

# CODE OF CONDUCT AND BUSINESS ETHICS

## TABLE OF CONTENTS

### INTRODUCTION

A. Avoiding Insider Trading

B. Avoiding Conflicts of Interest

C. Business Relationships

D. International Business

E. Workplace Conduct and Safety

F. Protecting Confidential Business Information

G. Maintaining Integrity of Records and Reporting of Business Information

H. Participating in the Political Process

I. Reporting Criminal Convictions

J. Handling Corporate Communications

### IMPLEMENTATION OF THE CODE

### FORM OF CERTIFICATE OF COMPLIANCE

## CODE OF CONDUCT AND BUSINESS ETHICS

*To All Employees, Officers and Directors:*

Emergent BioSolutions Inc. and each of its subsidiaries (collectively, the "Company") have a strong commitment to operating under the highest standards of business ethics and conduct. The Company's objective is to maintain a creative, productive and positive work environment while conducting all business and affairs in accordance with the letter and spirit of all applicable laws that govern the conduct of our businesses worldwide. We believe that a commitment to honesty and integrity is a critical asset that builds trust with our shareholders, customers, employees, vendors and the communities in which we operate.

The Company requires that all employees, officers and directors comply with all laws, rules and regulations applicable to the Company wherever it does business. You are expected to use good judgment and common sense in seeking to comply with all applicable laws, rules and regulations and to ask for advice when you are uncertain about them.

To underscore and implement the Company's commitment in this regard, the Board of Directors has adopted a Code of Conduct and Business Ethics (the "Code"). The Company also has instituted a compliance program, which will be administered by the Company's Compliance Officer, that is intended to ensure that policies and systems are in place to prevent and detect violations of the Code or any applicable law. In addition, the Company has established an "Ethics Hotline" to which violations can be reported by phone or through a web submission system.

Conduct that violates the rules and standards embodied in the Code, that interferes with the Company's operations, that brings embarrassment or discredit to the Company, that is offensive to other employees, customers or vendors or that violates the law is not tolerated and will be subject to disciplinary action. The following are examples of prohibited conduct. It is important to understand that this list is a compilation of examples only and should not be considered an exhaustive list of prohibited behaviors.

- Violation of any law applicable to the Company.
- Violation of any provision of the Code.
- Non-compliance with the Company's policies and procedures.
- Trading Company securities in a manner that violates the law, including the laws and rules enforced by the United States Securities and Exchange Commission (the "SEC").
- Falsifying any Company record (including any manufacturing or quality control record), document, report, financial statement, expense report or timesheet.
- Theft, misuse or willful destruction of Company property or of another individual's property.
- Disregard for health and safety rules, including failure to use or wear designated safety equipment.
- Intentional product tampering or adulteration of product, including knowingly interfering with experiments, tests or operations and/or concealing defective work.
- Use of alcohol while on Company premises and/or on Company time or reporting for work while under the influence of alcohol.
- Unlawful possession, manufacture, sale, distribution or use of a controlled substance, or reporting for work while under the influence of such a substance, other than drugs medically prescribed for you by your physician.
- Possessing (unless specifically required for your position), distributing, using or threatening to use weapons, including but not limited to firearms of any type.
- Failing to report violations of the law, Code, or Company policies and procedures.

**Any employee who becomes aware of any actual or suspected violation of the Code, Company policies and procedures, or applicable law should report such actual or suspected violation to his or her supervisor, to the Compliance Officer, or to the Ethics Hotline. Instructions for accessing the Ethics Hotline, by phone or through a web-based submission system are set forth under the heading "Reporting Actual or Suspected Violations," below.** Depending upon the circumstances surrounding a given situation, the Company maintains the right to carry out whatever disciplinary action is deemed appropriate and to promptly report any criminal activity to the proper authorities where the Company deems it advisable or required.

While it is the Company's desire to address matters internally if appropriate under the circumstances, nothing in this Code should discourage you from reporting any illegal activity, including any violation of the securities laws, antitrust laws, environmental laws or any other federal, state, local, or foreign law, rule or regulation, to the appropriate authority. **The Company prohibits any form of retaliation against individuals who report improper conduct or who cooperate in the investigation of such reports.**

#### A. Avoiding Insider Trading

The federal securities laws prohibit any employee, officer or director of the Company from purchasing or selling Company securities on the basis of material nonpublic information concerning the Company and from disclosing material nonpublic information to others who might trade on the basis of that information.

In order to comply with federal and state securities laws governing insider trading and to prevent the appearance of improper insider trading or tipping, the Company has adopted an *Insider Trading Policy* that applies to all of its employees, officers and directors, family members who share the same address as, or are financially dependent on, employees, officers or directors, and specially designated outsiders who have access to the Company's material nonpublic information.

