

Code of Conduct

At RTI Biologics, and all affiliated companies (the “Company” or “RTI”), our business is founded on responsibility, integrity and ethical behavior. Every day we are entrusted with the priceless gift of donated human tissue to create safe, biological implants to help people across the world live healthier lives. We are committed to preserving that trust and operating in an honest, responsible manner when dealing with all Company stakeholders, including recovery agencies, donor families, employees, distributors, surgeons, patients, vendors and shareholders.

This Code of Conduct ensures that we are not only in compliance with all applicable laws, rules and regulations, but also that we operate in an honest and ethical manner and gives instructions on how to report potential violations of the Code. Each employee of the Company is held fully accountable for adhering to this Code.

In the corporate world, integrity and honesty is always important. When a Company is tasked with such a crucial task as caring for the gift of donated human tissue to help others, as the Company is, these hallmarks are vital. We will continue to operate on this foundation. Thank you for your commitment to the Company and to this vitally important framework for the Company.

NOTE: All directors, officers and employees are required to certify that they have read, understand, are in compliance with and will continue to comply with this Code of Conduct. Should you have any questions, please contact the Company's Human Resources Department.

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Our Responsibilities

All Company employees are accountable and responsible for fully understanding and complying with this Code of Conduct, as well as all applicable laws, regulations, and all other Company policies and guidelines that are related to their jobs. Each employee must:

- Read, understand, and comply with this Code of Conduct, as well as all applicable laws, regulations, and all other Company policies and guidelines.
Participate in training and educational programs/events required under Company policy.
- Obtain guidance for resolving a business practice or compliance concern if you are uncertain about how to proceed in a situation.
- Recognize and report possible violations of this Code of Conduct, as well as all policies, guidelines, applicable laws, and regulatory requirements under which the Company operates.
- Cooperate fully in any investigation.
- Make a commitment to conduct yourself in an honest and ethical manner, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- Provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company.

Personal Conduct

The Company's policy is to treat everyone fairly and with respect.

In accordance with this policy:

- The Company will not tolerate discrimination or harassment of any kind in the workplace. See Corporate Policy # C-2-01, on the Company's harassment policy.
- The Company will provide a safe and healthy work environment for all employees. See Corporate Policy #H-1-01, for the Company's alcohol and drug policy.
- The Company will not tolerate any threat or act of violence from or against its employees. See Corporate Policy # H-1-1, for the Company's policy on acts of violence or threats of violence in the workplace.
- The Company will respect the privacy of employees. The Company will only collect employee information that is required by law or for the effective operation of the Company. The Company will only release such information as necessary to the effective operation of the Company and in accordance with applicable law.

Q: I am a manager and one of my employees came to me to express her concern/discomfort over a fellow employee who recently made sexually suggestive comments to her. She asked me not to do anything about it – she just wanted to tell someone. Should I just ignore it until she brings it to my attention again?

A: No. As a manager, you are obligated to bring any situation that could be harassment-related to the attention of Human Resources. HR will provide guidance once notified.

Compliance with Professional Standards and Related Rules

All employees should be aware of and obey the laws and regulations under the jurisdiction of the U.S. Food and Drug Administration, Drug Enforcement Agency and Environmental Protection Agency, Occupational Safety and Health Administration and all other federal, state and local laws and regulations relating to our business in the U.S. and otherwise.

Strict attention, for example, must be given to quality control and adherence to good manufacturing practices (GMPs), good laboratory practices (GLPs) and guidelines for conducting clinical studies. See Company's Quality Policy, located in the Quality Manual, page 4.

Additionally, requirements relating to the National Organ Transplant Act must be obeyed. Strict attention must also be paid to corresponding laws and regulations of other countries where the Company does business. Contact the Vice President of Quality Assurance and Regulatory Affairs for an overview of certain laws and regulations that affect our business.

Environmental Protection, Health and Safety

The Company conducts its operations with the highest regard for the health and safety of its employees, customers and the general public. Each employee is responsible for maintaining a safe workplace. Therefore, each employee must comply with all safety rules as well as the rules and regulations legally required. Copies of health and safety rules are posted at each of the Company's facilities.

