



## CODE OF CONDUCT

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## **I. INTRODUCTION**

Implementation of this company-wide Code of Conduct helps ensure compliance with legal requirements and Liquidmetal's standards of business conduct as defined in this document. All Liquidmetal employees worldwide are expected to read and understand this Code of Conduct, uphold these standards in their day-to-day work, comply with all applicable policies and procedures, report any known or suspected violations, and ensure that all agents and contractors are aware of, understand and adhere to these standards.

Nothing in this Code of Conduct, in any company policies and procedures, or in other related communications (verbal or written) creates or implies an employment contract or term of employment.

Liquidmetal Technologies is committed to continuously review and update its policies and procedures. Therefore, this Code of Conduct is subject to modification. This Code of Conduct supersedes all other such codes, policies, procedures, instructions, practices, rules or written or verbal representations to the extent to which they are inconsistent.

Please sign the acknowledgement form at the end of the Code of Conduct and return the form to the Human Resources Department at Liquidmetal's principal executive office in Tampa. The signed acknowledgement form will be located in your personnel file. Each year you will be asked to sign an acknowledgement indicating your continued understanding of the Code of Conduct.

## **II. COMPLIANCE IS EVERYONE'S BUSINESS**

Ethical business conduct is at the core of Liquidmetal's business practices. As a Liquidmetal employee, your responsibility is to respect and adhere to these practices. Many of these practices reflect the requirements of laws or regulations. Violations of these laws and regulations can create significant liability for Liquidmetal, its directors, officers, and employees.

Part of your job and your ethical responsibility at Liquidmetal is to help Liquidmetal enforce this Code of Conduct. You should be alert to possible violations and you are required to cooperate in any internal or external investigations of possible violations. Such self-policing is encouraged and reprisal, retribution or retaliation by anyone within Liquidmetal against any employee who has in good faith reported a violation or suspected violation is prohibited.



Violations of this Code of Conduct or other Liquidmetal policies or procedures should be reported to Liquidmetal's Human Resources Department or Liquidmetal's Legal Department.

Violations of the law, this Code of Conduct or other Liquidmetal Technologies policies or procedures by Liquidmetal Technologies employees can lead to disciplinary action up to and including termination.

In trying to determine whether any given action is appropriate, use the following "disclosure" test. Imagine that the words you are using or the action you are taking is going to be fully disclosed in the media with all the details, including your photo. If you are uncomfortable with the idea of this information being made public, perhaps you should think again about your words or your course of action.

In all cases, if you are unsure about the appropriateness of an event or action, do not hesitate to seek assistance in interpreting the requirements of these practices by contacting the Human Resources Department.

### **III. YOUR RESPONSIBILITIES TO LIQUIDMETAL TECHNOLOGIES AND ITS SHAREHOLDERS**

#### ***A. Equal Opportunity***

Liquidmetal has a commitment to equal employment opportunity for all applicants and employees. Liquidmetal is an equal opportunity employer and will not discriminate against any employee or applicant on the basis of any characteristic protected by local, state, federal, foreign or other applicable law. It is Liquidmetal's policy to recruit, employ, evaluate, train, promote, discipline and otherwise treat all employees and job applicants on the basis of merit, qualifications and competence. This policy shall be applied without regard to any status, citizenship, medical condition, physical or mental disability, or any other characteristic protected by local, state, federal, foreign or other applicable law. Liquidmetal strives to employ individuals in positions that best suit their abilities, interests and skills, as well as Liquidmetal's needs.

#### ***B. General Standards of Conduct***

Liquidmetal expects all employees, agents and contractors worldwide to maintain certain common sense standards of good conduct in order to ensure the safety and welfare of employees, agents and contractors and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization. These standards apply while working on Liquidmetal premises, at offsite locations



where Liquidmetal business is being conducted, at Liquidmetal sponsored business and social events, or at any other place where you are representative of Liquidmetal. Employees, agents and contractors who engage in misconduct or whose performance is unsatisfactory may be subject to corrective action, up to and including termination.

