

**CAPRICOR THERAPEUTICS, INC.**

**CODE OF BUSINESS CONDUCT AND ETHICS**

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## LETTER FROM THE CHIEF EXECUTIVE OFFICER

April 2021

To all Directors, Officers and Employees of Capricor Therapeutics, Inc.:

Capricor Therapeutics, Inc. (the “Company”) is dedicated to conducting its business consistent with the highest standards of business ethics. We have an obligation to our employees, stockholders, customers, suppliers, service providers, community representatives and other business contacts to be honest, fair and forthright in all of our business activities.

As a director, officer or employee of the Company, you are faced every day with a number of business decisions. It is your personal responsibility to uphold the Company’s high standards of business ethics in each and every one of these situations. It is not possible for our Code of Business Conduct and Ethics (the “Code”) to address every situation that you may face. If you use your good business judgment and experience, your business decisions are not likely to raise ethical issues. When you are faced with an ethical issue, we hope that this Code will serve as a guide to help you make the right choice.

We encourage you to take this opportunity to review our policies and to discuss any questions you may have with your supervisor directly. The guidelines set out in this Code are to be followed at all levels of this organization by our directors, officers and employees. We rely on you to uphold our core values and conduct our business honestly, fairly and with integrity.

Sincerely,

Dr. Linda Marbán  
Chief Executive Officer

## INTRODUCTION

### **Purpose**

This Code of Business Conduct and Ethics (this “Code”) was adopted by the Board of Directors (the “Board”) of Capricor Therapeutics, Inc. (the “Company”) on November 22, 2013 and revised in April 2021.

This Code contains general guidelines for conducting the business of the Company consistent with the highest standards of business conduct and ethics. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code applies to all of our directors, officers and employees. We refer to all persons covered by this Code as “Company employees” or simply “employees.” We also refer to our Chief Executive Officer, Chief Financial Officer, and General Counsel as our “Principal Corporate Officers.” Supervisors are also expected to ensure that all agents, consultants and contractors conform to Code standards when providing services to or on behalf of the Company

### **Seeking Help and Information**

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. If you feel uncomfortable about a situation or have any doubts about whether it is consistent with the Company’s ethical standards, seek help. Your most immediate resource for any matter related to this Code is your Supervisor. He or she may have the information you need, or may be able to refer the question to another appropriate source. There may, however, be times when you prefer not to go to your supervisor. In these instances, you should feel free to discuss your concerns with a Principal Corporate Officer of the Company.

Employees may also ask questions about Company policies, seek guidance on specific situations or report violations of this Code by (i) calling our Compliance Hotline at (833) 401-0002 or (ii) delivering the question or complaint to our Compliance Hotline Website at [www.lighthouse-services.com/capricor](http://www.lighthouse-services.com/capricor). Employees should make every effort to report their concerns using one or more of the methods specified above. The compliance procedures are specifically designed to allow an employee to bypass a supervisor he or she believes is or may be engaged in prohibited conduct under this Code. Anonymous reports should be factual instead of speculative or conclusory and should contain as much specific information as possible to allow the persons investigating the report to adequately assess the nature, extent and urgency of the investigation.

### **Reporting Violations of the Code**

All employees have a duty to report any known or suspected violation of this Code, including any violation of the laws, rules, regulations or policies that apply to the Company. If you encounter a situation or are considering a course of action and its appropriateness is unclear, discuss the matter promptly with your supervisor or a Principal Corporate officer of the Company. Remember, even the appearance of impropriety can be very damaging and should be avoided.

If you are aware of a suspected or actual violation of Code by others, you have a responsibility to report it. You are expected to promptly notify a Principal Corporate Officer with

a specific description of the violation that you believe has occurred, including any information you have about the persons involved and the time of the violation.

Supervisors must promptly report any complaints or observations of Code violations to a Principal Corporate Officer of the Company, who will promptly take action and work with you and your supervisor to investigate your concern. If you do not feel comfortable reporting the conduct to your supervisor or you do not get a satisfactory response, you may contact a Principal Corporate Officer directly. All reports of known or suspected violations of the law or this Code will be handled sensitively and with discretion. Your supervisor, the Principal Corporate Officers and the Company will protect your confidentiality to the extent possible, consistent with law and the Company's need to investigate your concern. All employees are expected to cooperate in any internal investigation of misconduct.