The complete text of the *Insider Trading Policy* is available from the Vice President Investor Relations and is posted on the Company's website. Prior to trading in the securities of the Company (or another public company about which you became aware of material nonpublic information concerning that company in the course of your employment with the Company), please read the *Insider Trading Policy* in its entirety. The following is a summary of that policy:

" No director, officer or employee may trade in the Company's securities while aware of material nonpublic information concerning the Company. In addition, directors, officers and certain employees designated by the Company are prohibited from trading in Company securities during "blackout periods" as described in the Insider Trading Policy, and trades by directors, officers and certain designated employees must be approved in advance in accordance with established procedures.

- No director, officer or employee may "tip" or communicate material nonpublic information concerning the Company to others who might trade on the basis of such information. In addition, you must not disclose material nonpublic information concerning the Company or give trading advice about Company securities to any outside person (including family members, analysts, individual investors, and members of the investment community and news media), unless required as part of your regular duties for the Company and authorized in accordance with applicable corporate procedures and policies.
- No director, officer or employee may trade in the securities of any other public company (including collaborators or other contract partners of the Company) while aware of material nonpublic information concerning that company that was learned in the course of your employment with the Company, "tip" or disclose such material nonpublic information about such other public company to anyone, or give trading advice to anyone concerning such other public company while aware of such material nonpublic information.

In general, information about a company is considered "material" if it would be expected to affect the investment or voting decisions of the reasonable shareholder or investor, or if disclosure of the information would be expected to significantly alter the total mix of information in the marketplace about such company. In simple terms, material information is any type of information that reasonably could be expected to affect the share price. Material information is "nonpublic" if it has not been widely disseminated to the public through a filing with the SEC or through major newswire services, national news services and financial news services.

The consequences of prohibited insider trading or tipping can be severe. Persons violating insider trading or tipping rules may be required to disgorge the profit made or the loss avoided by the trading, pay the loss suffered by a person who purchased securities from or sold securities to the insider trader, pay civil penalties up to three times the profit made or loss avoided, pay criminal penalties that may be millions of dollars, and serve lengthy jail terms. The Company and/or the supervisors of the person violating the rules may also be subjected to major civil or criminal penalties.

#### B. Avoiding Conflicts of Interest

All employees, officers and directors should be scrupulous in avoiding a conflict of interest with respect to the Company's business. You must refrain from engaging in any activity or having a personal interest that presents a "conflict of interest." A conflict of interest occurs when your personal interests interfere, or appear to interfere, with the interests of the Company. A conflict of interest can arise whenever you, as an employee, officer or director, take action or

have an interest that prevents you from performing your Company duties and responsibilities honestly, objectively and effectively.

While it is not possible to describe or anticipate all of the circumstances and situations that might involve or even appear to involve conflicts of interest, the following descriptions of some such activities are given for illustration:

- Being connected with, or permitting certain family members to be connected with, any business (as owner, partner, officer, director, participant, licensee, consultant, shareholder or as the recipient of wages, salary, bonus, fees, commissions or other compensation of value) that sells or otherwise provides materials, supplies, equipment, facilities or services to the Company, that is or has current potential to be in direct or indirect competition with the Company, or that is a customer of the Company. This policy does not apply to stock ownership of one percent (1%) or less of the outstanding shares of a publicly held company or five percent (5%) or less of the outstanding shares of a privately held company.
- Ownership of or employment with another business entity where such ownership or employment would interfere with an employee's ability or desire to perform properly his or her duties to the Company.
- Giving gifts to or accepting gifts from anyone with whom the Company has or is likely to have business dealings (including an employee, prospective employee, customer, competitor, vendor or contract partner) that go beyond courtesies associated with accepted business practice or providing entertainment to or accepting entertainment from such persons, unless such entertainment is intended to serve legitimate business goals.
- Improperly disclosing any confidential information acquired by you in the course of your official duties or using such information to further your personal interests to the Company's disadvantage.
- Acquiring (such as through ownership or lease) property, real estate or facilities in which the Company has an active or potential interest.
- Speculating or commercially dealing in the products sold by the Company or in any used property (machinery, equipment, facilities, furniture and fixtures) of the Company.
- Engaging in any other activity or having any other interest that the Board of Directors of the Company determines to constitute a conflict of interest.

Employees have a primary, professional obligation and duty to the Company and to its shareholders. Therefore, employees should keep any outside activity (such as self-employment) totally separate from employment with the Company. Employees are expected to devote the use of the Company's time to working on behalf of the Company. Unless expressly authorized by the Compliance Officer, no outside activities should involve the use of time, name, influence, assets, funds, materials, facilities, employees or other resources of the Company. Any appointment of an employee to a governmental commission, service organization or professional body that would involve designating the employee as a representative of the Company requires pre-approval by the Compliance Officer.

