addition, the government 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. Finally, insider traders may be subjected to civil liability in private lawsuits. As a United States company, these United States securities laws apply to all Company employees—even those employees who live or work in Company locations outside the United States.

You should be aware that stock market surveillance techniques are becoming increasingly sophisticated, and the probability that United States federal or other regulatory authorities will detect and prosecute even small-level trading is significant. Insider trading rules are strictly enforced, even in instances when the financial transactions seem small.

The Company has imposed a trading blackout period on members of the Board of Directors, executive officers, and certain designated employees who, as a consequence of their position with the Company, are more likely to be exposed to material nonpublic information about the Company. These directors, executive officers and employees may not trade in Company securities during the blackout period.

These policies are detailed in the Company's Insider Trading Policy, and if you have any questions at all regarding trading in the Company's securities, contact the Legal Department for guidance.

Prohibition against short selling of Company stock

To ensure compliance with federal and state securities laws, you and the members of your immediate family, other dependents, and any household members may not engage in short sales of Company stock (the sale of Company stock not owned by the seller or, if owned, not delivered against such sale) at any time. In addition, you, and the members of your immediate family, other dependents, and any household members are prohibited from trading in options to buy or sell Nighthawk Radiology Holdings, Inc. securities (including put or call options), warrants, convertible securities, stock appreciation rights, or other similar rights with an exercise or conversion privilege at a price related to an equity security or with a value derived from the value of an equity security relating to Nighthawk Radiology Holdings, Inc.'s stock (collectively, "Derivative Securities"), whether or not issued by Nighthawk Radiology Holdings, Inc., such as exchange-traded options. Short sales and trading in Derivative Securities are prohibited by the Company's Insider Trading Policy at all times.

Maintaining and managing records

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. Records include paper documents, email, compact discs, computer hard drives, floppy disks, microfiche, microfilm, and all other recorded information, regardless of medium or characteristics. Civil and criminal penalties for failure to comply with such guidelines can be severe for employees, agents, contractors, and the Company.

You should consult with the Company's General Counsel regarding the retention of records in the case of actual or threatened litigation or government investigation. The General Counsel will notify you if a legal hold is placed on records for which you are responsible. A legal hold suspends all document destruction procedures in order to preserve appropriate records under special circumstances, such as litigation or government investigations. The Company's General Counsel will determine and identify what types of records or documents are required to be placed under a legal hold. If a legal hold is placed on records for which you are responsible, you must preserve and protect the necessary records in accordance with instructions from the General Counsel. **Records or supporting documents that are subject to a legal hold must not be destroyed, altered or modified under any circumstance.** A legal hold remains effective until it is officially released in writing by the Company's General Counsel. If you are unsure whether a document has been placed under a legal hold, you should preserve and protect that document while you check with the Company's General Counsel.

Computers and other equipment

The Company strives to furnish employees with the equipment necessary to efficiently and effectively do their jobs. You must care for that equipment and use it responsibly only for Company business purposes. If you use Company equipment at your home or off site, take precautions to protect it from theft or damage, just as if it were your own. If the Company no longer employs you, you must immediately return all Company equipment. While computers and other electronic devices are made accessible to you to assist you in performing your job and to promote Company's interests, all such computers and electronic devices, whether used entirely or partially on the Company's premises or with the aid of the Company's equipment or resources, must remain fully accessible to the Company and, to the maximum extent permitted by law, will remain the sole and exclusive property of the Company.

You should not have any expectation of privacy with respect to information transmitted over, received by, or stored in any electronic communications device owned, leased, or operated in whole or in part by or on behalf of the Company. To the extent permitted by applicable law, the Company retains the right to gain access to any information received by, transmitted by, or stored in any such electronic communications device, by and through its employees, agents, contractors, or representatives, at any time, either with or without an employee's or third party's knowledge, consent or approval.

Software

All software used by you to conduct Company business must be appropriately licensed. Never make or use illegal or unauthorized copies of any software, whether in the office, at home, or on the road, since doing so may constitute copyright infringement and may expose you and the Company to potential civil and criminal liability. In addition, use of illegal or unauthorized copies of software may subject the employee to disciplinary action, up to and including termination. The Company's IT Department will inspect Company computers periodically to verify that only approved and licensed software has been installed. Any non-licensed/supported software will be removed.

RESPONSIBILITIES TO OUR CUSTOMERS, SUPPLIERS AND COMPETITORS

Overview

You should respect the rights of, and deal fairly with, the Company's customers, suppliers, business partners, and competitors in compliance with law. You should not take unfair advantage of anyone through deception, misrepresentation, manipulation, coercion, abuse of privileged information, or any intentional unfair business practice.

