

**HOME DIRECTOR, INC.**

**CODE OF CONDUCT**

**CERTIFICATE OF COMPLIANCE**

I hereby acknowledge receipt of the attached Home Director, Inc. Code of Conduct and have read and understand it. I agree to abide by the terms of the Code of Conduct. I understand that any violation of the Code of Conduct will subject me to appropriate disciplinary action. I further understand and acknowledge that the Code of Conduct is not a contract of employment and does not alter my employment status.

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(Signature)

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(Printed Name)

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(Position)

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(Address)

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(Date Signed)

# HOME DIRECTOR, INC.

## CODE OF CONDUCT

### I. INTRODUCTION

This Code of Conduct is a statement by Home Director, Inc. (the “Company”) of the manner in which it intends to conduct its business activities. It sets forth the standards of conduct and ethics which the Company requires of all of its directors, officers and employees.

This Code of Conduct is not an employment contract. It does not change the status of any employee of the Company or any of its subsidiaries. Compliance with its terms, however, is a condition to continued employment and, as the case may be, directorship with the Company and its subsidiaries. Accordingly, each director, officer and employee of the Company must acknowledge receipt of this Code of Conduct and agree to be bound by its terms.

The Company reserves the right, in its sole discretion, to modify this Code of Conduct. The Company is responsible for updating the standards as it deems appropriate to reflect changes in the legal and regulatory framework applicable to the Company, the business practices within its industry, its own business practices and the prevailing ethical standards of the community in which it operates. While the Company’s Chief Executive Officer will oversee the procedures designed to implement this Code of Conduct to ensure that they are operating effectively, it is the individual responsibility of each director, officer and employee of the Company.

### II. CITIZENSHIP AND PUBLIC RESPONSIBILITY

The Code of Conduct is intended to apply to all business activities conducted on behalf of the Company. The success of the Company is predicated on conducting its business affairs in a socially responsible manner, while seeking to promote the most important dynamic of a public company – earning the profits which make possible the continued existence and growth of the Company, satisfying investors’ expectations of a fair return, providing jobs for employees and contributing to the well-being of the various communities in which the Company does business.

#### 1. *Compliance with Laws, Rules and Regulations*

Recognition of the public interest must be a permanent Company commitment in the conduct of its affairs. The activities of all of the Company’s employees, officers and directors (collectively referred to as “*Affiliates*”) acting on its behalf must always be in full compliance with applicable laws and governmental regulations. In this regard, no Affiliate should assist a third party in violating any applicable law or governmental regulation. When there is any doubt as to the lawfulness of any proposed activity, advice must be sought from the Company’s Compliance Officer who, where appropriate, will confer with counsel to the Company. Specifically, the Company is committed to:

- maintaining a safe and healthy work environment;

- promoting a workplace that is free from discrimination or harassment based on race, color, religion, sex or other factors that are unrelated to the Company's business interests;
- supporting fair competition and laws prohibiting restraints of trade and other unfair trade practices;
- conducting its activities in full compliance with all applicable environmental laws;
- keeping the political activities of the Company's directors, officers and employees separate from the Company's business;
- prohibiting any illegal payments to any government officials or political party representatives of any country; and
- complying with all applicable state and federal securities laws.

Directors, officers and employees are prohibited from illegally trading the Company's securities while in possession of material, nonpublic ("inside") information about the Company.

Violation of applicable laws or governmental regulations may subject the Company and any involved Affiliate to severe consequences, including injunctions, monetary damages (which could far exceed the value of any gain realized as a result of the violation, and which could be tripled in certain cases), fines and criminal penalties, including imprisonment. Actual or apparent violations of applicable laws or governmental regulations by the Company and any involved Affiliate can also undermine the confidence of the Company's investors, creditors and bankers, as well as the general public.

## **2.     *Relations with Customers and Third Parties***

It shall be the Company's fundamental objectives and policies:

- to provide customers with quality merchandise and service at fair prices;
- to deal with customers fairly, honestly and courteously;
- to ascertain and satisfy customers needs; and
- to live up to obligations to customers and satisfy their complaints fairly and with dispatch, forever mindful of the fact that a satisfied customer is a valuable Company asset.