If, in the case of an alleged violation by a director or executive officer, and a Principal Corporate Officer determines that a violation of this Code has occurred, the Principal Corporate Officer will report such determination to the other Principal Corporate Officers and to the Board. If, in the case of an alleged violation by any other person and a Principal Officer determines that a violation of this Code has occurred, the Principal Corporate Officer will report such determination to the Company's General Counsel.

It is Company policy that any employee who violates this Code will be subject to appropriate discipline, which may include termination of employment. This determination will be based upon the facts and circumstances of each particular situation. An employee accused of violating this Code will be given an opportunity to present his or her version of the events at issue prior to any determination of appropriate discipline. Employees who violate the law or this Code may expose themselves to substantial civil damages, criminal fines and prison terms. The Company may also face substantial fines and penalties and many incur damage to its reputation and standing in the community. Your conduct as a representative of the Company, if it does not comply with the law or with this Code, can result in serious consequences for both you and the Company.

### **Policy Against Retaliation**

The Company prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment.

### **Waivers of the Code**

Waivers of this Code for employees may be made only by a Principal Corporate Officer of the Company. Any waiver of this Code for our directors, executive officers or other Principal Corporate Officers may be made only by our full Board of Directors and will be disclosed to the public as required by law or the rules of the securities exchange on which the Company is trading.

In addition, the Company's Audit Committee has adopted specific "whistleblowing" policies and procedures relating to the complaint and investigation procedures for accounting,

internal accounting controls, fraud or accounting matters. You may contact your supervisor or a Principal Corporate Officer for a copy of these policies and procedures.

## **HONEST AND ETHICAL CONDUCT**

The Company's policy is to promote high standards of integrity by conducting its affairs honestly and ethically.

Each director, officer and employee must act with integrity and observe the highest ethical standards of business conduct in his or her dealings with the Company's customers, suppliers, strategic partners, service providers, competitors, employees and anyone else with whom he or she has contact in the course of performing his or her job.

## **CONFLICTS OF INTEREST**

### **Identifying Potential Conflicts of Interest**

A conflict of interest can occur when an employee's private interest (or the interest of a member of his or her family) interferes, or reasonably appears to interfere, with the interests of the Company as a whole. You should avoid any private interest that influences your ability to act in the interests of the Company or that makes it difficult to perform your work objectively and effectively. You should also avoid receipt of any improper personal benefits as a result of your position in the Company. Identifying potential conflicts of interest may not always be clear cut. The following situations are examples of conflicts of interest:

- Outside Employment. No employee should be employed by, serve as a director of, or provide any services to a company that is a material customer, supplier or competitor of the Company.
- Improper Personal Benefits. No employee should obtain any material (as to him or her) personal benefits or favors because of his or her position with the Company. Please see "Gifts and Entertainment" below for additional guidelines in this area.
- Loans by the Company. Loans by the Company to, or guarantees by the Company of obligations of, employees or their family members are of special concern and could constitute improper personal benefits to the recipients of such loans or guarantees, depending on the facts and circumstances. The Company is expressly prohibited from making loans to, or guaranteeing obligations of, any director or officer or their family members.
- Financial Interests. No employee should have a significant financial interest (ownership or otherwise) in any company that is a material customer, supplier or competitor of the Company. A "significant financial interest" means (i) ownership of greater than 1% of the equity of a material customer, supplier or competitor or (ii) an investment in a material customer, supplier or competitor that represents more than 5% of the total assets of the employee.
- Loans or Other Financial Transactions. No employee should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This

guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.

- Service on Boards and Committees. No employee should serve on a board of directors or trustees or on a committee of any entity (whether for-profit or not-for-profit) whose interests reasonably would be expected to conflict with those of the Company.
- Actions of Family Members. The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence an employee's objectivity in making decisions on behalf of the Company. For purposes of this Code, "family members" include your spouse or life-partner, brothers, sisters, parents, grandparents, in-laws and children, whether such relationships are by blood or adoption.

