

SECTION I: CORPORATE CODE OF CONDUCT AND ETHICS

1. General Policy

It is the policy of Salient Surgical Technologies, Inc. (the “Company”) to conduct business in compliance with all applicable laws, rules and regulations. Further, it is our policy to conduct business with integrity. We make this commitment to our customers, to our partners, to our shareholders, to our community, to those government agencies that regulate the Company, and to ourselves.

Each Company employee, officer and director, as well as agents and contractors working on behalf of the Company, must work to comply with the policies set forth in this Code of Ethics and Conduct (the “Code”). All employees, officers and directors should review this Code or summary materials issued in conjunction with the Code, and make sure that these policies guide their actions. Because of the complex and changing nature of legal requirements, each member of the Company must be constantly vigilant to ensure that their conduct complies with the Code. If any employee, officer or director becomes aware of an issue of legal compliance which is not adequately addressed in this Code, you should notify your supervisor or the Company’s legal & Compliance Officer (the “Compliance Officer”). The text of the Company’s Corporate Code of Ethics and Conduct can also be found at www.salientsurgical.com.

The Company takes compliance with laws, regulations, rules and the Code seriously. Any violation of such will result in disciplinary action, which may include an oral or written warning, disciplinary probation, suspension, reduction in salary, demotion, or dismissal from employment. These disciplinary actions also may apply to an employee’s supervisor who directs or approves the employee’s improper actions or is aware of those actions, but does not act appropriately to correct them or fails to exercise appropriate supervision.

If a question arises as to whether any action complies with the Company policies or applicable law, an employee, officer or director should present that question directly to the Compliance Officer. The Compliance Officer’s telephone number (the “Compliance Line”) is (877) 742-1515 x 8260. The Compliance Officer may also be contacted at the following e-mail address: complianceofficer@salientsurgical.com. Concerns about violations of any part of this Code made to the Compliance Line may be made anonymously. Any calls, detailed notes and/or emails will be dealt with confidentially. Simply ask your question or give any information you may have. In raising an issue, you may remain anonymous, although you are encouraged to identify yourself. Should you choose to identify yourself, your identity will be kept confidential to the extent feasible or permissible under the law. All employees, officers and directors and agents of the Company have the commitment of the Company and of the Audit Committee of

the Company's Board of Directors that they will be protected from retaliation. However, the Company reserves the right to discipline anyone who knowingly makes a false accusation, provides false information to the Company or has acted improperly. Failure to report known or suspected wrongdoing of which any member of the Company has knowledge may, by itself, subject that person to disciplinary action.

This Code generally highlights some of the more important legal principles with which employees, officers and directors and agents are expected to be familiar. The fact that this Code does not specifically reference other applicable laws (some of which may be covered in other Company policies), does not diminish their importance or application.

2. Compliance with the Law

The Company seeks to comply with all applicable government laws, rules and regulations. We need the cooperation of all employees, officers and directors to do so and to bring lapses or violations to light. While some regulatory schemes may not carry criminal penalties, they control the licenses and certifications that allow the Company to conduct its business. The Company's continued ability to operate depends upon your help for compliance.

Some of the regulatory programs which employees may deal with in the course of their duties include, but are not limited to, the following:

- Labor laws
- Occupational Safety and Health regulations
- Building, safety, and fire codes
- Wage and Hour Laws
- Laws and regulations pertaining to the development, manufacture and sale of medical devices, including, without limitation, the Federal Food, Drug & Cosmetic Act, the Foreign Corrupt Practices Act and all applicable U.S. Food and Drug Administration regulations and guidance documents relating to the manufacture, promotion and sale of medical devices
- Laws and regulations pertaining to the relationships between health care professionals and third parties, including, without limitation, the anti-kickback statute and related regulations

Please refer to the Company's "Compliance Program" for more information on policies, procedures and legal requirements applicable to the Company, employees, officers and directors, including anti-kickback laws and health care fraud and abuse laws and regulations. The Compliance Officer can provide

employees with further information on these rules and can direct questions or concerns to the proper person.

