

## CSA MEDICAL, INC.

### CODE OF ETHICS AND BUSINESS CONDUCT

**Approved by the Audit Committee of the Board of Directors on May 24, 2012 as amended November 29, 2012**

*To Our Employees, Officers, Consultants and Directors:*

Ethical business practices provide a critical foundation for our success and protect our reputation in the industry and community. Integrity in the manner in which we manage and operate CSA Medical, Inc. (“CSAM” or the “Company”) is a key element in our corporate culture. We place a high value on honesty, fair dealing and ethical business practice.

The following Code of Ethics and Business Conduct (Code) is designed to help you understand what CSAM expects of its employees, officers, consultants and directors (“Representatives”). The Code covers multiple business practices and procedures and while it does not cover every ethical issue, it sets out the basic principles to enable you to understand your legal and ethical obligations, CSAM’s commitment to these principles, and CSAM’s expectations of each of its Representatives. This Code supplements and does not replace or modify the Company’s other policies or procedures.

Ethical behavior is everyone’s responsibility. You must show that responsibility by:

- Knowing and complying with the requirements and expectations that applies to your job, which includes following this Code
- Promptly reporting suspected violations of the law or the Code.
- Cooperating with any investigation of a potential ethics or business conduct violation.
- Seeking assistance when you have questions about CSAM’s Code or when faced with a challenging ethical situation.
- Never acting unethically or dishonestly even if directed by another person to do so.
- Never retaliate against an individual because that individual has reported a suspected violation of the Code.

If a potential course of action seems questionable, please seek guidance from your supervisor or the Chairman of the Audit Committee. We encourage open communications regarding the possible violation of CSAM’s Code.

All Representatives are required to sign the attached acknowledgment that they have read this Code, understand it and agree to observe it.

### *Compliance with Laws and CSAM Code of Conduct*

**All CSAM Representatives are expected and directed to comply with all laws and CSAM's Code of Ethics and Business Conduct.**

Each Representative has an obligation to behave according to ethical standards that comply with CSAM's policy, and the letter and spirit of applicable laws, rules and regulations. It is everyone's responsibility to know and understand legal and policy requirements as they apply to his or her Company responsibilities.

Representatives should promptly report all known or suspected violations of applicable law or CSAM's Code to his or her supervisor or Tom Snead, our Chairman of the Audit Committee, by email at [AuditCommitteeChair@csamedical.com](mailto:AuditCommitteeChair@csamedical.com) , in order to report suspected violations or incidents that he or she believes do not meet CSAM standards.

### *Accuracy of Company Records*

**Each officer and employee must help maintain the integrity of CSAM's financial and other records.**

Management, directors, audit committee members, shareholders, creditors, governmental entities and others depend on CSAM's business records for reliable and accurate information. CSAM's books, records, accounts and financial statements must appropriately and accurately reflect CSAM's transactions and conform to applicable legal requirements and CSAM's system of internal controls. CSAM is committed to full, fair, accurate, timely and understandable disclosure in all reports and public communications, and each person subject to this Code is required to provide truthful, complete and timely information in support of this commitment.

There is no excuse for participating in the creation of or not reporting a deliberately false or misleading CSAM record. In addition, an employee, officer or director must not destroy, alter, falsify or cover up documents with the intent to impede or obstruct any investigation of suspected wrongdoing.

Representatives must not participate in any misstatement of CSAM's accounts, and they must avoid improper influence on the conduct of an audit. No circumstances justify the maintenance of "off-the-books" accounts. All arrangements or requisition contracts under which funds are disbursed shall accurately state the purposes for which these funds are paid and shall not be misleading.

Business records and communications often become public and you are expected to avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations of individuals or companies that could be misunderstood. This obligation applies in any communication, including, but not limited to e-mail, internal memoranda and formal reports. Records are expected to be retained or destroyed according to CSAM's record retention policies. In the event of litigation or governmental investigation you are expected to consult CSAM's legal counsel concerning the records you hold.

### *Contact with Government Officials*

**CSAM complies with all applicable laws, rules and regulations relating to lobbying or attempting to influence government officials.**

Bribery, kickbacks or other improper or illegal payments have no place in CSAM's business. In addition, information provided to governments must be accurate and interactions with government officials must be honest and ethical. All activities that might constitute lobbying or attempts to influence government officials must first be reviewed with and approved by legal counsel.