The Company is committed to promoting the values of honesty, integrity and fairness in the conduct of its business and sustaining a work environment that fosters mutual respect, openness and individual integrity. Affiliates are expected to deal honestly and fairly with the Company's customers, suppliers, competitors and other third parties. To this end, Affiliates shall not:

- make false or misleading statements to customers, suppliers or other third parties;
- make false or misleading statements about competitors;
- solicit or accept from any person that does business with the Company, or offer or extend to any such person, cash of any amount, or gifts, gratuities, meals or entertainment that could influence or reasonably give the appearance of influencing the Company's business relationship with that person or go beyond common courtesies usually associated with accepted business practice;
- solicit or accept any fee, commission or other compensation for referring customers to third-party vendors; or
- otherwise take unfair advantage of the Company's customers or suppliers, or other third parties, through manipulation, concealment, abuse of privileged information or any other unfair-dealing practice.

**3. *Proper Accounting and Financial Integrity***

All financial transactions must be executed in accordance with management's general or specific authorization. The Company's books, records and accounts must reflect, accurately and fairly and within the Company's regular system of accountability, all of the Company's transactions and the acquisition and/or disposition of its assets. All transactions must be accurately recorded to permit the preparation of financial statements in conformity with United States generally accepted accounting principles consistently applied and other applicable rules, regulations and criteria, and to insure full accountability for all of the Company's assets and activities. Under no circumstances may there be any unrecorded Company funds or assets, regardless of the purpose for which the funds or assets may have been intended, or any improper or inaccurate entry knowingly made on the Company's books and records. No payment on behalf of the Company may be approved or made with the intention or understanding that any part of the payment is to be used for a purpose other than as described by the documents supporting the payment.

All Affiliates must cooperate fully with the Company's internal audit staff, independent auditors and counsel to enable them to discharge their responsibilities to the Company.

**III. USE OF COMPANY ASSETS, FACILITIES AND SERVICES**

The use of Company assets, including proprietary information, facilities or services, for any unlawful, improper or unauthorized purpose is strictly prohibited.

No Affiliate may make any expenditures or otherwise make any commitments affecting the Company's assets unless properly authorized.

**1. *Improper Payments***

No payments or gifts of anything of value (in money, property, discounts, services, rebates or otherwise), regardless of form, may be made or offered, directly or indirectly, in the conduct of the Company's affairs:

- to any domestic or foreign governments, agencies, officials, employees or agents, for purposes other than the satisfaction of lawful obligations; or
- to any private party, involving the use of the Company's assets or resources, except in the ordinary course of business.

Such payments or gifts, whether or not called gratuities and whether or not expressly or impliedly in exchange for certain conduct, may be perceived to be bribery or otherwise improper and are prohibited.

## **2. *Political Contributions***

No contributions of Company assets or resources or use of its facilities, regardless of form, may be made or offered, directly or indirectly, by any Affiliate to any political party, or any candidate for, or holder of, political office, either domestic or foreign. Affiliates must refrain from applying any pressure on or harassment of other Affiliates in political matters.

These restrictions are not intended to prohibit or discourage Affiliates from making personal contributions to political candidates or parties of their choice, or from participating in the political process for their own account and on their own time. Personal political contributions by Affiliates, however, will not be reimbursed by the Company, directly or indirectly.

## **3. *Safeguarding Assets***

Company assets must be safeguarded not only against inadvertent loss, but also against intentional misappropriation. Assets include not only cash, fixtures, furniture and equipment, but also merchandise, business and product plans, trade secrets and other proprietary or confidential information and related matters.

## **IV. SELECTION OF VENDORS OF GOODS AND SUPPLIERS OF SERVICES**

The selection of a vendor or supplier of goods and/or services to the Company must be based on quality, need, performance and cost.

In dealing with vendors, it is the responsibility of all Affiliates to actively promote the best interests of the Company, within legal limits, through aggressive attention to opportunities and to obtaining fair terms and treatment for the Company.

## **V. CONFLICT OF INTEREST; CORPORATE OPPORTUNITIES**

No Affiliate may directly or indirectly engage or participate in, or authorize, any transaction or arrangement involving, or raising questions of, possible conflict, whether ethical or legal, between the interests of the Company and the personal interests of the Affiliate.

No Affiliate or any member of his or her family may, directly or indirectly, acquire or hold any beneficial interest of any kind in any firm or entity ("*Related Company*") that does, or in the recent past did, business with the Company, or which is currently or prospectively competing in any manner with the Company. This prohibition does not apply to the acquisition or holding of any security in a Related Company through a mutual fund or of any interest therein not in excess of 1% of any class of securities listed on a national securities exchange or traded in an established over-the-counter securities market. Activities and holdings which have the appearance of impropriety must also be avoided.