It is your responsibility to disclose any conflict of interest to the Compliance Officer, or, if you are an executive officer or a director, to the Board of Directors, which shall be responsible for determining whether such transaction or relationship constitutes a conflict of interest. The Board of Directors, the Audit Committee, or in some instances the executive officers of the Company may approve a transaction with affiliates where the decision is made on the basis of full disclosure of all material facts, including the potential for a conflict of interest, and in accordance with applicable law.

Whenever it becomes necessary to engage the services of an individual or firm to consult for or represent the Company, special care must be taken to ensure that no conflicts of interest exist between the Company and the person or firm to be retained. Outside consultants and agents of the Company must be reputable and qualified in the services to be performed. Agreements with consultants or agents should be in writing and contain appropriate confidentiality obligations on the part of the consultant. Consultants are required to observe the same standards of conduct as Company employees when conducting business for the Company. This requirement should be reflected in each consultant's agreement with the Company, and consultants should be informed that the Code is available on the Company's website.

In addition to these general principles relating to avoiding conflicts of interest, from time to time the Company may be required to adopt supplemental conflict of interest policies required by government entities with which we do business. For example, the Company has adopted a Policy on Disclosure of Financial Interests and Management of Conflicts of Interest Related to Sponsored Projects, which governs the identification and disclosure of financial interests related to projects sponsored by the United States Public Health Service. Employees should familiarize themselves with all of the Company's policies relating to conflicts of interest.

### C. Business Relationships

i. *Dealings with the Government: Hiring Present and Former Government Officials*—Complex laws and regulations govern the hiring of present and former officials and employees of local, state, federal and foreign governments. Recruiting, hiring, or engaging such persons as consultants can present special problems of actual or perceived conflicts of interest. No employee, officer or director, by reason of any Company-related activity, shall require, encourage or permit any government or former government official or employee to make unfair use of his or her current or past government employment or affiliations. The Company may have discussions with government officials and employees regarding possible employment with the Company only if the discussions are permitted under applicable governmental ethics guidelines and procedures.

ii. *Dealings with the Government: Prohibition Against Offering Things of Value to Government Employees*—The offering or giving of a thing of value, no matter how innocently offered or received, to any official or employee of any foreign or domestic federal, state or local government or governmental agency with whom the Company is engaged, or seeks to become engaged, in business dealings may give the appearance that the Company is attempting to influence the independent judgment of the recipient. Accordingly, it is the policy of the Company to prohibit all employees, officers and directors acting within their official capacity, whether or not using corporate funds or resources, from offering or providing any thing of value to an official or employee of any federal, provincial, state or local government, except as may be permitted by law and regulation. This prohibition extends to government officials and employees of all branches, departments and agencies, civilian or military, and to certain members of their families.

iii. *Dealings with the Government: Prohibition Against Soliciting Procurement Information*—Preserving the integrity of the federal procurement process is a paramount objective. The acquisition of any information concerning a competitive procurement that is generated by the government and not generally disseminated to or known by all contract bidders on an equal basis, even if seemingly inconsequential to a particular procurement matter, can create the presumption that one bidder has obtained an unfair competitive advantage over other bidders. All employees, officers and directors must guard against the receipt of any information that,

by reason of its confidentiality or limited disclosure, could taint the competitive procurement process. No employee, officer or director may solicit or receive from any government official or employee information pertaining to a competitive procurement in which the Company has or may have any business interest and that involves specifications, evaluations, negotiations, bids, proposals, awards or any other related matter that was provided in confidence to any government official or employee or not distributed or available at the same time to all other persons or firms having an interest in the matter.

iv. *Transactions Involving Suppliers and Customers*—The Company expects that all procurement and other business decisions made by employees, officers and directors will be based on normal commercial considerations, such as quality, cost, availability, service, reputation and other factors bearing directly on the product, service or other relationship between the Company and its suppliers and customers. The Company will neither seek nor tolerate special favors or arrangements with suppliers or customers that impair, or give the appearance of impairing, fair and unfettered commercial relationships. Employees, officers and directors shall not offer, give to, solicit from, or accept from (for themselves or for their family members) a person or firm doing business, or seeking to do business, with the Company, any thing of value when its receipt might be construed to obligate the recipient to any reciprocal dealing, or influence or seek to influence a business transaction in which the donor or the donor's employer has any material interest. Any gifts that are not of insignificant value should be returned and reported to your supervisor. If immediate return is not practical, the gifts should be given to the Company for charitable disposition or such other disposition as the Company, in its sole discretion, believes appropriate.

v. *Anti-Kickback Rules*—The providing, offering, soliciting, accepting, or attempting to provide, offer, solicit or accept, any kickback to or from any person or any employee or official of any corporation, entity or federal, state or local government or governmental entity with whom the Company is engaged or seeks to become engaged in business dealings ordinarily constitutes a violation of law. A "kickback" includes any money, fee, commission, or gift that is provided to any employee or official of a company or governmental entity with whom the Company is engaged or seeks to become engaged in business dealings for the purpose of improperly obtaining or rewarding favorable treatment in connection with business dealings. The Company prohibits employees, officers and directors from providing, offering or attempting to provide or offer any kickbacks to any person or entity with which the Company does business. The Company also prohibits employees, officers and directors from soliciting, accepting or attempting to solicit or accept any kickback from any entity with which the Company does business and from including the amount of any kickback in the price of goods or services under any Company contract.

