



CODE OF CONDUCT

June 2016

1.0 INTRODUCTION	1
2.0 CONFLICTS OF INTEREST	2
3.0 GIFTS, GRATUITIES AND ENTERTAINMENT	3
CUSTOMER AND SUPPLIER PERSONNEL	3
GOVERNMENT PERSONNEL	3
NON-GOVERNMENT PERSONNEL	4
GIFTS OR PAYMENTS TO FOREIGN OFFICIALS	4
GIFTS OR PAYMENTS IN GENERAL	5
4.0 INTELLECTUAL PROPERTY	5
5.0 NON-SOLICITATION	6
6.0 POLITICAL CONTRIBUTIONS	6
7.0 ANTITRUST	6
8.0 FINANCIAL REPORTING	6
9.0 INTEGRITY OF CORPORATION RECORDS	7
FINANCIAL INFORMATION AND RECORDS	7
PERSONNEL RECORDS	9
INFORMATION TO CUSTOMERS	9
COMPUTER USAGE/SOFTWARE LICENSING	9
10.0 CONFIDENTIALITY	10
11.0 SECURITIES TRADES BY CORPORATION PERSONNEL	10
REASONS FOR THIS POLICY STATEMENT	10
THE CONSEQUENCES	10
HERITAGE GLOBAL INC. POLICY	11
ADDITIONAL PROHIBITED TRANSACTIONS	14
CORPORATION ASSISTANCE	15
12.0 SPECIAL GUIDELINES FOR DIRECTORS AND OFFICERS	15
PRE-CLEARANCE OF ALL TRADES BY DIRECTORS AND OFFICERS	15
CONSEQUENCES OF VIOLATION	17
13.0 DISCLOSURE POLICY	18
DISCLOSURE POLICY COMMITTEE	18
PRINCIPLES OF DISCLOSURE	19
DESIGNATED SPOKESPERSONS	20
NEWS RELEASES	20
CONFERENCE CALLS	20
RUMORS	21
CONTACTS WITH ANALYSTS, INVESTORS AND MEDIA	21
REVIEWING ANALYSTS' REPORTS AND MODELS	22
FORWARD LOOKING INFORMATION	22
DISCLOSURE RECORDS	23
RESPONSIBILITY FOR ELECTRONIC COMMUNICATIONS	23
COMMUNICATION, EDUCATION AND ENFORCEMENT	23
14.0 EXCEPTIONS TO THE CODE OF CONDUCT	24
15.0 SUPERVISORY PROCEDURES	24
PREVENTION OF VIOLATIONS OF LAW	24
DETECTION OF INSIDER TRADING	24
15.0 SUPERVISORY PROCEDURES (CONTINUED)	25
SPECIAL REPORTS TO MANAGEMENT	25
ACKNOWLEDGMENT	25
CORPORATE SECRETARY	25
16.0 ACKNOWLEDGEMENT	26
17.0 KEY CONTACTS	27

1.0 Introduction

Heritage Global Inc. and its subsidiaries (collectively referred to as “HGI” or the “Corporation”) are committed to conducting the Corporation’s business in accordance with all applicable federal, state and local laws, honesty in our business dealings, prudent use of our assets and resources, sound growth and achievement of business objectives and fair treatment of our employees. We are committed to achieving and maintaining the highest level of integrity and ethics in our dealings with our employees, customers, suppliers, shareholders and the public. For the purposes of these business and ethical conduct standards (“Standards”), the Corporation considers its officers, directors, employees, agents and consultants to be “Employees” and each an “Employee.”

As Employees, we are responsible for fully implementing the business practices and corporate policies of HGI. These Standards are presented to govern the conduct of all our Employees. The Standards are directed to all HGI Employees as well as our business alliance partners.

2.0 Conflicts of Interest

It is very important that every Employee avoid any situation, which involves a conflict with his/her duty to the Corporation and the interests of the Corporation and its shareholders. We expect our Employees to exercise good judgment, honesty and high ethical standards at all times. Adherence to these Standards should prevent the occurrence of conflicts of interest. Employees should be particularly sensitive to possible conflicts with suppliers, brokers or any vendors, which could arise from engaging in business dealings with, or accepting gifts or compensation from, others. If the Employee is in doubt, the Corporate Secretary should be consulted. The Corporate Secretary and the Chairman of the Audit Committee of the Board of Directors are identified in the Key Contact Section of this handbook. Should questions arise regarding the appropriate handling of your responsibilities under this Code of Conduct, please contact either of these persons; and, definitely, contact the Chairman of the Audit Committee if and whenever you have concerns about the prompt and responsive handling of any matter of concern to you.

Playing “favorites” or having conflicts of interest, in practice or appearance, runs counter to the fair treatment to which we are all entitled. Each Employee should avoid any relationship, influence or activity that might impair, or have the appearance of impairing, his/her ability to make objective and fair decisions when performing his/her job. Conflict of interest laws and regulations must be fully and carefully observed. When in doubt, review Corporation policies and procedures, and share the facts of the situation with the Corporate Secretary.

Here are some ways a conflict of interest could arise:

- Employment by a competitor or potential competitor, regardless of the nature of the employment, while employed by the Corporation.
- Acceptance of gifts, cash or in kind, from those seeking to do business with the Corporation.
- Placement of business with a firm owned or controlled by an Employee or his/her family.
- Ownership of, or substantial interest in, a Corporation, which is a competitor of or a supplier to the Corporation.
- Acting as a consultant to a customer or supplier without the Corporation’s express prior written approval. Approval is required for any Employee’s services as director, officer, employee, or consultant to any Corporation, which is a supplier or a customer having business dealings with HGI.

In order to preserve the Corporation’s reputation for honesty and integrity, the management of our Corporation must be advised of any matters, which might be considered sensitive. Any such notification should be addressed to the Corporate Secretary. Each Employee has a duty to ensure that proprietary information relating to the Corporation or any entity or person with which the Corporation does business is not disclosed to anyone without proper authorization. Every Employee has a duty to keep proprietary documents protected and secure, particularly when dealing with suppliers, customers and competitors

3.0 Gifts, Gratuities And Entertainment

Customer and Supplier Personnel

The purchase of supplies, materials and services from vendors, suppliers and subcontractors must be accomplished in a fair and nondiscriminatory process based solely on quality, performance, price and customer criteria (in cases where purchases are made for customers).

HGI specifically prohibits offering, attempting to give, soliciting or receiving any form of bribe or kickback. These are criminal acts. Since the mere receipt of a request to engage in such activity may be a reportable event under the law, all Employees should immediately seek advice from the Corporate Secretary if any such request is received. Similarly, any dealings with affiliated persons of the Corporation or of any officer of the Corporation must be reviewed by the Corporate Secretary. No transaction may be effected with an affiliated person or entity absent the written approval of the Audit Committee.