### ***C. Applicable Laws***

All Liquidmetal employees, agents and contractors worldwide must follow all applicable laws, regulations, rules and regulatory orders. Liquidmetal employees located outside of the United States must comply with laws, regulations, rules and regulatory orders of the United States, including but not limited to the Foreign Corrupt Practices Act and the U.S. Export Control Act. Each employee, agent and contractor is charged with the responsibility to acquire appropriate knowledge of the requirement in relation to his or her duties sufficient to enable him or her to recognize potential dangers and to know when to seek advice from the Legal Department or other advice on specific Liquidmetal policies and procedures. Violations of laws, regulations, rules and orders may subject the employee, agent or contractor to individual criminal or civil liability, as well as to discipline by Liquidmetal. Such individual violations may also subject Liquidmetal to civil or criminal liability or the loss of business.

### ***D. Workplace Safety & Security***

It is Liquidmetal's policy to establish and maintain a safe, secure and healthful workplace free of recognized hazards, actual or threatened violence against co-workers, visitors, or any other persons who are either on our premises or have contact with employees, agents or contractors in the course other duties. It is also Liquidmetal's policy that every employee, agent and contractor must understand the importance of workplace safety and security. Every employee, agent and contractor is responsible for helping to ensure the safety of the Liquidmetal workplace through personal action and through reporting unsafe conditions.

### ***E. Environmental***

It is Liquidmetal's policy to comply with all applicable environmental laws, rules and regulations, to make responsible environmental management a priority at Liquidmetal and, where necessary, to establish detailed compliance plans that manage environmental risks in day-to-day operations. If you have questions about environmental laws, rules or regulations concerning our facilities, you should contact your supervisor or Liquidmetal's Human Resources Department. If you have questions about environmental laws, rules or regulations concerning our products, you should contact Liquidmetal's Legal Department.

### ***F. Drug & Alcohol Abuse***

Liquidmetal strives to maintain a workplace that is free from the illegal use, possession, sale, transfer, manufacture, or distribution of alcohol or controlled substances (as defined in the Controlled Substances Act, 21 U.S.C. Sections 801 and following). Legal or illegal substances shall not be used in a manner that impairs an employee's performance of assigned tasks. Conduct that brings discredit to Liquidmetal, casts significant doubt on your reliability or trustworthiness, or otherwise affects your ability to work effectively or harmoniously with others, is improper. Liquidmetal requires all employees, agents and contractors to report for work with their abilities unimpaired by alcohol or controlled substances. This Code of Conduct applies while working on Liquidmetal premises, at offsite locations where Liquidmetal business is being conducted, at Liquidmetal-sponsored business and social events, or at any other place where you are a representative of Liquidmetal. Employees, agents or contractors who are found to be in violation of this policy may be subject to disciplinary action, up to and including termination. Liquidmetal may from time to time publish additional policies or procedure relating to controlled substances and alcohol-related issues.

### ***G. Discrimination & Harassment***

Liquidmetal's values include ethical actions, honesty, respect for others and teamwork. Their exerciser requires an environment that is open, supportive, and interdependent. No action could be more contrary to our values than unlawful discrimination.

Our policies prohibit unlawful discrimination and harassment of any kind, and each employee, agent and contractor needs to meet this obligation. These policies apply while working on Liquidmetal premises, at offsite locations where Liquidmetal business is being conducted, at Liquidmetal-sponsored business and social events, or at any other place where you are a representative of Liquidmetal or where your actions could impact the work environment. Discrimination, harassment, slurs or jokes based on a person's race, color, creed, religion, national origin, citizenship, age, sex, marital status, or mental or physical disability will not be tolerated. Liquidmetal may from time to time publish additional policies or procedure relating to workplace harassment.

### ***H. Conflicts of Interest***

Each of us has certain responsibilities and duties to Liquidmetal, our shareholders, and each other. Although these duties and responsibilities do not prevent us from



engaging in personal transactions and investments, it does demand that we avoid situations where a conflict of interest might occur or appear to occur. Liquidmetal Technologies is subject to scrutiny from many different individuals and organizations. We should always strive to avoid even the appearance of impropriety.