3. Relationships with Health Care Professionals

No benefit may be offered or given to any health care professional (“HCP”) with an explicit or implicit requirement to use, purchase, or recommend the Company’s products. Furthermore, any payments or other benefits made to HCPs must also be in accordance with all applicable legal requirements, the AdvaMed Code of Ethics On Interactions with Health Care Professionals (the “AdvaMed Code”), and all applicable Company policies. For purposes of this Code, “health care professionals” or “HCPs” means those individuals and entities that purchase, lease, recommend, use, arrange for the purchase or lease of, or prescribe Company products. HCPs include both clinical and non-clinical people who make or influence product-related decisions of the sort described here.

a. Company-Sponsored Product Training and Education

The Company has a responsibility to provide education and training on the safe and effective use of its products to HCPs. This education and training is to be provided by individuals having the proper qualifications and expertise to conduct such training, and at facilities conducive to the effective transmission of knowledge. In accordance with the AdvaMed Code, the Company may provide reimbursement for reasonable travel and modest lodging expenses incurred by attending HCPs, as well as hospitality in the form of meals and receptions in connection with these programs, provided that such meals and receptions are modest in value and subordinate in time and focus to the purpose of the meeting. It is not appropriate to provide hospitality (e.g., meals, travel, or lodging) to guests of HCPs or any other person who does not have a legitimate professional interest in the information being shared at the meeting. Please refer to the Company’s policies entitled “Company-Sponsored Product Training and Education,” “HCP Meals,” and “HCP Travel” for more information on the policies and procedures governing training and education events.

b. Supporting Third-Party Educational Conferences

The Company may, under some circumstances, underwrite the cost of legitimate independent educational, scientific, or policymaking conferences that promote scientific knowledge, medical advancement and the delivery of effective health care. The Company may not designate attendees or faculty who will speak at third-party educational conferences; the conference sponsor should be responsible for selecting and controlling the content of the educational program. The Company may sponsor meals and receptions for HCP attendees that are ancillary to a conference sponsored by a third party if such ancillary events are conducted consistent with the sponsor’s guidelines. Please refer to the Company’s policy entitled “Company Support of Third-Party Educational

Conferences” for more information on the policies and procedures governing third-party educational conferences.

c. *Sales and Promotional Meetings*

Company personnel may meet with HCPs to discuss product features, contract negotiations, and sales terms. Often, these meetings occur close to or at the HCP’s place of business. For HCP attendees, the Company may provide occasional hospitality in the form of modest meals and receptions that are conducive to the exchange of information, provided such are incidental and conducive to the underlying business purpose. Company personnel may not personally pay for and provide hospitality for an HCP that the Company itself cannot provide under its policies, even if the Company neither pays for the hospitality nor provides reimbursement for the cost thereof. Furthermore, it is not appropriate to provide hospitality (e.g. meals, travel, or lodging) to guests of HCPs or any other person who does not have a legitimate professional interest in the information being shared at the meeting. Please refer to the Company’s policies entitled “Product Promotion,” “HCP Meals” and “HCP Travel” for more information on the policies and procedures governing sales and promotional meetings.

d. Arrangements with Consultants

HCPs may serve as consultants to the Company, providing valuable legitimate consulting services, including participation on advisory boards, presentations at Company sponsored training, and product collaboration. It is appropriate to pay HCPs reasonable compensation for performing these services. Consulting arrangements must be in writing, signed by the parties, specify all services to be provided and must be entered into only where a legitimate need and purpose for the services is identified in advance. The Company may retain only as many consultants as are legitimate and appropriate to provide the required services. Consultants must be selected on the basis of the consultant's qualifications and expertise to provide the identified service, and not on the basis of volume or value of business generated by the consultant. Compensation paid to consultants must be consistent with fair market value for the services provided. The venue and circumstances for Company meetings with consultants must be appropriate to the subject matter of the consultation. These meetings must be conducted at facilities conducive to the effective exchange of information. The Company may provide modest hospitality in conjunction with a consultant meeting that is subordinate in time and focus to the primary purpose of the meeting. The Company may also pay for reasonable expenses incurred by consultants in carrying out the subject of the consulting arrangement, including reasonable travel, meals and lodging costs incurred by consultants attending meetings with, or on behalf of, the Company. Please refer to the Company's policies entitled "Relationships with Consultants, Scientific Advisors and Other Healthcare Professionals," "HCP Meals," and "HCP Travel" for more information on the policies and procedures governing arrangements with consultants.