It is Corporation policy to build lasting relationships with customers through superior delivery and execution, and honest sales and marketing. It is Corporation policy to build relationships with suppliers through fair and ethical business practices. Contracts will be negotiated, awarded and performed without discrimination or deception and in strict compliance with applicable laws, regulations and the terms of the contract.

Government Personnel

No Employee may give federal, state or local government employees any meal, beverage, gift or form of entertainment regardless of value with the following exceptions:

- Promotional items which have a retail value of less than \$25.00 and which contain the Corporation's name or logo may be offered without violating this Code of Conduct;
- Employees may also provide (i) modest items of food and refreshments offered other than as part of a meal (such as soft drinks, coffee and doughnuts) to employees of federal executive agencies other than uniformed services; and (ii) greeting cards and items with little intrinsic value such as plaques, certificates and trophies, which are intended solely for presentation.
- Employees may socially entertain relatives or personal friends employed by government agencies. It should be clear, however, that such entertainment is not related to the Corporation's business. Expenditures for such non-business entertainment are not reimbursable by the Corporation to the Employee.

Employees may not make loans, guarantee loans or make payments to or on behalf of federal, state or local government employees. Anyone with questions regarding this section should contact the Corporate Secretary. The making of gifts that exceed these limits is a violation of the Code of Conduct and other policies.

3.0 Gifts, Gratuities And Entertainment (continued)

Non-Government Personnel

Furnishing meals, refreshments, modest gifts/honorariums (see below) and entertainment in conjunction with business discussions with non-government personnel is a commonly accepted business practice. HGI permits its Employees, within reason, to engage in such practices. The furnishing of meals, refreshments or entertainment and the making of modest gifts/honorariums, however, should not violate good common sense and the standards of conduct of the recipient's organization, and must be consistent with past practices and standards established from time to time by the Corporation.

Employees who make, and supervisors who approve, expenditures for meals, refreshments or entertainment, must use discretion and care to ensure that such expenditures are in the proper course of business and cannot reasonably be construed as bribes or improper inducements.

Modest gifts/honorariums should only be given in order to commemorate a specific holiday or special event. In no event should the value of such individual items exceed \$75.00 without the prior approval of the Chief Financial Officer. Detailed records of all such gifts and their business purpose should be maintained for at least three years. Employees should at all times be mindful of the need to avoid the appearance of gift giving for the purpose of inducing favorable treatment.

Employees may accept meals, refreshments or entertainment in connection with business discussions, provided, that they are not excessive as to cost or frequency. It is the personal responsibility of every Employee to ensure that his/her acceptance of such meals, refreshments or entertainment is within prevailing Corporation Standards and could not reasonably be construed as an attempt by the offering party to secure favorable treatment or create an appearance of impropriety.

Employees may not accept gifts, including travel and accommodations, which have retail or exchange value of \$75.00 or more from an individual or firm doing or seeking to do business with the Corporation. Exceptions may be granted on an individual basis; however, Employees must immediately report the gift to their supervisor and the Corporate Secretary and request a waiver of this rule.

In any circumstance where an Employee is offered meals, refreshments, entertainment or gifts and the offering may create an appearance of impropriety, regardless of the value thereof, the Employee should disclose the offering to his/her supervisor and the Corporate Secretary in writing.

Except for loans by recognized banks and financial institutions which are available generally at market rates and terms, no Employee or member of his/her family may accept any loan, guarantee of loan or payment from an individual or firm doing or seeking to do business with HGI; nor is it permissible to accept any service, accommodation or travel of any value whatsoever, unless the primary purpose of such is the performance of the Corporation's business.

Gifts or Payments to Foreign Officials

HGI will scrupulously adhere to the letter and spirit of the Foreign Corrupt Practices Act, which prohibits, among other things, giving money or items of value to a foreign official or instrumentality for the purpose of influencing a foreign government. The Act further prohibits giving money or items of value to any person or firm, such as a consultant or marketing representative, when there is a reason to believe that it will be passed on to a foreign government official for this purpose. All questions concerning compliance with the Foreign Corrupt Practices Act should be referred to the Corporate Secretary.

3.0 Gifts, Gratuities And Entertainment (continued)

Gifts or Payments in General

- All approved expenditures for meals, refreshments and entertainment must be fully documented and recorded on the books of the Corporation in strict compliance with established policies and procedures.
- Employees are required to report to their supervisors any instance in which they are offered money, gifts which have retail or exchange value of \$75.00 or more or anything else of value by a supplier or prospective supplier to HGI.

Laws and regulations pertaining to entertainment, gifts and payments may be and are complicated. Questions regarding interpretations of specific policies should be submitted to the Corporate Secretary.

4.0 Intellectual Property

Developments are the sole and exclusive property of the Corporation and all rights, titles and interest in such Developments in all countries worldwide are irrevocably assigned to the Corporation.

“Developments” mean any and all inventions, whether or not patentable, Confidential Information, computer programs, copyright works (including “works made for hire” as defined by The Copyright Act of 1976, as amended), mask works, trademarks and other intellectual property, made, conceived, or authored by personnel, alone or jointly with others, while employed by the Corporation, that are within the existing or contemplated scope of the Corporation’s business or of companies which are either owned or controlled by the Corporation, at the time such Developments are made, conceived, or authored; or which result from or are suggested by any work an Employee or others may do for or on behalf of the Corporation or such companies.

Employees shall submit to the Corporation, at any time during employment with the Corporation and thereafter, written disclosures of all Developments and will provide all assistance reasonably requested by the Corporation to execute all papers deemed by the Corporation to be necessary to establish, preserve and enforce the Corporation’s rights in and the legal protection of all Developments, such assistance to be provided at the Corporation’s expense but without any additional compensation.

To the extent that any Development conceived of, discovered, invented or created by an employee is a “work made for hire,” as that term is defined in The Copyright Act of 1976, as amended, it shall be the sole and complete property of the Corporation as a “work made for hire” and any and all copyrights to such works shall belong to the Corporation.

To the extent such works are not deemed to be “works made for hire,” Employees shall assign all proprietary rights, including copyright, in and to these works to the Corporation without further compensation, and agree to provide all assistance reasonably requested by the Corporation in the establishment, preservation and enforcement of its intellectual property rights in such work, such assistance to be provided at the Corporation’s expense but without any additional compensation. All moral rights relating to the work developed or produced, including without limitation any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use or subsequent modifications, shall be waived.

If there is a conflict between this section and an employee’s Employment Agreement the terms of the Employment Agreement will take precedence.