What constitutes conflict of interest? Where the interests or benefits of one entity conflict with the interests or benefits of Liquidmetal, including but not limited to the following examples:

(i) Employment/Outside Employment

In consideration of your employment at Liquidmetal, you are expected to devote your full attention to the business interests of Liquidmetal, and you are prohibited from engaging in any activity that interferes with your performance or responsibilities to Liquidmetal or is otherwise in conflict with or prejudicial to Liquidmetal. Employees are prohibited from accepting simultaneous employment with a Liquidmetal supplier, customer, developer, or competitor, and from taking part in any activity that enhances or supports a competitor's position.

Additionally, you will be asked by Liquidmetal to disclose any proprietary interest that you have that may conflict with the business of Liquidmetal. If you have any questions on this requirement, you should contact your supervisor or the Human Resources Department.

(ii) Outside Directorships

It is a conflict of interest to serve as a director of a company in competition with Liquidmetal. Although you may serve as a director of a Liquidmetal supplier, customer, developer, or other business partners, our policy requires that you first obtain approval from Liquidmetal's General Counsel before accepting a directorship, and any remuneration you receive should be of an amount equal to your responsibilities. Such approval may be conditioned upon the completion of the specified actions.

(iii) Business Interests

If you are considering investing in the business interests of customers, suppliers, developers and competitors, you must first take great care to ensure that these investments do not compromise your responsibilities to Liquidmetal. Many factors should be considered in determining whether a conflict situation exists, including the size and nature of the investment; your ability to influence Liquidmetal decisions; your access to the confidential information of Liquidmetal or of the other company; and the nature of the relationship between Liquidmetal and the other business.



(iv) Related Parties

As a general rule, you should avoid conducting Liquidmetal business with a relative or significant other or with a business in which a relative or significant other is associated in any significant role. Relatives include spouse, sister, brother, daughter, son, mother, father, grandparents, aunts, uncles, nieces, nephews, cousins, step relationships and in-laws. Significant others include persons living in a spousal or familial fashion with an employee.

If such a related party transaction is unavoidable, you must fully disclose the nature of the related party transaction to Liquidmetal's Chief Financial Officer. If determined to be material to Liquidmetal by Liquidmetal's Chief Financial Officer, Liquidmetal's Audit Committee must review such related party transactions. The most significant related party transactions, particularly those involving Liquidmetal's directors or executive officers, must be reviewed and approved in writing in advance by Liquidmetal's Audit Committee or Board of Directors. Liquidmetal must report all such material related party transactions under applicable accounting rules or SEC rules or regulations. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to the related party's business.

(v) Corporate Opportunities

Employees, officers, directors, agents and contractors are prohibited from taking personally for themselves opportunities that are discovered through the use of Liquidmetal property, information or position without the consent of Liquidmetal's Chief Financial Officer. No employee, officer, director, agent or contractor may use Liquidmetal property, information, or position for improper personal gain, and no employee, officer, director, agent or contractor may compete with Liquidmetal directly or indirectly. Employees, officers, directors, agents and contractors owe a duty to Liquidmetal to advance its legitimate interests when the opportunity to do so arises.

(vi) Other Situations

Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts in your mind you should consult the Human Resources Department.

### ***I. Protecting Liquidmetal's Confidential Information***

Liquidmetal's confidential information is a valuable asset, and includes, but is not limited to technical information regarding Liquidmetal® alloys, information requiring Liquidmetal's business operations and customers, business partners information, and financial information. This information is the property of Liquidmetal and may be



protected by patent, trademark, copyright or trade secret laws. All confidential information must be used for Liquidmetal business purposes only. Every employee, agent and contractor has the responsibility to safeguard it, and to never disclose confidential information, intentionally or inadvertently, except as provided below. THIS RESPONSIBILITY INCLUDES NOT DISCLOSING LIQUIDMETAL CONFIDENTIAL INFORMATION SUCH AS INFORMATION REGARDING LIQUIDMETAL'S PRODUCTS OR BUSINESS OVER THE INTERNET. You are also responsible for properly labeling any and all documentation shared with or correspondence sent to Liquidmetal's Legal Department or Liquidmetal's outside counsel as "Attorney-Client Privileged".