4. Confidential Information

You may be entrusted with the Company's confidential business information. You are required to safeguard and use such information only for the Company's purposes. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. You are expected to maintain the confidentiality of any and all such information entrusted to you by the Company or our customers or partners. Examples of confidential business information include, but are not limited to: the Company's trade secrets, business trends, the status of regulatory approvals for our product candidates, product development programs, detailed sales and cost figures, new product or marketing plans, research and development ideas or information, manufacturing or discovery processes, and information about potential collaborations, joint ventures, acquisitions, divestitures and investments. Failure to observe this duty of confidentiality may compromise our competitive advantage over competitors and may additionally result in a violation of securities, antitrust or employment laws. It may also violate agreements providing for the protection of such confidential information the Company has entered into with third parties. You should not discuss confidential Company information outside the Company, even with your own family.

You may also possess sensitive, privileged information about our customers or partners. These parties properly expect that this information will be kept confidential. The Company takes very seriously any violation of a customer's or partner's confidentiality and will not tolerate such conduct.

5. Accuracy of Business Records

It is our policy to record and report our factual information honestly and accurately. Failure to do so is a grave offense and will subject an individual to severe discipline by the Company, as well as possible criminal and civil penalties.

Compliance with established accounting procedures, the Company's system of internal and disclosure controls, and generally accepted accounting principles are necessary at all times. In order to achieve such compliance, the Company's records, books and documents must accurately reflect the transactions and provide a full account of the Company's assets, liabilities, revenues and expenses. Knowingly entering inaccurate or fraudulent information into the Company's accounting system is unacceptable and may be illegal. Any individual that has knowledge that an entry or process is false and material are expected to consult the Compliance Officer. In addition, it is the responsibility of each member of the Company to give their cooperation to the Company's authorized internal and external auditors.

Every individual should also be aware that almost all business records of the Company may become subject to public disclosure in the course of litigation or governmental investigation. Records are also often obtained by outside parties or the media. Employees should therefore attempt to be as clear, concise, truthful and accurate as possible when recording any information. They must refrain from making legal conclusions or commenting on legal positions taken by the Company or others. They must also avoid exaggeration, colorful language, and derogatory characterizations of people and their motives. The Company will not tolerate any conduct that creates an inaccurate impression of the Company's business operations.

6. Protection and Proper Use of Company Assets

Employees, officers and directors should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

a. Computers, the Internet and Email

Everyone who works with the Company's computer-based resources is responsible for their appropriate use and protection from theft, damage or loss. Employees should take care to understand the risks and protect and ensure that

the security features of the computer-based resources are not compromised. Information created, transmitted or accessed on Company networks is Company property and the Company reserves the right to monitor or restrict access to it.

Computer software used in connection with the Company's business must be properly licensed and used only in accordance with that license. Using unlicensed software could constitute copyright infringement. If an employee has any questions as to whether his or her use of computer software is licensed, he/she should consult with the Company's Information Technology Department. The same level of care should be taken when using the Company's e-mail, internet and voice mail systems as is used in written documents. For example, confidential information about the Company should not be disclosed on electronic bulletin boards, in chat rooms or posted on an internet website.

7. Corporate Opportunities

Employees, officers and directors are prohibited from (a) taking for yourself personally opportunities that you discover through the use of Company property, information or position, (b) using Company property, information or position for personal gain, and (c) competing with the Company. An employee, officer or director owes a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

8. Fair Dealing

Employees, officers and directors should endeavor to deal fairly with the Company's customers, partners, suppliers, competitors and employees. You should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practices. No bribes, kickbacks or other inducements shall be made to any official, customer or other party for any purpose, including offering or giving money or any other item of value to obtain or retain business or to influence any act or decision of any governmental official, political party, candidate for political office or official of a public organization. This policy extends not only to direct inducements, but also to indirect inducements made in any form through consultants, sales agents or others.

9. Conflicts of Interest

Company employees, officers and directors should avoid all potential conflicts of interest or situations that give the appearance of such conflict of interest. A conflict of interest occurs when the private interest of a Company employee (or an immediate family or household member or someone with whom you have an intimate relationship) interferes, in any way -or even appears to interfere - with the duties performed by the Company employee or with the interests of the

Company as a whole. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, such persons are of special concern.

To this end, Company employees, officers or directors may not be employed by, act as a consultant to, or have an independent business relationship with any of the Company's customers, competitors or suppliers. Nor may employees, officers or directors invest in any customer, supplier, or competitor (other than through mutual funds or through holdings of less than 1 percent of the outstanding shares of publicly traded securities) unless they first obtain written permission from the Chief Executive Officer. Employees, officers or directors should not have other outside employment or business interests that place them in the position of (i) appearing to represent the Company, (ii) providing goods or services substantially similar to those the Company provides or is considering making available, or (iii) lessening their efficiency, productivity, or dedication to the Company in performing their everyday duties. Employees, officers and directors may not have an interest in or speculate in anything of value which may be affected by the Company's business. Employees, officers or directors may not divulge or use the Company's confidential information - such as financial data, clinical results, regulatory status, customer or partner information, and computer programs - for their own personal or business purposes.