vi. *Antitrust and Competition Laws*—Antitrust laws are designed to preserve and foster fair and honest competition and the language of these laws is deliberately broad, prohibiting such activities as unfair methods of competition and agreements in restraint of trade. These laws grant enforcement agencies the right to examine many different business activities to judge their effect on competition. The penalties for antitrust violations can be severe and may include imprisonment, large monetary fines, payment of triple damages and injunctions or consent decrees. In general, antitrust laws prohibit agreements or actions that may restrain trade or reduce competition. Violations include agreements among competitors to fix or control prices or to allocate territories or markets, subject to limited exceptions. Tie-in sales and reciprocal dealing are, under certain circumstances, legally prohibited. Tie-in sales occur when a customer must purchase one product or service to be able to purchase another product or service. No employee is permitted to alter or amend the Company's established

product pricing without following established corporate policy and procedure, which may include prior Legal Department approval.

vii. *Protection of Corporate Assets and Corporate Opportunities*—Employees, officers and directors should seek to protect the Company's assets. Theft, carelessness and waste have a direct impact on the Company's financial performance. Employees, officers and directors must use the Company's assets and services solely for legitimate business purposes of the Company and not for any personal benefit or the personal benefit of anyone else. Employees, officers and directors also must advance the Company's legitimate business interests when the opportunity to do so arises. Employees are not permitted to take for themselves business opportunities that are discovered through their position with the Company or to use Company property, resources or information to advance their own personal interests without approval by the Board of Directors, the Chief Executive Officer or their respective designees.

viii. *Dealings with Independent Auditors*—No employee, officer or director shall, directly or indirectly, make (or cause to be made) a materially false or misleading statement (or omit to state, or cause another person to omit to state, any material fact necessary in order to make statements not misleading) to an accountant in connection with any audit, review or examination of the Company's financial statements or the preparation or filing of any document or report with the SEC. No employee, officer or director shall, directly or indirectly, take any action to coerce, manipulate, mislead or fraudulently influence any independent public or certified public accountant engaged in the performance of an audit or review of the Company's financial statements.

#### D. International Business

In addition to the general principles set out in this section, the Company has detailed policies governing compliance with laws and regulations concerning exports, economic sanctions, international boycotts, the United States Foreign Corrupt Practices Act ("FCPA"), gifts to and entertainment of foreign officials, and other aspects of international business operations. Some of these policies are summarized below. All employees involved in the Company's international business activities are required to familiarize themselves with, and comply with, all Company policies relating to international business operations.

i. *Export Control Regulations*—The Company is subject to United States export control laws and regulations. These rules restrict certain "exports" or transfers of materials, software or technology to foreign nationals, foreign companies or foreign countries. Exports can include oral or written transfer of materials, software or information to foreign individuals, regardless of the location of the transfer and even if the foreign individual is an employee of or consultant to the Company. Export control laws apply not only to transactions with unrelated parties, but also to inter-company transactions and to transfers or disclosures made to Company employees who are employed in the United States but who are foreign nationals (and not citizens of the United States, permanent residents or certain asylees). The penalties for violating these requirements are severe and may include large monetary fines, criminal prosecution and the future prohibition of all Company exports.

ii. *United States Sanctions Restricting Exports*—United States economic sanctions laws and regulations also restrict exports and other transactions with the governments of, and persons and entities associated with, sanctioned countries such as Cuba, Iran, Libya, and North Korea, among others, and with specially designated individuals and entities affiliated with these and other countries. It is against Company policy to engage in exports to or other transactions with sanctioned countries, entities or individuals.

iii. *Anti-boycott Laws*—The United States anti-boycott laws prohibit the Company from complying with or supporting a country's boycott of another country that is "friendly" to the United States. Even when a company refuses to comply with a prohibited boycott, United States law requires companies to report promptly to the United States government any request that the company receives to support or furnish information regarding a boycott. The rules governing the Company's obligations under the United States anti-boycott laws are complex, and the penalties for violating them are severe. All employees should be attentive to situations where boycott requests may occur and should inform the Company if any such situations arise.

iv. *Foreign Corrupt Practices Act and International Bribery Laws*—The FCPA prohibits the offer or payment of money or anything of value to an official of a foreign country or public international organization, foreign political party or official thereof, or any candidate for political office of a foreign country (each a "foreign official") with the intent or purpose of inducing the foreign official to use his or her influence to affect a government act or decision in order to obtain, retain or direct any business or to obtain any other improper advantage. The prohibition applies both to offers and to payments made directly by the Company, and to any offers or payments made indirectly through intermediaries such as marketing agents, distributors, joint venture partners and similar parties. Directors, officers and employees of government-owned or controlled companies, and members of royal families may be considered to be foreign officials subject to these restrictions. Prohibited offers or payments can include entertainment and gifts, as well as money. Actions that violate the FCPA may also violate the laws of the foreign countries in which the Company does business. Violation of any of these laws can result in severe criminal or civil penalties for the Company and for the individuals involved, including imprisonment.