This responsibility includes the safeguarding, securing and proper disposal of confidential information in accordance with Liquidmetal's policy on Maintaining and Managing Records set forth in Sections III(M) and III(N) of this Code of Conduct. This obligation extends to confidential information of third parties, which Liquidmetal has rightfully received under Nondisclosure Agreements. See also Liquidmetal's policy dealing with Handling Confidential Information of Others set forth in Section IV(D) of this Code of Conduct.

(i) Employee Confidentiality Agreement and Technical Data Policy

When you first joined Liquidmetal, you signed an agreement obligating you to maintain the confidentiality of all information relating to Liquidmetal and its affairs. This agreement remains in effect for as long as you work for Liquidmetal and even after you leave Liquidmetal. This Code of Conduct supplements, but does not replace, your agreement with Liquidmetal.

Additionally, Liquidmetal's Technical Data Policy applies to the disclosure and handling of any information that is technical or scientific in nature. If your job function involves the use, disclosure, or handling of technical or scientific information, you must also be familiar with, and comply with, the Technical Data Policy.

(ii) Disclosure of Liquidmetal Confidential Information

To further Liquidmetal's business, from time to time our confidential information must be disclosed to potential business partners. However, such disclosure should never be done without carefully considering its potential benefits and risks. If you determine in consultation with your manager and other appropriate Liquidmetal management that disclosure of confidential information is necessary, you must then contact the Legal Department to ensure that an appropriate written nondisclosure agreement is signed prior to the disclosure. Liquidmetal has standard nondisclosure agreements suitable for most disclosures. You must not sign a third party's nondisclosure agreement or accept changes to Liquidmetal's standard nondisclosure agreements without review and approval by Liquidmetal's Legal Department. In addition, all Liquidmetal materials which contain Liquidmetal confidential information, including but not limited to, presentations,



must be reviewed and approved by Liquidmetal's Legal Department prior to publication or use. Furthermore, any employee publication or publicly made statement that might be perceived or construed as attributable to Liquidmetal, made outside the scope of his or her employment with Liquidmetal, must be reviewed and approved in writing in advance by Liquidmetal's Legal Department and must include Liquidmetal's standard disclaimer that the publication or statement represents the views of the specific author and not of Liquidmetal.

(iii) Requests by Regulatory Authorities

Liquidmetal and its employees, agents and contractors must cooperate with appropriate government inquiries and investigations. In this context, however, it is important to protect the legal rights of Liquidmetal with respect to its confidential information. All government requests for information, documents or investigative interviews must be referred to the applicable department within Liquidmetal; responses to requests for tax information should be directed to Liquidmetal's Controller, and all other responses to requests from Government entities should be directed to Liquidmetal's Legal Department. Additionally, no financial information may be disclosed without the prior approval of the Chief Financial Officer.

(iv) Liquidmetal Spokespeople

Specific policies have also been established regarding who may communicate information to the press and the financial analyst community. All inquiries or calls from the press and all financial analysts are to be referred to the Chief Financial Officer or Vice President of Investor Relations. Liquidmetal has designated its CEO, CFO and Investor Relations Departments as official Liquidmetal spokespeople for financial matters. Liquidmetal has designated its Public Relations Department as official Liquidmetal spokespeople for marketing, technical and other such information. These designees are the only people who may communicate with the press on behalf of Liquidmetal.

***J. Obligations Under Securities Laws- "Insider" Trading***

Obligations under the U.S. Securities Laws apply to everyone. In the normal course of business, officers, directors, employees, agents, contractors and consultants of Liquidmetal may come into possession of metered nonpublic information relating to Liquidmetal. You may not seek to profit from metered nonpublic information by buying or selling securities yourself, or passing on the information to others to enable them to profit or for them to profit on your behalf. The misuse of sensitive information is contrary to Liquidmetal policy and U.S. Securities laws.