Improper payments

You should not authorize, offer, promise, give, solicit, or accept, money, gifts, entertainment, privileges, gratuities, benefits, or other items of value intended to improperly influence, directly or indirectly, any business decision or that otherwise violate law or create the appearance of impropriety. You should contact the Company's General Counsel if you have any questions as to whether a payment is proper.

Gifts and entertainment

You may, from time to time, provide or accept business amenities to aid in building legitimate business relationships. Business amenities may include gifts, meals, services, entertainment, reimbursements, favors, privileges, or other items of value. It is never acceptable to accept cash or a cash equivalent (such as a check, money order, or voucher) from a vendor, supplier, or customer.

Any business amenity should be consistent with customary business practice and reasonable and appropriate for the circumstance. Business amenities should not be lavish or excessive. Business amenities should not violate law or create an appearance of impropriety, and it is never appropriate for you to ask for a gift. You should avoid providing or accepting any cash payment or any other business amenity that can be construed as a bribe or payoff. All Company funds expended for business amenities must be accurately recorded in the Company's books and records. Contact the Company's General Counsel if you have any questions as to whether a business amenity is permissible.

Those of you who work in sales and purchasing positions must be even more careful when it comes to relationships with suppliers and customers to avoid even the appearance of a conflict of interest. While it can be appropriate for employees in sales and purchasing positions to attend sporting or other events with suppliers or customers, you must make sure that you are not placing yourself or the Company in a potential conflict of interest situation. The key here is to ask whether your behavior will have, or appear to have, an inappropriate influence on your ability to make a decision. If you have any questions in this regard, you should talk to your supervisor or the Company's General Counsel.

In some business situations outside of the United States, it is customary and lawful for business executives to present gifts to representatives of their business partners. These gifts may be of more than a nominal value, and under the circumstances, returning the gifts or paying for them

may be an affront to the giver. If you find yourself in such a situation, you must report the gift to the General Counsel. In some cases, you may be required to turn the gift over to the Company.

Special restrictions apply when dealing with government employees. For more information, see the next section on "Working with Governments."

Selecting suppliers

The Company's policy is to select suppliers based on the merits of their products, services, and business practices and to purchase supplies based on need, quality, service, price, and other terms and conditions of sale. You may not establish a business relationship with any supplier if you know that its business practices violate applicable laws.

Handling the nonpublic information of others

You must handle the nonpublic information of others responsibly and in accordance with our agreements with them. Nonpublic information of others includes notes, reports, conclusions, and other materials prepared by a Company employee based on the nonpublic information of others.

You should not knowingly accept information offered by a third party, including a customer, supplier, or business partner, that is represented as nonpublic, or that appears from the context or circumstances to be nonpublic, unless an appropriate nondisclosure agreement has been signed with the party offering the information. You should contact the Company's General Counsel to coordinate the appropriate execution of nondisclosure agreements on behalf of the Company.

Even after a nondisclosure agreement is in place, you should accept only the information that is necessary or appropriate to accomplish the purpose of receiving it, such as a decision on whether to proceed to negotiate a deal. If more detailed or extensive information is offered and it is not necessary or appropriate for your immediate purposes, it should be refused. If any such information is inadvertently received, it should be transferred to the Company's General Counsel for appropriate disposition.

Once the Company has received nonpublic information, you should use all reasonable efforts to:

- abide by the terms of the relevant nondisclosure agreement, including any obligations with respect to the return or destruction of the nonpublic information;
- limit the use of the nonpublic information to the purpose for which it was disclosed; and
- disseminate the nonpublic information only to those other Company employees, agents, or contractors with a need to know the information to perform their jobs for the Company.

Industrial espionage

You may not unlawfully obtain or use the materials, products, intellectual property, proprietary, or nonpublic information or other assets of anyone, including suppliers, customers, business partners, and competitors. You may not coerce or improperly induce past or present employees of other companies to disclose proprietary or nonpublic information of their former or other employers.

Free and fair competition

It is our policy to lawfully compete in the marketplace. Our commitment to fairness includes respecting the rights of our competitors to compete lawfully in the marketplace and abiding by all applicable laws in the course of competing.

Most countries have well-developed bodies of law designed to encourage and protect free and fair competition. These laws are broad and far-reaching and regulate the Company's relationships with its distributors, resellers, suppliers, and customers. Competition laws generally address the following areas: pricing practices (including predatory pricing, price fixing, and price discrimination), discounting, terms of sale, credit terms, promotional allowances, secret rebates, exclusive dealerships or distributorships, product bundling, restrictions on carrying competing products, termination, and many other practices.

