



**TREACE MEDICAL CONCEPTS, INC.**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

**A. PURPOSE**

Treace Medical Concepts, Inc. ("*TMC*" or the "*Company*") has adopted this Code of Business Conduct and Ethics (the "*Code*") to encourage:

- Honest and ethical conduct, including fair dealing and the ethical handling of actual or apparent conflicts of interest;
- Full, fair, accurate, timely and understandable disclosure;
- Compliance with applicable governmental laws, rules and regulations (collectively, "*Laws*");
- Prompt internal reporting of any violations of Law or the Code;
- Accountability for adherence to the Code, including fair process by which to determine violations;
- Consistent enforcement of the Code, including clear and objective standards for compliance;
- Protection for persons reporting any such questionable behavior;
- The protection of the Company's legitimate business interests, including its assets and corporate opportunities; and
- Confidentiality of information entrusted to employees, officers and directors by the Company and its customers.

This Code establishes policies and procedures that are intended to guide employees, officers, directors and consultants in the performance of their duties and responsibilities and ensure compliance with the Company's commitment to ethical and lawful conduct.

**B. SCOPE**

This Code and the policies and procedures of the Company apply to all employees and officers (referred to collectively hereafter as "*employees*"), directors and consultants of TMC. Every employee, director and consultant is expected to comply with all Company policies and rules as in effect from time to time. You are expected to familiarize yourself with such policies.

**C. 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. We encourage you to contact your supervisor for help first. If your supervisor cannot answer your question or if you

do not feel comfortable contacting your supervisor, contact the Company's Chief Compliance Officer (or the General Counsel in the absence of a Chief Compliance Officer or the Chief Financial Officer in the absence of a General Counsel), or such other person as the Board of Directors (the "*Board*") may designate in such capacity from time to time (the "*Compliance Officer*").

You may contact the TMC Compliance Officer as follows: in person; by mail at 203 Fort Wade Rd., Suite 150, Ponte Vedra, FL 32081; by phone at (904) 373-5940, ext. 1349, or by email at [compliance@treace.net](mailto:compliance@treace.net).

The Company has also established an Ethics Hotline that is available 24 hours a day, 7 days a week at:

Website: [www.lighthouse-services.com/treace](http://www.lighthouse-services.com/treace)

Phone Number (toll-free): 855-222-0766

Any reports submitted via the Ethics Hotline will be reviewed by the Compliance Officer or his or her designees and subsequently reported to the appropriate Board Committee. You may remain anonymous and will not be required to reveal your identity in calls to the Ethics Hotline, although providing your identity may assist the Company in addressing your questions or concerns. Your supervisor or the Compliance Officer, as applicable, and the Company will protect your confidentiality to the extent possible, consistent with applicable law and the Company's need to investigate your concern.

All employees, consultants and directors have a duty to report any known or suspected violation of this Code, including violations of the Laws or policies that apply to TMC. If you know of or believe there has been a violation of this Code, immediately report the conduct to your supervisor or the Compliance Officer or use the Ethics Hotline.

See Section F below for more information on reporting violations of this Code.

## **D. BASIC COMPLIANCE POLICIES**

**1. *Compliance with Laws.*** The Company will conduct its business and affairs in compliance with all applicable Laws and in accordance with the Company's high ethical standards. It is the personal responsibility of each director, employee and consultant to adhere to the standards and restrictions imposed by these Laws in the performance of his or her duties for the Company.

**2. *Work Environment.*** The Company is an equal opportunity employer and will not tolerate illegal discrimination or harassment of any kind. The Company will maintain a safe and drug-free workplace that is free from discrimination and harassment based on race, color, creed, religion, sex, age, disability, national origin, ancestry, citizenship, armed forces service, marital or veteran status, sexual orientation or identity, or any other impermissible factor.

Examples include derogatory comments based on a person's protected class and sexual harassment and unwelcome sexual advances. Similarly, offensive or hostile working conditions created by such harassment or discrimination will not be tolerated.

**3. *Product Quality.*** The Company is committed to producing products that are safe and effective. In developing and offering medical devices and other products, the Company has established and will comply with standards that meet or exceed regulations promulgated by the U.S. Food and Drug Administration. In offering its products, the Company will comply with all applicable Laws, including those relating to the environment and occupational health and safety.

