

# HELIX BIOMEDIX, INC.

## CODE OF BUSINESS CONDUCT

### 1. Policy Statement

Helix is committed to being a good corporate citizen. Helix's policy is to conduct its business affairs honestly and in an ethical manner. That goal cannot be achieved unless each and every employee individually accepts his or her responsibility to promote integrity and demonstrate the highest level of ethical conduct in all their activities. Activities that may call into question Helix's reputation or integrity should be avoided. Helix understands that not every situation is black and white. When an employee is faced with a business situation where he or she must determine the right thing to do, an employee should ask the following questions:

- Am I following the spirit, as well as the letter, of any law or Helix policy?
- Would I want my actions reported publicly?
- What would my family, friends or neighbors think of my actions?
- Will there be any direct or indirect negative consequences for Helix?

Every manager and supervisor is expected to take necessary actions to ensure compliance with this Code, to provide guidance and assist employees in resolving questions concerning the Code and to permit employees to express any concerns regarding compliance with this Code.

### 2. Compliance with Laws, Rules and Regulations

*Helix seeks to comply with both the letter and spirit of the laws and regulations in all countries in which it operates.*

Numerous federal, state and local laws and regulations define and establish obligations with which Helix, its employees and agents must comply. Any employee or agent who violates these laws or regulations not only risks individual indictment, prosecution and penalties, and civil actions and penalties, but also subjects Helix to the same risks and penalties. Any employee or agent who violates these laws may be subject to immediate disciplinary actions, including possible termination of his or her employment or affiliation with Helix. If you are uncertain whether a particular actions or course of conduct is permissible, you should refrain from engaging in the action or conduct until a determination has been made by the appropriate officer. When faced with situations that require some knowledge of the law, employees should seek advice from supervisors, managers, the Compliance Officer, or other appropriate personnel.

Set forth below are some of the major federal, state and local laws applicable to Helix and the industry in which we operate. This outline is not intended to identify all applicable laws. As explained below, employees should always consult the Compliance Officer with specific questions. Employees should also refer to the Helix Employee Handbook for additional policies and standards applicable to Helix employees in day-to-day operations.

- bribery and gratuity laws;
- securities laws and such other laws as are enforced by the Securities and Exchange Commission;
- employment laws;
- antitrust laws;
- fraud laws;
- laws governing the development, manufacture, marketing, sale and distribution of pharmaceutical products, including such laws as are enforced by the Food and Drug Administration;
- false statements and false claim laws; and
- conspiracy laws.

### **3. Fair Dealing**

*Our goal is to be regarded as a company that does business with integrity.*

Each employee should endeavor to deal fairly with Helix's strategic partners, competitors and employees. Under federal and state laws, Helix is prohibited from engaging in unfair methods of competition, and unfair or deceptive acts and practices. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Examples of prohibited conduct include, but are not limited to:

- making false, deceptive or disparaging claims or comparisons about competitors or their products;
- making affirmative claims about Helix's products without having a reasonable basis for doing so;
- bribery or payoffs to induce business or breaches of contracts by others;

- mislabeling products; or
- acquiring a competitor's trade secrets through bribery or theft.

In addition, public statements by or on behalf of Helix should always be accurate, have a reasonable basis in fact, and should not be misleading. Public statements may include such things as publicity, investor or other presentations, and interviews.

#### **4. Insider Trading**

*Employees should never trade securities on the basis of confidential information acquired through their employment relationship.*

Federal law and Helix policy prohibit employees, directly or indirectly, from purchasing or selling Helix stock through the use of confidential information concerning Helix. All non-public information about Helix should be considered confidential information. This same prohibition applies to trading in the stock of other publicly held companies, such as existing or potential strategic partners, on the basis of confidential information. The "tipping" of others who might make an investment decision on the basis of this information is also illegal. If you have a question concerning appropriateness or legality of a particular securities transaction, it is imperative that you consult with Helix's Compliance Officer.