Because determining whether international business dealings are compliant with foreign and domestic laws is complicated, all employees must consult with the Legal Department before initiating any direct or indirect business relationships with foreign companies, foreign officials, and foreign nationals.

#### E. Workplace Conduct and Safety

i. *Harassment & Intimidation*—The Company expressly prohibits any form of sexual, racial, ethnic or other form of harassment at the work-place, including acts of non-employees. The Company expects all employees to adhere to a simple standard, namely that all employees must be treated with respect. All employees are expected to understand what constitutes harassment and to avoid behavior or situations that could have even the appearance of, or can be interpreted as, harassment of another person. Harassment on the basis of race, color, gender, religion, ancestry, national origin, age, disability, sexual orientation or other protected group status is strictly prohibited. The Company is committed to maintaining a work environment free of discrimination, and it will not tolerate any form of harassment or unlawful discrimination against its employees by anyone. There will be no retaliation against anyone for reporting harassment or discrimination or for cooperating with an investigation of a discrimination or harassment complaint.

ii. *Health and Safety*—The health and safety of employees and others on Company property is of the utmost concern. It is the policy of the Company to strive constantly for safety in all activities and operations and to carry out our commitment of compliance with all health and safety laws applicable to our businesses by enlisting the help of all employees to ensure that public and work areas are free of hazardous conditions. Each employee is expected to be conscientious about work place safety, including proper work methods, reporting potential

hazards and abating known hazards. Safety equipment such as protective eye glasses, ear plugs, gloves, and safety shoes, as well as other special precautions are required for certain employees. The Company safety policies and practices will be strictly enforced for the benefit of all.

iii. *Select Agents*—In order to conduct its business, the Company may maintain certain biological agents and toxins identified by the United States Department of Health and Human Services as "select agents," which are agents that have the potential to pose a severe threat to public health and safety. Access to select agents is regulated by the federal government, and the Company strictly restricts access to select agents. All issues regarding access to, or the transfer of, select agents are handled by a designated "Responsible Officer" at each site that maintains select agents. Transfers of select agents outside of the United States must comply with both the United States select agent laws and the applicable export control laws then in effect.

iv. *Environment*—The Company is committed to protecting and enhancing the environment and to updating its practices in light of advances in technology and new understandings in health and environmental science. Accordingly, all employees must conduct themselves in a manner designed to comply with all applicable environmental, health or safety laws and to employ appropriate technologies and operating procedures and be prepared for emergencies.

v. *Document Retention Policy*—The Company has established a corporate records management policy and retention schedules for maintaining business records for an appropriate period of time and for discarding Company records after the predetermined retention period has expired. It is the responsibility of each employee to abide by the retention and destruction schedules identified in the policy.

vi. *Internet and Email Use*—Generally, the email and internet systems should be used for Company business only. The Company reserves the right to access and disclose, as necessary, an employee's use of these systems. Employees should exercise good judgment regarding the reasonableness of personal use. In that regard, employees should not use these systems to further personal monetary interests or for such purposes as soliciting or proselytizing for commercial ventures or other non-job-related solicitations. Employees may not send unsolicited bulk or spam email. Employees may not send email with a return address other than their own. Employees may not use the Company's email or internet system in any way that may be seen as insulting, disruptive, or offensive by other persons. Examples may include posting, viewing or sending sexually explicit, racist, sexist, threatening, obscene, harassing, or otherwise objectionable visual, textual or auditory material; making unwanted or unwelcome propositions; making racial or ethnic slurs; or any other messages that can be construed as harassing or disparaging of others based on their gender, race, age, national origin, sexual orientation or religious or political beliefs. In addition, employees are prohibited from using the Company's email and internet systems to receive or distribute any copyrighted or proprietary materials in violation of laws governing intellectual property or Company policy.

#### F. Protecting Confidential Business Information

Employees, officers and directors may have access to proprietary and confidential information concerning the Company's business and the business of the Company's clients, collaboration partners, suppliers, or vendors. Employees, officers and directors are required to keep such information confidential during their employment or service to the Company, as well as thereafter, and not to use, disclose or communicate that confidential information other than in their role as an employee, officer or director, except where disclosure is authorized by the Company or legally mandated.

