

ADVANTAGE MARKETING SYSTEMS, INC POLICIES, PROCEDURES, AND EMPLOYEE HANDBOOKS

CORPORATE AND EMPLOYEE ETHICS

I. PURPOSE

To provide a policy on conduct of company business, to avoid conflicts of interest by employees and to comply with ethical business standards.

II. SCOPE

All employees.

III. POLICY

A. Company business must be conducted in accordance with the letter and spirit of the law and with the overriding ethical standards of accepted business conduct. Further, the Board of Directors requires all employees to observe the specific standards set out in this policy.

B. Company Gifts and Gratuities.

1. No gifts, favors or entertainment may be given to others at company expenses unless they meet the following criteria:
 - a. *They are consistent with accepted business practices.*
 - b. *are of sufficiently limited value and form that they will not be construed as a bribe or payment.*
 - c. *They are not contravention of this policy or applicable laws and are generally considered ethical acceptable.*
 - d. *Public disclosure would not embarrass the company.*
2. No secret commissions or other secret compensation in any form will be paid to any person or firm with whom the company does business.

3. Gifts or entertainment to government employees (municipal, state, federal, or foreign) to influence actions, even to induce performance of legal duties, are prohibited.

C. Political Contributions

No company funds may be contributed, expended, or reimbursed, neither may company property be used, directly or indirectly in connection with any election, primary election, or political caucus to select candidates for political office (except to pay operating expenses of a Political action Committee formed and operated in compliance with the Federal Election Committee Campaign Act).

1. Nothing in this policy prohibits employees from engaging in political activities in an individual capacity on their own time and at their own expense or from making personal political contributions.

D. Conflicts of Interest

1. Employees may not gain personally, either directly or indirectly, in ways, which may be adverse to company interests.
2. The following activities are considered conflicts of interest
 - a. *Use of people's time, paid by the company, for non-company benefit.*
 - b. *Participation in outside activities, which interfere with company duties. However, authorized work with non-profit groups is generally considered beneficial to the company.*
 - c. *Use of company information for personal gain or in a manner adverse to the company's interests whether or not the company suffers any direct loss.*
3. Employees who are involved, or who believe they may be involved, in conflict of interest situations should contact their supervisors who will assist in resolving conflict situations and will advise higher authority as necessary.
 - a. *Situations, which might have a significant adverse affect on business or the company's reputation, should be reported to the Audit Committee.*

E. Proper Recording of Funds, Assets, and Disbursements

Funds, assets, and disbursements of the company will be properly recorded on appropriate books and records. No secret or unrecorded fund of corporate assets will be established or maintained and no false entries will be made on company books or records.

F. Questions on the propriety of any proposed action to be taken on behalf of the company should be referred to the CEO through proper channels and or reported to the Audit Committee.