**4. *Competitive Practices.*** The Company will compete for all business opportunities vigorously, fairly, ethically, and legally. The Company will comply with all antitrust and other laws regulating competition and trade in each jurisdiction where it conducts business and will not discuss pricing, cost, production plans, business strategies, or any other proprietary or confidential information with its competitors. The purpose of antitrust laws is to preserve fair and open competition and a free market economy, which are goals that the Company fully supports. Directors and employees must not directly or indirectly enter into any formal or informal agreement with competitors that fixes or controls prices, divides or allocates markets, limits the production or sale of products, boycotts certain suppliers or customers, eliminates competition or otherwise unreasonably restrains trade.

**5. *Marketing and Sales.*** The Company will represent its products and services accurately and will comply with applicable regulatory and legal requirements governing the marketing and sale of its products and services.

**6. *Recording and Reporting Information.*** In recognition of the fact that accurate information is essential to the Company's ability to satisfy legal and regulatory obligations, all employees and directors will record and report all information accurately and honestly. No employee or director will sign or submit or permit others to sign or submit on behalf of the Company, any document or statement that he or she knows or has reason to believe is false.

**7. *Accuracy of Business Records.*** All financial books, records and accounts must accurately reflect transactions and events, and conform both to generally accepted accounting principles and to the Company's system of internal controls. No entry may be made that intentionally hides or disguises the true nature of any transaction. You should therefore attempt to be as clear, concise, truthful and accurate as possible when recording any information.

**8. *Public Disclosures.*** The information in the Company's public communications, including in all reports and documents filed with or submitted to the SEC, must be full, fair, accurate, timely and understandable.

To ensure the Company meets this standard, all directors and officers (to the extent they are involved in the Company's disclosure process) are required to maintain familiarity with the

disclosure requirements, processes and procedures applicable to the Company commensurate with their duties. Directors and employees are prohibited from knowingly misrepresenting, omitting or causing others to misrepresent or omit, material facts about the Company to others, including the Company's independent auditors, governmental regulators and self-regulatory organizations.

The only persons authorized to speak on behalf of the Company to the press, investment analysts or advisors, potential investors, stockholders or the public are the Company's Chief Executive Officer, Chief Financial Officer or other person specifically designated by them to speak with respect to a particular topic or purpose (each an "*Authorized Spokesperson*"). If any third parties contact you with questions about the Company, you should not answer their questions and should refer them directly to an Authorized Spokesperson.

9. ***Payments.*** The Company and its employees and directors will not make any improper or illegal payments to government or non-government officials, employees, customers, or other persons or entities, nor will the Company or its employees and directors request or accept any improper payment from suppliers, customers, or anyone seeking to do business with the Company.

10. ***Fair Dealing.*** Each employee and director will deal honestly, ethically and fairly with the Company's customers, suppliers, competitors, independent auditors, and other employees and will not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing or practice. Inappropriate use of proprietary information, misusing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is also prohibited.

11. ***Confidential Information.*** No employee or director will use, for his or her own personal gain, or disclose to any third-party, any confidential or proprietary information that he or she obtained because of his or her employment with or relationship to the Company, its customers, distributors, suppliers or affiliates. Confidential or proprietary information includes all non-public information pertaining to the business operations of the Company, including (without limitation) any financial results or prospects, information provided by a third party, trade secrets, new product or marketing plans, research and development ideas, manufacturing processes, potential acquisitions or investments, and information that might be of use to competitors or harmful to the Company and its customers if disclosed.

Directors and employees must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Directors and employees must safeguard confidential information by keeping it secure, limiting access to those who have a need to know in order to do their job, and avoiding discussion of confidential information in public areas such as planes, elevators, and restaurants and on mobile phones. This prohibition includes, but is not limited to, inquiries made by the press, analysts, investors or others. Directors and employees also may not use such information for personal gain.

Employees and directors will also comply with any confidentiality agreements signed with the Company and with other Company policies regarding protected health information.

These confidentiality obligations continue even after employment with or service to the Company ends.

**12. *Corporate Loans or Guarantees.*** Federal law prohibits the Company from making loans and guarantees of obligations to directors, executive officers, and members of their immediate families.