For purposes of this Code, a company is a "material" customer if such company has made payments to the Company in the past year in excess of \$120,000 or 5% of the customer's gross revenues, whichever is greater. A company is a "material" supplier if such company has received payments from the Company in the past year in excess of \$120,000 or 5% of the supplier's gross revenues, whichever is greater. A company is a "material" competitor if such company competes in the Company's line of business and has annual gross revenues from such line of business in excess of \$5,000,000. If you are uncertain whether a particular company is a material customer, supplier or competitor, please contact your supervisor or a Principal Corporate Officer for assistance.

## **Disclosure of Conflicts of Interest**

The Company requires that employees disclose any situations that reasonably would be expected to give rise to a conflict of interest. If you suspect that you have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, you must report it to your supervisor or a Principal Corporate Officer. Your supervisor and the Principal Corporate Officer will work with you to determine whether you have a conflict of interest and, if so, how best to address it. Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in "Waivers of the Code" above.

## **CORPORATE OPPORTUNITIES**

As an employee of the Company, you have an obligation to advance the Company's interests when the opportunity to do so arises. If you discover or are presented with a business opportunity through the use of corporate assets, property or information or because of your position with the Company, you should first present the business opportunity to the Company before pursuing the opportunity in your individual capacity. No employee may use corporate assets, property, information or his or her position with the Company for personal gain (including gain of friends or family members). Additionally, no employee may compete with the Company while employed by us.

You should disclose to your supervisor the terms and conditions of each business opportunity covered by this Code that you wish to pursue. Your supervisor will contact a Principal Corporate Officer and the appropriate management personnel to determine whether the Company wishes to pursue the business opportunity. If the Company waives its right to pursue the business



opportunity, you may pursue the business opportunity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code.

## **CONFIDENTIAL INFORMATION**

Employees have access to a variety of confidential information while employed at the Company. You may also learn of information before that information is released to the general public. Employees who have received or have access to confidential information should take care to keep this information confidential. Confidential information includes all non-public information (regardless of its source) that might be of use to competitors or, if disclosed, harmful to the Company or its customers, suppliers or strategic partners, including, without limitation, research and development activities, preclinical study information, clinical trial information and data, product design details and specifications, manufacturing processes, CMC development, protocols, technology and know-how, regulatory processes and information, sales and marketing plans, finances and business forecasts, procurement requirements, vendor information, customer lists, personnel information, and strategic plans. Employees have a duty to maintain and safeguard all confidential information of the Company or third parties with which the Company conducts business, except when disclosure is expressly authorized or legally mandated. An employee's obligation to protect confidential information continues after he or she leaves the Company. Unauthorized disclosure of confidential information could cause competitive harm to the Company or its customers and could result in legal liability to you and the Company.

You are expected to keep confidential and proprietary information confidential unless and until that information is released to the public through approved channels (usually through a press release, an SEC filing or a formal communication from a member of senior management). Every employee has a duty to refrain from disclosing to any person confidential or proprietary information about us or any other company learned in the course of employment here, until that information is disclosed to the public through approved channels. Unauthorized use or distribution of this information could also be illegal and result in civil liability and/or criminal penalties.

Any questions or concerns regarding whether disclosure of Company information is legally mandated should be promptly referred to a Principal Corporate Officer.

## **COMPETITION AND FAIR DEALING**

Each employee should endeavor to deal fairly with fellow employees and with the Company's customers, suppliers, strategic partners, services providers, competitors and anyone else with whom he or she has contact in the course of performing his or her job. Employees should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of facts or any other unfair-dealing practice.

### **Relationships with Suppliers**

The Company deals fairly and honestly with its suppliers. This means that our relationships with suppliers are based on price, quality, service and reputation, among other factors. Employees dealing with suppliers should carefully guard their objectivity. Specifically, no employee should accept or solicit any personal benefit from a supplier or potential supplier that might compromise, or appear to compromise, their objective assessment of the supplier's products and prices. Employees can give or accept promotional items of nominal value or moderately scaled

entertainment within the limits of responsible and customary business practice. Please see “Gifts and Entertainment” below for additional guidelines in this area.

