



Dr. Geoff Andersen
HUA Inc.,
1532 Shane Circle, Colorado Springs, CO 80907
Phone: 719-332-4313, Email: huainc@comcast.net

STATEMENT OF POLICY AND BUSINESS STANDARDS

HUA Inc. maintains certain policies to guide its employees with respect to standards of conduct expected in areas where improper activities could damage the Company's reputation and otherwise result in serious adverse consequences to the Company and to employees involved. The purpose of this Policy is to affirm, in a comprehensive statement, required standards of conduct and practices. Further clarification of accounting standards can be found in supplemental documentation.

An employee's actions under this Policy are significant indications of the individual's judgment and competence. Accordingly, those actions constitute an important element in the evaluation of the employee for position assignments and promotion. Correspondingly, insensitivity to or disregard of the principles of this Policy will be grounds for appropriate management disciplinary action.

ANTI-DISCRIMINATION AND DEFINITION OF ETHICAL STANDARDS

It is the policy of HUA, Inc. to provide equality of opportunity in education and employment for all employees, subcontractors and business partners. Accordingly, we do not practice or condone unlawful discrimination in any form against students, employees or applicants on the grounds of race, color, religion, creed, sex, national origin, age, disability, or veteran status.

Discrimination based upon race, color, religion, creed, sex, national origin, age, disability, veteran status, political affiliation or sexual orientation is in violation of federal, state and local laws, and will not be tolerated. Retaliation against any person complaining of discrimination is in violation of federal and state law and Company policy, and will not be tolerated.

Management will respond promptly to all complaints of discrimination and retaliation. Violation of this policy can result in serious disciplinary action up to and including dismissal of employees, severance of business partnerships and contracts. Management also reserves the right to pursue legal action and compensation if such behavior is deemed egregious or harmful to the company in any way.

HUA Inc. hereby affirms its desire to maintain a work environment for all employees and an academic environment for all employees and business partners that is free from all forms of

unlawful discrimination and free from discrimination which is otherwise prohibited by company policy or regulation. Unlawful discrimination is completely incompatible with the values and goals of HUA Inc. and will not be tolerated. HUA Inc. strives to maintain an environment that supports and rewards individuals on the basis of such relevant factors as ability, merit and performance.

SEXUAL HARRASSMENT

HUA Inc. strives to ensure an enjoyable stress-free working environment for all its employees and has a zero tolerance policy towards sexual harassment. Sexual harassment is understood to mean any improper or unwanted comments or advances of a sexual nature. Management will be the sole arbiter of the gravity of any complaints between employees but we take the view that any behavior of one employee that makes another uncomfortable is not acceptable. The offending parties will be given a very short interval to correct their behavior before significant steps are taken up to and including demotion and dismissal.

SCIENTIFIC STANDARDS

HUA Inc. is committed to the maintaining of rigorous standards of scientific integrity. As such, employees, subcontractors or business affiliates are not permitted to:

- Alter, falsify or in any way misreport/misrepresent data, results or dates from any form of experiments or studies
- Take credit for work not performed
- Misrepresent speculation as fact
- Misrepresent the results or data of any other parties
- Make false claims or misrepresent current or expected performance capabilities
- Engage in unlawful research practices including the communication of information, transport of data or materials to any prohibited sources
- Violate ITAR rules or restrictions for any reason
- Violate secrecy or non-disclosure agreements
- Engage in unlawful, uninformed or unconsented experimentation on humans or animals

HUA Inc believes in the full and honest disclosure of funding sources to avoid any possible evidence of conflict of interest. In the event of HUA Inc employees, subcontractors or business affiliates making public policy decisions, media commentary or representing scientific review boards, all payments past, present and anticipated from sources which work in any area considered to be related to these comments shall be fully disclosed in advance.

Any employee found in violation of these standards will face disciplinary action including demotion and dismissal. Any subcontractor found in violation of these standards will face monetary penalties, termination of contract and the possibility of litigation. Any affiliation with persons, groups or companies found to be in violation of these standards may face termination of further professional contact with any employees HUA Inc. as well as further legal action.

