



## **Code of Business Conduct and Ethics**

Adopted: May 5, 2004

### **INTRODUCTION**

This Code of Business Conduct and Ethics sets forth the basic principles and standards that govern the conduct of the business of Integrated Business Systems and Services, Inc. (“IBSS” or the “Company”). This Code applies to all of our employees, officers and directors.

High standards of integrity are essential to the continued success of the Company’s business. We will adhere rigorously to the highest ethical standards of business conduct. It is the Company’s policy that all directors, officers, and employees, and all others who act on the Company’s behalf, observe the spirit and letter of all laws governing its operations, and conduct its affairs in keeping with the highest legal and ethical standards.

The Company is committed to creating a free and open environment in which compliance with this Code is considered the responsibility of everyone. Willingness to raise ethical concerns is essential. No one will suffer any adverse effects to his or her job or career as a result of raising an ethical concern or questioning a Company practice. It is a violation of the Code to discriminate or retaliate against you for reporting a suspected violation. If the report involves a possible violation of this Code or the law, the supervisor must follow the Company’s normal reporting procedures. The Company will investigate the possible violation and will respect the rights of all parties concerned.

The policies set forth in the Code may not cover every situation. If you are in doubt as to the proper course of action, you should consult your supervisor, the Chief Executive Officer or Chief Financial Officer.

Failure to comply with the Code can have severe consequences for both you and the Company. The Company will impose appropriate discipline, which may include discharge for violations of the Code. Furthermore, conduct that violates the Code may also violate Federal or state laws and can subject both you and the Company to civil and criminal penalties.

### **STANDARDS OF CONDUCT**

**Conflict of Interest.** You will avoid situations where the private interests of you or members of your family conflict with the interests of the Company. You may not have any business or financial relationship with customers, suppliers or competitors that could influence or appear to influence you in carrying out your responsibilities. You may not acquire any interests or participate in any activities that would deprive the Company of the time or attention required to

perform your duties properly, or create an obligation or distraction that would affect your judgment or ability to act solely in the Company's best interest. You also may not work for a competitor, customer or supplier as an employee, consultant or member of its Board of Directors without prior approval of the Company. If your situation or relationship with another organization conflicts with your job performance or the Company's interests, you must disclose this conflict of interest to your supervisor.

**Entertainment, Gifts and Payments.** You may not use your employment status to obtain personal gain from those doing or seeking to do business with the Company. You may not own an interest in a company (except a company whose stock is publicly traded) that competes with or from which the Company or any of its divisions purchases goods or services. You cannot accept a loan or advance from or make a loan or advance to any company that is a supplier of goods or services to the Company or any of its divisions. To prevent actual or apparent conflicts of interest, neither you nor your family members should accept any gifts, entertainment or other favors in amounts that may influence such persons improperly from any person or firm (or any employee of any such firm) with whom you conduct business on behalf of the Company.

**Corporate Opportunities.** When you become aware of a business opportunity in any area of the Company's business, or if a business opportunity is discovered through the use of corporate property, information or position, you have an obligation to offer the business opportunity to the Company, and receive notification of the lack of interest of the Company before taking it for yourself. You may not use corporate property, information or position for improper personal gain, or compete with the Company directly or indirectly. Simply stated, you owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

**Confidential and Proprietary Information.** In the course of your employment with the Company, you may receive or have access to proprietary, secret or confidential information that, if disclosed to others, could materially harm the Company by giving actual or potential competitors a competitive advantage or place the Company at a competitive disadvantage with its competitors, landlords, and suppliers.

During and subsequent to your employment, you are required to keep in strictest confidence all information that the Company regards as proprietary, secret or confidential, or which you in good faith and good conscience reasonably know should be treated as confidential. You may not directly or indirectly publish, communicate, divulge or describe to any person or entity any proprietary, secret or confidential information concerning the Company except as required in the proper performance of your duties as an associate of the Company.

If you receive confidential information from a company with whom the Company does business, such information should be received under the terms of a written agreement that specifies the Company's obligations for the use and protection of the information. These agreements must be reviewed by the General Counsel, Chief Financial Officer or Chief Executive Officer. You must protect the confidentiality of any such information and limit your use of it to what is authorized by the agreement.

**Fair Dealing and Improper Payments.** Each employee, officer and director should endeavor to deal fairly with the company's customers, suppliers, competitors and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. When dealing with customers and vendors, you must remember that your actions reflect not only upon you individually, but upon the Company as a whole.

You may not directly or indirectly offer, solicit, provide or accept any kind of payments or contributions for the purpose of (i) influencing customers, suppliers or governmental entities, including their officials or employees, (ii) obtaining, giving or keeping business, (iii) persuading any officials or employees for another company to fail to perform or improperly perform their duties, or (iv) influencing legislation or regulations. Kickbacks, bribes and other illegal payments are prohibited by the Foreign Corrupt Practices Act and other Federal and state laws.

**Company Records.** The Company's books and records will reflect, in an accurate, fair and timely manner, the financial transactions of the Company. All financial transactions will be properly recorded and disclosed. You may not use the Company's books and records to mislead those who receive them, or to conceal anything that is improper (e.g., secret funds). Those responsible for the accounting and record-keeping functions must be vigilant in ensuring that the Company's funds or assets are not used for any unlawful or improper purpose.