**13. *Political Contributions.*** The Company will make no corporate political contributions to parties or individuals, even where such contributions may be legal. Employees and directors may, at their discretion, participate in community affairs and exercise citizenship responsibilities. However, directors and employees must make every effort to ensure that they do not create the impression that they speak or act on behalf of the Company with respect to political matters. A director or employee ~~may~~ will not receive any reimbursement from corporate funds for a personal political contribution.

**14. *Corporate Opportunities.*** Employees and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Employees and directors are prohibited from: taking for themselves personally opportunities that are discovered using corporate property, information or position; using corporate property, information or position for personal gain; or competing with the Company; provided, however, if the Company's disinterested directors of the Board determine that the Company will not pursue an opportunity that relates to the Company's business, an employee or director may do so, after notifying the disinterested directors of the Board of intended actions in order to avoid any appearance of conflict of interest. Any such opportunities belong to the Company and must be disclosed to the Company when they arise. Also, intellectual property developed using corporate assets or that otherwise relates to the Company's business belongs to the Company.

**15. *Conflicts of Interest.*** No employee or director will engage in any activity or have any outside interest that might deprive the Company of his or her loyalty, interfere with the satisfactory performance of his or her duties, make it difficult to perform his or her duties for the Company objectively and effectively, or be harmful or detrimental to the Company. A conflict of interest occurs when a person's private interest interferes or appears to interfere in any way with the Company's interests and may also arise when an employee or director or a member of his or her family receives improper personal benefits because of his or her position with the Company. Examples of actual or potential conflicts of interest include whenever:

- An employee or director holds an outside position or is engaged in an outside activity that affects the performance of his or her work for the Company.
- An employee or director, or any member of his or her family, is employed by, is a consultant to, or holds an ownership or other interest (other than a nominal investment in stock of a publicly traded company), whether direct or indirect, in any person,

business or enterprise that is a competitor of the Company, a supplier or distributor for the Company, or is involved in a joint venture with the Company.

- An employee or director, or any member of his or her family, acquires any interest, whether direct or indirect, in any entity or concern that he or she knows is being considered by the Company as a possible merger, acquisition, or joint venture candidate.
- An employee or director, or any member of his or her family, having a relationship, ownership or business interest (other than a nominal investment in stock of a publicly traded company), whether direct or indirect, with any person, business or enterprise that purchases or sells, or seeks to purchase or sell, goods or services to or from the Company (e.g., relationships with hospital systems, ambulatory surgery centers, etc.).

Each director and employee has an obligation to conduct the Company's business in an honest and ethical manner, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Employees who are involved in any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should promptly disclose the situation to the Compliance Officer. Directors who are involved in any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company should promptly disclose the situation in accordance with the Company's Corporate Governance Guidelines.

This Code does not attempt to describe all possible conflicts of interest that could develop. In general, directors and employees should not (1) engage in any conduct or activities that are inconsistent with the Company's best interests or that disrupt or impair the Company's relationship with any person or entity with which the Company has or proposes to enter into a business or contractual relationship, (2) accept compensation, in any form, for services performed for the Company from any source other than the Company; or (3) take any management or other employment position with, or have any material interest in, any firm or company that is in direct or indirect competition with the Company. See also the section above entitled "*Corporate Opportunities.*"

**16. *Protection and Proper Use of Company Assets.*** Theft, carelessness, and waste have a direct impact on the Company's profitability. All employees and directors will take appropriate actions to protect the Company's assets and ensure their efficient use for legitimate business purposes and not for any personal benefit or the personal benefit of anyone else. The obligation of employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports.

**17. *Gifts and Gratuities.*** The giving of gifts, gratuities or other favors to government officials is prohibited, except to the extent such gifts, gratuities or other favors follow applicable Laws, are insignificant in amount (i.e., less than \$150) and not given in consideration or expectation of any action by the recipient (i.e., cannot be construed as a bribe or payoff). The