SAFETY STANDARDS

HUA Inc. is committed to maintaining a safe work environment for all employees and visitors. As such, employees and subcontractors are required to obey all federal, state and local occupation health and safety regulations.

ENVIRONMENTAL STANDARDS

It is the goal of HUA Inc. to minimize negative effects of our business activities on the environment. With this in mind all activities are to be regularly assessed for their impact on the environment and the community with a view towards finding improved practices to benefit all concerned. These include:

- Reducing and waste to a minimum
- Recycling and using recycled goods whenever possible
- Ensuring the proper disposal of toxic materials
- Using materials from sustainable sources
- Conserving energy

ETHICAL LABOR PRACTICES

HUA Inc. is committed to zero tolerance towards exploitive labor practices of any kind. As such, employees, subcontractors or business affiliates are expected to maintain fair employment rates and conditions and strive towards an equitable or above average compensation for all work rendered.

Employees and subcontractors are not permitted to:

- Violate international, federal, state or local child labor laws
- Engage in the exploitation of laborers for any reason
- Engage in commercial transactions with or be in any way affiliated with individuals, companies or governments that engage in slavery

PROHIBITION OF IMPROPER PAYMENTS

The Company expects all employees to use only legitimate practices in commercial operations and in promoting the Company position on issues before governmental authorities. As stated below, "kickbacks" or "bribes" intended to induce or reward favorable buying decisions and governmental actions are unacceptable and prohibited.

No employee of the Company or any Controlled Affiliate acting on the Company's behalf shall, in violation of any applicable law, offer or make directly or indirectly through any other person or firm, any payment of anything of value (in the form of compensation, gift, contribution or otherwise) to:

- any person or firm employed by or acting for or on behalf of any customer, whether private or governmental, for the purpose of inducing or rewarding any favorable action by the customer in any commercial transaction; or any governmental entity, for the purpose of inducing or rewarding action (or withholding of action) by a governmental entity in any governmental matter;

- any governmental official, political party or official of such party, or any candidate for political office, for the purpose of inducing or rewarding favorable action (or withholding of action) or the exercise of influence by such official, party or candidate in any commercial transaction or in any governmental matter.

In utilizing consultants, agents, sales representatives or others, the Company will employ only reputable, qualified individuals or firms under compensation arrangements which are reasonable in relation to the services performed. Consultants, agents or representatives retained in relation to the provision of goods or services to the federal government must agree to comply with all laws, regulations and Company policies governing employee conduct.

POLITICAL CONTRIBUTIONS

HUA Inc. will not make any contribution to any political party or to any candidate for political office in support of such candidacy except as provided in this Policy and as permitted by law. This Policy is not intended to prevent the communication of Company views to legislators, governmental agencies, or to the general public with respect to existing or proposed legislation or governmental policies or practices affecting business operations. Employees are not prevented from the legal donation of contributions to or the campaigning on behalf of any political party or candidates.

COMPLIANCE WITH THE ANTITRUST LAWS

Several provisions of the antitrust laws of the United States contain penal provisions under which employees who authorize or engage in acts in violation of such laws are personally subject to substantial fines and imprisonment. There are also in existence a number of antitrust decrees affecting the Company and its employees. Violation of any one of the provisions of these decrees is an offense which may subject the Company and the individuals involved to severe penalties.

It is the objective of the Company:

- to comply with the antitrust laws of the United States and other countries applicable to its business operations, and
- to hold employees in management positions personally and strictly accountable for taking the measures necessary to achieve this objective within their areas of responsibility.

