

VersaLogic Code of Conduct

This VersaLogic Corporation Code of Conduct (the "Code") formalizes the key principles under which VersaLogic Corporation employees are required to operate.

We established our Code of Conduct to reflect our fundamental expectations. The principles in the Code state VersaLogic's expectation for identified business practices and values:

- Integrity
- Honesty
- Stability
- Partnerships

We seek to do business with reputable business partners who are committed to ethical standards and business practices compatible with ours. We strongly encourage employees to exceed the requirements of this Code and promote best practices and continuous improvement throughout the operation.

We expect our employees to act responsibly in all respects and to ensure that no abusive, exploitative, or illegal conditions exist in their daily activities. Our company requires that employees comply with all applicable laws and regulations, as well as the principles set out in the Code. One tenet of the Code is that our employees must not use any type of involuntary or forced labor; this prohibits, among other things, slave labor or business practices which in any way rely on or encourage human trafficking. Where there is no local legal requirement, or if a local legal requirement is not as strict as provisions in this Code, our employees are expected to follow the requirement in this Code.

Company Mission

Our mission is to be the preeminent supplier of embedded computers to OEMs by offering a broad range of high-quality products that are designed to last, supported with the highest levels of service and technical help, and available for "industry-best-in-class" prolonged lifecycle. To do this, we focus on three major areas:

- **Product**
Design, validate, manufacture, distribute, and support a broad range of cost-effective, embedded computers that are designed, tested, and manufactured to the highest standards of quality in the world.
- **Social**
Recognize the central role customers and employees play in making VersaLogic thrive; respect towards others and the environment.

- **Economic**

Assure long-term viability/availability of products and service by operating on a sound basis of balanced management for profitability, growth, and investment, while simultaneously creating exciting career opportunities and financial benefits to all stakeholders.

Lead by Example

Management has the added responsibility for demonstrating, through their actions, the importance of this Code. In any business, ethical behavior does not simply happen; it is the product of clear and direct communication of behavioral expectations, modeled from the top and continually demonstrated by example. Ultimately, our actions are what matters.

To make our Code work, managers must be responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues. Managers should not consider employees' ethical concerns as threats nor challenges to their authority, but rather as another encouraged form of business communication. At VersaLogic, we want the ethics dialogue to become a natural part of daily work.

A. LABOR

Our company is committed to upholding the protection of human rights of all workers where it is possible through our sphere of influence. We are committed to ensuring that we are not complicit in any human rights violations and hold our suppliers and partners to this same high standard. Our company supports and respects the principles proclaimed in the United Nations Universal Declaration of Human Rights and believes businesses should ensure they are not complicit in human rights abuses.

Freely Chosen Employment

Forced, bonded, or indentured labor; involuntary prison labor; slavery; or trafficking of persons shall not be used. All work is voluntary and workers are free to leave work at any time or terminate their employment. Similarly, all work in the production of VersaLogic products and services is voluntary.

No Underage Workers

Child labor is not to be used under any circumstances. All employees must meet the minimum age requirement set by local laws.

Minimum Wage, Hours and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours, and legally mandated benefits. Working hours shall be limited to what is acceptable by local laws. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary and outsourced labor will be within the limits of the local law.

Humane Treatment

There is to be no harsh or inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, slavery, mental or physical coercion, or verbal abuse of workers, nor is there to be the threat of any such treatment.

Nondiscrimination

We are committed to a workforce that is free of harassment and unlawful discrimination on the basis of race, color, religion, national origin, gender (including pregnancy), age, disability, sexual orientation, gender identity, marital status, genetic information, retaliation, past or recent military status or any other status protected by the laws or regulations in the locations where we operate.

Dealing with Management, Freedom of Association and Collective Bargaining

We believe that workers' rights are best protected by allowing each worker to deal directly with management on issues of importance to that worker. We know that employees may need to express their concerns, suggestions, and comments to management so that we can all understand each other better. Employees have that opportunity at VersaLogic. We are proud of the fact that we provide employees with fair treatment, personal respect, good working conditions, competitive wages and an excellent benefits package. We also respect the rights of workers to associate or not associate with third-party organizations, join or not join labor unions, seek representation, bargain, or not bargain collectively in accordance with local laws.

Workplace Health, Safety, & Humane Treatment

We operate a safe and healthy work environment where employees are provided with health and safety training and equipment as further protection from hazards of the job. Potential emergency situations and events are to be identified and assessed by implementing emergency plans and response procedures. Procedures are in place to manage, track and report occupational injury and illness. If workers may be exposed to potentially hazardous physical demands or hazardous chemicals, risk of exposure will be identified, evaluated and controlled.