#### **5. Conflicts of Interest and Corporate Opportunities**

*An employee must avoid any situation in which his or her personal interests conflict or even appear to conflict with Helix's interests. Employees owe a duty to Helix not to compromise Helix's legitimate interests and to advance such interests when the opportunity to do so arises in the course of the employee's employment.*

Employees should avoid entering into situations in which their personal, family or financial interests or loyalties may conflict with those of Helix. Employees may not engage in activities that compete with Helix or compromise its interests. Employees should not take for their own benefit opportunities discovered in the course of employment that the employee has reason to know would benefit Helix. A conflict situation can arise:

- when an employee, officer, or director, or a member of his or her family, or an affiliate of any of such parties, receives improper personal benefits as a result of his or her position in Helix;
- when an employee, officer, or director takes actions or has interests that make it difficult to perform his or her Helix work objectively and effectively;

- where a Helix employee, officer or director works simultaneously for a competitor;
- where an employee, officer or director has a financial interest in a competitor that may cause divided loyalty with Helix or the appearance of divided loyalty;
- if an employee, officer or director acquires an interest in property (such as real estate, patent rights or securities) where Helix has, or might have, an interest;
- through the making of loans to, or guarantees of obligations of, employees and their family members; or
- if any employee, officer or director divulges or uses Helix's confidential information for his or her own personal or business purposes.

Conflicts are not always clear-cut. If an employee becomes aware of a conflict, potential conflict, or has a question as to a potential conflict, the employee should consult with higher levels of management or Helix's Compliance Officer and/or follow the procedures described in Section 8 of this Code. If an employee becomes involved in a situation that gives rise to an actual conflict, the employee must inform higher levels of management or Helix's Compliance Officer of the conflict.

## **6. Confidentiality**

*All confidential information concerning Helix obtained by employees, officers, and directors is the property of Helix and must be protected.*

Confidential information includes all non-public information that might be of use to competitors, or harmful to Helix or its strategic partner's, if disclosed. Employees must maintain the confidentiality of such information entrusted to them by Helix and its strategic partners, except when disclosure is authorized by Helix or required by law. The obligation to keep this information confidential applies even to communication with family members.

Examples of confidential information include, but are not limited to: Helix's trade secrets; the status of Helix's pre-clinical and clinical initiatives; business trends and projections; information about financial performance; new product or marketing plans; research and development ideas or information, including all information relating to manufacturing processes; information about potential acquisitions, divestitures and investments; stock splits, public or private securities offerings or changes in dividend policies or amounts; and existing or potential major contracts, orders, or finance sources or the loss thereof.

## **7. Protection and Proper Use of Company Assets**

*All employees should endeavor to protect Helix's assets and ensure their proper use.*

Helix assets are to be used only for legitimate business purposes of Helix and only by authorized employees or their designees. This includes both tangible and intangible assets. Intangible assets include, but are not limited to: intellectual property such as trade secrets, patents, trademarks and copyrights; business, marketing and service plans; research, engineering and manufacturing ideas; databases; Helix records; salary information; and any unpublished financial data and reports. Unauthorized alteration, destruction, use, disclosure or distribution of these assets violates Helix policy and this Code. Any such action, as well as theft or waste of, or carelessness in using, these assets have a direct adverse impact on Helix's operations and profitability and will not be tolerated.

Helix provides computers, voice mail, electronic mail (e-mail), and Internet access to certain employees for the purpose of achieving the Helix business objectives. As a result, Helix has the right to access, reprint, publish, or retain any information created, sent or contained in any of Helix's computers or e-mail systems of any Helix machine. Employees may not use e-mail, the Internet or voice mail for any illegal purpose or in any manner that is contrary to Helix's policies or the standard embodied in this Code.

No employee should make copies of, or resell or transfer (externally or internally), copyrighted publications, including software, manuals, articles, books and databases being used in Helix that were created by another entity and licensed to Helix unless he or she is authorized to do so under the applicable license agreement or by the "fair use" doctrine, such as for "backup" purposes.