COMPLIANCE WITH THE SHERMAN ACT

In furtherance of this Policy and specifically in furtherance of compliance with Section 1 of the Sherman Act:

No employee shall enter into any understanding or agreement--whether expressed or implied, formal or informal, written or oral--with a competitor limiting or restricting any of the following aspects of the competitive strategy of either party or of the business offering of either party to any third party or parties:

- prices
- costs

- profits
- product or service offerings
- terms or conditions of sale
- production or sales volume
- production facilities or capacity
- market share
- decisions to quote or not to quote
- customer or supplier classification or selection
- sales territories
- distribution methods

No employee shall enter into any understanding or agreement with a purchaser or lessee of a product sold or leased by the Company which restricts the right of the purchaser or lessee to determine the price at which to resell or lease such product; nor shall any employee enter into such an agreement when the Company is the purchaser or lessee of a product.

The following understandings may be in violation of the antitrust laws under certain circumstances and may be entered into by an employee of the Company only if the agreement has been reviewed by Company legal counsel in advance of execution and in the opinion of counsel is not in violation of law:

- Understandings with any customer or supplier which condition the sales or purchases of The Company on reciprocal purchases or sales by the customer/supplier;
- understandings with any purchaser or lessee of a product of the Company which in any way restrict the discretion of the customer to use or resell the product as the customer sees fit;
- understandings with anyone which restrict the discretion of either party to manufacture any product or provide any service, or to sell to, or buy from, any third party.

COMMUNICATIONS AND CONTACT WITH COMPETITORS

Communication with a competitor on subjects as to which an understanding with the competitor would be illegal is, in antitrust litigation, likely to serve as important evidence of the existence of an understanding, particularly if the communication is accompanied or followed by similarity of action.

Accordingly, no employee shall discuss with a competitor or any third party acting for a competitor, or otherwise furnish to or accept from a competitor or any third party acting for a competitor, information on any subject as to which an understanding with the competitor is prohibited by paragraph A. above on compliance with Section 1 of the Sherman Act unless, in the opinion of Company legal counsel, such discussions or transmittal of information would neither violate the antitrust laws nor furnish a reasonable basis for inferring such a violation. This paragraph does not preclude obtaining competitive information from independent third-party sources who are not acting for a competitor in transmitting the information. However, certain other legal and policy restrictions applicable to transactions with the federal government limit the competitive information that may be obtained from a third-party source.

No employee shall attend or remain present:

- at any surreptitious meeting of competitors;
- at any meeting where there is a discussion by competitors of any subject which the Company's employee is precluded from discussing by the paragraph above on Discussions and Exchange of Information with Competitors; or
- at any informal meeting of competitor members of a trade association held for the purpose of discussing business matters without observing the formal procedural requirements established by such trade association for its business meetings.

Violations of the Policy are grounds for discharge or other disciplinary action, adapted to the circumstances of the particular violation and having as a primary objective furtherance of the Company's interest in preventing violations and making clear that violations are neither tolerated nor condoned.

REPORTS AND PERIODIC REVIEWS

Any employee who is requested to engage in any activity which is or may be contrary to this Policy will promptly report such information to the manager whom the individual reports, or, if the employee was so directed by the manager, then to assigned Company legal counsel. Any employee who acquires information that gives the employee reason to believe that any other employee is engaged in conduct forbidden by the Policy will promptly report such information to the manager to whom the employee reports or, if the manager is engaged in such conduct, then to the assigned Company legal counsel.

I _____ have received and read a copy of this Sample Code of Ethics Policy Statement, understand all of its terms and agree to be bound by the provisions contained therein.

SPECIFIC ACCOUNTING POLICIES

Travel:

Travel is to be billed as a separate expense, with the following conditions:

- a. Flights less than two hours: ticket based on cheapest available non-refundable coach rate with reasonable flight schedule and connections
- b. Flights longer than two hours: ticket based on cheapest available fully-refundable coach rate with reasonable schedule and connections
- c. Hotel: based on single person occupancy of a 3-star hotel
- d. Car rental: based on an average rate for compact vehicle
- e. Per diem of \$100 per day
- f. Other separately reimbursable expenses: Parking, gas, taxi charges, internet fees, work-related phone fees, conference fees, work related dry-cleaning, flight alteration fees, flight baggage fees
- g. Travelers are free to use personal miles or funds to upgrade to higher levels of travel and accommodation but the reimbursed expenses will remain as detailed above