Any personal or business activities by an employee, officer or director that may raise concerns along these lines must be disclosed to and approved in advance by the Compliance Officer. You should also obtain the approval of the Compliance Officer when accepting a board position with a not-for-profit entity, when there may be a Company business relationship with the entity or an expectation of financial or other support from the Company.

10. Gifts, Meals and Entertainment

a. Entertainment and Gifts

The Company recognizes that in some instances, gifts and entertainment can provide an entirely appropriate means of furthering a business relationship. Normal business courtesies involving no more than ordinary amenities (such as lunch or dinner) are permitted, as are token non-cash gifts of nominal value. Gifts to HCPs are subject to additional restrictions and must comply with the Company's policy entitled "HCP Gifts and Entertainment." Under this policy, gifts to HCPs must benefit patients or serve a genuine educational function. Furthermore, it is not appropriate to provide any items to an HCP that takes into consideration the value or volume of the business that is or may be generated by the HCP, unless permitted by law (e.g., appropriate discounts). The guiding principle and spirit of this Code is that no gift, favor or entertainment, whether a

single event or a pattern of behavior, should be accepted or provided if it will obligate, or appear to obligate, the recipient. Please refer to the Company's policies entitled "HCP Gifts and Entertainment" and "HCP Meals" for additional information. If you are uncertain about the propriety of a gift, meal or other entertainment, you should contact the Compliance Officer for guidance.

b. Relationships with Government Personnel

Separate and more stringent gift, meals, and entertainment rules apply to dealings with government officials. Federal and state laws prohibit the Company and its representatives from knowingly and willfully offering, paying, requesting, or receiving any money or other benefit, directly or indirectly, in return for obtaining or rewarding favorable treatment in connection with the award of a government contract. Any employee who becomes aware of any such conduct should immediately report it to the Compliance Officer.

These laws must be considered whenever something of value is given or received by the Company or its representatives or affiliates that are in any way connected to work performed for the government. No one acting on behalf of the Company may offer or accept gifts, loans, rebates, services, or payment of any kind to or from government suppliers and vendors without first consulting the Compliance Officer.

c. Business Dealings in Foreign Countries

Federal law prohibits U.S. companies, and those acting on their behalf, from bribing foreign officials to obtain or retain business. Foreign officials include officers and employees of a foreign government or of a foreign governmental department or agency. Indirect payments including those to agents or third parties with the knowledge that at least a portion of the payment will be given to a foreign official for an illegal purpose are prohibited. The Company will not tolerate any conduct that violates this law.

11. Interacting with the Government

We are committed to being a "good corporate citizen" and the Company values its good relations with local, state, federal and foreign governments.

The Company's policy is to deal honestly and fairly with government representatives and agents and to comply with valid and reasonable governmental requests and processes. Be truthful and straightforward in your dealings with governmental representatives and do not direct or encourage another Company employee (or someone else) to provide false or misleading information to any government agent or representative. Do not direct or encourage anyone to destroy records relevant to a fact-finding process.

12. Privacy and Employee Relations

Even though an employee's non-work-related activities outside of the Company are considered personal business, employees should always remember that they are a representative of the Company. All employees, officers and directors should review the Company's policies regarding diversity, discrimination, workplace harassment (including sexual harassment), health and safety and related matters.

13. Market Competition

The Company is committed to complying with all state and federal antitrust laws. The purpose of the antitrust laws is to preserve the competitive free-enterprise system. The antitrust laws in the United States are founded on the belief that the public interest is best served by vigorous competition, free from collusive agreements among competitors on price or service terms. The antitrust laws help preserve the country's economic, political, and social institutions; the Company is firmly committed to the philosophy underlying those laws.

While the antitrust laws clearly prohibit most agreements to fix prices, divide markets, and boycott, they also proscribe conduct that is found to restrain competition unreasonably. This can include, depending on the facts and circumstances involved, certain attempts to tie or bundle services together, certain exclusionary activities, and certain agreements that have the effect of harming a competitor or unlawfully raising prices. Any questions that arise in this area should be addressed to the Compliance Officer.