Q: What should I do if there is an accident in which no one is injured at a Company's plant?

A: You must report all accidents, no matter how small, so that potentially dangerous conditions are identified and corrected before serious injuries occur. This permits the Company to maintain a high safety level for its employees.

The Company also strives to conduct its activities in an environmentally sustainable manner. To accomplish this, the Company is committed to maintaining management systems, programs and procedures for the environmentally responsible management of:

- Research and product development.
- Manufacturing operations.
- Packaging.
- Transportation and distribution.
- Marketing and sales.
- Contracted goods and services.

Employees are encouraged to consider environmental protection and health and safety as inseparable parts of their everyday responsibilities.

Accurate Records, Reporting and Financial Recordkeeping/Management

State and Federal laws require the RTI family of companies to assure that its books and records accurately reflect the true nature of the transactions represented. In all Company operations, it is therefore against Company policy and the law for any employees to cause Company books and records to be inaccurate.

It is important that Company employees not create or participate in creating records that have the effect of misleading the investing public.

Examples of what an employee should never do:

- Make records appear to show payments being made to one person, when, in fact, they are made to another.
- Submit expense accounts that fail to reflect accurately the nature of the expenses.
- Create records that fail to reflect accurately the nature of the transactions.
- Record revenues in the books and records when the underlying transaction does not transfer the ownership rights of the goods, products, and/or services to a third party.

Q: I become aware of a small discrepancy in association with an inventory physical count. Should I ignore it?

A: No. You should report all discrepancies to your supervisor.

Any employee who has a concern regarding a potential violation of maintaining accurate books and records, including accounting issues, internal controls, and auditing matters, should immediately report the concern to the Ombudsman in accordance with the Company's Whistleblower Policy. See Corporate Policy #1164 for the Company's Whistleblower Policy. After a review by the Ombudsman, the concern will be forwarded, on an anonymous basis, to the Company's audit committee, which is comprised solely of non-employee directors.

Communications on Behalf of Company

Corporate communication includes press releases, communications with media representatives, newsletters, government filings and reports, business communications, financial statements, advertisements, distribution promotion materials and internal communications such as e-mail messages, information posted on Intranet sites, and executive presentations.

In the course of doing business, employees communicate regularly with many important constituencies including customers, surgeons, donor families, government officials, financial analysts, the press and

others. Communicating with these audiences in a thoughtful careful and appropriate manner is key to growing our businesses.

Q: I receive a phone call from a local newspaper asking my opinion on the Company's practices on hiring and retention of employees. What should I say?

A: Refer the call to Corporate Communications. Communicating information prematurely, incorrectly or without proper clearance, no matter how innocent that communication may seem, could have a serious impact on the Company. It could affect the Company's competitive position, stock price, litigation or shareholder value.

It is incumbent on all employees to be particularly alert to how information is communicated outside the Company. Employees should abide by the following guidelines:

- All written and oral communications geared toward external audiences that discuss Company business matters (in speeches, press releases, presentations and other such materials) must be cleared by the Company's Executive Management and SEC Counsel prior to release.
- All communication to the investment community also must be cleared through SEC Counsel, following review by Executive Management.
- All inquires about the Company or its business should be directed to Corporate Communications.
- All inquiries about a pending legal matter or other sensitive issues should be referred to the Company's CFO.
- Internal communications, including, but not limited to, e-mail communications, executive staff bulletins, written memoranda, articles and news items on the Company's Intranet, and executive speeches and presentations (unless delivered in a public forum) may not be forwarded to individuals outside RTI.

Q: What should I do if I am asked questions by the media after making a scientific presentation at a conference?

A: You cannot share any information beyond that provided to the general investing public. You are required to obtain his or her name and affiliation, and report the conversation to Corporate Communications. Only copies of presentation materials that have been cleared by Corporate Communications are permitted to be distributed.

Securities Trading and Insider Information

Company policy forbids unauthorized disclosure of material non-public information about the Company or the companies it deals with, and both Company policy and the law forbid profiting from material non-public information relating to the Company or the companies with whom we do business.