No Affiliate or any member of his or her family may, directly or indirectly, seek, accept or retain gifts or other personal or business favors from any Related Company or from any individual or organization seeking to do business with the Company. Such personal or business favors include any type of gift, gratuity, use of facilities, favor, entertainment, service, loan, fee or compensation or anything of monetary value. Specific exceptions to this prohibition will be made if there is no reasonable likelihood of improper influence in the performance of duties on the part of the Affiliate on behalf of the Company and if the personal benefit falls into one of the following categories:

- normal business courtesies, such as meals, involving no more than ordinary amenities;
- paid trips or guest accommodations in connection with the Company's business and with the prior approval of the Compliance Officer;
- fees or other compensation received from any organization in which membership or an official position is held, but only if approved by the Compliance Officer;
- loans from financial institutions made in the ordinary course of their business on customary terms and at prevailing rates;
- gifts of nominal value (less than \$100) during the holiday season.

No Affiliate or any member of his or her family may serve as a director, officer or employee of, or consultant to, or otherwise operate, a competitor or a Related Company without the prior approval of the Compliance Officer who, where appropriate, will confer with counsel to the Company. For purposes of this section, the term "family" shall include spouse, minor or adult children or step-children, parents, grandparents, grandchildren, or individuals residing in the employee's household, whether or not related.

If any Affiliate, or member of his or her family, directly or indirectly owns a financial interest in, or has an obligation to, a Related Company, and if that interest or obligation is significant to the Affiliate or family member, neither the Affiliate nor his or her family member may conduct business with the Related Company without the prior written approval of the Compliance Officer who, where appropriate, will confer with counsel to the Company.

No Affiliate and no member of his or her family member may act as a broker, finder or other intermediary for his or her benefit, or for the benefit of any third party, in any transaction

involving the Company without the prior written approval of the Compliance Officer who, where appropriate, will confer with counsel to the Company.

Gifts or entertainment which have an aggregate value in any year in excess of \$100 are considered to be excessive and may not be accepted by any Affiliate. This prohibition shall also apply to common courtesies and hospitalities if their scale or nature would in any way appear to affect the impartiality of the Affiliate or imply a conflict of interest. However, this prohibition is not meant to preclude an Affiliate's acceptance of business entertainment that is not intended to influence his or her obligations to the Company and which is reasonable in nature, frequency and cost; for example, a lunch, dinner or occasional athletic, social or cultural event, or participation in corporate promotional events.

An Affiliate must make every effort to refuse to accept, or to return, any gift or gifts from a Related Company exceeding \$100 in value. If the Affiliate determines that the donor would be insulted or embarrassed if the gift is refused or returned, a conflict can be avoided by promptly reporting the gift to the Affiliate's supervisor, if applicable, and delivering to that person the gift or a check payable to the Company for the fair value of the gift (which the Company will then donate to charity).

Directors and officers shall notify the Company Counsel and employees shall notify their immediate superior of the existence of any actual or potential conflict of interest.

## **VI. SECURITIES TRADING**

**1. *Inside Information.*** Affiliates may not disclose material nonpublic (*i.e.*, "inside") information concerning the Company to anyone not employed by the Company, or to any Affiliate who has no business need for such information, unless and until the information has been publicly released by the Company.

Affiliates are also prohibited from buying or selling, directly or indirectly through third parties, the publicly-traded securities of any company, including the Company, on the basis of material nonpublic information concerning, or obtained directly or indirectly from or through, the Company.

*What is "material"?* Material information is information that would be expected to affect either the investment decision of a reasonable investor or the market price of the stock. Material information may include information (whether positive or negative) relating to earnings, dividend actions, mergers or acquisitions, new products, personnel changes, labor operations, marketing changes or other matters, each depending upon all the relevant facts and circumstances. It may at times be difficult to determine materiality, particularly on a prospective basis, and the facts in each case must be carefully weighed. It should be remembered that plaintiffs who challenge and judges who rule on particular transactions or activities have the benefit of hindsight. Therefore, whenever there is any question concerning materiality, the Affiliate should either refrain from trading or consult the Company's Director of Investor Relations who, where appropriate, will confer with counsel to the Company.

*What is "non-public"?* Information is non-public if it has not been disseminated in the Company's annual or periodic reports to shareholders, has not been filed with the Securities and

Exchange Commission, has not previously been the subject of a widely disseminated press release intended for and made available to the public, or has not been widely reported in the media, market letters, statistical services or the like. The mere existence of widespread rumors or unconfirmed press speculation concerning the information, however, does not mean that the information has been adequately disseminated.