### **Relationships with Competitors**

The Company is committed to free and open competition in the marketplace. Employees should avoid actions that would be contrary to laws governing competitive practices in the marketplace, including federal and state antitrust laws. Such actions include misappropriation and/or misuse of a competitor’s confidential information or making false statements about the competitor’s business and business practices. For further discussion of appropriate and inappropriate business conduct with competitors, see “Compliance with Antitrust Laws” below.

### **THE FOOD, DRUG AND COSMETIC ACT AND INTERACTIONS WITH THE FOOD AND DRUG ADMINISTRATION**

The Company’s product candidates and its operations are subject to extensive and rigorous regulation by the U.S. Food and Drug Administration (“**FDA**”) under the Federal Food, Drug, and Cosmetic Act (the “**FDCA**”) and its implementing regulations. The FDA regulates many areas of the Company’s operations, including the research, preclinical and clinical testing, and development of our drug products; the submission of data and other information to support FDA approval; the manufacturing, testing, storage and labeling of our drug products; the promotion, distribution, and sale of our drug products (including the provision of drug samples to physicians); and the reporting of adverse events and other information to the FDA. The FDA also regulates the export of drug products manufactured in the U.S. to international markets. Violation of these laws and regulations can result in severe civil and criminal penalties, adverse publicity for the Company, total or partial suspension of production of a Company product, withdrawal of a Company product from the market, and disciplinary action by the Company against the responsible individuals, up to and including termination of employment.

### **INTERACTIONS WITH THE GOVERNMENT**

The Company may conduct business with the United States, state and local governments and the governments of many other countries. The Company is committed to conducting its business with all governments and their representatives with the highest standards of business ethics and in compliance with all applicable laws and regulations, including the special requirements that apply to communications with governmental bodies that have regulatory authority over our products and operations, such as the FDA, government contracts and government transactions. In your interactions with the government, you should:

- Be forthright and candid at all times. No employee should intentionally misstate or omit any material information from any written or oral communication with the government.
- Exercise extreme care in maintaining records for and allocating costs to government contracts. Costs incurred on one government project should not be charged against another government project.
- Not offer or exchange any gifts, gratuities or favors with, or pay for meals, entertainment, travel or other similar expenses for, government employees.

If your job responsibilities include interacting with the government, you are expected to understand and comply with the special laws, rules and regulations that apply to your job position. If any doubt exists about whether a course of action is lawful, you should seek advice immediately from your supervisor and a Principal Corporate Officer. Please see “Foreign Corrupt Practices Act and Other Laws Governing Our Business Internationally” below for a discussion of additional requirements for dealing with foreign governments.

Company employees with responsibilities in the areas governed by the FFDCA and the FDA are required to understand and comply with these laws and regulations. These employees are expected to have a thorough understanding of the laws, regulations and other relevant standards applicable to their job positions, and to comply with those requirements. The Company has developed standard operating procedures and provides regular training to aid employees in understanding and complying with the requirements of the FFDCA and the FDA.

If any doubt exists regarding whether your job position or a particular course of action is governed by these laws and regulations, you should seek advice immediately from your supervisor or a Principal Corporate Officer.

## **COMPLIANCE WITH ANTITRUST LAWS**

Antitrust laws of the United States and other countries are designed to protect consumers and competitors against unfair business practices and to promote and preserve competition. Our policy is to compete vigorously and ethically while complying with all antitrust, monopoly, competition or cartel laws in all countries, states or localities in which the Company conducts business.

### **Actions that Violate Antitrust Laws**

In general, U.S. antitrust laws forbid agreements or actions “in restraint of trade.” All employees should be familiar with the general principles of the U.S. antitrust laws, as well as similar laws in any other jurisdiction in which the Company does business. The following is a summary of actions that are violations of applicable antitrust laws:

- Price Fixing. The Company may not agree with its competitors to raise, lower or stabilize prices or any element of price, including discounts and credit terms.
- Limitation of Supply. The Company may not agree with its competitors to limit its production or restrict the supply of its services.
- Allocation of Business. The Company may not agree with its competitors to divide or allocate markets, territories or customers.
- Monopolies. The Company may not engage in any behavior that can be construed as an attempt to monopolize.
- Boycott. The Company may not agree with its competitors to refuse to sell or purchase products from third parties. In addition, the Company may not prevent a customer from purchasing or using non-Company products or services.