Insider trading violations are a crime, penalized by fines of up to \$1,000,000 and 10 years in jail for individuals. In addition, the U.S. Securities and Exchange Commission may seek the imposition of a civil penalty of up to three times the profits made or losses avoided from the trading.

Additionally, employers and other controlling persons (including supervisory personnel) are also at risk under U.S. federal law. Controlling persons may, among other things, face penalties of the greater of \$1,000,000 or three times the profits made or losses avoided by the trader if they recklessly fail to take preventive steps to control unlawful insider trading.

Thus, it is important both to you and Liquidmetal that insider trading violations not occur. You should be aware that stock market surveillance techniques are becoming increasingly sophisticated, and the chance that U.S. federal or other regulatory authorities will detect and prosecute even small-level trading is significant. Insider trading rules are strictly enforced, even in instances when the financial transactions seem small. Because of the importance of this issue, Liquidmetal has adopted an Insider Trading Policy applicable to all employees. Before engaging in any purchase or sale of Liquidmetal Technologies common stock, you must ensure that your intended trade strictly complies with the Insider Trading Policy. You should contact the Legal Department if you have any questions regarding the Insider Trading Policy.

#### ***K. Prohibition Against Short Selling of Liquidmetal Stock***

No Liquidmetal director, officer or other employee, agent or contractor shall, directly or indirectly, sell any equity security, including derivatives, of Liquidmetal if the person selling the security or his principal (1) does not own the security sold, or (2) if owning the security, does not deliver it against such sale within 20 days thereafter, or does not within five days after such sale deposit it in the mail or other usual channels of transportation. Generally, a short sale, as defined in this Code of Conduct, means any transaction whereby one may benefit from a decline in Liquidmetal's stock price. While employees who are not executive officers or directors are not prohibited by law from engaging in short sales of Liquidmetal's securities, Liquidmetal has adopted as policy that employees may not do so either.

#### ***L. Use of Liquidmetal's Assets***

##### **(i) General**

Protecting Liquidmetal's assets is a key fiduciary responsibility of every employee, agent and contractor. Care should be taken to ensure that assets are not misappropriated, loaned to others, sold or donated, without appropriate authorization. All Liquidmetal employees, agents and contractors are responsible for the proper use of Liquidmetal assets, and must safeguard such assets against



loss, damage, misuse or theft. Employees, agents or contractors who violate any aspect of this policy or who demonstrate poor judgment in the manner in which they use any Liquidmetal asset will be subject to disciplinary action, up to and including termination of employment or business relationship at Liquidmetal's sole discretion. Liquidmetal equipment and assets are to be used for Liquidmetal business purposes only. Employees, agents and contractors may not use Liquidmetal assets for personal use, nor shall they allow any other person to use Liquidmetal assets. Employees who have questions regarding this policy should bring them to the attention of Liquidmetal's Human Resources Department.

(ii) Physical Access Control

Liquidmetal has and will continue to develop compliance plans covering access control to ensure privacy of communications, maintenance of the security of Liquidmetal communication equipment, and safeguard Liquidmetal assets from theft, misuse and destruction. You are personally responsible for complying with the level of access control that has been implemented in the facility where you work on a permanent or temporary basis. You must not defeat or cause to be defeated the purpose for which the access control was implemented.

(iii) Liquidmetal Funds

Every Liquidmetal employee is personally responsible for all Liquidmetal funds over which he or she exercises control. Liquidmetal agents or contractors should not be allowed to exercise control over Liquidmetal funds. Liquidmetal funds must be used only for Liquidmetal business purposes. Every Liquidmetal employee, agent and contractor must take reasonable steps to ensure that Liquidmetal receives good value for Liquidmetal funds spent and must maintain accurate and timely records of each and every expenditure. Expense reports must be accurate and submitted in a timely manner. Liquidmetal employees, agents and contractors must not use Liquidmetal funds for any personal use.