Before doing business with foreign, national, state or local government, a Representative must know the applicable rules. The Company strictly prohibits making illegal payments to government officials of any country. The U.S. Foreign Corrupt Practices Act ("FCPA") prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. Additionally, a number of U.S. laws and regulations address when U.S. government personnel may or may not accept business gratuities. In addition to violating Company's policies, the promise, offer, or delivery of a gift, favor or other gratuity to a government official or employee in violation of these rules could constitute a criminal offense. A Representative, who is in doubt, must not make the mistake of interpreting the rules by him or herself. Such a Representative must discuss the matter with his or her supervisor, or other management of the Company.

### *Conflicts of Interest*

**Each Representative must avoid any situation in which his or her personal interests conflict with or interfere with CSAM's interests.**

Each Representative owes CSAM a duty of loyalty. Representatives must make business decisions solely in the best interests of CSAM. Conflicts may arise when a Representative receives improper personal benefits as a result of the person's position with the Company or gains personal enrichment through access to confidential information. A conflict situation can also arise when a Representative takes actions or has interests that may make it difficult to perform his or her CSAM work objectively and effectively. For that reason, all Representatives must exercise great care not to allow their personal interests to potentially conflict with CSAM's interests. Each Representative shall act with honesty and integrity, avoiding actual or apparent conflicts of interest between personal and professional relationships.

CSAM Representatives are generally free to engage in outside activities of their choice. It is important, however, that such activities do not adversely affect CSAM's business, involve misuse of CSAM position or resources, divert for personal gain any business opportunity from which CSAM may profit, or constitute a potential source of discredit to the CSAM name. The following is a non-exhaustive list of examples of prohibited conflicts of interest for Representatives:

- Consulting with or employment in any capacity with a competitor, supplier or customer of CSAM.
- Having an equity, debt, or other financial interest in any competitor, supplier or customer.
- Taking for personal gain any commercial opportunities discovered in the course of employment with CSAM.
- Having a financial interest in any transaction involving the purchase or sale by CSAM of any product, material, equipment, services or property.
- Misusing CSAM's confidential or proprietary information, including the unauthorized disclosure or use of such information.
- Receiving fees, commissions, gifts or other benefits or compensation from a supplier, competitor, or customer of CSAM.
- Using materials, equipment or other assets of CSAM for any unauthorized or undisclosed purpose.
- Receiving loans or guarantees of obligations from the Company without Board of Director authorization.

If you believe a situation involves, or may reasonably be expected to involve, a conflict of interest with the Company, you should promptly advise your supervisor or the Chairman of the Audit Committee.

### ***Compliance with Fair Competition Laws***

**CSAM complies with all applicable laws, rules and regulations relating to competition.**

Fair competition laws (such as anti-trust laws) were enacted to preserve competition. As a general rule, these laws prohibit conduct that unlawfully restrains trade or seeks to maintain a monopoly in any market. No Representative should engage in any behavior that violates fair trade laws. Examples of prohibited conduct include, but are not limited to agreements among buyers of a product or service to establish a common price, or pricing a product or service at a level below its cost for the purpose of driving out competition.

### ***Political Contributions and Related Policies***

**Generally CSAM's funds or resources may not be used to make a political contribution to any political candidate or political party.**

Exceptions to this basic policy are allowed only where such contributions are permitted by law and permission is granted in advance by the Company's Board of Directors. Company policy does not permit the use of any Company facilities or resources by Representatives for political campaigning, political fundraising or partisan political purposes. A decision by Representative to contribute any personal time, money or other resources to a political campaign or political activity must be totally voluntary.

## ***Clinical & Regulatory Affairs***

CSAM products are heavily regulated by government agencies, health ministries, and other regulatory agencies worldwide. Some of the Company's products are subject to the strictest level of such laws and regulations.

Each Representative must be familiar with those laws and regulations that affect his or her responsibilities. For example, Representatives undertaking manufacturing and design must be familiar with the regulations governing the conduct of clinical studies, good manufacturing practice requirements and standards, and design controls. Representatives in sales and marketing, field clinical engineering, tech services, and clinical studies must be familiar with the obligation to promptly report adverse events and complaints. In addition, such Representatives must be familiar with and comply with the limitations on the promotion of the Company's products, including labeling and advertising controls. The Company is committed to complying with all such laws and regulations. Each Representative is responsible for reporting significant issues to management.

## ***Relationships with Physicians and Customers***

The Company is subject to laws and regulations that prohibit certain payments and donations to physicians and customers. For example, in the United States, the Company must comply with the Medicare/Medicaid Antifraud Statute.