giving of gifts to any customer, supplier, or other person doing or seeking to do business with the Company is prohibited. Employees and directors must not accept, or permit any member of his or her immediate family to accept, any gifts, gratuities or other favors from any customer, supplier or other person doing or seeking to do business with the Company, other than items of insignificant value (i.e., less than \$150). Any gifts that are not of insignificant value should be returned immediately and reported to your supervisor. If immediate return is not practical, they should be given to the Company for charitable disposition or such other disposition as the Company, in its sole discretion, believes appropriate. Bribes and kickbacks are criminal acts, strictly prohibited by law. You must not offer, give, solicit or receive any form of bribe or kickback. Types of bribes and kickbacks can include, without limitation, gifts, cash, recreational events, undercharging for services, and offering or paying remuneration in exchange for purchasing or arranging for the purchase of a TMC product or in exchange for making or arranging for a referral of a patient to receive a TMC product. Healthcare Professionals (“HCP”) may only be provided with modest, appropriate educational items, including medical textbooks or anatomical models used for educational purposes, or educational items with a fair market value of less than a hundred dollars (\$100), which benefit patients or serve a genuine educational function for the HCP. Any such item must be approved in advance by the Company’s Compliance Officer. This means that the HCPs cannot be provided with items that the HCP can use for non-educational or non-patient-related purposes, including (i) office supplies, a tablet, smart phone, laptop computer or other mobile device capable of personal use; (ii) branded, noneducational promotional items, even of minimal value (e.g. pens, notepads, mugs and other items with TMC’s name or logo); or (iii) gifts, such as wine, flowers, chocolates, gift baskets, holiday gifts, or cash or cash equivalents.

**18. *Foreign Corrupt Practices Act.*** The Company strictly prohibits giving anything of value, directly or indirectly, to a governmental official, agent or employee anywhere in the world in consideration for such official’s, agent’s or employee’s assistance or influence (including the failure by such individual to perform his/her official duty), the purpose of which is to obtain favored treatment with respect to any aspect of the Company’s business. Under no circumstance is it acceptable for any employee or director to offer, give, solicit or receive any form of bribe, kickback, payoff, or inducement.

As a United States entity, the Company is subject to the Foreign Corrupt Practices Act, which makes it illegal for companies and individuals to make, or offer to make, payment, directly or indirectly, to foreign governmental officials for the purposes of obtaining, retaining or directing business. Other countries have adopted similar legislation. Though in limited situations small “facilitation” payments to foreign government officials may be permissible if they are intended to expedite the routine performance of legitimate duties, this area is not always clear, and the situation must be discussed with the Company’s Compliance Officer prior to any action being taken. Any question as to whether a gift or payment would be considered improper under the Company’s guidelines or national or foreign Laws must be discussed with the Company’s Compliance Officer.

**19. *Insider Trading.*** Trading on inside information is a violation of federal securities law. Directors and employees in possession of material non-public information about the Company or companies with whom the Company does business must abstain from trading or advising others to trade in the respective company's securities from the time that they obtain such inside information until adequate public disclosure of the information. Material information is information of such importance that it can be expected to affect the judgment of investors as to whether or not to buy, sell, or hold the securities in question. To use non-public information for personal financial benefit or to "tip" others, including family members, who might make an investment decision based on this information is not only unethical but also illegal. Directors and employees who trade stock based on insider information can be personally liable for damages totaling up to three times the profit made or loss avoided by the respective Director or employee. For further information, please see the Company's Insider Trading Compliance Policy.

**20. *Environmental Protection.*** The Company is committed to managing and operating its assets in a manner that is protective of human health and safety and the environment. It is our policy to comply with both the letter and the spirit of the applicable health, safety and environmental Laws and to attempt to develop a cooperative attitude with government inspection and enforcement officials. Directors and employees are encouraged to report conditions that they perceive to be unsafe, unhealthy or hazardous to the environment.

## **E. HEALTHCARE-SPECIFIC COMPLIANCE POLICIES**

**1. *General; AdvaMed Code.*** The CEO and Compliance Officer of the Company are responsible for ensuring that employees understand and comply with this Code and the Company's Compliance program, and for creating a work environment in which compliance is expected and rewarded. Effective as of January 1, 2020, the Advanced Medical Technology Association ("*AdvaMed*") adopted its current Code of Ethics on Interactions with Health Care Professionals, which can be found online at <http://advamed.org/issues/code-of-ethics> (the "*AdvaMed Code*"). AdvaMed is a trade association that represents companies that develop, produce, manufacture, and market medical products, technologies and related services and therapies, and has developed the AdvaMed Code to ensure that interactions between medical device manufacturers and Health Care Professionals (as defined in the AdvaMed Code) are appropriate and meet high ethical standards. As a medical device manufacturer, TMC designed its Compliance program to substantially comply with the standards set forth in the AdvaMed Code. Accordingly, all employees should review and make themselves familiar with the AdvaMed Code and review the guidelines and restrictions therein (including the Frequently Asked Questions published with the AdvaMed Code). Specifically, if you have interactions with HCPs, it is your responsibility to make sure that all such interactions are compliant with TMC's Code and the principles of the AdvaMed Code. If you have any questions regarding the AdvaMed Code, please contact TMC's Compliance Officer for more guidance.