(iv) Computers and Other Equipment

Liquidmetal strives to furnish all employees with the equipment necessary to efficiently and effectively do their jobs. You have the obligation to care for that equipment and to use it responsibly only for Liquidmetal business purposes. If you use Liquidmetal equipment at your home or offsite, take precautions to protect it from theft or damage, just as if it were your own. If Liquidmetal no longer employs you, you must immediately return all Liquidmetal equipment. While computers and other electronic devices are made accessible to employees to assist them to perform their jobs and to promote Liquidmetal's interests, all such computers and electronic devices, whether used entirely or partially on Liquidmetal's premises or with the aid of Liquidmetal's equipment or resources, must remain fully accessible to Liquidmetal and, to the maximum extent permitted by law, will remain the sole and exclusive property of Liquidmetal.

Employees, agents and contractors should not maintain any expectation of privacy with respect to information transmitted over, received by, or stored in any electronic communications device owned, leased, or operated in whole or in part by or on behalf of Liquidmetal. To the extent permitted by applicable law, Liquidmetal retains the right to gain access to any information received by, transmitted by, or stored in any such electronic communications device, by and through its employees, agents, contractors, or representatives, at any time, either with or without an employee's or third party's knowledge, consent or approval.

(v) Software

All software used by employees to conduct Liquidmetal business must be appropriately licensed. Never make or use illegal or unauthorized copies of any software, whether in the office, at home, or on the road, since doing so may constitute copyright infringement and may expose you and Liquidmetal to potential civil and criminal liability. In addition, use of illegal or unauthorized copies of software will subject the employee to disciplinary action, up to and including termination. Liquidmetal's IT Department will inspect Liquidmetal's computers periodically to verify that only approved and licensed software has been installed. Any non-licensed/supported software will be removed.

(vi) Electronic Usage

It is important that employees utilize electronic communication devices in a legal, ethical, and appropriate manner. This includes all electronic communications devices within the organization, including computers, e-mail, connections to the Internet and any other public or private network, voice mail, video conferencing, facsimiles, and telephones. Posting or discussing information concerning Liquidmetal's products or business on the Internet without the prior written consent of Liquidmetal's Chief Financial Officer is prohibited.

It is not possible to identify every standard and rule applicable to the use of electronic communications devices. Employees are therefore encouraged to utilize sound judgment whenever using any feature of the communications systems. Liquidmetal may from time to time publish policies relating to the use of electronic communication devices. You are expected to review, understand and follow such policies and procedures.

### ***M. Maintaining and Managing Records***

From time to time Liquidmetal may publish policies and guidelines relating to the retention, maintenance and management of records. Records include, but are not limited to, paper documents, CDs, computer hard disks, email, floppy disk microfiches, microfilm or any other media. Liquidmetal may be required by local, state, deferral, foreign and other applicable laws, rules and regulations to retain certain records and to

follow specific guidelines in managing its records. Civil and criminal penalties for failure to comply with such guidelines can be severe for employees, agents, contractors and Liquidmetal, and failure to comply with such guidelines or will subject the employee, agent or contractor to disciplinary action, up to and including termination of employment or business relationship at Liquidmetal's sole discretion.

#### ***N. Records on Legal Hold***

A legal hold suspends all destruction procedure in order to preserve appropriate records under special circumstances, such as litigation or government investigations.

Liquidmetal's Legal Department determines and identifies what types of Liquidmetal records or documents are required to be placed under a legal hold. Every Liquidmetal employee, agent and contractor has an affirmative responsibility to comply with this policy. Failure to comply with this policy will subject the employee, agent or contractor to disciplinary action, up to and including termination of employment or business relationship at Liquidmetal's sole discretion.

Liquidmetal's Legal Department will notify you if a legal hold is placed on records for which you are responsible. You are then required to preserve and protect the necessary records in accordance with instructions from Liquidmetal's Legal Department.

**RECORDS OR SUPPORTING DOCUMENTS THAT HAVE BEEN PLACED UNDER A LEGAL HOLD MUST NOT BE DESTROYED, ALTERED OR MODIFIED UNDER ANY CIRCUMSTANCES.** A legal hold remains in effect until it is officially released in writing by Liquidmetal's Legal Department. If you are unsure whether a document has been placed under a legal hold, you should preserve and protect the document while you check with Liquidmetal's Legal Department.