Material Information includes any information that a reasonable investor is likely to consider important in determining whether to buy, sell, or hold the Company's stock.

Examples of material information include:

- Internal financial information;
- Commencement of a new business or development or approval of a new product or technological breakthrough; or
- Contemplated acquisition of another Company or disposition of an existing business to another Company.

Information is considered nonpublic if it has not been disseminated in a manner making it available to investors, generally such as disclosure in the Company's annual or periodic reports to its stockholders, inclusion in a press release or widely reported in the media and investors have a reasonable period to react to the information.

Like proprietary information, all employees should take great care not to disclose material nonpublic information within the Company, inadvertently or unnecessarily, and in no event to disclose such information outside the Company. Employees should not discuss Company business where unauthorized persons may be present such as in elevators or restaurants, even if no names are used. In addition, disclosures to others within the Company are permissible only on a need to know basis. Those possessing material nonpublic information may not buy or sell Company securities or disclose such information to anyone who is not an employee of the Company. Likewise, Company individuals with knowledge of nonpublic information about other companies (suppliers, customers or other companies

the Company deals with), even those with whom the Company only considers transactions, may not buy or sell securities of those companies or disclose such information to others.

Q: I am a manager/supervisor and became aware that an employee who has material nonpublic information is trading in the Company's securities. What should I do?

A: Immediately report the matter to the Company's Ombudsman at ombudsman@rtix.com. All Company management have an obligation to remain alert to cases where others, especially those subject to their supervision, may be ignoring rules against insider trading. Securities laws penalize not only those implicated in insider trading, but also controlling persons who fail to take action when they know individuals they control are violating rules.

Employees uncertain about the rules on buying or selling Company securities or securities of companies familiar to them as Company employees should consult the Company's CFO before making any purchases or sales.

Government Reporting, Investigations, Subpoenas and Litigation

It is the policy of the Company to cooperate fully with governmental investigations. Whenever employees know or reasonably believe that a governmental investigation or inquiry is under way, they must communicate the details immediately to the Company's CFO.

Given the importance of such investigations, no employee should ever:

- Destroy Company or personal documents while anticipating requests for the documents from a government agency or court;
- Alter Company or personal documents or records;
- Lie or make misleading statements to a government investigator; or
- Attempt to keep any person from giving information to government investigators, or attempts to induce anyone to offer false or misleading information.

Employees have a right to be represented by counsel even if investigators pose questions off Company premises, for example, after work hours or at home. An employee may not be denied the time to consult legal counsel before answering questions from government investigators, especially when such inquiries may subject the employee to criminal or civil liabilities.

All government inquiries whether initiated through a telephone call, subpoena or other requests for information, for example, civil investigative demands must be immediately submitted to the Company's CFO before taking any action.

Antitrust/Competitive Information/Fair Competition

Antitrust laws are designed to maintain a free, open and competitive marketplace. Under these laws, competitors agree on:

- Terms and conditions of distribution of their products;
- Prices to charge for their products or margins;
- Advertising or promotion of their products;
- Territories in which to distribute products;
- Customers to whom products are distributed;
- Product types, product lines or amounts that companies can produce or distribute; or
- Matters related to competitive bids.

It is the Company's policy that no employees discuss such matters with competitors or participate in, or attend, any meeting where such matters are discussed.

Q: What should I do if I am attending a trade association meeting and hear several members discussing pricing strategy?

A: Do not participate in the conversation. Immediately excuse yourself from the meeting and promptly notify the Company appointed Ombudsman. In the United States and in many other countries, discussing these types of matters with competitors may be viewed as price-fixing and can lead to jail sentences, fines, and large damage awards.

