



# Code of Ethics & Business Conduct Guidelines

STOR SYSTEMS LTD

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## Introduction

Stor's Code of Business Conduct covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees. All of our employees must conduct themselves accordingly and seek to avoid even the appearance of improper behavior.

If a law conflicts with a policy in this Code, you must comply with the law. Employees are responsible for understanding the legal and policy requirements that apply to their jobs and reporting any suspected violations of law,

Those who violate the standards in this Code will be subject to disciplinary action, *including possible dismissal*. Furthermore, violations of this Code may also be violations of the law and may result in civil or criminal penalties for you, your supervisors or the company.

## Compliance with Laws, Rules and Regulations

Obedying the law, both in letter and in spirit, is the foundation on which this Stor's ethical standards are built. All employees must respect and obey the laws, rules and regulations of the countries in which we operate. Although employees are not expected to know the details of each of these laws, rules and regulations, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

## Conflicts of Interest

A "conflict of interest" exists when a person's private interest interferes in any way - or even appears to interfere - with the interests of Stor. A conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise when an employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in Stor. Loans to, or guarantees of obligations of, employees and their family members by Stor may create conflicts of interest and in certain instances are prohibited by law.

It is a conflict of interest for an employee to work for a competitor, customer or supplier. You should avoid any direct or indirect business connection with our customers, suppliers or competitors, except as required on our behalf.

Conflicts of interest are prohibited as a matter of Stor policy, except as approved by the Board of Directors. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with your manager. Any employee who becomes aware of a conflict or potential conflict should bring it to the attention of supervisor, manager or other appropriate personnel.

## Insider Trading

All non-public information about Stor should be considered confidential information. Employees who have access to confidential information about Stor or any other entity are not permitted to use or share that information for trading purposes in Stor or the other entity's securities or for any other purpose except the conduct of Stor's business. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal.

## Corporate Opportunities

Employees are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors. No employee may use corporate property, information, or position for personal gain, and no employee may compete with Stor directly or indirectly. Employees owe a duty to advance the Stor's interests when the opportunity to do so arises.

## Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee should endeavor to respect the rights of and deal fairly with Stor's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other illegal trade practice.

No employee is permitted to engage in price fixing, bid rigging, allocation of markets or customers, or similar illegal anti-competitive activities. To maintain Stor's valuable reputation, compliance with our quality processes and safety requirements is essential. All inspection and testing documents must be handled in accordance with all applicable specifications and requirements.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any employee or officer, family member of an employee unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is reasonable in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws, regulations or applicable policies of the other party's organization. Please discuss with your manager any gifts or proposed gifts which you are not certain are appropriate.

## Political Contributions

Except as approved in advance by the Chief Executive Officer or Chief Financial Officer, Stor prohibits political contributions (directly or through trade associations) by Stor. This includes: (a) any contributions of Stor funds or other assets for political purposes, (b) encouraging individual employees to make any such contribution; or (c) reimbursing an employee for any contribution.

Individual employees are free to make personal political contributions as they see fit.

## Discrimination and Harassment

The diversity of Stor's employees is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment based on race, color, religion, sex, national origin or any other protected class.

## Health and Safety

Stor strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are not permitted.

Employees are expected to perform their work in a safe manner, free of the influences of alcohol, illegal drugs or controlled substances. The use of illegal drugs in the workplace will not be tolerated.

## Record-Keeping, Financial Controls and Disclosures

Stor requires honest, accurate and timely recording and reporting of information in order to make responsible business decisions.

All business expense accounts must be documented and recorded accurately in a timely manner. If you are not sure whether a certain expense is legitimate, ask your controller.

All of Stor's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect Stor's transactions, must be promptly disclosed in accordance with any applicable laws or regulations and must conform both to applicable legal requirements and to Stor's system of internal controls.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that may be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to Stor's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation, please consult the Director.

## Confidentiality

Employees must maintain the confidentiality of proprietary information entrusted to them by Stor or its customers or suppliers, except when disclosure is authorized in writing by the Chief Financial Officer or required by laws or regulations. Proprietary information includes all non-public information that might be of use to competitors or harmful to Stor or its customers or suppliers if disclosed. It includes information that suppliers and customers have entrusted to us. The obligation to preserve proprietary information continues even after employment ends.

## Protection and Proper Use of Company Assets

All employees have a direct impact on Stor's profitability. All Company assets are to be used for legitimate business purposes. Any suspected incident of fraud or theft should be immediately reported for investigation. Assets should not be used for non-Stor business.

The obligation of employees to protect Stor's assets includes Stor's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of Company policy. It could also be illegal and result in civil or criminal penalties.

## Reporting any Illegal or Unethical Behavior

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed behavior, which they believe may be illegal or a violation of this Code of Conduct or Stor policy or when in doubt about the best course of action in a particular situation. It is the policy of Stor not to allow retaliation for reports made in good faith by employees of misconduct by others. Employees are expected to cooperate in internal investigations of misconduct.