If you have any questions about this policy, you should contact Liquidmetal's Legal Department.

#### ***O. Accounting and Payment Practices***

##### **(i) Accounting Practices**

Liquidmetal's responsibilities to its shareholders and the investing public, as well as its obligations under the laws governing corporations, require that all transactions be fully and accurately recorded in Liquidmetal's books and records in compliance with all applicable laws. False or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation and approval are strictly prohibited and violate Liquidmetal policy and the law. Additionally, all documentation supporting a transaction should fully and accurately describe the nature of the transaction and be processed in a timely fashion.



Any employee having information or knowledge of any unrecorded fund or asset or any other questionable financial disclosure or accounting, auditing, or financial practice or concern shall promptly report such matter to Liquidmetal's Chief Financial Officer. If the employee is not satisfied that the issue reported has been addressed properly or does not feel comfortable raising the issue with the Company's Chief Financial Officer, he or she shall report the issue directly to the Chairman of the Audit Committee of the Company's Board of Directors at the following address:

PERSONAL AND CONFIDENTIAL  
Vincent Addonisio  
Chairman, Audit Committee of Liquidmetal Technologies  
c/o Liquidmetal Technologies  
25800 Commercentre Drive, Suite 100  
Lake Forest, CA 92630

(ii) Political Contributions

Liquidmetal reserves the right to communicate its position on important issues to elected representatives and other government officials, and Liquidmetal encourages its employees to exercise their civic rights and responsibilities. It is Liquidmetal's policy to comply fully and strictly with all local, state, deferral, foreign and other applicable laws, rules and regulations regarding political contributions. Liquidmetal's funds or assets must not be used for, or be contributed to, political campaigns or political practices- under any circumstances anywhere in the world- without the prior written approval of Liquidmetal's General Counsel and, if required, Liquidmetal's Board of Directors.

(iii) Sales Representatives, Agents, Contractors

Although the majority of the business of Liquidmetal is done through employees, Liquidmetal sometimes engages consultants, sales representatives and other third parties to provide services and to act on its behalf. Our relationships with these third parties must always be proper, lawful and documented, in fact and in appearance, wherever in the world they occur.

Commissions, fees and discounts must always be set out in a written agreement and must reflect the value to Liquidmetal of the service being provided. They should never exceed amounts that are reasonable and customary for the type of service being provided and the service to be provided must be legal and proper. Payments may only be made against an accurate and complete invoice or otherwise pursuant to a written agreement. All consultants must sign Liquidmetal's standard agreements provided by Liquidmetal's Legal Department.

(iv) Prohibition of Inducements

Under no circumstances may employees, agents or contractors offer to pay, make payment, promise to pay, or issue authorization to pay any money, gift, or

anything of value to customers, vendors, consultants, etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commission of any fraud. Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy. Questions regarding whether a particular payment or gift violates this policy are to be directed to Human Resources or the Legal Department.

#### ***P. Foreign Corrupt Practices Act***

Liquidmetal requires full compliance with the Foreign Corrupt Practices Act (FCPA) by all of its employees, agents, contractors and consultants.

The anti-bribery and corrupt payment provisions of the FCPA make illegal any corrupt offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value to any foreign official, or any foreign political party, candidate or official, for the purpose of influencing any act or failure to act, in the official capacity of that foreign official or party, or inducing the foreign official or party to use influence to affect a decision of a foreign government or agency, in order to obtain or retain business for anyone, or direct business to anyone.

All Liquidmetal employees, agents, and contractors, whether located in the United States or abroad, are responsible for FCPA compliance and the procedures to ensure FCPA compliance. All managers and supervisory personnel are expected to monitor continued compliance with the FCPA to ensure compliance with the highest moral, ethical and professional standards of Liquidmetal.

Laws in most countries outside the United States also prohibit or restrict government officials or employees of government agencies from receiving payments, entertainment, or gifts for the purpose of winning or keeping business. No contract or agreement may be made with any business in which a government official or employee holds a significant interest without prior approval of Liquidmetal's General Counsel.