- Tying. The Company may not require a customer to purchase a product that it does not want as a condition to the sale of a different product that the customer does wish to purchase.

### **Meeting with Competitors**

Employees should exercise caution in meetings with competitors. Any meeting with a competitor may give rise to the appearance of impropriety. As a result, if you are required to meet with a competitor for any reason, you should obtain the prior approval of a Principal Corporate Officer. You should try to meet with competitors in a closely monitored, controlled environment for a limited period of time. The contents of your meeting should be fully documented.

### **Professional Organizations and Trade Associations**

Employees should be cautious when attending meetings of professional organizations and trade associations at which competitors are present. Attending meetings of professional organizations and trade associations is both legal and proper, if such meetings have a legitimate business purpose. At such meetings, you should not discuss pricing policy or other competitive terms, plans for new or expanded facilities or any other proprietary, competitively sensitive information. You are required to notify your supervisor or a Principal Corporate Officer prior to attending any meeting of a professional organization or trade association.

### **Seeking Help**

Violations of antitrust laws carry severe consequences and may expose you and the Company to substantial civil damages, criminal fines and prison terms. Whenever any doubt exists as to the legality of a particular action or arrangement, it is your responsibility to contact a Principal Corporate Officer promptly for assistance, approval and review.

### **PROTECTION AND USE OF COMPANY ASSETS**

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability and are prohibited. The use of Company funds or assets, whether or not for personal gain, for any unlawful or improper purpose is prohibited.

To ensure the protection and proper use of the Company's assets, each employee should:

- Exercise reasonable care to prevent theft, damage or misuse of Company property.
- Report the actual or suspected theft, damage or misuse of Company property to a supervisor.
- Use the Company's telephone system, other electronic communication services, written materials and other property primarily for business-related purposes.
- Safeguard all electronic programs, data, communications and written materials from inadvertent access by others.

- Use Company property only for legitimate business purposes, as authorized in connection with your job responsibilities.

Employees should be aware that Company property includes all data and communications transmitted or received to or by, or contained in, the Company's electronic or telephonic systems. Company property also includes all written communications. Employees and other users of this property should have no expectation of privacy with respect to these communications and data. To the extent permitted by law, the Company has the ability, and reserves the right, to monitor all electronic and telephonic communication. These communications may also be subject to disclosure to law enforcement or government officials.

## **GIFTS AND ENTERTAINMENT**

The giving and receiving of gifts are meant to create goodwill and sound working relationships and not to gain improper advantage with customers or facilitate approvals from government officials. Unless express permission is received from the Company's General Counsel, gifts and entertainment cannot be offered, provided or accepted by any employee unless consistent with customary business practices and not (i) of more than token or nominal monetary value, (ii) in cash, (iii) susceptible of being construed as a bribe or kickback, (iv) made or received on a regular or frequent basis, or (v) in violation of any laws. Any questions or doubts you may have regarding the acceptability of receiving or giving a particular item should be discussed with the Company's General Counsel. This principle applies to our transactions everywhere in the world, even where the practice is widely considered "a way of doing business." Employees should not accept gifts or entertainment that may reasonably be deemed to affect their judgment or actions in the performance of their duties. All gifts and entertainment expenses should be properly accounted for on expense reports. Notwithstanding the foregoing, gifts to healthcare providers such as doctors, nurses and their staff (collectively "HCPs") are not permitted. As part of the healthcare industry, the Company's interactions with HCPs are highly regulated and scrutinized.