**2. *Trading Guidelines.*** Investment by Affiliates in the Company's stock is generally desirable and should not be discouraged. However, such investments must be made with caution and with recognition of the legal prohibitions concerning the use by corporate "insiders" of confidential information for their own profit. Guidelines to aid employees in determining when trading in the Company's stock are appropriate are set forth below. It should be noted that "trading" includes not only purchases and sales, but also exercises of options, warrants, puts and calls, etc. The prohibition on the use of material inside information also extends to the securities of other entities, such as Related Companies, as to which an Affiliate may become in possession of non-public information in the course of his or her employment by the Company.

**A.** An Affiliate may not trade if the Affiliate has knowledge of material information about the Company which has not been made widely available to the investing public. If there are questions whether information may be material, or if it has not been made widely available to the investing public, the matter should be discussed with the Company's Compliance Officer who, where appropriate, will confer with counsel to the Company. Once information has been released by the Company, an Affiliate must still refrain from trading until sufficient time has passed to insure that the information has been made widely available to the investing public. In most cases, an Affiliate should refrain from trading until 48 hours after release by the Company of the information. If there are questions as to whether it is appropriate to trade in given circumstances, the Affiliate should contact the Compliance Officer for advice before trading.

**B.** Officers and directors may not trade, without prior permission, during any period which the Company has designated as a limited trading period for the Company, whether or not they possess any material inside information about the Company. While the reasons for a limited trading period or entry on a restricted list will generally not be given, the Company will attempt to limit the restrictions to those reasonably necessary in the best interests of the Company.

**C.** Directors of the Company and officers who have been designated by the Board of Directors as "officers" for securities law reporting purposes ("*Executive Officers*") must always obtain prior permission from the Compliance Officer before trading. Other officers may trade if no limitation on trading has been declared and the officer does not possess any material information about the Company which has not been publicly disclosed.

**3. *Reporting and Other Obligations.*** Executive Officers, directors and significant beneficial owners of the Company are also subject to specific reporting and other requirements under federal and state securities laws. Each of these persons will receive questionnaires and requests for information from the Company from time to time to aid the Company in complying with these laws. It is incumbent upon such persons to provide such information promptly, fully and accurately. Each person who is or becomes a beneficial owner of 10% or more of any class of

the Company's securities must also comply with the reporting requirements and liability provisions of Section 16 of the Securities Exchange Act of 1934.

## **VII. ACCURATE AND TIMELY PERIODIC REPORTS**

The Company is committed to providing investors with full, fair, accurate, timely and understandable disclosure in the periodic reports that it is required to file. To this end, the Company shall:

- comply with United States generally accepted accounting principles at all times;
- maintain a system of internal accounting controls that will provide reasonable assurances to management that all transactions are properly recorded;
- maintain books and records that accurately and fairly reflect the Company's transactions;
- prohibit the establishment of any undisclosed or unrecorded funds or assets;
- maintain a system of internal controls that will provide reasonable assurances to management that material information about the Company is made known to management, particularly during the periods in which the Company's periodic reports are being prepared; and
- present information in a clear and orderly manner and avoid the use of legal and financial jargon in the Company's periodic reports.

All Affiliates are required to cooperate with management of the Company to help achieve these goals.

## **VIII. DISCLOSURE AND USE OF CONFIDENTIAL INFORMATION**

Safeguarding confidential information concerning the Company, its present and prospective business, and its customers, suppliers and investors is essential to the successful conduct of the Company's business.

All information developed within the Company with respect to its business is confidential and must not be disclosed or otherwise made available to any person who is not an Affiliate. If any Affiliate is required by a court of law or by any governmental body to disclose or otherwise make available such information, the Affiliate must promptly notify the Compliance Officer of this requirement so that the Company may exhaust its legal rights to maintain the confidentiality of such information or to limit its further disclosure.

All external communications intended for the general public, the financial community or the press regarding the Company or its business must be approved in advance by the Director of Investor Relations, who may consult with counsel to the Company.