An employee should discuss the implications of any of the following practices or arrangements with the Company's CFO:

- Predatory practices and attempting to monopolize a market;
- Tying, bundling and reciprocity arrangements;
- Restrictions on Company distributors, such as establishing a minimum price that a distributor must charge for the Company's products;
- Discrimination in pricing or promotions, such as charging different prices for the Company's products to similarly situated customers;
- Boycotting practices, for example persuading another Company not to do business with a competitor;
- Restrictions on dealing in goods of a competitor, for example, conditioning distributions of Company products on a customer's refusal to deal with other suppliers;
- Trade association activities;
- Ending a long-standing business relationship, for example, with long-term Company distributors;
- Granting or relinquishing patents or licenses;
- Joint or team building, or any joint venture or co-marketing arrangement;
- Acquiring any company, product or group of assets;
- Beginning or settling legal action such as a patent infringement suit against other companies or individuals; and
- Comparing proprietary information with competitors such as cost information or participating in other forms or benchmarking.

Q: A friend of mine works for a competitor. At a social dinner, my friend asks whether I would recommend a particular supplier that the Company uses. What should I say?

A: Politely tell your friend that you are unable to discuss information about the Company's suppliers, distributors or customers. Engaging in such a conversation may be viewed as an antitrust violation because you may be influencing the competitor to deal with certain companies. Employees should be aware that improper communications can occur in many forums, whether inside or outside the office, whether written, oral or electronic, and whether in a business or social setting.

Antitrust law is complex; therefore, the Company's counsel must be consulted in advance with regard to any practice or arrangement, which could be viewed as a violation of antitrust laws.

Purchasing Policy

The Company will purchase goods and services solely on the basis of price, quality, safety and the value they provide.

The Purchasing Organization has responsibility for the process of purchasing all materials, equipment, and their services directly affecting quality or integrity of the Company's products or services.

The Business Unit is responsible for identifying the business needs and justifying the expenditure of Company funds to purchase the goods and services that will fulfill those needs.

The Purchasing Organization, acting on behalf of the Business Unit and as agent for the Company, will lead the process of seeking eligible suppliers, communication the business unit requirements and soliciting supplier proposals. Purchasing is required to create an environment of competitive alternatives. Purchasing will lead the negotiation of price, terms and conditions prior to the development of the purchase order/contract.

The selection of suppliers will be made on the basis of the total value they will provide to the Company. Suppliers who are also Company customers will receive no advantage in Company purchasing decisions. Purchases and sales should be viewed independently and analyzed solely on the basis of their impact on the Company's business.

Employees at all levels, including those who have a grant of authority to approve purchase requisitions and invoices, must comply with these corporate directives which will be monitored and strictly enforced.

Q: Am I permitted to discuss with a vendor its product and service offerings without first speaking with the Purchasing Organization?

A: Yes. The Purchasing Organization, acting on behalf of the Business Unit and as agent for the Company, is required to be involved in the process of seeking eligible suppliers, communicating the

business unit requirements and soliciting supplier proposals as early as possible in the process. Business unit personnel are not authorized to approve proposals from vendors.

Bribery

All of the Company's products must be distributed solely on the basis of price, quality and service. The Company's advertising should always be truthful, and specific claims must be fair and substantiated. No employee should engage in either deceptive advertising or questionable promotional activities. The Company's products should not be labeled or marketed in ways that may confuse them with those of its competitors.

An employee should discuss the implications of any of the following practices with the Company's CFO:

- Advertising and promotional allowances;
- Comparisons of the Company's products to a competitor's products in advertising ; or
- Uses of the Company's trademarks and trade names.

Q: I am informed that in a particular country, it is common practice to pay a "gratuity" to a customer prior to the customer's purchase of a Company product. Should I pay the "gratuity" so that I don't lose the business?

A: No. The Company's policy is to forgo business that is available only through improper or illegal payments. The Company's CFO should be contacted if you are aware of the use of gifts, bribes, gratuities, kickbacks, secret payments or inducements to anyone, including customers, their agents or employees (or members of their families) to pursue product distributions or to induce the purchase of the Company's products instead of its competitor's products.

Conflicts of Interest, Gifts, Entertainment, Gratuities, Favors and Other Items of Value

It is important to avoid not just an actual conflict of interest, but even the appearance of a conflict with your job responsibilities.