The Company's confidential business information, technical information, trade secrets, and financial and administrative information are valuable Company assets. Protection of this information is vital to the Company's continued growth and ability to compete. Employees should take appropriate precautions to ensure that confidential or sensitive business information, whether it is proprietary to the Company or another company, is not communicated within the Company except to employees who have a need to know such information to perform their responsibilities for the Company. Each employee and consultant is required to sign a confidentiality and non-disclosure agreement with the Company that more completely describes the duties and responsibilities of each employee or consultant to maintain in confidence information belonging to the Company.

Employees must abide by any lawful obligations they have to their former employers. These obligations may include restrictions on the use and disclosure of confidential information, restrictions on the solicitation of former colleagues to work at the Company and non-competition obligations.

The Company does not tolerate, and employees must avoid using, any form of industrial espionage, piracy of trade secrets, piracy of software or similar attempts to acquire by unlawful or unfair practices nonpublic information relating to the business of an existing or potential customer, competitor or supplier. This would include, by way of example, any bribe for access to confidential business information, acquiring information by unlawful entry into a premises, or use of electronic or photographic devices in an effort to acquire confidential business information.

#### G. Maintaining Integrity of Records and Reporting of Business Information

Accuracy and reliability in the preparation of all business records is mandated by law and is of critical importance to the Company's decision-making process and to the proper discharge of the Company's financial, legal, regulatory and reporting obligations. Applicable laws require the Company to maintain accurate books and records and to devise an adequate system of internal controls. Similarly, the statutes, rules and regulations governing the manufacture, testing and sale of pharmaceutical products require strict adherence to record keeping requirements. Such laws may provide for criminal and civil penalties for violations of these requirements.

The integrity of the Company's records and other business information is based on the accuracy and completeness of the information supporting the entries to the Company's books of account. The integrity of the Company's products is dependent upon the accuracy of the Company's records and business information derived from its operations. Therefore, all employees, officers and directors involved in creating, processing or recording such information are responsible for its accuracy and completeness.

All employees, officers or directors responsible for creating, processing or recording production, research and development, engineering, accounting and financial information and other business information shall endeavor, to the best of their ability, to ensure that all entries, books, records and accounts of the Company accurately and fairly reflect the Company's operations, transactions and acquisition and disposition of assets. Direct or indirect falsification of such documents, whether by alteration, destruction, intentional omission, misstatement or otherwise, is strictly prohibited and is grounds for immediate termination of employment or service to the Company.

No employee, officer or director shall make any statement to (i) any stockholder, director, officer or employee of the Company, (ii) any auditor, lawyer or accountant retained by the

Company, or (iii) any government agency, if the statement relates to the Company's business and the employee, officer or director knows or has reason to believe that such statement is false or misleading in any material respect.

The financial statements of the Company shall conform to generally accepted accounting rules and the Company's accounting policies. No undisclosed or unrecorded account or fund shall be established for any purpose. No false or misleading entries shall be made in the Company's books or records, for any reason, and no disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation. It is the policy of the Company to provide full, fair, accurate, timely and understandable disclosure in reports and documents filed with or submitted to the SEC and in other public communications.

#### H. Participating in the Political Process

Employees, officers and directors are free to participate personally in civic and political activities if they wish to do so, to the extent permitted by federal, state and local political laws. Lobbying activities, corporate contributions of money, property or services to political candidates, campaigns or parties, and, under certain circumstances, contributions of money, property or services by officers and directors of the Company raise issues of compliance with laws governing lobbying activities and campaign finance. Except as expressly authorized by law and by Company policies and procedures, employees, officers and directors are not permitted on behalf of the Company to make contributions to political incumbents, candidates, campaigns, or parties, to host fundraising events or to engage in lobbying activities at any level of government. It is the Company's policy not to require or coerce any employee to make any political contribution or to participate in the support of a political party, the political candidacy of any individual, or a political cause. Employees may contribute to a Company political action committee ("PAC"), but they are in no way required or obligated to do so. Neither the Company nor any employee, officer or director acting on behalf of the Company is authorized to make any payment, fee or commission to any public official at any level in any country for the purpose of influencing any act or decision by the official, whether related to the business of the Company or otherwise.

#### I. Reporting Criminal Convictions

It is the Company's policy not to hire or continue the employment of anyone who has been convicted of a felony under any United States federal or state law. Any employee who is convicted of a crime that is a felony under any of these laws is obligated to immediately report the conviction to his or her supervisor or to the Human Resources Department. The Company reserves the right to obtain criminal records of any employee or applicant for employment at any time and from time to time, and cooperation with the Company in obtaining such records is a condition of hire, employment, and continued employment.

#### J. Handling Corporate Communications

The Company strives to ensure that all communications with third parties are consistent, accurate, fair and timely. To achieve this goal, the Company has established *Corporate Policies & Procedures Governing External Communications*, which are applicable to all employees, officers and directors. The following is a summary of that policy.