The following specific examples may be helpful:

- Meals and Entertainment. You may occasionally accept or give meals, refreshments or other entertainment if:
  - The items are of reasonable value;
  - A primary purpose of the meeting or attendance at the event is business related; and
  - The expenses would be paid by the Company as a reasonable business expense if not paid for by another party.
- Advertising and Promotional Materials. You may occasionally accept or give advertising or promotional materials of nominal value.
- Gifts Rewarding Service or Accomplishment. You may accept a gift from a civic, charitable or religious organization specifically related to your service or accomplishment.

If you conduct business in other countries, you must be particularly careful that gifts and entertainment are not construed as bribes, kickbacks or other improper payments. See "The U.S.

Foreign Corrupt Practices Act and Other Laws Governing Our Business Internationally” for a more detailed discussion of our policies regarding giving or receiving gifts related to business transactions in other countries.

You should make every effort to refuse or return a gift that is beyond these permissible guidelines. If it would be inappropriate to refuse a gift or you are unable to return a gift, you should promptly report the gift to your supervisor. Your supervisor will bring the gift to the attention of the General Counsel who may require you to donate the gift to an appropriate community organization. If you have any questions about whether it is permissible to accept a gift or something else of value, contact your supervisor or the General Counsel for additional guidance.

Gifts and entertainment may not be offered or exchanged under any circumstances to or with any employees of the United States, state or local governments. If you have any questions about this policy, contact the Company’s General Counsel for additional guidance. For a more detailed discussion of special considerations applicable to dealing with the United States, state and local governments, see “Interactions with the Government.”

## **COMPANY RECORDS**

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports and other disclosures to the public and guide our business decision-making and strategic planning. Company records include booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business.

All Company records must be complete, accurate and reliable in all material respects. Undisclosed or unrecorded funds, payments or receipts are inconsistent with our business practices and are prohibited. You are responsible for understanding and complying with our record keeping policy. Ask your supervisor if you have any questions.

## **ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS**

As a public company, we are subject to various securities laws, regulations and reporting obligations. Both federal law and our policies require the disclosure of accurate and complete information regarding the Company’s business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

The Company’s Principal Corporate Officers and other employees working in the Finance and Accounting Departments have a special responsibility to ensure that all of our financial disclosures are full, fair, accurate, timely and understandable. These employees must understand and strictly comply with generally accepted accounting principles and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

Each employee who contributes in any way to the preparation or verification of the Company’s financial statements and other financial information must ensure that the Company’s books, records and accounts are accurately maintained. Each employee must fully cooperate with the Company’s Finance and Accounting Departments, as well as the Company’s independent

public accountants and counsel. Additionally, each employee who is involved in the Company's disclosure process must:

- be familiar with and comply with the Company's disclosure controls and procedures and its internal control over financial reporting; and
- take all necessary steps to ensure that all filings with the SEC and all other public communications about the financial and business condition of the Company provide full, fair, accurate, timely and understandable disclosure.

U.S. federal securities law requires the Company to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls. The Securities and Exchange Commission ("SEC") has supplemented the statutory requirements by adopting rules that prohibit (i) any person from falsifying records or accounts subject to the above requirements and (ii) officers or directors from making any materially false, misleading or incomplete statement to an accountant in connection with an audit or any filing with the SEC. These provisions reflect the SEC's intent to discourage officers, directors and other persons with access to the Company's books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

Each employee has an obligation to comply, both in letter and spirit, with all laws, rules and regulations applicable to the Company. These include, without limitation, laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices (including the Foreign Corrupt Practices Act discussed below), offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. You are expected to understand and comply with all laws, rules and regulations that apply to your job position. If any doubt exists about whether a course of action is lawful, you should seek advice from your supervisor or a Principal Corporate Officer.

## **ENVIRONMENTAL COMPLIANCE**

Federal law imposes criminal liability on any person or company that contaminates the environment with any hazardous substance that could cause injury to the community or environment. Violation of environmental laws can involve monetary fines and imprisonment. We expect our employees to comply with all applicable environmental laws.

It is our policy to conduct our business in an environmentally responsible way that minimizes environmental impacts. We are committed to minimizing and, if practicable, eliminating the use of any substance or material that may cause environmental damage, reducing waste generation and disposing of all waste through safe and responsible methods, minimizing environmental risks by employing safe technologies and operating procedures, and being prepared to respond appropriately to accidents and emergencies.

