



InfrAegis, Inc.™

September 25, 2007

Dear Colleague:

Our company takes the obligation that each and every Colleague--Employees, Consultants, Distributors, Representatives, and former Colleagues -- has to conduct our businesses in an ethical and lawful manner very seriously. As a Company that is in business for the long term, we need to recognize that our integrity – of our products and our people – is our greatest asset. We want our customers to know this and to rely on this now and in the future.

To further emphasize the obligation of the Company's Colleague's ethical and lawful conduct, we have initiated an Ethics Awareness/Compliance Program. This Program is described in the Business Ethics Policy. Please read the Policy carefully and pay particular attention to Colleague responsibilities. Return the enclosed Compliance Commitment to Bob Abbott, Jim Zilka, or me.. Our Company has a fine record of living up to our ethical and legal obligations. With your help, we will continue that record.

This program is not something any of us can afford to put on the shelf. All of us must be committed to the highest ethical and legal standards all the times.

Very truly yours,

Gregory E. Webb  
President, Chief Executive Officer and Chairman  
InfrAegis, Inc.

## **INFRAEGIS, INC. BUSINESS ETHICS POLICY**

InfrAegis, Inc. (the "Company") is committed to conducting business with the highest standards of ethics and in full compliance with all applicable laws.

### **GENERAL POLICY: ETHICS AND PROFESSIONALISM**

Each Colleague -- Employees, Consultants, Distributors, Representatives and former Colleagues -who signs this Business Ethics Policy agrees to conduct all business within, for, or in association with the Company in a manner that is ethical to the highest business and personal standards and to act in a professional manner at all times, regardless of circumstances. Each individual agrees not to disparage Ia in any manner, either internally or externally. Ia is in the national security business and must adhere to a more stringent standard for certain behavior than is required for other industries. For this reason, all individuals signing this policy agree not to conduct any business, regardless of hour or day of week, while under the influence of alcohol or drugs.

### **ACCOUNTING, TAX AND REPORTING CONTROLS**

The Company's accounting and finance policy manuals provide comprehensive and detailed information to ensure compliance with federal, state, and local laws in this area. It's our policy to comply with all of the policies detailed in these publications. Almost every Colleague records information of some kind and submits it to the Company. Expense accounts and timesheets are just two examples. If applicable, time worked or not worked for the Company should be recorded accurately on timesheets, which are submitted to management for approval.

Colleagues are entitled to reimbursement for certain business-related expenses. If there is any confusion as to whether an expense is business-related, local management should be contacted for clarification as to whether a particular expense is eligible for reimbursement on an expense report.

Information reported to any outside organization or governmental agency must be accurate. Accuracy in reporting this data is of utmost importance because dishonest information could result in civil and/or criminal liability for the Colleague and the Company.

### **ANTITRUST LAW AND CONDUCT**

It is the policy of the Company to obey the Federal and State Antitrust laws. Under Antitrust Law, companies may not enter into agreements with other companies that unreasonably restrict competition. Such agreements are considered threatening and may be subject to civil and/or criminal prosecution. Fines can be awarded against individuals and/or corporations. Imprisonment as well as civil damages can also be involved.

Four statutes that govern antitrust issues are the Sherman Act, the Clayton Act, the Robinson-Patman Act and the FTC Act of 1914. Certain conduct is considered per se illegal (“automatically illegal”) and cannot be subject to any pro-competitive justification. Examples of per se offenses among competitors are: price fixing, dividing of territories, limiting of production, and/or boycotting of suppliers or customers. Other conduct is subject to a Rule of Reason analysis that provides for a weighing of pro-competitive effects as against anti-competitive effects. Examples of conduct subject to the Rule of Reason analysis are activities among customers, suppliers and distributors that involve: resale price maintenance, exclusive territories, exclusive dealing, and/or price discrimination. Certain unilateral conduct can be problematic if it leads to monopolization or illegal refusals to deal and/or predatory pricing. The Corporate Legal Department is available and should be contacted to interpret the Antitrust Statutes and to assist in understanding their applications.

## **COMPANY ASSETS**

Company assets include, but are not limited to, physical property and equipment, confidential information and intellectual property. All Colleagues are responsible for protecting those assets assigned to them as well as Company assets in general. Knowledge of any misuse of Company assets must be immediately reported to management.

All Colleagues should properly guard Confidential and proprietary information of the Company. It is your responsibility to keep your desktop or work area clear, files locked and protected, comply with local computer security requirements and to shred sensitive documents. Colleagues are not permitted to perform outside work or solicit non-Company related business on Company premises or while working during normal Company hours. Also, you are not permitted to use Company equipment, telephones, materials, resources or proprietary information for any outside work.

## **COMMUNICATION SYSTEMS**

The increasing reliance placed on internal information and communication such as E-mail and voice mail makes it essential to ensure their integrity. All new Colleagues, permanent, temporary, and all contractors sign an Electronic Mail Policy (to be provided) at the beginning of their employment at the Company. The Policy outlines the proper usage of electronic mail according to Company guidelines. The unauthorized, nonbusiness related or inappropriate use of these communication tools is prohibited.