A conflict of interest exists when a person's private interest interferes in any way the interests of the Company. The existence of a conflict depends on circumstances including the nature and relative importance of the interests that may be financial or may involve a personal relationship. A conflict situation can arise if an employee, officer or director (or a family member) takes actions that make it difficult for him or her to perform duties objectively or receives improper personal benefits.

The following areas of conflicts of interest must be avoided:

- Ownership interest (of more than 1% in the securities of a publicly traded Company) in suppliers, customers or competitors;
- Consulting or employment relationships with customers, suppliers or competitors;
- Outside business activity that is competitive with any Company business;
- Outside activity substantial enough to raise questions about an employee's ability to devote appropriate time and attention to assigned job responsibilities; or
- Service on a board of directors of any customer, supplier or competitor, except when such service is known to the Company and approved in advance by appropriate management.

Q: My brother works for one of the Company's business partners. Is there a conflict of interest?

A: Yes, there may be a conflict of interest. You should disclose this information to your supervisor who can take appropriate steps to address the situation. Employees' family and household members who work for a customer, distributor, competitor or supplier pose special potential for conflicts.

Receiving gifts, gratuities and entertainment from people with whom the Company does business is generally not acceptable because it may potentially pose a conflict of interest by implying an obligation on behalf of the Company.

Employees should make the Company's policy on gifts, gratuities and entertainment known in the course of regular business dealings with third parties.

Q: Does the Code allow for employees to extend business courtesies to guests/spouses in connection with sales and promotional meetings?

A: No. This Code is mindful of the desire to avoid even the appearance that business courtesies are being given as improper inducements to promote the Company. On the other hand, it is appropriate for directors, officers or employees, as a matter of common courtesy and civility, to provide modest meals and receptions for vendors/customers/other business relationships in connection with these types of meetings. To balance these considerations, the Code allows directors, officers or employees to provide "occasional hospitality only in the form of modest meals and receptions that are conducive to the exchange of information." Under the Code, such meals and hospitality are to be incidental and conducive to the underlying business purpose. The Code precludes the extension of these courtesies to persons, such as guests/spouses, without a bona fide professional interest in the meeting.

Gifts

Accepting gifts is generally not acceptable unless:

- The gift is of nominal value (less than \$25.00); and
- The gift is not intended and could not be perceived by others to improperly influence business decisions.

All gifts over \$25.00 need to be reported to the Company's Ombudsman at ombudsman@rtix.com.

Q: Over the past year, I have been working very closely with one of our top vendors. During the holiday season, I receive a beautiful fruit basket from the vendor. What should I do?

A: Accept the gift graciously. If the vendor continues to send gifts, politely advise the vendor of the Company's policy. In the event the gift had been of substantial value (greater than \$25.00), advise the vendor of the Company policy and report the gift to the Company's Ombudsman at ombudsman@rtix.com. You may be required to return the gift or if it is impractical to return the gift, you should turn the gift over to the Company for charitable or other lawful uses.

Q: After I coordinated a donor recovery, the donor's family gave me a piece of jewelry worth more than \$25.00, what should I do?

A: Advise the donor family of the Company's policy and return the gift. If the donor family will not accept the gift back, you must turn the gift over to the Ombudsman for charitable or other lawful uses.

Entertainment

Occasionally, as a means of building relationships, an employee may accept or provide social entertainment, such as meals or event tickets, if such entertainment:

- Does not influence or is not perceived by others to influence business decisions;
- Permits business or educational discussions;
- Is pursuant to a bona fide business relationship;
- Is consistent with industry practices (the Company has adopted the AdvaMed "Code of Ethics on Interactions with Healthcare Professionals." See Corporate Policy #1165 for the complete AdvaMed Code of Ethics);
- Is not excessive in price or quantity; or
- Would not embarrass the Company if it was brought to public attention.

Q: What should I do if a vendor asks me to attend a regular season major league game with her?

A: It is acceptable to attend the game with her as long as the above mentioned criteria have been satisfied. If, however, the vendor had offered tickets to the World Series, the entertainment would be considered excessive and you should not attend the game.

In questionable cases, employees should consult with the Company's Ombudsman.

Doing Business with the Government

It is not acceptable to offer or accept any gifts, gratuities or entertainment to or from an official of any domestic or international government.