Accurate and reliable records are necessary for the Company to meet its legal and financial obligations and to manage its business affairs. Integrity in the reporting and preparation of such records is necessary at all times to safeguard our reputation and our financial and legal standing with the public and the communities we serve. The Company's accounts and records are prepared and maintained in accordance with regulatory bodies and by various other accounting standards. These regulations and standards must be followed at all times. Additionally, these rules and standards specify the time period for which various types of records are to be retained. Unauthorized destruction of records is a violation of the law.

Each employee is responsible for safeguarding and properly accounting for Company funds and for any records or reports which help determine the Company's revenue or expenditures. Service orders, payroll records, invoices, vouchers, and many other types of records represent Company funds, just as do coins, currency, or checks. Removing, destroying, falsifying, or failing to prepare such records is as serious an offense as misappropriation of Company funds or property. Each employee, whose duties involve approval of vouchers, drafts, and bills, is responsible for the scrutiny and verification of the expenses to assure that they are factually reported and that the Company has received adequate value. Employee expense accounts must reflect only authorized and reasonable expense incurred on behalf of the Company as established in appropriate expense account reporting procedures and Company policies.

**Protection and Proper Use of Company Assets.** Protection of the Company's investment in equipment, tools, supplies, and vehicles against loss, theft, damage, vandalism, or unauthorized disposal is vitally important in our competitive environment. No employee may loan, give, sell, destroy, or otherwise dispose of the Company's property without specific authorization. You may not use the Company's materials, vehicles (either owned or rented), equipment, tools, or other

property for personal purposes without specific authorization. You may not obtain, possess, duplicate, or use Company keys (building, vehicle, padlocks) unless specifically authorized to do so. All keys are the property of the Company and must be returned upon request or termination of employment. In using Company-owned or leased vehicles, safe driving practices and all traffic laws must be observed at all times.

**Compliance with Laws.** You must comply with all lawful requirements, both domestic and foreign, applicable to the Company's business. You must become familiar with and comply with the laws and regulations which govern your area of responsibility. Whenever you are in doubt about the application or interpretation of any legal requirement, you should refer the matter to your supervisor who, if necessary, should seek the advice of the Chief Executive Officer or Chief Financial Officer. You may not take any action that the Chief Executive Officer or Chief Financial Officer has advised would constitute a violation of law.

You may not trade in securities or any other kind of property based on knowledge that comes from your job, if that information has not been reported publicly. It is against the laws of many countries, including the United States, to trade or "tip" others who might make an investment decision based on inside information. For example, using non-public information to buy or sell the Company's stock, options in the Company's stock or the stock of a supplier or a client is prohibited.

The Company is committed to comply with the antitrust and competition laws of those jurisdictions where it operates. You are forbidden to engage in practices that are generally acknowledged to violate antitrust and competition laws or otherwise might unreasonably restrict competition.

**Additional Policies Specific to Certain Officers.** In addition to the foregoing provisions, the (i) Chief Executive Officer, (ii) Chief Financial Officer, and (iii) Controller ("Financial Officers") are subject to the following additional specific policies under this Code of Ethics:

1. The Financial Officers shall conduct the Company's business in an honest and ethical manner, which includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. A Financial Officer shall promptly bring to the attention of the Chairman of the Board of Directors ("Chairman") and Chief Executive Officer and the Audit Committee any information he or she may have concerning any violation of the Company's Code of Ethics, including any actual or apparent conflicts of interest between personal and professional relationships.

2. The Financial Officers will promote full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the Company with the Securities and Exchange Commission and in other public communications made by the Company. Accordingly, it is the responsibility of the Financial Officers to promptly bring to the attention of the Chairman and Chief Executive Officer and Audit Committee any material information as to which he or she may become aware that affects the disclosures made by the Company in its public filings and communications or is otherwise necessary to assist the Chairman and Chief Executive Officer and Audit Committee in fulfilling their respective responsibilities.

3. A Financial Officer shall promptly bring to the attention of the Chairman and Chief Financial Officer and Audit Committee any information he or she may have concerning (a) significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls.

4. The Financial Officers are required to comply with all applicable laws, rules and regulations governing the conduct of the Company's business. A Financial Officer shall promptly bring to the attention of the Chairman and Chief Executive Officer and the Audit Committee any information he or she may have concerning evidence of a material violation of the securities or other laws, rules or regulations applicable to the Company and the operation of its business by the company or any agent thereof.

5. No Financial Officer shall take, or knowingly allow any other employee to take, any action to fraudulently influence, coerce, manipulate or mislead the Company's independent public auditing firm for the purpose of rendering the Company's financial statements materially misleading. If any Financial Officer becomes aware of any such circumstance, he or she will report it immediately to the Chairman and Chief Executive Officer and Audit Committee.

6. In the event of violations of this Code of Ethics by any of the Company's Financial Officers, the Audit Committee shall determine, or designate appropriate persons to determine, the appropriate actions and remedies to be taken. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code of Ethics. In determining what action is appropriate in a particular case, the Audit Committee or its designee shall take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past. Disciplinary action, up to and including termination of employment, may result from failure to comply with this Code of Ethics.