2. ***Federal Anti-Kickback Statute; Health Care Compliance.*** Except as otherwise provided in 42 USC §1320a-7b(b) (the "*Anti-Kickback Statute*") and regulations promulgated thereunder, it is unlawful to:

- (1) knowingly and willfully solicit or receive any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind:
  - (a) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under a Federal health care program; or
  - (b) in return for purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, or ordering any good, facility, service or item for which payment may be made in whole or in part under a Federal health care program; or.
- (2) knowingly and willfully offer or pay any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind to any person to induce such person either:
  - (a) to refer an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under a Federal health care program; or
  - (b) to purchase, lease, order, or arrange for or recommend purchasing, leasing or ordering any good, facility, service or item for which payment may be made in whole or in part under a Federal health care program.

Simply stated, employees are prohibited from offering or paying anything of value (including but not limited to money) to induce the referral of business to TMC or to reward a customer for prior business. Violation of the Anti-Kickback Statute is a felony and may expose employees and TMC to substantial penalties, fines, and potential imprisonment. There are many exceptions to this law, and it is a complicated area of compliance. Employees are not expected to understand all nuances of this law. Instead, employees are expected to avoid the law's general prohibition, comply with TMC's related policies that apply to their job functions, and know when the circumstances suggest that there may be a concern under the Anti-Kickback Statute. In that event, the employee should bring the concern to the attention of the Compliance Officer for direct handling. All employees are required to disclose any financial relationship they have with an HCP (or an immediate family member of an HCP) to the Compliance Officer for review to confirm that the relationship does not present an issue under the Anti-Kickback Statute. When TMC enters into arrangements that may involve providing something of value to a healthcare provider, including consulting arrangements, speaking engagements, patient outreach programs, grants, charitable donations, product development agreements, and other

arrangements with healthcare providers, TMC employees are required to confirm that the arrangements are compliant with the Anti-Kickback Statute by contacting the Compliance Officer or otherwise confirming that the arrangement has been approved by the Compliance Officer.

Certain states have enacted similar Laws regarding interactions with HCPs, including laws that apply regardless of the source of payment for the product. Some states place further limitations on what can be provided to healthcare providers, including limitations on meals and other items of value. More information regarding these laws is available in the TMC Compliance Manual in the State Law Compliance Policy.

In addition, all Company employees who interact in any way with HCPs, or with customers who purchase health care products, must conduct themselves in an appropriate manner to ensure that:

- Medical decision-making is driven by clinical concerns rather than financial incentives offered by industry.
- Products are not promoted for unapproved uses.
- Customers are provided appropriate pricing and discount information so that they can properly report costs to the government.

## **F. REPORTING AND COMPLIANCE PROCEDURES.**

1. ***Obligation to Report Violations.*** Each employee, director and consultant has the responsibility to ask questions, seek guidance, report known or suspected violations and express concerns regarding compliance with this Code to his or her supervisor or to the Compliance Officer (either directly or through the Ethics Hotline). If you know or believe that any other employee, director or representative of the Company has engaged or is engaging in Company-related conduct that violates applicable Law or this Code, you should report such information to your supervisor or to the Compliance Officer. Any supervisor who receives a report of a violation of this Code of Conduct must immediately inform the Compliance Officer. You may report such conduct openly or anonymously, in either case without fear of retaliation.

Ideally, it's best to ask questions or voice your concern within your own department through face-to face discussions. How to ask questions or voice your concern depends on the nature of the issue, your own comfort level in reporting, the people involved, and relevant Laws. Sometimes you may want to ask a question or raise a concern outside your department confidentially or anonymously. You may ask a question or raise a concern anonymously by following the instructions in Section C above. Your supervisor or the Compliance Officer, as applicable, and the Company will protect your confidentiality to the extent possible, consistent with applicable Laws and the Company's need to investigate your concern.