5.0 Non-Solicitation

During the term of employment with the Corporation and for a period of one (1) year thereafter, regardless of reason for termination, Employees shall not directly or indirectly, for personal or on behalf of any other person, entity or third party, disturb, solicit, hire, entice or in any other manner persuade or induce or attempt to persuade or induce any employee, customer, agent, principal, or supplier of the Corporation to discontinue his or its relationship with the Corporation.

If there is a conflict between this section and an employee's Employment Agreement the terms of the Employment Agreement will take precedence.

6.0 Political Contributions

The Corporation may not make any remuneration of money or offer to do so directly or indirectly to any government official or politician in the United States or abroad for the purpose of influencing such official's or politician's actions. Our Employees are expected not to use Corporation funds or facilities or services for any political purpose in contravention of this policy.

This policy shall not apply to purely individual contributions by Employees. However, the use of Corporation funds to fund an Employee contribution, or the reimbursement of an Employee contribution is strictly prohibited.

7.0 Antitrust

The antitrust laws of the United States are calculated to promote free and open competition. It is incumbent upon Employees to seek guidance and instructions from supervisors, and if necessary, from the Corporate Secretary whenever any questions relating to their compliance with those laws and regulations arise. All Employees are expected to conduct themselves in a manner designed to promote the Corporation's compliance with the antitrust laws, and no Employee shall discuss with any competitor: prices or terms of sale; division of territories or markets; allocation of customers; or boycotts of customers or suppliers.

8.0 Financial Reporting

The Corporation's senior financial officers (e.g., principal financial officer, controller, principal accounting officer and any person performing similar functions) as well as any person whose responsibilities include financial reporting duties ("Finance Personnel") have a heightened obligation to perform their duties in a diligent, honest and ethical manner. This duty of honesty extends to the full, fair, accurate, timely and understandable disclosure of information relating to the Corporation's financial condition and results of operation in its periodic reports and compliance with all applicable government rules and regulations. The primary responsibility for financial reporting, internal control, and compliance with laws, regulation, and ethics rests with executive management.

8.0 Financial Reporting (continued)

If Finance Personnel discover, or have reason to believe, that there is an actual or potential conflict of interest between their personal and professional relationships, they must report this information in a prompt fashion to the Corporate Secretary or the Corporation's Audit Committee. Examples of information which should be reported include but are not limited to: (i) internal control deficiencies such as failure to conduct quarterly reviews of those controls, or control overrides (such as situations in which Corporation officials responsible for a certain function have avoided performing such function or their decisions are overridden); (ii) fraud by management or by Employees with significant roles in financial reporting or internal controls (regardless of materiality); (iii) utilization of proprietary Corporation information by Corporation and non-Corporation personnel for the benefit of persons or entities other than the Corporation; and (iv) provision of non-auditing services by the Corporation's auditors without the prior consent of the Corporation's Audit Committee.

The Corporation's Audit Committee has important oversight responsibilities that relate to the Corporation's financial reporting, internal controls, compliance with applicable laws and regulations and Corporation ethics. In this capacity, the Audit Committee has the power to authorize investigations that are within the scope of its responsibilities, including conducting interviews or discussions with Employees and other persons whose views may be helpful to them. In its oversight capacity, the Audit Committee also monitors internal control processes by reviewing reports issued by external auditors and other information to gain reasonable assurance that the Corporation is in compliance with pertinent laws and regulations, is conducting its affairs ethically, and is maintaining effective controls against conflict of interest and fraud. If you have any concerns regarding the Corporation's financial reporting, internal controls, compliance with applicable laws and regulations and compliance of Corporation Employees with this Code of Conduct, you should contact the Corporate Secretary or the Chairman of the Audit Committee directly.

9.0 Integrity of Corporation Records

Financial Information and Records

To ensure that public companies such as HGI disclose complete and accurate financial information in their periodic reports, federal securities law requires the Corporation's CEO and CFO to certify that: (i) they have reviewed each periodic report; (ii) based on their knowledge, there are no materially false statements or material omissions in the subject periodic report; (iii) the report fairly presents the issuer's financial condition and results of operations; (iv) the signing officers are responsible for establishing and maintaining disclosure controls and procedures and have evaluated the effectiveness of those controls as of the date of the report; (v) they have disclosed control deficiencies and any fraud by management or Employees with a significant role in internal controls (regardless of materiality) to the auditors and the Audit Committee; and (vi) they have disclosed any significant deficiencies and material weaknesses in internal controls to the Corporation's auditors. In addition, all annual reports must include an internal control report concerning management's responsibility for establishing and assessing its internal control structure and procedures for financial reporting. It is anticipated that additional requirements may be promulgated in the near future.

9.0 Integrity of Corporation Records (continued)

It is Corporation policy to comply with accepted accounting rules and controls at all times. All Corporation records must accurately reflect the transactions they record. In particular, this policy requires the following:

- No undisclosed or unrecorded fund or asset of the Corporation shall be established for any purpose;
- No false or misleading entries shall be made in the books or records of the Corporation for any reason and no Employee shall assist in any arrangement that results in any such entry;
- No payment or expenditure of the Corporation shall be approved without adequate supporting documentation or made with intention or understanding that any Party of such payment or expenditure is to be used, directly or indirectly, for any purpose other than that expressly described by the supporting documentation;
- Any Employee having information concerning any unrecorded fund or asset or any prohibited act shall promptly report such matter to the Corporate Secretary;

Medical claims of Employees contain confidential information. Such claims shall be treated in a manner to retain that confidentiality and in a manner consistent with Corporation policy and procedures; and

The Corporation's internal and outside accountants must maintain all audit and review work product for five (5) years from the end of the applicable fiscal period.

In addition, every Employee should be aware that:

- It is a crime, punishable by imprisonment of up to ten (10) years, to knowingly and willfully violate Sarbanes-Oxley Act of 2002 provisions regarding retention of corporate audit records;
- It is a crime, punishable by imprisonment of up to twenty (20) years, to knowingly alter, destroy, conceal, etc. records or documents with the intent to impede, obstruct, or influence a federal government investigation or case filed in bankruptcy, or in relation to or contemplation of any such matter or case;
- It is a crime, punishable by imprisonment of up to twenty (20) years, to "corruptly" alter, destroy, mutilate, or conceal records or documents with the intent to impair their integrity or availability in an official proceeding; or to otherwise obstruct, influence, or impede a proceeding (or attempt to do so);
- It is a crime, punishable by imprisonment of up to ten (10) years, to knowingly, with the intent to retaliate, take any action harmful to a person for providing to a law enforcement officer any truthful information relating to the commission or possible commission of any federal offense.
- You should contact the Corporate Secretary should you have any question regarding the foregoing discussion.