International Business and Global Business Practices

The Company's policy is to observe the highest ethical standards in all its business transactions in the U.S., and in all countries where the Company does business. We wish to set standards of corporate behavior that go beyond the requirements of law.

All employees, in addition to observing all local laws applicable to them and the Company, are expected to uphold the ethical standards of the Company, even if such standards are more demanding than those prevailing under local custom or practice.

Payments to Government Officials

Consistent with the U.S. Foreign Corrupt Practices Act (FCPA) and local anti-corruption laws recently adopted under relevant international treaties, the policy of the Company is to prohibit direct or indirect payment of any funds, or the providing of any gift or financial benefit, to any foreign government official, officials of public international organizations, candidates for foreign political office, party official or representatives of a government official, candidate or political party, or to any other person with the knowledge that the payment, gift or financial benefit will be offered, given or promised to any such person for any purpose whatsoever in connection with Company business.

Q: I have been informed that in a particular country, the Company must make certain payments to obtain an action to which the Company is legally entitled. What should I do?

A. Contact the Company's CFO. There are certain exceptions specifically provided under the FCPA.

Anti-Boycott Laws

The Company, including all domestic and foreign subsidiaries, must comply with U.S. law and Company policy, which prohibit compliance with the boycott of several countries. The Company and its subsidiaries cannot refuse to do business with such countries or blacklisted firms.

In addition, the Company must report to the U.S. government the receipt of certain requests for information, declarations or other statements, relative to such boycotts. Participation in certain boycotts may also violate laws of other countries. Any questions in this area should be referred to the Company's CFO.

Embargoes and Other Trade Restrictions

The law of the U.S. and other countries where the Company does business from time to time prohibits or restricts direct or indirect dealings, not specifically licensed, with certain countries or with persons and companies controlled by the governments or nationals of some such countries.

U.S. law also prohibits or restricts dealings with certain parties identified by the U.S. Commerce and Treasury departments.

Q: I am contemplating entering into a business relationship in a country in which it is illegal to comply with the U.S. trade embargo regulation. What should I do?

A: Contact the Company's CFO. Written approval must be obtained before any transaction is entered into involving the countries, persons or other parties subject to such regulation or where any question exists.

Political Contributions and Activity

The Company believes voting to be a right and a duty. The Company encourages employees to vote and be active in the political process.

Employees must be aware that U.S. federal laws restrict use of corporate funds for federal elections, and some states have similar laws. This is a complex and highly regulated area.

As a result, it is against Company policy to request reimbursement for any partisan political contributions. This includes expense accounts or other types of reimbursement the Company normally covers, directly or otherwise.

Employees should direct questions to the Company's CFO. This step should precede doing anything involving the Company in partisan political activity at federal, state or local levels in the U.S. and other countries.

Employees may, of course, volunteer for political purposes, but their services must be offered on their own time and on their own behalf.

Protecting Company Assets (Use of Company Resources)

Use of Company Property

In general, employees should not use Company property or services for their own or another's personal benefit. Sometimes the line between personal and Company benefits may be difficult to draw, since activities sometimes create both personal and Company benefits. In such cases, seek approval from your immediate supervisor when using Company property or services that do not solely benefit the Company.

Q: I receive my corporate American Express expense bill and notice that I have a \$500 credit. Can I incur personal expenses against the credit?

A: No. The Company's policy prohibits personal charges to be made using your corporate American Express card. The Company monitors employees use of the American Express card through internally generated audits.

It is against Company policy for any employee, officer or director to personally take for themselves opportunities that are discovered through the use of corporate property, information or position with the Company or otherwise use Company property for personal gain.

Use of Company Computers and Networks

The high-speed global communications available through the Internet have changed the ways companies do business. However, this tremendous technological advance also presents risks. Because of these risks, it is essential that the Company carefully manage employees' use of electronic communications to ensure that corporate computer systems are accessible for business purposes, that the systems are operated in a cost-effective manner, that the Company's reputation is protected and that the Company is not subject to increased legal risk.