## **8. Reporting Violations of Company Policies and Receipt of Complaints Regarding Financial Reporting or Accounting Issues**

*All employees should report any violation or suspected violation of this Code to the appropriate Helix personnel.<sup>1</sup>*

Helix's efforts to ensure observance of, and adherence to, the goals and policies outlined in this Code mandate that employees bring any instance, occurrence or practice that they, in good faith, believe is inconsistent with or in violation of this Code to the attention of their supervisors, managers, or other appropriate personnel. The following is an approach to dealing with potential problem situations. For a more complete description of this policy, please refer to Helix's Whistleblowing and Complaint Policy.

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- Discuss possible problems with a supervisor or other member of Helix management. In the event you believe a violation of the Code has occurred or you have observed or become aware of conduct that appears to be contrary to the Code, immediately discuss the situation with your supervisor. If you receive, or receive notice of, a complaint or concern regarding Helix’s financial disclosure, accounting, internal controls or audits, you must immediately advise your supervisor. If it would be inappropriate to discuss the issue with your supervisor, you should contact the Compliance Officer or Helix’s confidential email address [complianceofficer@helixbiomedix.com](mailto:complianceofficer@helixbiomedix.com). These resources will promptly listen to your concerns and assess the situation.

- Use common sense and good judgment; Act in good faith. Every employee and manager is expected to become familiar with and to understand the requirements of the Code. If you become aware of a suspected violation, do not try to investigate it or resolve it on your own. Prompt disclosure to the appropriate parties is vital to ensuring a thorough and timely investigation and resolution. A violation of the Code is a serious matter and could have legal implications. Allegations of such behavior are not taken lightly and should not be made to embarrass someone or put him or her in a false light. Reports of suspected violations should always be made in good faith.

- Internal investigation. When an alleged violation of the Code is reported, Helix will take appropriate action in accordance with the compliance procedures outlined in Section 11 of this Code. Employees are expected to cooperate in internal investigations of misconduct.

- No fear of retaliation. It is a federal crime for anyone to intentionally retaliate against any person who provides truthful information to a law enforcement official concerning a possible violation of any federal law. In cases in which an employee reports a suspected violation in good faith and is not engaged in the questionable conduct, Helix will attempt to keep its discussions and actions confidential to the greatest extent possible. In the course of its investigation, Helix may find it necessary to share information with others on a “need to know” basis. No retaliation shall be taken against employees for reporting alleged violations while acting in good faith.

## **9. Publication of the Code of Business Conduct**

The most current version of Helix’s Code of Business Conduct is posted and maintained on Helix’s website.

## **10. Waivers of the Code of Business Conduct**

Any waiver of this code for executive officer or directors may be made only by the Governance Committee and will be disclosed to stockholders to the extent required by law.

## 11. Compliance Procedures

Helix has established this Code of Business conduct as part of its overall policies and procedures. The Code applies to all Helix employees in all locations. The Code is based on Helix's core values, good business practices and applicable law. The existence of a Code, however, does not ensure that directors, officers and employees will comply with it or act in a legal and ethical manner. To achieve optimal legal and ethical behavior, the individuals subject to the Code must know and understand the Code as it applies to them and as it applies to others. All employees must champion the Code and assist others in knowing and understanding it.

- Compliance. Every employee, officer and director is expected to become familiar with and understand the requirements of the Code. Most important, each of those persons must comply with it.

- Management Responsibility. Helix's CEO will be responsible for ensuring that the Code is established and effectively communicated to all employees. Although the day-today compliance issues will be the responsibility of Helix's managers, the CEO has ultimate accountability with respect to the overall implementation of and successful compliance with the Code.