Confidential information encompasses all information relating to: (A) the business affairs and operations of the Company which is not otherwise available as public information and includes, but is not limited to, information or materials concerning (i) vendors, suppliers and customers of the Company (including mailing lists, credit card or charge card numbers, price and mark-up determinations, sales or sales trends, and costs of products or services paid by the Company), (ii) Company budgets, business plans and marketing plans, and (iii) proprietary products or processes and any other confidential or nonpublic information concerning copyrights, trademarks, trade names, service marks, inventions, patents and products; and (B) all confidential information relating to any third party with whom the Company is under an obligation of confidentiality. This information may take a variety of forms, including:

- confidential or proprietary business documents
- PC disks containing confidential or proprietary information
- blueprints or design idea sketches
- restricted vendor, supplier or customer information
- financial data
- payroll documents or reports

Each Affiliate must keep all papers which include or reflect confidential information at the principal place of business of the Company or at such other place or places as the Company may designate from time to time. All such confidential information should be securely maintained by each Affiliate and should not be left out in the open or otherwise accessible to unauthorized persons, and should not be carelessly discarded or discussed in public (*e.g.* in an elevator where unauthorized persons may have access to it).

Upon the termination of any Affiliate's employment with the Company, the Affiliate must deliver to the Company all documents, papers, records, files, recordings, digital and electronically stored information, computer or word-processing software, and any and all other materials containing confidential information, and the Affiliate may not retain any copies, duplicates, summaries or other descriptions of any of these materials.

Each Affiliate is bound by these obligations with respect to the confidential information of the Company not only during the period of his or her employment with the Company, but also following the termination of his or her employment with the Company.

## **IX. WHISTLEBLOWER POLICIES**

All Affiliates are required to report, or cause to be reported, information, and should assist in any investigation by any regulatory or law enforcement agency, elected officials or others responsible for such matters, concerning: (i) wire, mail or bank fraud, any federal or state securities rule or regulation concerning fraud, or any federal rules relating to fraud against shareholders; (ii) questionable accounting, internal controls and auditing matters; (iii) conduct that is not honest and ethical, conflicts of interest, and disclosures in Securities and Exchange

Commission reports and other public disclosures that are not full, fair, accurate, timely and understandable; and (iv) conflicts of interest and violations of laws, rules or regulations under Nasdaq listing standards. The Company will not retaliate against any Affiliate who files, causes to be filed, testifies, participates in, or otherwise assists in a proceeding filed or about to be filed regarding any matter covered in the first sentence of this paragraph. The Company will maintain, if such Affiliate so desires, the anonymity of that person and the confidentiality of the information that is so reported. For conduct that is covered by this paragraph, the report should be made to the Chairman of the Audit Committee.

## **X. OWNERSHIP OF INTELLECTUAL PROPERTY**

Any and all inventions (i) which are made, conceived, developed or enhanced by any Affiliate, either alone or together with others, during his or her employment with the Company, and (ii) which relate to the business or operations of the Company, or result from any work performed by the Affiliate for the Company, are the sole property of the Company and the Affiliate waives any and all right or interest that he or she may otherwise have with respect to any such invention. The term “*inventions*” means discoveries, improvements and ideas (whether or not patentable or copyrightable) which relate to any aspect of the Company’s activities or business, or which are made through the use of the Company’s materials, equipment or facilities.

Any Affiliate who makes, conceives, develops or enhances any such inventions during the term of his or her employment with the Company must promptly and fully inform the Company in writing of such inventions and, if requested by the Company, execute, acknowledge and deliver to the Company such written instruments, and do such other acts or render such assistance, as may be necessary or appropriate, in the opinion of the Company, to confirm the title of the Company to such inventions and its right to obtain and maintain letters patent or similar protection with respect thereto.

## **XI. COMPETITION WITH THE COMPANY**

No Affiliate may, during the term of his or her employment with the Company, engage in any of the following activities, directly or indirectly:

- be or become interested in or associated with, or represent or otherwise render assistance or services to (whether as an officer, director, stockholder, partner, consultant, contractor, owner, employee, agent or creditor, or otherwise), any business that is then, or which then proposes to become, a competitor of the Company anywhere in the world; except that the Affiliate may own, solely as an investment, the securities of any business if such ownership is (i) not as a controlling person of such business; (ii) not as a member of a group that controls such business, and (iii) not as a direct or indirect beneficial owner of not in excess of 1% of any class of securities of such business listed on a national securities exchange or traded in an established over-the-counter securities market;

- induce or seek to influence any other Affiliate (or any consultant to) of the Company to leave its employ (or terminate its consultancy) or to become financially interested in a similar business;
- aid a competitor or supplier of the Company in any attempt to hire any person who has been employed by, or who was a consultant to, the Company within the one-year period preceding the date of any such aid;
- induce or attempt to influence any person who was a customer or supplier of the Company during such period to transact business with a competitor of the Company or not to do business with the Company;
- provide any business or assistance directly or indirectly to any competitor or supplier of the Company or to any person formerly employed by the Company or formerly acting as a consultant to the Company; or
- aid, assist or transact any business with any person who was an employee of, or a consultant to, any customer of the Company.