For all of these reasons, it is important that you restrict your use of the Company's computer resources to authorized business purposes, other than brief, incidental uses for personal reasons.

Q: Is it acceptable to use the Company's Internet to buy flowers for my mother's birthday?

A: Yes. This would be acceptable because such use would be brief, infrequent and in good taste. Always use common sense and good judgement when determining if use of the Company's computers is acceptable.

The Company monitors computer use by employees, including Internet use and, in certain cases, e-mail use. Monitoring is conducted for a variety of reasons, including the managing of the Company's computer network, assurance of system security and verification that employees are in compliance with Company policy. See Company policy # P-16, for the Company's Internet usage policy, Certain types of uses of the Internet and e-mail systems are forbidden at all times by the Company. They include the following:

- Transmitting or downloading pornographic, sexually-oriented, racist, sexist or ethnically insensitive material or any material that is disparaging to others;
- Conducting private business activity;
- Posting your opinion with regard to Company business in chat rooms, bulleting boards, newsgroups, etc ... unless you are specifically authorized to do so; and/or
- Sending e-mail chain letters or other similar mailings that use up significant computing resources (regardless of the topic).

Q: I don't have the Internet at home. Can I use the Company's computer to access the Internet?

A: Yes, but only during your off hours, and only if the use complies with this Code for Internet usage. You cannot use the Internet other than for RTI business during your regular work hours.

Q: I have a business I run outside the Company, can I use the Company's computers and Internet to run this business?

A: No. You cannot use any Company resources to run a personal business.

The Company's policy applies to all individuals who are authorized to use the Company's electronic mail systems, Internet access, databases, storage devises, computer hardware and software and voice mail, whether accessed at the office or via remote access.

Violation of Company policy regarding the use of computer resources may result in restriction or termination of access to the Company's computing resources and other disciplinary action, up to and including termination of employment.

Proprietary Information

Proprietary information is any information not publicly available, but of value to the Company or its competitors, or any information that is exclusively owned.

The most common examples include, but are not limited to:

- Financial data
- Revenue figures for products or product groups
- Planned new advertising programs
- Acquisition or divestiture of business or products
- Manufacturing processes
- Customer and supplier lists
- Supplier pricing for the Company
- Wage and salary data
- Capital investment plans
- Projected earnings
- Company policy or management changes
- Information on inventions, research, test data, trademarks
- Company plans for improving products

Documents may be confidential or proprietary even though they do not bear a legend stating "Confidential" or "Proprietary."

Protecting Proprietary Information

Proprietary information in any form is a business asset and must be protected. Inappropriate disclosures may destroy the information's value, harm the Company's competitive position, violate laws or constitute breaches of agreements.

Q: What should I do if I come across an Internet chat room that is discussing certain information I believe to be proprietary to the Company?

A: Immediately refer the matter to the Company's CFO. Each employee is responsible for protecting the proprietary information of the Company.

To adhere to the Company's guidelines regarding proprietary information, employees:

- Should discuss proprietary information with other Company employees only on a need-to-know basis;
- Should remain alert to inadvertent disclosure of proprietary information, such as in social conversations or normal business relations with suppliers, customers and others;
- Should not discuss proprietary information where non-employees of the Company may overhear such as in elevators, airplanes, restaurants, etc ...;
- Should not accept proprietary information from third parties unless such information is subject to a written confidentiality agreement prepared by the Company's CFO;
- Should not participate in an illegal or improper acquisition of another's proprietary information.

Q: I have just hired an employee from a competitor. May I ask the employee to divulge information about his former employer?

A: No. It is improper, and often times illegal, to obtain confidential information about a former employer. Additionally, employees approached with offers of proprietary information, or with any information believed to have originated illegally or improperly, must immediately refer the matter to the Company's CFO.

Privacy (Confidentiality)

Employees have a right, and at times a legal obligation, to call the Company's attention to situations in which the law or the Code of Conduct and Ethics have been breached. Employees may contact the Ombudsman anonymously. Those who choose to identify themselves are assured that they will not suffer disciplinary or retaliatory action. Confidentiality will be maintained to the extent possible in light of the Ombudsman's duty to fully investigate any report of improper conduct in the Company. Upon receipt of a concern, the Ombudsman will initiate an appropriate investigation.