- Corporate Compliance Officer. The CEO will select an employee to act as the Corporate Compliance Officer. The Compliance Officer's charter is with respect to communication, training and monitoring and overall compliance with the Code. The Compliance Officer will, with the assistance and cooperation of Helix's executives and managers, foster an atmosphere where employees are comfortable in communicating and/or reporting concerns and possible Code violations. Helix will maintain a method of communicating on a confidential basis with the Compliance Officer.

- Screening and Retention Of Employees. Helix will exercise due diligence when hiring and promoting and, in particular, when conducting an employment search for a position involving the exercise of substantial discretionary authority, such as a member of the executive team, a senior management position or an employee with financial management responsibilities. Helix will make reasonable inquiries into the background of each individual who is a candidate for such a position. All such inquiries shall be made in accordance with applicable law and good business practice. In addition, in the event an employee in a position that exercises substantial discretionary authority engages in illegal or unethical behavior in connection with his/her services to Helix or is convicted of, or pleads guilty or no contest to allegations that he/she committed a crime involving moral turpitude, that individual shall be removed from his/her position and not assigned to any other position involving the exercise of substantial discretionary authority, and may be subject to disciplinary action, up to and including termination of employment.

- Access to the Code. All employees may access this Code on Helix's internal website. In addition, each current employee will be provided with a copy of the

Code. New employees will receive a copy of the Code as part of their new hire information. From time to time, Helix will sponsor employee training programs in which the Code and other Helix policies and procedures will be discussed.

- Monitoring. The officers of Helix will be responsible for reviewing the Code with all of Helix's managers. In turn, Helix's managers with supervisory responsibilities should review the Code with his/her direct reports. The manager is the "go to" person for employee questions and concerns, especially in the event of a potential violation. The manager will immediately report any know violations or allegations to the Compliance Officer. The managers will work with the Compliance Officer in assessing areas of concern, potential problems and overall compliance with the Code and other related policies.

- Internal Investigation. When an alleged violation of the Code is reported, Helix will take prompt and appropriate action in accordance with the law and regulations and otherwise consistent with good business practice. If the suspected violation appears to involve either a potentially criminal act or an issue of significant corporate interest, then the manager or investigator should immediately notify his or her Vice President (or other senior persons) and any other relevant corporate officer, who, in turn, shall notify the CEO/Chairman or Audit Committee or Governance Committee, as applicable. If a suspected violation involves any executive officer or any Senior Financial Officer as defined in the Code for Senior Financial Officers, or if the suspected violation concerns any fraud, whether or not material, involving management or other employees who have a significant role in Helix's internal controls, then the manager or investigator should immediately report the alleged violation to the CEO and/or; the Chairman of the Audit Committee. The CEO or Chairman of the Audit Committee, as applicable, shall assess the situation and determine the appropriate course of investigation. Investigations will be documented, as appropriate.

- Disciplinary Actions. A manager, after consultation with the President, will be responsible for implementing the appropriate disciplinary action in accordance with Helix's policies and procedures for any employee who is found to have violated the Code. In addition to imposing discipline upon persons involved in non-compliant conduct, Helix also may impose discipline, as appropriate, upon individuals who fail to detect non-compliant conduct and upon individuals who fail to report know non-compliant conduct. If a violation has been reported to the Audit Committee or another committee of the Board, the committee will be responsible for determining appropriate disciplinary action. Such disciplinary action may include the termination of the employee's employment. Disciplinary action will be documented, as appropriate.

- Required Government Reporting. Whenever conduct occurs that requires a report to the government, the Finance Department will be responsible for complying with such reporting requirements.

- Corrective Actions. In the event of a breach of the Code, the manager and Compliance Officer should assess the situation to determine whether the breach is a

problem that can be resolved by corrective action. If a violation has been reported to the Audit Committee or another committee of the Board, that committee shall be responsible for determining appropriate corrective actions. Such corrective action may include retraining Helix employees, adjusting Helix policies and procedures, and other action necessary to prevent similar non-compliant conduct from occurring in the future. Such corrective action will be documented, as appropriate.