Competition laws also govern, usually quite strictly, relationships between the Company and its competitors. Collusion among competitors is illegal, and the consequences of a violation are severe. You must not enter into an agreement or understanding, written or oral, express or implied, with any competitor concerning prices, discounts or other terms or conditions of sale; profits or profit margins; costs; allocation of product, customers, markets or territories; limitations on production or supply; boycotts of customers or suppliers; or bids or the intent to bid, or even discuss or exchange information on these subjects.

The Company is committed to obeying both the letter and spirit of these laws, which are often referred to as antitrust, consumer protection, competition or unfair competition laws. Although the spirit of these laws is straightforward, their application to particular situations can be quite complex. To ensure that the Company complies fully with these laws, you should have a basic knowledge of them and should promptly involve our Legal Department when questionable situations arise.

WORKING WITH GOVERNMENTS

Overview

Special rules govern our business and other dealings with governments. Employees, agents, and contractors of the Company should use all reasonable efforts to comply with all applicable laws and regulations governing contact and dealings with governments, government employees, and public officials. If you deal with governments, government employees, or public officials, you should undertake to understand the special rules that apply. If you have any questions concerning government relations, you should contact the Company's General Counsel.

Government contracts

You should use all reasonable efforts to comply with all relevant laws and regulations that apply to government contracting. You should refer all contracts with any governmental entity to the Company's General Counsel for review and approval.

Requests by regulatory authorities

You must cooperate with appropriate government inquiries and investigations in accordance with law. It is important, however, to protect the legal rights of the Company with respect to its nonpublic information. All government requests (other than from taxing authorities) for Company information, documents, or investigative interviews should be referred to the Company's General Counsel, and requests from taxing authorities should be referred to the Finance Department. You should work with the Company's General Counsel in responding to requests by regulatory authorities to ensure adequate and complete responses and to avoid improper disclosure of attorney-client privileged materials, trade secret information, or other nonpublic information. This policy should not be construed to prevent an employee from disclosing information to a government or law enforcement agency, where the employee has reasonable cause to believe that the information discloses a violation of, or noncompliance with, a state or federal statute or regulation.

Improper payments to government officials

You may not offer any payment or business amenity to a public official or a government employee if doing so could reasonably be construed as having any connection with the Company's business, even if it has a nominal value or no value at all. You should be aware that what may be permissible in dealings with commercial businesses may be deemed illegal and possibly criminal in dealings with the government. You should contact the Company's General Counsel for guidance.

Whether you are located in the United States or abroad, you are also responsible for fully complying with the Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act makes it illegal to offer, pay, promise to pay, or authorize to pay any money, gift or other item of value to any foreign official, political party, or candidate to assist the Company or another to obtain or retain business. All managers and supervisory personnel are expected to monitor continued compliance with the Foreign Corrupt Practices Act.

Political contributions

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 fully with all local, state, federal, foreign, and other applicable laws, rules and regulations regarding political contributions. The Company's assets—including Company funds, employees' work time and Company premises and equipment—must not be used for, or be contributed to, political campaigns or political activities under any circumstances without prior written approval of the Company's General Counsel.

Lobbying

You must obtain approval from the General Counsel for any work activity that requires lobbying communication with any member or employee of a legislative body or with any government official or employee in the formulation of legislation. Work activity covered by this policy includes meetings with legislators or members of their staffs or with senior executive branch officials on behalf of the Company. Preparation, research and other background activities that are done in support of such lobbying communication are also covered by this policy even if the communication ultimately is not made.

Trade restrictions

A number of countries maintain controls on the destinations to which products or software may be exported. Some of the strictest export controls are maintained by the United States against countries that the United States government considers unfriendly or as supporting international terrorism. The U.S. regulations are complex and apply both to deemed exports from the United States and to deemed exports of products from other countries when those products contain U.S.-origin components or technology. Software created in the United States is subject to these regulations even if duplicated and packaged abroad. In some circumstances, an oral presentation containing technical data made to foreign nationals in the United States or access by foreign nationals to certain technology may constitute a controlled export. The Company's General Counsel can provide you with guidance on which countries are prohibited destinations for Company products or whether a proposed technical presentation or the provision of controlled technology to foreign nationals may require a U.S. government license.

PROCEDURAL MATTERS

Distribution

All employees will receive a copy of this Code at the time they join the Company and will receive periodic updates. Agents and contractors should also be provided with a copy of the Code.

Acknowledgment

All new employees must sign an acknowledgment form confirming that they have read the Code and that they understand and agree to comply with its provisions. Signed acknowledgment forms will be kept in your personnel file. Failure to read the Code or to sign an acknowledgement form does not excuse any person from the terms of the Code.