- The Company will comply with all applicable laws and regulations regarding public disclosure of information.
- The Company is committed to the fair disclosure of information about the Company and to the avoidance of selective disclosure of material nonpublic information.

- All media requests are to be directed to an authorized corporate representative (as designated in the policy) who will coordinate all communications with the media.
- All disclosures to the financial community, including investment analysts, brokers and current or potential investors will be communicated by an authorized corporate representative (as designated in the policy).
- All Company media releases, information prepared for the financial community, and all other Company information for public disclosure must follow the procedures for review and approval as outlined in the policy.

Only authorized representatives of the Company are permitted to make any statement to outside third parties, particularly the media or financial community, about the Company or its business operations. Accordingly, employees are expected to refrain from making any comment to outside third parties, particularly to the media or to members of the financial community regarding the Company or its business. For further information please refer to the full text of our *Corporate Policies & Procedures Governing External Communications*, which can be found on the Company's intranet or obtained from the Vice President Investor Relations.

## **IMPLEMENTATION OF THE CODE**

### **1. Who is Subject to the Code?**

Each Company employee, officer and director must comply with this Code and is expected to conduct all business dealings in accordance with it, as well as with applicable laws and regulations and to make sure that the Code guides their actions. Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. Every employee, officer and director has the responsibility to ask questions, seek guidance and report suspected violations of this Code. Employees, officers and directors will not engage in conduct or activity that may raise questions regarding the Company's honesty, impartiality or reputation or that otherwise may cause embarrassment to the Company.

### **2. What are the Consequences of Violating the Code?**

The Company takes compliance with laws, regulations, rules and the Code seriously. Failure to comply with the standards outlined in this Code will result in disciplinary action, including, but not limited to, reprimands, warnings, probation or suspension without pay, demotions, reductions in salary, discharge and restitution. Certain violations of this Code may require the Company to refer the matter to the appropriate governmental or regulatory authorities for investigation or prosecution. Moreover, any supervisor who directs or approves of any conduct in violation of this Code, or who has knowledge of such conduct and does not report it in a timely manner, also will be subject to disciplinary action, up to and including discharge.

### **3. How Do I Raise Questions About or Obtain Interpretations of the Code?**

All employees are encouraged to raise questions about the Code in order to better understand its stated requirements and expectations and to ensure proper implementation and broad-based and consistent compliance. Any employee who has questions regarding the meaning, interpretation or implementation of the Code may direct their questions to his supervisor or to the Compliance Officer.

If you are unsure of whether something should be reported to the Ethics Hotline, you should seek guidance from your supervisor, from the Compliance Officer, or from the Vice President Human Resources.

Supervisors who have questions about how to handle a particular situation or whether to report an issue to senior management or to the Board of Directors should contact the Compliance Officer or the Vice President Human Resources.

#### **4. Reporting Actual or Suspected Violations**

All employees, officers and directors have a duty to report promptly, verbally or in writing, any evidence of any improper practice of which they are aware in connection with the operations or activities of the Company. This obligation requires that any employee who becomes aware of any actual or suspected violation of this Code, any applicable law, or any of the Company's policies or procedures must report it promptly to his or her supervisor, to the Compliance Officer, or to the Ethics Hotline (which is comprised of the Company's telephone reporting system and web-based submission system).

The Ethics Hotline may be accessed as follows:

- You may submit a report by phone by calling the toll-free number **866-373-6323 if you are in the U.S. or 678-999-4567 for international callers. When dialing from an international location, you must first dial the access code for your country, which can be found at [http://www.consumer.att.com/global/english/access\\_codes.html](http://www.consumer.att.com/global/english/access_codes.html). When you dial the hotline, you will be given the option of speaking to a live operator or leaving a recorded message.**
- You may submit a report electronically by logging into the web-based submission system at <http://ebsi.silentwhistle.com/ethfeedback/index.jsp>.
- All reports will be treated in a confidential manner, except where disclosure is required to properly investigate the matter or is mandated by law.
- The Company prefers that you identify yourself when reporting violations so that we may follow up with you, as necessary, for additional information. If you prefer to submit your report anonymously, however, you may do so through the toll-free number or the web-based submission system.
- The Ethics Hotline can be accessed 24 hours a day, 7 days a week, 365 days a year.

All reports that are submitted by phone (whether to the live operator or by voice message) will be transcribed and entered into an electronic case management system for tracking and communication purposes. Both telephone reports and web-based reports will remain anonymous if anonymity has been requested.