9.0 Integrity of Corporation Records (continued)

Personnel Records

Personnel records are treated as confidential by the Corporation, unless otherwise required by law or permission to disclose their contents is given by an Employee. Notwithstanding the foregoing, the Corporation will confirm length of service and position held (and pay rate, when written permission is given by the Employee) when contacted by a prospective lender to an Employee or by a prospective employer after an Employee's separation from the Corporation.

Information to Customers

It is Corporation policy to provide technical information, which is as accurate as possible in order to properly guide our own Employees and customers in the sales and use of our products and services. No false or inaccurate data shall knowingly be recorded or used by any Employee. Any Employee having information concerning any such false data being recorded or used shall promptly report such a situation to the Corporate Secretary.

It is our policy to comply with applicable advertising laws and standards, including a commitment that our advertising and marketing with truthful, non-deceptive, and fair, and will be backed up with evidence before advertising claims are made. No false or deceptive statements or criticisms about our competitors will be made.

Computer Usage/Software Licensing

It is our Corporation policy to restrict access to computer databases and electronic mail communications systems to authorized users for business and business-related purposes only. It is the Corporation policy to maintain compliance with software licensing requirements of our suppliers and vendors.

The Corporation's computers shall be used only for official work of the Corporation, and an Employee's use of the Corporation's computers will cease when employment with the Corporation terminates.

10.0 Confidentiality

Confidential Information should be never be used or disclosed or authorized to anyone else for use or disclosure except when expressly permitted by the Corporation.

“Confidential Information” means information, which is disclosed to, known by, or generated by personnel as a consequence of or related to employment with the Corporation, which is not generally known outside the Corporation, and which relates to the Corporation’s business. “Confidential Information” is intended to include, but is not limited to, trade secrets, inventions, processes, formulas, systems, computer programs, plans, programs, studies, techniques, business information, customer lists, sales statistics, tactics and projections, marketing strategies and plans.

All records or copies of files, memoranda, reports, notes, business plans, compilations, computer runs, programs, customer information, customer lists and other recorded matter relating to the business of the Corporation, its property, operations, employees and business affairs which are used, prepared, received or come into contact with during employment (a) will remain the sole property of the Corporation, (b) will be returned to the Corporation upon the termination of employment (or sooner if requested by the Corporation) and no copies will be retained thereof, and (c) will not be copied or used except to the extent required in the course of employment by the Corporation.

11.0 Securities Trades By Corporation Personnel

Reasons for This Policy Statement

Federal securities regulators are vigorously pursuing violations of insider trading laws. Recent federal legislation has increased the penalties for insider trading and put the onus on companies for violations by their personnel. These policies and procedures covering securities trades by HGI personnel will help protect the Corporation and its personnel from potentially severe consequences.

This Policy Statement establishes policies for securities trading for all personnel and also sets forth compliance guidelines for officers and directors to whom special reporting obligations apply. It is intended to avoid even the appearance of improper conduct on the part of anyone employed by or associated with the Corporation. It is everyone's responsibility to maintain the Corporation's reputation for integrity and ethical conduct.

The Consequences

The consequences of insider trading violations can be severe:

For individuals who trade on insider information (or tip information to others):

- A civil penalty of up to three times the profit gained or loss avoided;
- A criminal fine (no matter how small the profit) of up to \$1 million; and
- A jail term of up to ten years.

For companies (and possibly any supervisory persons) that fail to take appropriate steps to prevent illegal trading:

- A civil penalty of the greater of \$1 million or three times the profit gained or loss avoided as a result of the employee's violation; and
- A criminal penalty of up to \$2.5 million.

11.0 Securities Trades By Corporation Personnel (continued)

In addition, the Securities Enforcement Remedies and Penny Stock Reform Act of 1990 provides the Securities and Exchange Commission (the "SEC") with greater enforcement powers, including the ability to go to court and seek significant fines for securities law violations (ranging up to \$100,000 for individuals and \$500,000 for companies per violation) and to seek its own cease and desist orders in an SEC administrative hearing.

Furthermore, under the so-called short swing profit rules, any profit made by a director or officer through the purchase and sale or sale and purchase, of Corporation shares occurring within six months, whatever the circumstances, must be paid to the Corporation.

Moreover, if an employee violates the Corporation's insider trading policy, he or she may be subject to Corporation-imposed sanctions, including dismissal for cause.

Heritage Global Inc. Policy

It is illegal for anyone with knowledge of material information affecting a public Corporation that has not been publicly disclosed to purchase or sell securities of that Corporation. It is also illegal for anyone to inform any other person of material non-public information, except in the necessary course of business. Therefore, insiders and employees with knowledge of confidential or material information about the Corporation or counter-parties in negotiations of potentially material transactions are prohibited from trading securities of the Corporation or any counter-party until the information has been fully disclosed and a reasonable period has passed for the information to be widely disseminated.

If a director, officer or any other employee has material non-public information relating to the Corporation, neither that person nor any related person may buy or sell securities of the Corporation or engage in any other action to take advantage of that information or pass it on to others. This policy also applies to information relating to any other Corporation, including our customers, suppliers or vendors and those with which the Corporation may be negotiating major transactions, obtained in the course of employment and to trading in the shares of such a customer or supplier. Information that is not material to the Corporation may nevertheless be material to one of these other companies.

Transactions that may appear justifiable for independent reasons (such as the need to raise money for an emergency) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

Material Information. Material information is any information relating to the business and affairs of the Corporation that results in, or would reasonably be expected to result in a significant change in the market price or value of the Corporation's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions. In short, any information that could reasonably affect the price of stock should be considered material.

11.0 Securities Trades By Corporation Personnel (continued)

Examples. Information that will likely be regarded as material includes: annual or quarterly financial results; projections of future earnings or losses; a significant change in earnings or earnings projections, news of a proposed merger, acquisition or tender offer; news of a significant purchase or sale of assets or the purchase or disposition of a division or subsidiary; changes in dividend policies or the declaration of a stock split or the offering of additional securities; changes in management; significant new products; impending bankruptcy or financial or liquidity problems; major litigation or regulatory sanctions; and the gain or loss of a substantial customer or supplier. Either positive or negative information may be material.

Benefit of Hindsight. Remember, if your securities transactions become the subject of scrutiny, they will be reviewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.

Transactions by Family Members. The very same restrictions apply to your family members and others living in your household. You are responsible for their compliance.

Tipping Information to Others. Whether the information is proprietary information about our Corporation or information that could affect our stock price, employees must never pass such information on to others. The above penalties may apply regardless of whether or not you derive any benefit from another's actions. For example, the SEC has imposed a \$470,000 penalty on a tipper even though he did not profit from his tippee's trading.