Reports of Noncompliance

The Ombudsman is a resource for any employee to report suspected instances of violations of law or improper conduct in the Company. Any employee who is concerned that any other employee has violated, or may violate, any law or Corporate policy may report this concern to:

- His or her supervisor;
- Human Resources representative;
- Any member of management; and/or
- Directly to the Ombudsman.

Any concerns regarding a potential violation of accurate books and records, including accounting issues, internal controls and auditing matters, should immediately be reported in accordance with the Company's Whistleblower Policy. After a review by the Ombudsman, the concern will be forwarded, on an anonymous basis, to the Company's audit committee.

ANYONE VIOLATING THE CODE OF CONDUCT MAY BE SUBJECT TO DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION OF EMPLOYMENT. IN SPECIAL CASES, THE COMPANY MAY BE OBLIGATED TO REFER VIOLATIONS OF THE CODE OF CONDUCT TO APPROPRIATE LAW ENFORCEMENT OFFICIALS BECAUSE SOME SUCH VIOLATIONS MAY ALSO INVOLVE APPLICABLE LAW.

IT'S YOUR RESPONSIBILITY – ANY EMPLOYEE WHO BECOMES AWARE OF OR HAS REASON TO SUSPECT ACTIVITY OF ANY OTHER EMPLOYEE THAT IS CRIMINAL OR POTENTIALLY CRIMINAL IN NATURE IS REQUIRED TO REPORT SUCH ACTIVITY TO THE COMPANY. FAILURE

TO MAKE SUCH A REPORT IS A VIOLATION OF THESE STANDARDS AND MAY BE SUBJECT TO DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION OF EMPLOYMENT.

Corporate Ombudsman

The Company also has established a Corporate Ombudsman to address employee concerns about workplace issues. Workplace issues should ordinarily first be discussed through normal supervisory channels, or with a Human Resources representative. If employees feel it appropriate, they may go directly to the Corporate Ombudsman.

The Corporate Ombudsman is the Vice President of Quality Assurance and Regulatory Affairs and can be reached at ombudsman@rtix.com.

Requests for Waivers

While some standards in the Code of Conduct require strict application (and exceptions or waivers are not allowed), others do allow for waivers. For example, minor conflicts of interest may be resolved by disclosing the conflict to all interested parties.

Any waiver of the Code of Conduct for directors and executive officers may be made only by the Board of Directors and must be promptly disclosed to shareholders of the Company through the Company's website.

Employees, who are not executive officers and believe they merit a waiver, should first contact their supervisor. If the supervisor agrees that a waiver is warranted, the supervisor may forward a request for a waiver to the Director of Human Resources, where the request will be reviewed and either approved or disapproved.

Non-Exclusivity

While the Code of Conduct is extensive, it is by no means exhaustive. Nothing expressed or implied in the Code of Conduct can represent all the policies and procedures the Company believes its employees should follow. Further, the Code of Conduct does not provide a full, comprehensive or complete explanation of all laws relevant to the Company and all of its employees.

Employees should appreciate their continuing obligation to familiarize themselves with all applicable laws and Company policies and procedures relevant to their individual responsibilities.

Certification

All employees and all managers and executives are required to certify that they have read, understand, are in compliance with and will continue to comply with this Code of Conduct.

Corporate Policies Index

All of the corporate policies contained in the Code of Conduct and other policies incorporated into this Code can be obtained on the Company's Intranet site at <http://intranet.rtix.com>.

Policy Title Policy Number

- Harassment Policy C-2-01
- Alcohol and Drug Policy E-8-01
- Workplace Safety H-1-01
- Computer and Web Policy P-16
- Confidentiality B-2-01
- EEO C-1-01
- Electronic System Policy IT-02-01
- Family Medical Leave Act G-7-01
- Pay Administration Policy F-3-01
- AdvaMed Code of Ethics 1165
- Whistleblower Policy 1164

Note

All Company policies can be accessed through the Company's Intranet site.