These restrictions, however, do not prohibit any Affiliate from (i) serving on the board of directors of a reasonable number of other corporations not engaged in competition with the Company or the boards of a reasonable number of trade associations and/or charitable organizations; (ii) engaging in charitable activities and community affairs; (iii) managing his or her personal investments and affairs; or (iv) being involved in other business transactions, provided only that these activities do not interfere with the proper performance of his or her duties and responsibilities as an Affiliate of the Company.

## **XII. ENVIRONMENT, HEALTH AND SAFETY**

The Company is committed to environmental, health and safety protection for its Affiliates, customers, neighbors and others who may be affected by its products or activities.

The laws and regulations in this area are complex, and violations can result in severe criminal and civil penalties for the Company and responsible Affiliates. If an Affiliate is faced with an environmental, health or safety issue, the Affiliate should promptly contact the Company's executive in charge of the office in which the Affiliate works to discuss that matter.

## **XIII. EMPLOYMENT ISSUES**

*Equal Opportunity.* The Company affords equal opportunity for employment, including equal treatment in hiring, promotion, training, compensation, termination and disciplinary action, to all individuals regardless of race, color, religion, national origin, sex (except where sex is a *bona fide* occupational qualification), sexual preference, marital status, veteran status, physical or mental disability (except where the disability is a job-related disqualifying factor), or any other status protected by law. Unlawful discrimination can expose the Company to substantial damages and unfavorable publicity. All Affiliates are required to conduct their Company activities with due regard to this policy.

*Harassment.* It is the Company's policy to maintain a work environment free from all forms of harassment and to insist that all Affiliates be treated with dignity, respect and courtesy. Any comments or conduct relating to a person's race, religion, age, sex or ethnic background that fail to respect the dignity and feelings of the individual are unacceptable. Also unacceptable are comments or conduct of a sexual nature, where such behavior tends to threaten or offend a fellow Affiliate. Affiliates are cautioned that even joking or mild comments or conduct may violate this policy. It is the Company's goal that such comments or conduct not occur and should they occur, that they be rectified fairly and quickly.

*Disability.* The Company is required to make reasonable accommodations to the known physical or mental limitations of a qualified employee or applicant with a disability if, with these accommodations, the person can perform the essential functions of his or her job. The Company may be excused from making a reasonable accommodation if the accommodation would impose an "undue hardship" on its business.

#### **XIV. INTERNAL COMMUNICATION AND ENFORCEMENT OF POLICY**

The policies contained in this Code of Conduct will be communicated to all Affiliates, each of whom will be required to sign the attached Certificate of Compliance. New Affiliates will be required to do so at the date of their initial employment and at least annually thereafter. Other Affiliates will be required to do so upon their receipt of this Code of Conduct and at least annually thereafter.

It is important that each Affiliate comply not only with the letter but, equally importantly, with the spirit of this Code. If an Affiliate believes that another Affiliate is acting in a manner that is not in compliance with this Code, or that he or she has been requested to act in such a manner, this circumstance should immediately be reported, in person or in writing, to the attention of the Compliance Officer who, where appropriate, will confer with counsel to the Company. In order to encourage uninhibited communication of such matters, such communications will be treated confidentially to the fullest extent possible and no disciplinary or other retaliatory action will be taken against any Affiliate who acts in good faith in communicating such matters.

#### **XV. EFFECTS OF FAILURE TO COMPLY WITH CODE**

Conduct violative of this Code is expressly forbidden. The Company will investigate any reported violations. Any Affiliate whose conduct violates this Code will be subject to disciplinary action by the Company, including, in the Company's discretion, discharge and/or forfeiture of any benefits or rights (including contractual rights) which, under applicable law, are forfeitable upon a discharge for cause, and to the enforcement of such other remedies as the Company may have under applicable law.

The summaries of laws contained in this Code are brief and necessarily omit many subtleties and variations that exist in such laws, as well as other laws that may impose requirements upon the Company. In addition, laws which affect the Company may be supplemented, amended or repealed from time to time. Therefore, an Affiliate should request prior advice from the Compliance Officer who, where appropriate, will confer with counsel to