The Compliance Officer will work with you and your supervisor or other appropriate persons to investigate your concern. If you do not feel comfortable reporting the conduct to your supervisor

or you do not receive a satisfactory response, you may contact the Compliance Officer directly or use the Ethics Hotline as stated in Section C above.

2. ***Retaliation Prohibited.*** No retaliation against any individual who reports violations of this Code or the Compliance program in good faith will be permitted. The Company will not discipline, discriminate against or retaliate against any employee who reports such conduct (unless it is determined that the report was made with knowledge that it was false), or who cooperates in any investigation or inquiry regarding such conduct. TMC forbids retaliation against anyone who asks questions or voices a concern in good faith.

3. ***Investigation Procedures.*** If the Compliance Officer receives a report that is sufficiently specific to permit review regarding an alleged violation of this Code, whether such report is received through the Ethics Hotline, directly, or indirectly from another Company representative, the Compliance Officer will, as appropriate, investigate the matter in accordance with the Company's Investigations Procedure. You are expected to cooperate fully with any inquiry or investigation by the Company regarding an alleged violation of this Code. Failure to cooperate with any such inquiry or investigation may result in corrective action, up to and including termination of the relationship with the Company. The Company will determine whether violations of this Code and/or the Company's Compliance program have occurred and, if so, will determine the appropriate corrective and prevention measures to be taken. A disclosure log will be maintained and include a record and summary of each report received (whether anonymous or not), the status of the respective internal review, and any corrective and prevention action taken in response.

The Audit Committee will oversee and receive reports on complaints received regarding accounting, internal accounting controls or auditing matters. The Nominating, Compliance and Governance Committee will oversee and receive reports on complaints on other topics and Code violations received by the Company.

4. ***Disciplinary Measures for Code Violations.*** It is Company policy that any employee, director or consultant who violates this Code or the Compliance program, or who directs or approves a violation of this Code or the Compliance program, will be subject to appropriate corrective action including, but not limited to, reprimand (written or oral), warning, probation, demotion, suspension, termination of the relationship with the Company, and/or demands or claims for restitution. This determination will be based upon the facts and circumstances of each particular situation. While self-reporting a violation will not excuse the violation itself, the extent and promptness of such reporting will be considered in determining any appropriate sanction, including dismissal.

Any supervisor who directs or approves of any conduct in violation of this Code, or who has knowledge of such conduct and does not immediately report it, also will be subject to corrective action, up to and including termination of employment.

Any person who retaliates against any director, employee or consultant for a report made in good faith of any suspected violation of Laws or this Code will also be subject to corrective action, up to and including termination of the relationship with the Company.

Employees, directors and consultants who violate Laws 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 may incur damage to its reputation and standing in the community. Certain violations of this Code and/or the Compliance program may require the Company to refer the matter to the appropriate governmental or regulatory authorities for investigation or prosecution.

5. ***Waivers of this Code.*** While some of the policies contained in this Code must be strictly adhered to and no exceptions can be allowed, in other cases exceptions may be appropriate. Before an employee, or an immediate family member of any such employee, engages in any activity that would be otherwise prohibited by the Code, he or she is strongly encouraged to obtain a written waiver from the Company. Any employee (other than an executive officer) who believes that a waiver of any of these policies is appropriate in his or her case should first contact his or her immediate supervisor. If the supervisor agrees that a waiver is appropriate, the approval of the Compliance Officer must be obtained. Any director, principal financial officer or executive officer (or an immediate family member thereof) seeking a waiver should contact the Compliance Officer directly. The Compliance Officer shall then inform the Board of such waiver request as only the Board can approve waivers of this Code that pertain to our directors, principal financial officer or executive officers. Waivers of the Code that pertain to directors, principal financial officers or executive officers will be disclosed to the public as required by Law or the rules of Nasdaq. Waivers of this Code for other employees will be reported to our Audit Committee as required by Law, the rules of Nasdaq or Company policies.

6. ***Certification.*** Officers, directors, executives, and other appropriate employees will be required annually to confirm in writing that they understand and are complying with the Code and Compliance program and that they are not aware of any violations of these policies or have properly reported all violations.

## **G. NO RIGHTS CREATED**

This Code is a statement of certain fundamental principles, policies and procedures that govern the Company's directors and employees in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, client, visitor, supplier, competitor, shareholder or any other person or entity. It is the Company's belief that the policy is robust and covers most conceivable situations.