## **CONFLICT OF INTEREST**

Colleagues should avoid any interest, activity or ownership in any organization, which may create a conflict between his or her personal interest and the interest of the Company. Also, the use of inside or non-public information about the Company or ;any of its affiliates for a Colleague’s

personal benefit or the personal gain of anyone else may be a violation of federal and state securities and other laws.

The Company expects its Colleagues to adhere to the strictest standards of loyalty and to avoid situations, which may be thought of as influencing their actions or prejudicing their judgment in handling matters for the Company. Colleagues may not discuss company confidential information with competitors such as price policy, costs, inventories, marketing, production plans and capabilities. Collaboration or discussion of these subjects may be illegal. Colleagues who receive confidential information owned by other organizations may not disclose or use the information unless the material is reviewed by management and approved by the Company's legal counsel and determined to be free to use.

Colleagues may not misrepresent information provided to other Colleagues or outside parties. It is essential that suppliers competing for the Company's business have confidence in the integrity of the Company's selection process. Colleagues who may have vendor selection authority must apply impartial judgment when making decisions about outside organizations such as selecting a supplier. Colleagues may not make reciprocating deals with internal or external Colleagues or businesses. Reciprocating deals are strictly prohibited and could be a violation of state and federal laws resulting in civil and/or criminal liability for the Colleague and the Company.

## **COPYRIGHT**

The United States copyright laws seek to balance the protection of authors' rights with the public's need for the free exchange of information. It is the policy of the Company to conduct its business in a manner that protects its intellectual property rights and assets in the form of copyrights and which does not violate the copyrights of others all in accordance with United States copyright law.

Copies of written materials may be made only with the permission of the copyright holder.

As intellectual property, software is protected by copyright and is confidential information. Colleagues may not copy or allow another Colleague to copy any part of software in any work done for the Company or place the software on any Company owned computer system except as permitted by a valid license for the software and in compliance with Company's Information Technology (IT) policies (to be provided).

## **COLLEAGUE PATENT AND SECRECY AGREEMENT**

If someone from outside the Company requests any form of information, a Colleague may not attempt to answer unless the Colleague is authorized to do so. If the Colleague is not authorized, referral to the appropriate Company representative is required.

At the beginning of employment with the Company, every Colleague is required to sign an agreement that defines the specific obligations of the Colleague relating to the treatment of confidential information. All ideas and inventions developed during the course of work, and

during the period of employment, are the property of the Company. All terms and conditions are outlined in the Patent and Secrecy Agreement (to be provided).

## **COLLEAGUE PRIVACY**

Access to personal information about Colleagues is restricted internally to those with a business need to know. Only personnel who are authorized may collect process or use your personal data.

You have the right to review your Colleague file to ensure that it is accurate and factually correct. Measures are periodically taken to keep the information up-to-date and complete. You may direct us to rectify or erase any incorrect information. Personal data, which is no longer required for the business purpose for which it was originally collected and stored, is subject to adherence to our record retention policies.

Your personal data may not be transferred or otherwise be made available to unauthorized persons. Any agent we select to perform data processing must also be compliant with the Data Privacy Protection Guideline (to be provided). Your personal data will not be used for the purpose of advertising, direct marketing, marketing research, opinion polling or any other private purposes.

## **EMPLOYMENT**

The Company's policy in the Employment area is stated in the InfrAegis, Inc. Employment Manual (to be provided).

## **ENVIRONMENT**

The Company complies with all applicable laws and adheres to policies to develop, manufacture and distribute products, dispose of waste, and conduct business in an environmentally responsible manner. If you are aware of any environmental concerns, or have questions in this area, you should contact the appropriate member of management.

## **FOREIGN TRANSACTIONS**

Foreign transactions present many challenges. In summary, it is unlawful to make payments to foreign government officials to gain favor, support boycotts imposed on countries friendly to the U.S., export certain commodities or technology without permission from the U.S. government, or avoid paying duties on imported goods. Of particular importance is the Foreign Corrupt Practices Act (FCPA) which applies to all U.S. corporations, U.S. citizens and U.S. residents. The FCPA has 2 basic components: 1) anti-

bribery, which prohibits the payment of bribes to foreign officials to obtain business, and 2) accounting provisions, which require public companies to maintain accurate books and records, as well as an adequate internal accounting control system to ensure proper characterization of financial transactions.

## **GOVERNMENT CONTRACTS**

When conducting business with government entities, it is essential to conform to related procurement laws and regulations when pursuing and fulfilling contracts. It is also essential to protect decision-makers from unwarranted influence and conflicts of interest, foster full and open competition, and assure decisions and actions are based on fact. Bribery, gratuities, conflict of interest, collusive bidding, anti-competitive arrangements, kickbacks, filing false claims, making false statements and conspiring to defraud are all prohibited by the Company's policy.