Posting material, nonpublic information, or making statements or recommendations based on this information, on any Internet website, electronic bulletin board, Internet message board, Internet chat room, or other similar form of electronic communication, can also constitute tipping under the securities laws. Because of the high potential for improper or premature disclosure of material, nonpublic information posed by these activities and the resulting liability under the securities laws for the employee and the Corporation, *employees may not post any information about the Corporation, its business plans, its employees or directors, or its customers, suppliers or vendors, nor engage in any discussions with other parties about the Corporation, its business plans, its employees or directors, or its customers, suppliers or vendors, on any of these forums.* Furthermore, employees should notify the Corporation's Corporate Secretary if they are aware of such activities by any other employee.

When Information Becomes Public. It is also improper for an officer, director or employee to enter a trade immediately after the Corporation has made a public announcement of material information, including earnings releases. Because the Corporation's stockholders and the investing public should be afforded the time to receive the information and act upon it, as a general rule *you should not engage in any transactions involving Corporation shares until one full business day after such information has been released.* Thus, if an announcement were made after the market closes on a Monday, Wednesday generally would be the first day on which you should trade. If an announcement were made before the market opens on a Friday, Monday would be the first day.

11.0 Securities Trades By Corporation Personnel (continued)

Period of No Securities Transactions. To minimize the risk of liability on the part of the Corporation and its personnel for violations of the foregoing insider trading restrictions, the Corporation has established a period relating to the Corporation's earnings during which the Corporation's directors, officers, senior executives, and certain other employees should not buy or sell Corporation shares under any circumstances. The quiet period begins on the last day of the last month of the quarter and extends until the end of the first full business day following the public release of the Corporation's financial results for that quarter (e.g. 10Q or 10K report covering that quarter).

Quiet periods may be prescribed from time to time by the Disclosure Policy Committee, which is described in the Disclosure Policy section of this document, as a result of special circumstances relating to the Corporation when insiders would be precluded from trading in its securities. All parties with knowledge of such special circumstances should be covered by the quiet period. These parties may include external advisors such as legal counsel, investment bankers, investor relations consultants and other professional advisors, and counter-parties in negotiations of material potential transactions.

During a quiet period, the Corporation will not initiate any meetings or telephone contacts with analysts and investors, but will respond to unsolicited inquiries concerning factual matters. If the Corporation is invited to participate, during a quiet period, in investment meetings or conferences organized by others, the Committee will determine, on a case-by-case basis, if it is advisable to accept these invitations. If accepted, extreme caution will be exercised to avoid selective disclosure of any material, non-public information.

Method of Preserving Confidentiality. Any employee privy to confidential information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business. Efforts will be made to limit access to confidential information to only those who need to know the information and those persons will be advised that the information is to be kept confidential.

Outside parties privy to undisclosed material information concerning the Corporation will be told that they must not divulge this information to anyone else, other as required by law and that they may not trade in the Corporation's securities until the information is publicly disclosed. Such outside parties may be asked to confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

Directors, officers and other employees of the Corporation should not discuss inside information in public places where it can be overheard such as elevators, restaurants, taxis and airplanes. Such information should be divulged only to persons having a need to know it in order to carry out their job responsibilities. To avoid even the appearance of impropriety, directors, officers and employees should refrain from providing any advice or making recommendations regarding the purchase or sale of the Corporation's shares. Use particular caution when receiving inquiries from securities analysts, companies in the same business as the Corporation and members of the press. All such inquiries should be handled by offering no comment on the matter and by referring the inquirer to the Corporation's investor relations area of its website or the Corporate Secretary.

11.0 Securities Trades By Corporation Personnel (continued)

To prevent the misuse or inadvertent disclosure of material information, the following procedures should be observed at all times:

- Documents and files containing confidential information should be kept in a safe place, with access restricted to individuals who “need to know” that information in the necessary course of business. Code names for confidential projects should be used if necessary.
- Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
- Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
- Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
- Transmission of documents by electronic means, such as by fax, e-mail or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
- Access to confidential electronic data should be restricted through the use of passwords.

Additional Prohibited Transactions

Because we believe it is improper and inappropriate for any Corporation personnel to engage in short-term or speculative transactions involving Corporation stock, directors, officers and employees should not engage in any of the following activities with respect to securities of the Corporation:

1. Trading in Securities on a Short-Term Basis. Any Corporation shares purchased by any personnel in the open market must be held for a minimum of six months and ideally longer, unless (in the case of employees who are not officers or directors) the sale results from personal emergency and the holding period is waived by the Corporation’s Corporate Secretary. (Note that the SEC’s short-swing profit rule already prevents officers and directors from selling any Corporation stock within six months of a purchase. We are simply expanding this rule to all employees.)
2. Short Sales.
3. Buying or Selling Puts or Calls.

11.0 Securities Trades By Corporation Personnel (continued)

Corporation Assistance

Any person who has any questions about specific transactions may obtain additional guidance from the Corporation's Corporate Secretary. Remember, however, the ultimate responsibility for adhering to this Policy Statement and avoiding improper transactions rests with you.

12.0 Special Guidelines for Directors and Officers

Pre-Clearance of All Trades by Directors and Officers

To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an officer engages in a trade while unaware of a pending major development), we are implementing the following procedure:

All transactions in Corporation stock (acquisitions, dispositions, transfers, etc.) by directors and officers must be pre-cleared by the Corporation's Corporate Secretary. If you contemplate a transaction, you should contact the Corporate Secretary in advance. Insiders are personally responsible for filing accurate and timely insider trading reports. Insiders are required to provide a copy of all insider reports to the Corporate Secretary or other designated person concurrent with their filing to regulatory authorities.

Section 16 Reporting. One reason for pre-clearing trades by officers and directors is that their purchases and sales of Corporation securities are subject to the short-swing profit rules imposed by Sections 16(a) and (b) of the Securities Exchange Act of 1934 (the "1934 Act").

A. Ownership Reports.

Under Section 16(a) of the 1934 Act, officers, directors and greater than 10% stockholders of the Corporation ("insiders") must file with the SEC public reports disclosing their holdings of, and transactions in, the Corporation's equity securities. For purposes of these filing requirements, the individuals identified as "executive officers" in the Corporation's Form 10-K and the Corporation's principal accounting officer are required to file such reports. Insiders who have delinquent or late filings under Section 16 must be disclosed by name in the Corporation's proxy statement (and Form 10-K).