The Company's policy is to comply with all such laws and regulations. These are too complicated to be summarized in this code. Representatives in sales and marketing are expected to be familiar with the laws and regulations that govern them.

In addition to complying with the pertinent laws and regulations, the Company will not:

- Make any payment or donation to a physician or customer in exchange for the physician prescribing or the customer purchasing the Company's products.
- Pay for a relative or friend of a physician or customer to accompany a physician or customer on a trip.
- Pay for a physician or customer to take a "side trip" in connection with a trip which the Company is otherwise permitted to pay for.
- Provide gifts or entertainment to a customer or physician that are extravagant or beyond that which is customary.

The Company often has legitimate reasons to enter into agreements with physicians or customers. Examples of such agreements are clinical study agreements, consulting agreements and patent license agreements.

All such agreements must be in writing and provide that payments will be made upon receipt of the work to be performed or when the other party becomes liable to another person for an expense related to the agreement. The prohibitions in this Code cannot be avoided by having a third party make a payment or undertake an activity that would be prohibited by this Code.

## ***Intellectual Property and Confidential Information***

**CSAM invests substantial resources in developing proprietary intellectual property and confidential information which need to be protected.**

The protection of Confidential Information is of utmost importance to CSAM. The disclosure of CSAM's business, financial, legal, regulatory or scientific operations, whether intentional or accidental, can adversely affect the financial stability and competitive position of the Company.

Confidential information is information that is not generally known or readily available to others. It includes non-public information that might be of value to competitors if it were disclosed. It must not be shared with others outside CSAM except pursuant to approved business relationships or when required by law. Confidential information includes, but is not limited to, intellectual property and trade secrets, technical know-how, business plans and information, marketing and sales programs and information, customer and prospective customer information and lists, pricing information and policies, financial information, personnel information such as salaries, benefits and performance information and any other information which the Company deems confidential.

Every CSAM Representative is obligated to protect the Company's confidential information as well as that of its customers, suppliers and third parties who disclose information to CSAM in confidence. CSAM Representatives must not accept confidential information from a third party, including competitors, unless specifically authorized to do so by an authorized supervisor or officer of the Company and following an appropriate grant of rights from such third party.

Every CSAM Representative must also protect the confidentiality of any patient information or records they may learn of or have access to in the course of Company business ("Patient Information"). Patient information is protected not only by the policies of the Company, but also by federal and state laws. Any patient information must be secured and protected as required by such federal and state law.

Every CSAM Representative must actively protect Confidential Information and Patient Information, including by refraining from discussing sensitive matters in non-private places, limiting access to work areas, disposing of documentation in accordance with Company policies and directions, and not removing such information from the Company's premises except as expressly authorized by the Company. Any request for Confidential Information or Patient Information, including a subpoena or any legal process, should be immediately referred to Compliance Officer or a Corporate Officer.

## ***Protection and Proper Use of Company Assets***

**Our shareholders trust us to manage Company assets appropriately.**

Collectively, Representatives have a responsibility for safeguarding and making proper and efficient use of the Company's assets. Each of us has an obligation to prevent the Company's property from loss, damage, misuse, theft, embezzlement or destruction. We seek to

ensure that the Company equipment, supplies and other assets are used for legitimate business purposes unless otherwise specifically authorized, and to protect all tangible and intangible Company property.

### ***Fair Dealing with Competitors, Customers and Suppliers***

#### **Respect the rights of competitors, customers and suppliers.**

CSAM's success depends on building productive relationships with our customers and suppliers based on integrity, ethical behavior and mutual trust. In addition, customers have individual needs and expectations representing unique opportunities for mutual success.

The Company bases its supplier relationships on fundamental concepts of integrity, fairness, and mutual respect.

CSAM strives to outperform its competition fairly and honestly. CSAM seeks and develops competitive advantages through superior performance, not through unethical or illegal business practice. Each Company Representative should endeavor to deal fairly with the Company's customers, suppliers and competitors. No one should take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair dealing.

### ***Health and Safety***

#### **CSAM is committed to protecting the health and safety of all Representatives, as well as the environment in general.**

CSAM expects Representatives to obey all laws and regulations designed to protect the environment, and the health and safety of our Representatives, and to obtain and fully observe all permits necessary to do business.