## **PRODUCT SAFETY**

The Company's policy is to provide customers with products and services that can be put to all intended and reasonably foreseeable uses, without unnecessary or unreasonable risk of harm to persons or property, including the product itself. We will implement this policy by applying product safety techniques to all engineering, manufacturing, marketing and servicing activities. We will also report and review in a timely manner all product-related accident information according to the procedure referenced in this policy.

## **SECURITIES LAWS**

The Company's policy in the area of Securities Laws is to comply, and require its Colleagues to comply, with all federal and state securities laws policies regarding the Company's securities. As a Colleague, you must refrain from buying or selling any of the Company's stock or other securities while you are in the possession of material, non-public information or "insider information." "Insider information" includes any non-public information you might have about the Company or about other companies with whom the Company may be doing business if that information could influence your or another person's decision to buy, sell or hold securities in the Company or another company.

You would be violating the U.S. Securities Laws and Company policies if you passed on material, non-public information or insider information to others such as family members and friends, or to others outside the Company or to any person within the Company who does not need such information for the performance of his or her duties.

## **WORKPLACE HEALTH & SAFETY**

The Company is committed to providing Colleagues with a safe working environment. Each

Colleague plays a critical role in ensuring workplace safety. These roles include the following responsibilities:

Where applicable, supervisors should apply appropriate safety engineering and education principles to Colleagues and the work areas within their jurisdiction.

Any, occupational health and safety personnel should promote the effective application of relevant designs and principles, consult with operating management, and maintain periodic workplace reviews.

Colleagues who have actual knowledge of a serious danger associated with any business practice should immediately notify their supervisor or other appropriate member of management.

Colleagues should practice safety precautions and participate in training related to handling hazardous materials.

## **CORPORATE LEADERS OVERSEE KEY FOCUS AREAS**

To help further explain Key Focus Areas of this Policy as they are defined, the Company will select Colleagues at the Corporate level who are responsible for overseeing each of the areas reviewed in this Policy. These Corporate Leaders may send you additional information about Key Focus Areas that affect your job.

## **CORPORATE ETHICS/COMPLIANCE OFFICER AND COMMITTEE**

The Corporate Leaders will also communicate the program's activities and progress to the Corporate Ethics Compliance Officer, when named as well as the Corporation Compliance Committee, when established. The Corporate Ethics Compliance Officer is the Company's Vice President of Human Resources. The Corporate Ethics Committee consists of the Company's President and CEO, the Company's Vice President of Human Resources, and the lead attorney for the company, also known as the Corporate Counsel.

## **WHAT TO DO IF YOU HAVE QUESTIONS**

If you have a concern about a matter covered in these policies, you should discuss the issue with your supervisor or manager. There may be times, however, when you are uncomfortable with this approach or you may want more information. The Corporate Leaders will also be responsible for answering you questions or concerns.

As the Company grows in scope, it will established a confidential, toll-free Colleague Ethics Hotline as part of this program. The Ethics Hotline will give you the opportunity to get answers to questions in any of the Key Focus Areas or to report a policy violation.

## **HOW THE ETHICS HOTLINE WORKS**

The Ethics Hotline will be designed to protect confidentiality and ensure privacy, so you will not speak directly to a person, unless you request to do so. Calls will not be traced. If it's difficult for you to access a private phone during business hours, you can place the call from outside the workplace.

Only the Company's Corporate Ethics Compliance Officer and/or the members of the Corporate Ethics Committee will have access to the messaging service. They will listen to messages and forward information to the appropriate Corporate Leader. If you leave your name and number, someone will contact you. If you wish to remain anonymous, your concern will be researched. Please understand that if you remain anonymous, we cannot provide you with feedback regarding the status of your query or contact you to obtain further details.

Hopefully, most matters will be addressed before violations occur. If a problem does exist however, it's important to resolve it.

- Clarify an ethics issue.
- Obtain an answer to a question.
- Seek advice
- Report a suspected violation

## **SUMMARY**

If you have concerns about an ethics issue, you have several options. First, consider discussing the matter with your supervisor, or ask to see the Business Ethics policy for the Company. If these options are not feasible or you are not satisfied with the outcome, contact any member of Corporate Management

The Company's Ethics Awareness/Compliance Program is not something any of us can afford to put on the shelf. This program must involve all of us all of the time. Compliance with our ethical and legal obligations must be an integral part of everything we do. If you're in doubt about an issue, ask questions. We appreciate your assistance and cooperation in maintaining the company's outstanding reputation.

## **CORPORATE LEADERS**

- Accounting and Tax Controls Jim Zilka, CFO and Internal Audit
- Antitrust
- Company Assets
- Communications
- Conflict of Interest Gregory E. Webb, CEO
- Distribution and Sales Rep. Conflict
- Copyright
- Colleague, Patent & Secrecy Agreement Resources
- Colleague Privacy
- Employment Brian Bosch Vice President, Corp.