We support and respect the protection of internationally proclaimed human rights, such as the Universal Declaration of Human Rights. Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage and eating facilities. We comply with any legislation to protect the health and safety of customers, employees, and the environment. This applies equally to our products and processes. We strive for development in products and processes to constantly improve our high safety and environmental standards.

B. ENVIRONMENTAL

We strive to reduce the generation of waste of all types, including water and energy, by practices such as modifying production, conservation, and recycling or re-using materials. Materials posing a hazard if released to the environment are to be managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

C. ETHICAL BUSINESS PRACTICES

We conduct our business in accordance with all material applicable laws, rules, and regulations.

We maintain the highest standards of ethical business conduct and integrity by being fair and honest in all business dealings. This applies to our professional relationships, properly maintaining all information and records, and cooperating fully with all internal and external audits and investigations initiated or sanctioned by VersaLogic.

We are committed to the confidentiality and protection of privacy expectations of employees, customers, shareholders, for proprietary, third party information, and records.

When considering any action, it is wise to ask ourselves: Will this build trust and credibility for VersaLogic? Will it help create a working environment in which VersaLogic can succeed over the long term? Is the commitment I am making one I can follow through with? The only way we will maximize trust and credibility is by answering "yes" to those questions and by working every day toward continued development of trust and credibility. We must make business decisions solely in the best interests of VersaLogic without regard to personal gain. This means that we should use good judgment and endeavor to avoid even the appearance of any conflict between our individual interests and those of VersaLogic.

The U.S. Foreign Corrupt Practices Act

Because VersaLogic is incorporated in the United States, the U.S. Foreign Corrupt Practices Act, which prohibits bribes to officials of non-U.S. governments, applies to all employee interactions around the world.

A bribe is giving or offering to give anything of value* to a government official to influence a discretionary decision. Examples of bribes include payment to a government official to encourage a decision to award or continue business relations, to influence the outcome of a government audit or inspection, or to influence tax or other legislation. Other payments to government officials also may constitute bribes in some jurisdictions.

**Note: "Anything of Value" This phrase literally means anything that might have value to a government official, including cash, gifts, meals, entertainment, business opportunities, Company product, offers of employment and more. There is no monetary threshold; any amount could be construed as a bribe.*

Business Conduct

The success of our business is dependent on the trust and confidence we earn from our employees, customers, and shareholders. We gain credibility by adhering to our commitments, displaying honesty and integrity, and reaching company goals solely through honorable conduct. It is easy to say what we must do, but the proof is in our actions. Ultimately, we will be judged on what we do.

1. Dealing Fairly With Others and Maintaining Professional Relationships

- a. To maintain an effective working environment, we must treat others with fairness and respect, and we must maintain the highest standards of personal integrity.

- b. We are committed to providing all employees with a workplace free of conduct that may be considered harassing, abusive, or offensive, and we will not unlawfully discriminate against anyone.
 - i. We will not tolerate unlawful harassment in any form.
 - ii. We will promote equal opportunity and diversity. We will not unlawfully discriminate against others.
- c. We should deal fairly with customers, suppliers, competitors, and colleagues, and should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential or privileged information, misrepresentation of material facts, or any other unfair-dealing practice.
- d. Understanding that we represent VersaLogic at all times, we should strive to conduct our personal affairs, including our financial affairs, in a responsible and prudent manner.

2. Avoiding the Appearance That a Conflict of Interest May Influence a Business Decision

- a. Gifts from Suppliers and Vendors - VersaLogic uses the standards and guidelines promulgated by the National Association of Purchasing Management (NAPM) when offered gifts or gratuities from vendors or suppliers. These principles include:
 - i. Avoid the intent and appearance of unethical or compromising practice.
 - ii. Refrain from soliciting or accepting money, loans, credits or prejudicial discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence, purchasing decisions.
 - iii. Other gratuities (for example, candies, and pastries) should be placed in a central area for sharing with all VersaLogic employees.
- b. To avoid conflicts of interest, we should avoid business arrangements in which our interests (or those of our relatives) are contrary to the interests of VersaLogic.
- c. We should avoid outside activities, including directorships, employment and fiduciary appointments, that interfere with our duties at VersaLogic or give the appearance of a conflict with the interests of VersaLogic.
- d. Giving advice to customers can sometimes present a conflict of interest. We should never give legal, tax, financial or investment advice to customers, unless doing so is part of our job and we are qualified, authorized, and, if applicable, licensed to provide the advice.
- e. We should consider each of the foregoing statements regarding conflicts of interest with respect to both ourselves and members of our family.