At a minimum, CSAM expects all Representatives to be familiar with and comply with safety regulations applicable to their work areas and to:

- observe established safe work practices,
- report for work free from the influence of alcohol, illegal drugs, or any substance that could impair their ability to work safely and conscientiously,
- immediately report any accident or hazardous situation to management and take corrective action where appropriate
- follow security procedures, and
- dispose of all waste according to CSAM policies and the law.

### ***Personal Behavior in the Workplace***

#### **CSAM is committed to providing equal opportunity in employment and will not tolerate illegal discrimination or harassment.**

CSAM strives to enhance and support the diversity of its employee group. All are expected to deal with each other in an atmosphere of trust and respect in a manner consistent with CSAM's core values.

### ***Accountability for Adherence to the Code***

Each Representative must accept responsibility for adherence to this Code. Violations of this Code may lead to serious sanctions including, for an employee, discipline up to and including immediate termination, in the sole discretion of the Company. The Company may, in addition, seek civil recourse against Representative and/or refer alleged criminal misconduct to law enforcement agencies.

### ***Reporting Any Suspected Illegal or Unethical Behavior***

**CSAM maintains an open door policy and for Representatives to raise concerns and to encourage the reporting of suspected violations of law or the Code of Ethics and Business Conduct without fear of retribution or retaliation.**

If you have questions about an ethical situation, you are encouraged to talk with your supervisor or with a Corporate Officer about any behavior you believe may be illegal or unethical. You will be assured confidentiality, to the limit of the law.

It is against the Company's policy to retaliate against any Representative for good faith reporting of violation of this Code. If you feel you have been retaliated against for raising your good faith reporting, you should immediately contact your supervisor, or the Chair of the Audit Committee.

## **CONTACTS**

### **Contacts for Reporting Violations**

If you believe someone may be unintentionally or intentionally violating the law or the principles or standards included in the Code of Conduct document, report the known or suspected violations by contacting:

#### **Tom Snead**

Chairman of the Audit Committee at [AuditCommitteeChair@csamedical.com](mailto:AuditCommitteeChair@csamedical.com)

Each report of a known or suspected violation will be promptly and thoroughly investigated. If a violation has occurred, CSAM will take appropriate actions to prevent similar violations. The Company strictly prohibits retaliation against Representatives for reports made in good faith. Anyone who retaliates against an employee(s) for reporting actual or suspected violations will be subject to appropriate disciplinary action up to, and including, termination.

Alternatively, if you wish to report any such matters **anonymously**, you may do so by emailing Chairman of the Audit Committee, Tom Snead at [AuditCommitteeChair@csamedical.com](mailto:AuditCommitteeChair@csamedical.com) or by mailing a description of the suspected violation or other complaint or concern to:

Audit Committee Chair  
CSA Medical, Inc.  
1447 York Road, Suite 610  
Lutherville, MD 21093

### ***Waivers***

It is expected that waivers of this Code rarely, if ever, would be acceptable. Any waiver of a provision of the Code for an executive officers or directors may granted only by the Board of Directors, with only the independent members voting, or an appropriate Board Committee consisting of independent directors, and such waiver must be promptly disclosed to shareholders.

### ***Coordination with Other CSAM Policies***

The provisions of this Code of Conduct are in addition to, and do not modify, replace or supersede CSAM's other policies or procedures including, but not limited to, those policies and procedures set forth in any employee handbook, or CSAM's other statements of policy or procedure, whether written or oral.

Additionally, this Code of Conduct is not intended to be and does not constitute a contract of employment between CSAM and its Representatives. If you are an employee and do not have an Employment Agreement with CSAM, you are an employee at-will. This means that you have the option of resigning from your employment at any time, for any reason or no reason, with or without prior notice. Conversely, CSAM has same option to terminate your employment at any time, for any reason or no reason, with or without prior notice.

### ***Monitoring***

**CSAM will periodically reaffirm its commitment to compliance with the Code of Ethics and Business Conduct.**

CSAM intends to conduct periodic training sessions regarding the Code. In addition, CSAM will periodically distribute copies of the Code and the Certification of Compliance to remind such persons of the contents of the Code as well as to reestablish their commitment to compliance with it.

**Please make sure you return your  
Certificate of Compliance**

**CERTIFICATE OF COMPLIANCE**

**This Certificate must be read and signed by all directors, officers, employees and contractors (Representatives).**

I certify that I have received, read and understood CSAM's Code of Ethics and Business Conduct. I understand what types of conduct violate these policies. I agree to comply with the terms of the Code and understand that if I am an employee, violation of these terms may result in discipline up to and including immediate termination of employment in the discretion of CSAM.