Forms 3. An initial report on Form 3 must be filed by every insider disclosing all equity securities of the Corporation beneficially owned by the reporting person on the date he or she became an insider. Even if no securities were owned on that date, the insider must file a report. The report is due ten days after such person becomes an insider. Reports under Section 16(a) are intended to cover all Corporation securities beneficially owned either directly by the insider or indirectly through others. An insider is considered the direct owner of all shares of the Corporation held in his or her own name or held jointly with others. An insider is considered the indirect owner of any securities in which he or she has a pecuniary interest. In other words, an insider is the beneficial owner of shares if he or she can profit from purchases and sales of the shares. Thus, shares of the Corporation beneficially owned through partnerships, corporations, trusts, and estates, are subject to reporting. Absent countervailing facts, an insider is presumed to be the beneficial owner of securities held by his or her spouse and other members of his or her family sharing the insider's home. But an insider is free to disclaim beneficial ownership of these or any other securities being reported if insider believes he or she has a reasonable basis for doing so. Those who have questions regarding the beneficial ownership of shares should contact the Corporation's Corporate Secretary.

12.0 Special Guidelines for Directors and Officers (continued)

Forms 4. A Form 4 must be filed whenever there is a non-exempt acquisition or disposition of shares by the insider. Transfers to trusts and other changes in the nature of an insider's ownership (e.g. from direct to indirect) must be reported. Small acquisitions are exempt from immediate Form 4 reporting but must be reported on the next Form 4 otherwise due or on the annual Form 5 if no Form 4 is filed in the interim. This form must be filed before the end of the second business day following the day on which a transaction resulting in a change in beneficial ownership has been executed. In addition, officers and directors must report any changes that occur after they are no longer insiders if the change takes place within six months of any transaction while an insider

Forms 5. The Form 5 must be filed by every person subject to Section 16 reporting within 45 days after the end of the Corporation's fiscal year. Form 5 is to be used to report any exempt transactions, including sales and purchases of shares under certain employee stock benefit plans, and gifts of stock, and to report failures to file previously due reports. A primary purpose of the Form 5 is to promote compliance with Section 16(a) by requiring insiders to report any required Forms 3 and 4 that had not been filed during the year. At year-end officers and directors who have no Form 5 items to report will be required to provide the Corporation with a written representation that no Form 5 filing is due (i.e., there are no unreported transactions).

B. Procedures to Ensure Compliance with Section 16(a)

Introduction

Full compliance with your reporting and other obligations under the securities laws is your personal responsibility, not the Corporation's. While this statement sets forth guidelines, it is not exhaustive. Although the Corporate Secretary and/or the Chief Financial Officer should be able to assist you with routine filings, you should direct any significant questions to your own counsel.

In an effort to ensure that its insiders comply with the reporting requirements of Section 16, the Corporation has implemented the following compliance procedures:

1. **Corporate Secretary.** The Corporation has designated the Corporate Secretary to assist officers and directors in preparing and/or reviewing all Forms 3, 4 and 5 filings.
2. **Preparing and Reviewing Forms 3, 4 and 5.** The Corporate Secretary will prepare the required Form 3 upon an individual's assumption of officer or director status. In addition, the Corporate Secretary will assist all officers and directors in preparing a Form 4 whenever there is an acquisition or disposition of shares that would require a filing and in preparing a Form 5 after the end of each fiscal year.
3. **Power of Attorney.** Even if an individual is unable to sign personally a Form 3, 4 or 5 (e.g., if the reporting person is out of town), the SEC permits the Form to be signed by another person without a prior or simultaneous filing of a power of attorney as long as a power is sent "as soon as practicable." The SEC will not excuse a late filing simply because the individual is unavailable. To facilitate timely filings, a power of attorney has been designed that gives the Corporate Secretary and/or the Chief Financial Officer or persons substituted by that individual the authority to sign Forms 4 and 5 on behalf of a reporting person. Every insider should obtain from the Corporate Secretary and/or the Chief Financial Officer this form of Power of Attorney, sign it and return it to the Corporate Secretary and/or the Chief Financial Officer.

12.0 Special Guidelines for Directors and Officers (continued)

4. **Changes in Ownership.** If an insider's share ownership changes at any time, the insider should immediately inform the Corporate Secretary and/or the Chief Financial Officer to ensure that a Form 4 is timely filed on his or her behalf. The Form 4 must be received by the SEC no later than two business days following any reportable transaction, so time is of the essence.

C. Rule 144.

If you are an officer or director of the Corporation or are otherwise in a "control" relationship with the Corporation, you are also deemed to be an affiliate of the Corporation under the securities laws, making your sales of shares subject to special limitations. To avoid risking liability, all such persons are required to comply with SEC Rule 144 in selling shares.

1. **Brokered Transaction.** You may only sell in an unsolicited transaction through a licensed broker or to a market maker in Corporation shares. You must inform the broker or market maker of your status as a Corporation affiliate.
2. **Limitation.** In any three months, sales by you, your family and household members, affiliates and other entities in which you hold a 10% or greater interest may not exceed the greater of (a) 1% of the outstanding Corporation shares or (b) the average weekly reported trading volume of Corporation shares for the 4 calendar weeks preceding your Rule 144 filing (or, if no filing is required, the time you direct your broker to effect the sale).

Form 144. If your sales and those of your associates described in item (2) above in any three months exceed either \$10,000 or 500 shares, you must file Form 144. Three copies must be filed with the SEC at the following address:

Securities and Exchange Commission

450 Fifth Street, N.W.
Washington, D.C. 20549-1004

The filing must be mailed by the time you place your order with your broker.

3. **Assistance.** Normally, your broker will assist you with Form 144. Remember to pre-clear all transactions with the Corporate Secretary. Questions or requests for assistance may be directed to the Corporate Secretary.

Consequences of Violation

Any employee who violates this Policy Statement is subject to possible suspension or discharge. Any employee who assists in, or knowingly fails to report, a violation of this Policy Statement is also subject to suspension, discharge or other appropriate action. Any employee who suspects a violation of this Policy Statement should inform the Corporate Secretary or the Chairman of the Board of the Corporation (anonymously if desired).

13.0 Disclosure Policy

The Corporation is committed to the highest standards of corporate governance and shareholder/investor communications. The following principles, procedures and guidelines on timely disclosure of material information and transactions in the Corporation's securities by employees are an extension and integral part of the Corporation's Code of Conduct.

The objective of the Disclosure Policy is to ensure that communications with the investing public about the Corporation are:

- Timely, factual and accurate; and
- Broadly disseminated in accordance with all applicable legal and regulatory requirements.