## **POLITICAL CONTRIBUTIONS AND ACTIVITIES**

The Company encourages its employees to participate in the political process as individuals and on their own time. Federal and state contribution and lobbying laws, however, severely limit the contributions the Company can make to political parties or candidates. It is Company policy that Company funds or assets not be used to make a political contribution to any political party or candidate, unless prior approval has been given by a Principal Corporate Officer.

The following guidelines are intended to ensure that any political activity you pursue complies with this policy:

- Contribution of Funds. You may contribute your personal funds to political parties or candidates. The Company will not reimburse you for personal political contributions.
- Volunteer Activities. You may participate in volunteer political activities during non-work time. You may not participate in political activities during working hours.
- Use of Company Facilities. The Company's facilities may not be used for political activities (including fundraisers or other activities related to running for office). The Company may make its facilities available for limited political functions, including speeches by government officials and political candidates, with the approval of a Principal Corporate Officer.
- Use of Company Name. When you participate in political affairs, you should be careful to make it clear that your views and actions are your own, and not made on behalf of the Company. For instance, Company letterhead should not be used to send out personal letters in connection with political activities. These guidelines are intended to ensure that any political activity you pursue is done voluntarily and on your own resources and time. Please contact a Principal Corporate Officer if you have any questions about this policy.

## **COMPLIANCE WITH INSIDER TRADING LAWS**

Company employees are prohibited from trading in the stock or other securities of the Company while in possession of material, nonpublic information about the Company or its subsidiaries, if any. In addition, Company employees are prohibited from recommending, "tipping" or suggesting that anyone else buy or sell stock or other securities of the Company on the basis of material nonpublic information. Employees who obtain material nonpublic information about another company in the course of their employment are prohibited from trading in the stock or securities of the other company while in possession of such information or "tipping" others to trade on the basis of such information. Violation of insider trading laws can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment. You are required to read carefully and observe our Insider Trading Policy, as may be amended from time to time. Please inform your supervisor or a Principal Corporate Officer if you do not have a copy of our Insider Trading Policy.



## **PUBLIC COMMUNICATIONS AND REGULATION FD**

### **Public Communications Generally**

The Company places a high value on its credibility and reputation in the community. What is written or said about the Company in the news media and investment community directly impacts our reputation, positively or negatively. Our policy is to provide timely, accurate and complete information in response to public requests (media, analysts, etc.), consistent with our obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. To ensure compliance with this policy, all news media or other public requests for information regarding the Company should be directed to the Company's General Counsel. The General Counsel will work with you and the appropriate personnel to evaluate and coordinate a response to the request.

### **Compliance with Regulation FD**

In connection with its public communications, the Company is required to comply with a rule under the federal securities laws referred to as Regulation FD (which stands for "fair disclosure"). Regulation FD provides that, when we disclose material, non-public information about the Company to securities market professionals or stockholders (where it is reasonably foreseeable that the stockholders will trade on the information), we must also disclose the information to the public. "Securities market professionals" generally include analysts, institutional investors and other investment advisors. You are required to read carefully and comply with our Regulation FD Compliance Policy, as may be amended from time to time. Please inform your supervisor or a Principal Corporate Officer if you do not have a copy of our Regulation FD Compliance Policy.

## **THE U.S. FOREIGN CORRUPT PRACTICES ACT AND OTHER LAWS GOVERNING OUR BUSINESS INTERNATIONALLY**

This section is subject to any Foreign Corrupt Practices Act Policy that the Company may adopt from time to time.

### **Foreign Corrupt Practices Act**

The Foreign Corrupt Practices Act (the "*FCPA*") prohibits the Company and its employees and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any governmental official, political party, candidate for political office or official of a public international organization. Stated more concisely, the FCPA prohibits the payment of bribes, kickback or other inducements to foreign officials. This prohibition also extends to payments to a sales representative or agent if there is reason to believe that the payment will be used indirectly for a prohibited payment to foreign officials. Violation of the FCPA is a crime that can result in severe fines and criminal penalties, as well as disciplinary action by the Company, including termination of employment.