Based on the nature of the comment provided, an alert will be sent to the appropriate Company representative(s), who will review the reported issue, concern or complaint. If the alleged violation involves an executive officer or a director, the Chief Executive Officer and Board of Directors will be informed of the alleged violation. The responsible party or parties will determine whether it is necessary to conduct an informal inquiry or a formal investigation and, if so, will initiate such inquiry or investigation. The results of any such inquiry or investigation, together with a recommendation as to disposition of the matter, will be provided to the Company's senior management team (or a designated committee) or, if the alleged violation involves an executive officer or a director, to the Board of Directors (or a committee thereof). Senior management (or a designated committee), or, if an executive officer or director is involved, the Board (or a committee thereof), will determine whether there has been a violation and, if so, shall determine the disciplinary measures to be taken against any employee, officer or director who has violated this Code.

Any employee who has concerns regarding questionable accounting or auditing matters or complaints regarding accounting, internal accounting controls or auditing matters may

confidentially, and anonymously if they wish, submit such concerns or complaints to the Ethics Hotline.

Employees, officers and directors 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 disciplinary action, up to and including discharge.

Because it is impossible to describe every potential situation that relates to our standards of conduct and business ethics, the Company relies on the commitment of our employees, officers and directors to exercise sound judgment, to seek advice when appropriate and to adhere to the highest ethical standards in the conduct of professional and personal affairs. The Ethics Hotline is set up so that you can report actual or suspected violations of company policy, the Code, or applicable law. Customary day-to-day issues (such as questions or concerns regarding paid time off, your compensation, or employee relations) typically should be addressed to your supervisor or to the Human Resources Department.

### **5. No Retaliation Policy**

The Company will not discriminate against or retaliate against any employee, officer or director who reports a complaint or concern, unless it is determined that the report was made with knowledge that it was false. This Code should not be construed to prohibit you from testifying, participating or otherwise assisting in any state or federal administrative, judicial or legislative proceeding or investigation.

### **6. Resolving Ethical Dilemmas**

There are many definitions as to what ethics encompasses. Situations that require ethical judgment calls can reasonably be defined as ethical dilemmas. Often, there is more than one right answer. The Company views ethics as the discipline of dealing with what is good and bad and with moral duty and obligation. It is the Company's expectation that decisions, choices and actions taken by employees, officers and directors will reflect and enact Company values. One of the goals in developing a Code of Conduct and Business Ethics is to provide employees, officers and directors with a guiding philosophy when faced with ethical dilemmas. The core beliefs or values espoused in this document provide clarity in what the Company believes is right and fair in terms of our actions and interactions with others. When facing a decision, the following decision-making process is recommended:

- Identify the real problem at hand in the situation.
- Consider what the law and/or Company policies have to say about the right response.
- Think about the core values that guide the Company's operations, if the law and policies are unclear.
- Talk to a supervisor or the Compliance Officer or call the live Ethics Hotline for advice if the best option is not clear and you need help.

### **7. Supervisor Responsibility**

Employees who are responsible for supervising or managing other employees of the Company have additional responsibilities under this Code and under Company policies. These responsibilities include:

- Setting an ethical example for fellow employees.

- Ensuring that all employees who report to you have adequate knowledge and understanding of the Code and of the Company's corporate policies and procedures.
- Monitoring compliance with the Code by the people whom you supervise or manage.
- Enforcing the Code and Company policies and procedures.
- Supporting employees who in good faith raise questions or concerns about compliance with the Code, the Company's corporate policies or procedures, or applicable law.
- Reporting violations of the Code, Company policies, or applicable law to the Compliance Officer.

Supervisors who have questions about how to handle a particular situation or whether to report an issue to senior management or to the Board of Directors should contact the Compliance Officer or the Vice President Human Resources.

### **8. Waivers**

Some of the policies contained in this Code must be adhered to strictly, and no exceptions can be allowed. With respect to other policies, certain exceptions may be appropriate on a case-by-case basis.

Any employee or officer (other than an executive officer) who believes that an exception to any of these policies is appropriate in a particular case should first contact his or her supervisor. If the supervisor believes that an exception may be appropriate, the approval of the Compliance Officer must be obtained. The Compliance Officer (or his or her designee) shall be responsible for maintaining a record of all requests for exceptions to any of these policies and the disposition of such requests.

Any waiver of this Code for executive officers or directors or any change to this Code that applies to executive officers or directors may be made only to the Board of Directors of the Company and will be disclosed as required by law or by stock exchange regulation.

### **9. Dissemination and Amendment of the Code**

Each officer, employee and director will be required to certify on an annual basis that he or she has received, has read, understands and has had an opportunity to ask questions regarding the Code, and that he or she is not aware of or has otherwise timely reported any improper practice in accordance with the procedures set forth in this Code. This Code shall be distributed to each new employee, officer and director of the Company upon commencement of his or her employment or other relationship with the Company. If the Code is amended, the Company will make a timely disclosure of changes to all employees, officers and directors. The Company reserves the right to amend, alter or terminate this Code at any time for any reason. The most current version of this Code is available from the Vice President Investor Relations and on the Company's website. The Code is not an employment contract between the Company and any of its employees, officers or directors.