The Disclosure Policy extends to all employees of the Corporation, its board of directors, those authorized to speak on its behalf and all other insiders. It covers disclosures in documents filed with the securities regulators, financial and non-financial disclosure, including management's discussion and analysis (MD&A) and written statements made in the Corporation's annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on the Corporation's Website and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

Disclosure Policy Committee

The Disclosure Policy Committee (the "Committee") is responsible for all regulatory disclosure requirements and for overseeing the Corporation's disclosure practices. The Committee consists of Scott West, Chief Financial Officer, James Sklar, Executive Vice President, General Counsel and Secretary and Greg Maloomian, Director of Financial Compliance.

It is essential that the Committee be kept fully apprised of all pending material developments in order to evaluate and discuss those events to determine the appropriateness and timing for public release of information. If it is deemed that material information should remain confidential, the Committee will determine how that inside information will be controlled.

The Committee will use experience and judgment to determine the timing for public release of material information. The Committee is responsible for ensuring appropriate systems, processes and controls for disclosure and will review all news releases and core disclosure documents prior to their release or filing, including the Corporation's MD&A.

The Committee will review and update, if necessary, this Disclosure Policy annually or as needed to ensure compliance with changing regulatory requirements. The Committee will report to the board of directors.

13.0 Disclosure Policy (continued)

Principles of Disclosure

Material information, as defined earlier, is any information relating to the business and affairs of the Corporation that results in, or would reasonably be expected to result in, a significant change in the market price or value of the Corporation's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions. In complying with the requirement to immediately disclose all material information under applicable laws and stock exchange rules, the Corporation will adhere to the following basic disclosure principles:

- Material information will be publicly disclosed immediately via news release.
- In certain circumstances, the Committee may determine that such disclosure would be unduly detrimental to the Corporation (for example, if release of the information would prejudice negotiations in a corporate transaction), in which case the information will be kept confidential until the Committee determines it is appropriate to publicly disclose.
- Disclosure must include any information the omission of which would make the rest of the disclosure misleading (half truths are misleading).
- Unfavorable material information must be disclosed as promptly and completely as favorable information.
- There must be no selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an investor meeting or during a telephone conversation with an analyst). If previously undisclosed material information is inadvertently disclosed, this information must be broadly disclosed immediately via news release.
- Disclosure should be consistent among all audiences, including the investment community, the media, customers and employees.
- Disclosure on the Corporation's Website alone does not constitute adequate disclosure of material information.
- Disclosure must be corrected immediately if the Corporation subsequently learns that earlier disclosure contained a material error at the time it was given.

13.0 Disclosure Policy (continued)

Designated Spokespersons

The Corporation designates a limited number of spokespersons with authority for communication with the investment community, regulators and the media. Ross Dove, Chief Executive Officer and Kirk Dove, President and Chief Operating Officer shall be the official spokespersons for the Corporation. Others may, from time to time, be designated to speak on behalf of the Corporation as back-ups or to respond to specific inquiries.

Employees who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson. All such inquiries are to be referred to one of the designated spokespersons.

News Releases

Once the Committee determines that a development is material, it will authorize the issuance of a news release unless the Committee determines that such developments must remain confidential for the time being. If developments are to remain confidential, appropriate confidential filings may be made and control of the inside information must be instituted. Should a material statement inadvertently be made in a selective forum, the Corporation will immediately issue a news release to fully disclose that information.

News releases containing earnings guidance and financial results will be reviewed by the audit committee and/or board prior to issuance. Financial results will be publicly released following audit committee or board approval of the MD&A, financial statements and notes.

If the stock exchange upon which shares of the Corporation are listed is open for trading at the time of a proposed announcement, prior notice of a news release announcing material information must be provided to its market surveillance division to enable a trading halt, if deemed necessary by the stock exchange. If a news release announcing material information is issued outside of trading hours, the exchange must be notified promptly and in any event before the market reopens.

News releases will be disseminated through an approved news wire service that provides simultaneous national distribution. Full-text news releases will be transmitted to all stock exchange members, relevant regulatory bodies, major business wires, and national financial media.

News releases will be posted on the Corporation's Website after confirmation of dissemination over the news wire.

Conference Calls

Conference calls may be held for quarterly earnings and major corporate developments, accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a webcast over the Internet. The call, if held, will be preceded by a news release containing all relevant material information. At the beginning of the call, a Corporation spokesperson will provide appropriate cautionary language regarding any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties applicable to the news.

13.0 Disclosure Policy (continued)

The Corporation will provide advance notice of the conference call and webcast by issuing a news release announcing the date, time and topic and providing information on how interested parties may access the call and webcast. These details will be provided on the Corporation's Web site. In addition, the Corporation may send invitations to analysts, institutional investors, the media and others. Any non-material supplemental information provided to participants will also be posted to the Web site for others to view.

A tape replay of the conference call will be made available for a minimum of seven days and an archived audio webcast and/or text transcript will be made available on the Corporation's Website for a minimum of 90 days.

If the Committee determines that selective disclosure of previously undisclosed material information has occurred during a conference call, the Corporation will immediately disclose the information broadly via news release.

Rumors

The Corporation does not comment, affirmatively or negatively, on rumors. This also applies to rumors on the Internet. The Corporation's spokespersons will respond consistently to any rumors, saying, "It is our policy not to comment on market rumors or speculation."

Should the stock exchange request that the Corporation make a definitive statement in response to a market rumor that is causing significant volatility in the stock, the Committee will consider the matter and decide whether to make a policy exception. If the rumor is true in whole or in part, this may be evidence of a leak, and the Corporation will immediately issue a news release disclosing the relevant material information.

Contacts with Analysts, Investors and Media

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Corporation intends to announce material information at an analyst or shareholder meeting or a press conference or conference call, the announcement must be preceded by a news release.

The Corporation recognizes that meetings with analysts and significant investors are an important element of its investor relations program. The Corporation will meet with analysts and investors individually or in small groups as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Disclosure Policy. All analysts will receive fair treatment regardless of whether they are recommending buying or selling the Corporation's securities.

The Corporation will provide only non-material information through individual and group meetings, in addition to publicly disclosed information, recognizing that an analyst or investor may construct this information into a mosaic that could result in material information. The Corporation cannot alter the materiality of information by breaking down the information into smaller, non-material components.

13.0 Disclosure Policy (continued)

The Corporation will provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors and may post this information on its Website.

Spokespersons will keep notes of telephone conversations with analysts and investors and where practicable more than one Corporation representative will be present at all individual and group meetings. A debriefing will be held after these meetings and if it is determined that selective disclosure of previously undisclosed material information has occurred, the Corporation will immediately disclose the information broadly via news release.

Reviewing Analysts' Reports and Models

Upon request, the Corporation may review analysts' draft research reports or financial models for factual accuracy based on publicly disclosed information. The Corporation will not confirm, or attempt to influence, an analyst's opinions or conclusions.