3. Protecting Corporate Opportunities

- a. To protect the interests of VersaLogic, as well as to avoid the appearance of conflicts of interest, we should not personally pursue business opportunities that would otherwise be available to VersaLogic as a reasonable business opportunity. We

should also avoid situations or arrangements in which we are or could be perceived as competing with VersaLogic.

- b. To protect the interests of VersaLogic, we must not use VersaLogic property or information, or our position with VersaLogic, for improper personal gain.

4. Respecting Confidentiality of Information

- a. To keep the trust of everyone we do business with, including customers, suppliers, consumers, and employees, we must maintain the confidentiality of the information they provide to us or that we develop or collect about our customers and must honor their reasonable expectations of privacy, including sharing information internally. Material non-public customer information should only be disclosed internally on a "need to know" basis and only with our colleagues' understanding of the need to maintain confidentiality.
- b. To protect VersaLogic, we must maintain the confidentiality of its "Proprietary Information". Proprietary Information is any information developed, compiled and/or used by VersaLogic and its employees in the course of business that is not available to the public, including, but not limited to, customer lists and other customer information, employee lists and other employee information, business procedures and processes, loan and other documentation, studies, software and other computer programming and records, including emails.
- c. To protect VersaLogic, we may not divulge or disclose proprietary information to any person outside VersaLogic who is not authorized to receive such information. This obligation continues to apply after employment with VersaLogic ends.
- d. To protect the privacy of fellow employees, we must maintain the confidentiality of their personal information.
- e. To maintain the respect and trust of those with whom we do business, we must protect all "proprietary information" we receive, whether or not such information is related to them.
- f. To maintain the confidentiality of information, we must protect data processing, software, and electronic information security.

5. Care with External Relationships

- a. **Media Inquiries** – We work with many high-profile companies throughout the world, and from time to time, employees may be approached by reporters and other members of the media. In order to ensure that we speak with one voice and provide accurate information about the company, we should direct all media inquiries to the Chief Operating Officer. No one may issue a press release without Executive approval.
- b. **Solicitation and Political Activity** – In an effort to ensure a productive and harmonious work environment, persons not employed by VersaLogic may not solicit or distribute literature in the workplace at any time for any purpose.

We respect participation in political activities, but not on behalf of or as a representative of the Company or on company time.

- c. **Social Media, Networking and Electronic Communications** – We recognize the immense potential of social media to facilitate and enhance the performance of our business. We also realize that social media presents a significant opportunity for abuse, reduced employee productivity, and potential liability for both VersaLogic and individual employees. In general, the same principles and guidelines found in our other policies apply to your activities online, and each employee is ultimately responsible for ensuring that your social media activity is consistent with these policies.

"Social Media" includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room.

6. Reporting Illegal or Unethical Behavior or Retaliatory Actions

- a. At VersaLogic, everyone should feel comfortable to speak his or her mind, particularly with respect to ethics concerns. Managers have a responsibility to create an open and supportive environment where employees feel comfortable raising such questions. We all benefit tremendously when employees exercise their power to prevent mistakes or wrongdoing by asking the right questions at the right times.
- b. We will investigate all reported instances of questionable or unethical behavior. In every instance where improper behavior is found to have occurred, the company will take appropriate action. We will not tolerate retaliation against employees who raise genuine ethics concerns in good faith.
- c. Employees are encouraged, in the first instance, to address such issues with their manager or the HR Manager, as most problems can be resolved swiftly. If for any reason that is not possible or if an employee is not comfortable raising the issue with his or her manager or HR, VersaLogic's Chief Operating Officer operates with an open-door policy.

7. Trade Restrictions and Money Laundering

- a. We are fully committed to complying with all anti-money laundering laws. We will conduct business only with reputable customers involved in legitimate business activities, with funds derived from legitimate sources. Employees must comply with all laws, regulations and company policies, guidelines, standards, and other procedures to ensure compliance with this Principle.
- b. Our company abides by all economic sanctions or trade embargoes that the United States has adopted, whether they apply to foreign countries, political organizations, or particular foreign individuals and entities.
- c. We do not directly or indirectly engage in or support any terrorist activity.