Approvals and waivers

Except as otherwise provided in the Code, the Board of Directors or its designated committee must review and approve any matters requiring special permission under the Code for a member of the Board of Directors or an executive officer. Except as otherwise provided in the Code, the Chief Financial Officer and the General Counsel must review and approve any matters requiring special permission under the Code for any other employee, agent, or contractor.

Any waiver of any provision of this Code for a member of the Board of Directors or an executive officer must be approved in writing by the Board of Directors or its designated committee and promptly disclosed, along with the reasons for the waiver, to the extent required by law or regulation. Any waiver of any provision of this Code with respect to any other employee, agent or contractor must be approved in writing by the Chief Financial Officer and the General Counsel.

Copies of approvals and waivers will be retained by the Company.

Reporting violations

You should promptly report violations or suspected violations of this Code to the General Counsel. If your situation requires that your identity be kept secret, your anonymity will be preserved to the greatest extent reasonably possible. If you wish to remain anonymous, send a letter addressed to the General Counsel at 250 Northwest Blvd, #202, Coeur d'Alene, Idaho 83814, or utilize NightHawk Radiology's third-party reporting agency as specified in the NightHawk Radiology Whistleblower Policy. If you make an anonymous report, please provide as much detail as possible, including copies of any documents that you believe may be relevant to the issue.

If your concerns relate to accounting, internal controls or auditing matters, or if the General Counsel is implicated in any violation or suspected violation, you may also contact the Audit Committee of the Board of Directors as detailed in the NightHawk Radiology Whistleblower Policy.

Reprisals, threats, retribution, or retaliation against any person who has in good faith reported a violation or a suspected violation of law, this Code, or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited.

Investigations

The Board of Directors or its designated committee will be responsible for investigating violations and determining appropriate disciplinary action for matters involving members of the Board of Directors or executive officers. The Board of Directors or its designated committee may designate others to conduct or manage investigations on its behalf and recommend disciplinary action.

Subject to the general authority of the Board of Directors to administer this Code, the Company's General Counsel will be responsible for investigating violations and determining with the Human Resources Department appropriate disciplinary action for other employees, agents and contractors. The General Counsel may designate others to conduct or manage investigations on their behalf and recommend disciplinary action. The General Counsel will periodically report Code violations and the corrective actions taken to the Board of Directors or its designated committee. The Board of Directors reserves the right to investigate violations and determine appropriate disciplinary action on its own or to designate others to do so in place of, or in addition to, the General Counsel.

The Company will promptly investigate any suspected violations. If it is determined that evidence of a violation exists, the individual subject to investigation will be notified. The subject of an investigation will have an opportunity to respond to any allegations made against that person. A person suspected of violating the Code may be suspended with or without pay while an investigation is conducted. The Company will follow local grievance procedures in jurisdictions where such procedures apply.

Disciplinary action

The Company will take appropriate action against any employee, agent, or contractor whose actions are found to violate the Code. Disciplinary actions may include, at the Company's sole discretion, oral or written reprimand, suspension, or immediate termination of employment or business relationship, or any other disciplinary action or combination of disciplinary actions as deemed appropriate to the circumstances. A record of the disciplinary action will be retained in the employee's personnel file.

In determining what disciplinary action is appropriate in a particular case, the Company will take into account all relevant information, including the nature and severity of the violation, any history of warnings and violations, whether the violation appears to have been intentional or inadvertent, and whether the violator reported his or her own misconduct. The Company will strive to enforce the Code in a consistent manner while accounting for all relevant information. An alleged violator may make a written request for reconsideration within 14 days of notification of the final disciplinary decision.

Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Certain violations of this Code may also be subject to civil or criminal prosecution by governmental authorities and others. Where laws have been violated, the Company will report violators to the appropriate authorities.

Self-Assessment

The Company shall, on an annual basis, conduct a self-assessment of the efficacy of this Code and the Company's Whistleblower Policy with an appropriate questionnaire.

ADDITIONAL INFORMATION

Nothing in this Code of Business Conduct and Ethics creates or implies an employment contract or term of employment. Employment at the Company is employment at-will. Employment at-will may be terminated with or without cause and with or without notice at any time by the employee or the Company. Nothing in this Code shall limit the right to terminate employment at-will. No employee of the Company has any authority to enter into any agreement for employment for a specified period of time or to make any agreement or representation contrary to the Company's policy of employment at-will. Only the Chief Executive Officer of the Company has the authority to make any such agreement, which must be in writing.

The policies in this Code do not constitute a complete list of Company policies or a complete list of the types of conduct that can result in discipline, up to and including discharge.