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Representative's Signature

Date

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Location

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Printed Name

Return to:

CSA Medical, Inc.  
1447 York Road, Suite 610  
Lutherville, MD 21093  
Attn: Audit Committee Chair

## CSA MEDICAL, INC.

### POLICY FOR REPORTING VIOLATIONS AND COMPLAINTS

#### I. Policy Statement

One of our Company's most valuable assets is its integrity. Protecting this asset by complying with the law and regulations applicable to our business and maintaining the highest standards of ethical conduct is the job of everyone in the Company. This policy is meant to supplement our Code of Business Conduct and Ethics by encouraging employees to report any suspected violations or concerns as to compliance with laws, regulations, our Code of Business Conduct and Ethics or other Company policies, or any complaints or concerns regarding the Company's accounting, internal accounting controls, or auditing matters, or any concerns regarding any questionable accounting or auditing matters.

#### II. Obligation to Report Suspected or Actual Violations; Anonymous Reporting

##### A. Reporting Generally

It is every employee's obligation to report suspected or actual violations of laws, government rules and regulations, our Code of Business Conduct and Ethics, or other Company policies. If an employee has reason to believe that there exists questionable or illicit conduct, including conduct related to the reporting of the Company's financial performance, the Company's accounting, internal accounting controls, or auditing matters, or any concerns regarding any questionable accounting or auditing matters, the employee should immediately report those facts to his/her supervisor or manager or by the procedures set forth below. As noted below, supervisors and managers are required to report to the Audit Committee Chair any time they receive a report of a concern about our compliance with laws, our Code of Business Conduct and Ethics, or any other Company policy, any notice of any suspected wrong-doing by any Company employee, officer or director, any complaint or concern about the Company's accounting, internal accounting controls, or auditing matters, or any concerns regarding any questionable accounting or auditing matters.

##### B. Anonymous Reporting

Alternatively, if you wish to report any such matters **anonymously**, you may do so by emailing Chairman of the Audit Committee, Tom Snead at [AuditCommitteeChair@csamedical.com](mailto:AuditCommitteeChair@csamedical.com) or by mailing a description of the suspected violation or other complaint or concern to:

Audit Committee Chair  
CSA Medical, Inc.  
1447 York Road, Suite 610  
Lutherville, MD 21093

### III. Treatment and Retention of Complaints and Reports

Each supervisor and manager shall report any suspected violation, concern or complaint reported to such person by employees or other sources to the Audit Committee Chair to assure proper treatment and retention of complaints, concerns or notices of potential violations. In addition, employees should take note that persons outside the Company may report complaints or concerns about suspected violations, or concerns regarding internal accounting controls, accounting or auditing matters. These concerns and complaints should be reported immediately on receipt to the Audit Committee Chair.

Supervisors and managers as well as the Audit Committee Chair shall promptly consider the information, reports or notices received by them under this policy or otherwise. Each person shall take appropriate action, including investigation as appropriate, in accordance with applicable laws, governmental rules and regulations, our Code of Business Conduct and Ethics, and otherwise consistent with good business practice.

Upon receipt by the Audit Committee Chair, all notices or reports of suspected violations, complaints or concerns received pursuant to this policy shall be recorded in a log, indicating the description of the matter reported, the date of the report and the disposition thereof, and the log shall be retained for five years. This log shall be maintained by the Audit Committee Chair.

### IV. Statement of Non-Retaliation

It is a federal crime for anyone to retaliate intentionally against any person who provides truthful information to a law enforcement official concerning a possible violation of any federal law. Moreover, the Company ***will not permit*** any form of intimidation, discrimination, retaliation or harassment by any officer, employee, contractor, subcontractor or agent of the Company against any employee because of any lawful act done by that employee to:

- provide information or assist in an investigation regarding any conduct which the employee reasonably believes constitutes a violation of laws, rules, regulations, our Code of Business Conduct and Ethics, or any Company policies; or
- file, testify, participate in, or otherwise assist in a proceeding relating to a violation of any law, rule or regulation.

***Any such action is a violation of Company policy and should be reported immediately under this policy. Persons who discriminate, retaliate or harass may be subject to civil, criminal and administrative penalties, as well as disciplinary action, up to and including termination of employment.***

## V. Statement of Confidentiality

The Company will, to the extent reasonably possible, keep confidential both the information and concerns reported under this policy, and its discussions and actions in response to these reports and concerns. In the course of its investigation, however, the Company may find it necessary to share information with others on a “need to know” basis.