14. Purchasing

Purchasing decisions must be made in accordance with applicable Company policy. In addition, the prohibitions discussed in Section 13 of this Code, entitled "Gifts, Meals and Entertainment" apply to purchasing decisions made on behalf of the Company. Purchasing decisions must in all instances be made free from any conflicts of interest that could affect the outcome. The Company is committed to a fair and objective procurement system which results in the acquisition of quality goods and services for the Company at a fair price.

15. Political Contributions

The Company believes that our democratic form of government benefits from citizens who are politically active. For this reason, the Company encourages each of its employees to participate in civic and political activities in his or her own way.

The Company's direct political activities are, however, limited by law. Corporations may not make any contributions - whether direct or indirect - to

candidates for federal office. Thus, the Company may not contribute any money or products, or lend the use of vehicles, equipment, or facilities, to candidates for federal office, nor may the Company make contributions to political action committees that make contributions to candidates for federal office. Neither the Company, nor supervisory personnel within the Company, may require any employees to make any such contribution. Finally, the Company cannot reimburse its employees for any money they contribute to political candidates or campaigns.

Many state laws also limit the extent to which corporations and individuals may contribute to political candidates. Any question about the propriety of political activity or contribution should be directed to the Compliance Officer.

16. Exports and Imports

There are many U.S. laws governing international trade and commerce which serve to limit the export of certain products to certain countries. The Company is committed to complying with those laws. Under no circumstances will the Company make sales contrary to U.S. export laws. Because these regulations are complicated and change periodically, employees and agents seeking to make a sale to a customer in a foreign country must first confirm the legal trade status of that country. If an employee or agent is uncertain about whether a foreign sale complies with U.S. export laws, he/she must contact the Compliance Officer for guidance. The Company employees and agents should be aware that there are also many U.S. laws that govern the import of items into the United States. Among other things, these laws control what can be imported into the United States, how the articles should be marked, and the amount of duty to be paid. The Company complies with all U.S. import laws. If an employee or agent is uncertain about whether a transaction involving the importation of items into the United States complies with these laws, he/she must contact the Compliance Officer for guidance.

17. Media/Public Relations and Governmental Inquiries

When the Company provides information to the news media, securities analysts and stockholders, it has an obligation to do so accurately and completely. In order to ensure that the Company complies with its obligations, employees receiving inquiries regarding the Company's activities, results, plans or position on public issues should refer the request to the Company's Chief Executive Officer, Chief Financial Officer, or the designated corporate spokesperson. The Company employees may not speak publicly for the Company unless specifically authorized by senior management.

Although unlikely, a government representative may seek to interview an employee regarding the Company's business activities or an employee's work at the Company. If an employee is contacted by a government agent or

representative and asked to provide information, contact the Vice President of Legal at (603) 842-6220.

Occasionally, someone will arrive unexpectedly or a government representative may seek to inspect Company property. If this happens, an employee should immediately notify his or her manager or supervisor and contact the Vice President of Legal at (603) 842-6220.

18. Response to Investigations or Government Inquiries

Numerous state and federal agencies have broad legal authority to investigate the Company and review its records. The Company will comply with subpoenas and respond to governmental investigations as required by law. The Compliance Officer is responsible for coordinating the Company's response to investigations and the release of any information.

If an employee or officer receives an investigative demand, subpoena, or search warrant involving the Company, it should be brought immediately to the Compliance Officer. No documents should be released or copied without authorization from the Compliance Officer or the Company's legal counsel. If an investigator, agent or government auditor comes to the Company's corporate headquarters, the Chief Executive Officer should be contacted immediately. In the absence of the Chief Executive Officer, contact the Company's Compliance Officer. Ask the investigator to wait until the contacted individual arrives before reviewing any documents or conducting any interviews. The Compliance Officer, his or her designee, or the Company's legal counsel is responsible for assisting with any interviews. If the Company's employees are approached by government investigators and agents while they are away from the Company's premises and asked to discuss Company affairs, the employee has the right to insist on being interviewed during business hours with a supervisor or counsel present. Alternatively, any employee may choose to be interviewed or not to be interviewed at all. The Company recognizes that the choice of how to proceed in these circumstances is left entirely to the employee. If an employee chooses to speak with government personnel, it is essential that the employee be truthful. Questions may be directed to the Compliance Officer.

The Company employees are not permitted to alter, remove, or destroy documents or records of the Company except in accordance with regular document retention and destruction practices.