- d. VersaLogic nor any affiliates are included on any lists of terrorists or terrorist organizations compiled by the US Government or any other national or international body, including but not limited to:
- i. The U.S. Treasury Department's Specially Designated Nationals List;
 - ii. The U.S. State Department's Terrorist Exclusion List;
 - iii. The United Nations List Pursuant to Security Council Resolution 1390 (2002) and Paragraphs 4(B) or Resolution 1267(1999) and 8(C) of Resolution 1333 (2000);
 - iv. The European Union List Implementing Article (2)(3) of Regulation (EC) No. 2580/2001 on Specific Restrictive Measures Directed Against Certain Persons and Entities with a View to Combating Terrorism.

8. Conflict Minerals

We are committed to ethical business conduct and the responsible sourcing of minerals through our global supply chain. We fully support the objectives of the "Conflict Minerals Law," Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Although we are not directly subject to the Conflict Minerals Law, because we are not a publicly traded company, we are fully committed to doing all that we can to support our customers in ensuring that the products we manufacture meet the requirements of the Conflict Minerals Law and that we do not contribute to such human rights violations.

Corporate Recordkeeping

We create, retain, and dispose of our company records as part of our normal course of business in compliance with all VersaLogic policies and guidelines, as well as all regulatory and legal requirements.

All corporate records must be true, accurate, and complete, and company data must be promptly and accurately entered in our books in accordance with our and other applicable accounting principles.

We must not improperly influence, manipulate or mislead any authorized audit, nor interfere with any auditor engaged to perform an internal independent audit of our books, records, processes, or internal controls.

D. COMPLIANCE WITH CODE OF CONDUCT

If you know of or suspect a violation of applicable laws, rules or regulations or this Code, you must immediately report that information to either (i) Xenium, VersaLogic's 3rd party HR Services Provider, or (ii) any officer of the corporation; President, Chief Operating Officer or Director of Technology. No one will be subject to retaliation because of a good faith report of a suspected violation. Violations of this Code may result in disciplinary action, up to and including discharge. The Board shall determine, or shall designate appropriate persons to determine, appropriate action in response to violations of this Code.

Promote Substance over Form

At times, we are all faced with decisions we would rather not have to make and issues we would prefer to avoid. Sometimes, we hope that if we avoid confronting a problem, it will simply go away.

At VersaLogic, we must have the courage to tackle the tough decisions and make difficult choices; secure in the knowledge that we are committed to doing the right thing. At times, this will mean doing more than simply what the law requires. Merely because we can pursue a course of action does not mean we should do so.

Although our guiding principles cannot address every issue or provide answers to every dilemma, they can define the spirit in which we intend to do business and should guide us in our daily conduct.

Use of Company Resources

Company resources, including time, material, equipment, and information, are provided for company business use. Nonetheless, occasional personal use is permissible as long as it does not affect job performance or cause a disruption to the workplace.

Employees and those who represent VersaLogic are trusted to behave responsibly and use good judgment to conserve company resources. Managers are responsible for the resources assigned to their departments and are empowered to resolve issues concerning their proper use.

Generally, we will not use company equipment such as computers, copiers and fax machines in the conduct of an outside business or in support of any religious, political or other outside daily activity, except for company sanctioned projects. We will not solicit contributions nor distribute non-work related materials during work hours.

In order to protect the interests of the VersaLogic network and our fellow employees, we reserve the right to monitor or review all data and information contained on an employee's company-issued computer or electronic device, the use of the Internet or VersaLogic's intranet. We will not tolerate the use of company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate.

Questions about the proper use of company resources should be directed to your manager or Human Resources.

Accountability

Each of us is responsible for knowing and adhering to the values and standards set forth in this Code and for raising questions if we are uncertain about company policy. If we are concerned whether the standards are being met or are aware of violations of the Code, we must contact the HR department.

Our company takes seriously the standards set forth in the Code, and violations are cause for disciplinary action up to and including termination of employment.

Do the Right Thing

Several key questions can help identify situations that may be unethical, inappropriate, or illegal. Ask yourself:

- Does what I am doing comply with the VersaLogic guiding principles, Code of Conduct and company policies?
- Have I been asked to misrepresent information or deviate from normal procedure?
- Would I feel comfortable describing my decision at a staff meeting?
- How would it look if it made the headlines?
- Am I being loyal to my family, my company, and myself?
- Is this the right thing to do?

Information and Resources:

General Information

info@versalogic.com (503) 747-2261

Human Resources

HR@versalogic.com (503) 747-2261