To avoid appearing to endorse an analyst's report or model, the Corporation will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

Forward Looking Information

A consistent approach to disclosure is important. Should the Corporation elect to disclose forward-looking information in continuous disclosure documents, speeches, conference calls, etc., the following guidelines will be observed:

- All material forward-looking information will be broadly disseminated via news release;
- The information will be clearly identified as forward looking;
- The Corporation will identify the material assumptions used in the preparation of the forward-looking information;
- The information will be accompanied by a statement that identifies, in specific terms, the risks and uncertainties that may cause the actual results to differ materially from those projected in the statement;
- The information may be accompanied by supplementary information such as a range of reasonably possible outcomes or a sensitivity analysis to indicate the extent to which different business conditions may affect the actual outcome;
- The information will be accompanied by a statement that the information is stated as of the current date and subject to change after that date, and the Corporation disclaims any intention to update or revise this statement of forward-looking information, whether as a result of new information, future events or otherwise; and

13.0 Disclosure Policy (continued)

- Once disclosed, the Corporation's practice for updating forward-looking information will be to regularly assess whether previous statements of forward-looking information should be replaced by new financial outlooks, and ensure that past disclosure of forward-looking information is accurately reflected in current MD&A.

Disclosure Records

The Committee will maintain a two-year record of all public information about the Corporation, including continuous disclosure documents, news releases, and analysts' reports.

Responsibility for Electronic Communications

The Disclosure Policy also applies to electronic communications. Accordingly, officers and personnel responsible for written and oral public disclosures are also responsible for electronic communications.

The Committee is responsible for updating the investor relations section of the Corporation's website and for monitoring all Corporation information placed on the website to ensure that it is accurate, complete, up-to-date and in compliance with relevant securities laws.

Disclosure on the Corporation's website alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosure of material information on the website will be preceded by the issuance of a news release.

All continuous disclosure documents will be provided in the Investor Relations section of the Corporation's website. All information posted, including text and audiovisual material, will show the date the material was issued. Any material changes in information must be updated immediately, following issuance of a news release.

In accordance with this Disclosure Policy, employees (including designated spokespersons) are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to the Corporation's activities or its securities.

Communication, Education and Enforcement

The Disclosure Policy extends to all employees of the Corporation, its board of directors and its authorized spokespersons. New directors, officers and employees will be provided with a copy of this Disclosure Policy and educated about its importance.

Any employee who violates the Disclosure Policy may face disciplinary action up to and including termination of employment with the Corporation without notice. The violation of this Disclosure Policy may also violate certain securities laws, which could expose directors, officers or employees to personal liability. If it appears that an employee may have violated such securities laws, the Corporation may refer the matter to the appropriate regulatory authorities, which could lead to fines or other penalties.

14.0 Exceptions to the Code of Conduct

The Corporate Secretary may make exceptions on a case-by-case basis of this Code upon a determination that the conduct at issue involves a negligible opportunity for abuse or otherwise merits an exemption from the Standards set forth herein. All such exceptions must be received in writing by the person requesting the exemption before becoming effective.

15.0 Supervisory Procedures

The role of the Corporate Secretary is critical to the implementation and maintenance of this Code of Conduct. Supervisory Procedures can be divided into two classifications: (i) prevention of violations of law; and (ii) the preservation of systems necessary to assure the integrity of the Corporation's financial reporting.

Prevention of Violations of Law

To prevent insider trading, the Corporate Secretary should:

- provide, on a regular basis, a program to familiarize Employees with the Corporation's policy and procedures, including the furnishing of this Code of Conduct to all Employees and to each new Employee upon commencement of employment;
- answer questions regarding the Code of Conduct;
- resolve issues of whether information received by an Employee of the Corporation is material and non-public;
- review, with the assistance of the Corporation's legal counsel, on a regular basis and update as necessary the Code of Conduct;
- when it has been determined that an Employee of the Corporation has Material Non-Public Information, implement measures to prevent dissemination of such information, and if necessary, restrict Employees from trading the affected securities; and
- promptly review and either approve or disapprove, in writing, each request of an Employee for clearance to trade in specified securities.

Detection of Insider Trading

To detect insider trading, the Corporate Secretary should:

- review the trading activity reports and beneficial ownership disclosure, as filed with the SEC, filed by each officer and director;
- maintain regular communication with and be available to answer questions from Employees of the Corporation who are contemplating securities transactions; and
- coordinate the review of such reports with other appropriate officers or directors of the Corporation.

15.0 Supervisory Procedures (continued)

Special Reports to Management

Upon learning of a potential violation of the Code of Conduct, the Corporate Secretary should promptly prepare a written report to management and the Audit Committee providing full details and recommendations for further action.

Acknowledgment

We will expect every Employee requested to do so to submit a letter affirming the knowledge and understanding of this Code of Conduct and to disclose any transactions where it might appear to an outsider that any of these policies have not been observed.

Corporate Secretary

Employees who discover violations of Corporation policies are encouraged to report the violations immediately to the Corporate Secretary and to the Chairman of the Audit Committee. The Corporate Secretary will be responsible for providing information about the Corporation's position on ethical issues, for responding to inquiries about Employee conduct, and for considering disciplinary action, which may be taken against any persons found in violation of these Standards.

16.0 Acknowledgement

To: Heritage Global Inc. Corporate Secretary

I have read the Code of Conduct. I understand my responsibility to comply with the Code of Conduct and the process and consequences for dealing with violations thereof.

If I have any questions or concerns regarding conduct that may raise concern under this Code of Conduct, I will immediately follow one of the procedures suggested in this policy and will notify the Corporate Secretary.

Signature

Print Your Name

Date

Job Title or Classification

Location

17.0 Key Contacts

Corporate Secretary:

James Sklar
EVP, General Counsel and Corporate Secretary
Heritage Global Inc.
30665 Northwestern Highway, Suite 200
Farmington Hills, MI 48334
Telephone: (248) 906-8650
Email: jsklar@hginc.com

Chief Financial Officer:

Scott West
Chief Financial Officer
Heritage Global Inc,
12625 High Bluff Drive, Suite 305
San Diego, CA 92130
Telephone: (858) 847-0656
Email: swest@hginc.com

Chairman of the Audit Committee
of the Board of Directors:

Sam Shimer
Email: sshimer@slccap.com

Chairman of the Board
of Heritage Global Inc.

Allan Silber
Street Capital Group Inc.
1 Toronto Street, Suite 700, P.O. Box 3
Toronto, Ontario, Canada M5C 2V6
Telephone: (416) 866-3060
Email: Allan.Silber@streetcapital.ca