Certain small facilitation or "grease" payments to foreign officials may be permissible under the FCPA if customary in the country or locality and intended to secure routine governmental action. Governmental action is "routine" if it is ordinarily and commonly performed by a foreign

official and does not involve the exercise of discretion. For instance, “routine” functions would include setting up a telephone line or expediting a shipment through customs. To ensure legal compliance, all facilitation payments must receive prior written approval from a Principal Corporate Officer and must be clearly and accurately reported as a facilitation payment.

## **EMPLOYMENT PRACTICES**

The Company pursues fair employment practices in every aspect of its business. The following is intended to be a summary of our employment policies and procedures. Company employees must comply with all applicable labor and employment laws, including anti-discrimination laws and laws related to freedom of association, privacy and collective bargaining. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with labor and employment laws can result in civil and criminal liability against you and the Company, as well as disciplinary action by the Company, up to and including termination of employment. You should contact the General Counsel if you have any questions about the laws, regulations and policies that apply to you.

### **Harassment and Discrimination**

The Company is committed to providing equal opportunity and fair treatment to all individuals on the basis of merit, without discrimination because of race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law. The Company prohibits harassment in any form, whether physical or verbal and whether committed by supervisors, non-supervisory personnel or non-employees. Harassment may include, but is not limited to, offensive sexual flirtations, unwanted sexual advances or propositions, verbal abuse, sexually or racially degrading words, or the display in the workplace of sexually suggestive objects or pictures.

If you have any complaints about discrimination or harassment, report such conduct to your supervisor or the General Counsel. All complaints will be treated with sensitivity and discretion. Your supervisor, the General Counsel and the Company will protect your confidentiality to the extent possible, consistent with law and the Company’s need to investigate your concern. Where our investigation uncovers harassment or discrimination, we will take prompt corrective action, which may include disciplinary action by the Company, up to and including, termination of employment. The Company strictly prohibits retaliation against an employee who, in good faith, files a complaint.

Any member of management who has reason to believe that an employee has been the victim of harassment or discrimination or who receives a report of alleged harassment or discrimination is required to report it to the General Counsel immediately.

### **Alcohol and Drugs**

The Company is committed to maintaining a drug-free workplace. All Company employees must comply strictly with Company policies regarding the abuse of alcohol and the possession, sale and use of illegal substances. Drinking alcoholic beverages is prohibited while on duty or on the premises of the Company, except at specified Company-sanctioned events. Possessing, using, selling or offering illegal drugs and other controlled substances is prohibited under all circumstances while on duty or on the premises of the Company. Likewise, you are prohibited

from reporting for work, or driving a Company vehicle or any vehicle while on Company business, while under the influence of alcohol or any illegal drug or controlled substance.

**Violence Prevention and Weapons**

The safety and security of Company employees is vitally important. The Company will not tolerate violence or threats of violence in, or related to, the workplace. Employees who experience, witness or otherwise become aware of a violent or potentially violent situation that occurs on the Company’s property or affects the Company’s business must immediately report the situation to their supervisor or the General Counsel.

The Company does not permit any individual to have weapons of any kind in Company property or vehicles, while on the job or off-site while on Company business. This is true even if you have obtained legal permits to carry weapons. The only exception to this policy applies to security personnel who are specifically authorized by Company management to carry weapons.

**CONCLUSION**

This Code contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If you have any questions about these guidelines, please contact your supervisor or a Principal Corporate Officer. We expect all Company employees to adhere to these guidelines.

This Code, as applied to the Company’s Principal Corporate Officers, shall be our “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

This Code and the matters contained herein are neither a contract of employment nor a guarantee of continuing Company policy. We reserve the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time.

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## ACKNOWLEDGMENT AND CERTIFICATION

The undersigned does hereby acknowledge receipt of the Company's Code of Business Conduct and Ethics. The undersigned has read and understands (or has had explained) such Code and agrees to be governed by such Code, as may be amended from time to time, at all times during his or her employment with the Company.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Please print name)

Date: \_\_\_\_\_