#### ***Q. Export Controls***

A number of countries maintain controls on the destinations to which products may be exported. Some of the strictest export controls are maintained by the United States against countries, which the U.S. government considers unfriendly, or as supporting international terrorism. The U.S. regulations are complex and apply both to exports from the United States and to exports of products from other countries, when those products contain U.S.-originated components or technology. In some circumstances, an oral presentation containing technical data made to foreign nationals in the United States may constitute a controlled export. The Legal Department can provide you with guidance on



which countries are prohibited destinations for Liquidmetal products or whether a proposed technical presentation to foreign nationals may require a U.S. Government license.

#### **IV. RESPONSIBILITIES TO OUR CUSTOMERS AND OUR SUPPLIERS**

##### ***A. Customer Relationships***

If your job puts you in contact with any Liquidmetal customers or potential customers, it is critical for you to remember that you represent Liquidmetal to the people with whom you are dealing. Act in a manner that creates value for our customers and helps to build a relationship based upon trust. This goodwill is one of our most important assets, and Liquidmetal employees, agents and contractors must act to preserve and enhance our reputation.

##### ***B. Payments or Gifts from Others***

Under no circumstances may employees, agents or contractors accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, consultants, etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commission of any fraud. Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or creating appearance of impropriety, do not violate this policy. Questions regarding whether a particular payment or gift violates this policy are to be directed to Human Resources or the Legal Department.

Gifts given by Liquidmetal to suppliers or customers or received from suppliers or customers should always be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety. The nature and cost must always be accurately recorded in Liquidmetal's books and records.

##### ***C. Publications of Others***

Liquidmetal subscribes to many publications that help employees do their jobs better. These include newsletters, reference works, online reference services, magazines, books and other digital and printed works. Copyright law generally protects these works, and their unauthorized copying and distribution constitute copyright infringement. You must first obtain the consent of the publisher of a publication before copying publications or significant parts of them. When in doubt about whether you may copy a publication, consult the Legal Department.

#### *D. Handling the Confidential Information of Others*

Liquidmetal has many kinds of business relationships with many companies and individuals. Sometimes, they will volunteer confidential information about their products or business plans to induce Liquidmetal to enter into a business relationship. At other times, we may request that a third party provide confidential information to permit Liquidmetal to evaluate a potential business relationship with that party. Whatever the situation, we must take special care to handle the confidential information of others responsibly. We must handle such confidential information in accordance with our agreements with such third parties.

##### (i) Appropriate Nondisclosure Agreements

Confidential information of a third party may take many forms. An oral presentation about a company's product development plans may contain protected trade secrets. A customer list or employee list may be a protected trade secret. A demo of a prototype of a company's new product design may contain information protected by trade secret and prototype laws.

You should never accept information offered by a third party which is represented as confidential, or which appears from the context or circumstances to be confidential, unless an appropriate nondisclosure agreement has been signed with the party offering the information. **THE LEGAL DEPARTMENT CAN PROVIDE NONDISCLOSURE AGREEMENTS TO FIT ANY PARTICULAR SITUATION, AND WILL COORDINATE APPROPRIATE EXECUTION OF SUCH AGREEMENTS ON BEHALF OF LIQUIDMETAL.** Even after a nondisclosure agreement is in place, you should accept only the information necessary to accomplish the purpose of receiving it, such as a decision on whether to proceed to negotiate a deal. If more detailed or extensive confidential information is offered and it is not necessary for your immediate purposes, it should be refused.

##### (ii) Need-to-Know

Once a third party's confidential information has been disclosed to Liquidmetal, we have an obligation to abide by the terms of the relevant nondisclosure agreement and limit its use to the specific purpose for which it was disclosed and to disseminate it only to other Liquidmetal employees with a need to know the information. Every employee, agent, and contractor involved in a potential business relationship with a third party must understand and strictly observe the restriction on the use and handling of confidential information. When in doubt, consult the Legal Department.

(iii) Notes

When reviewing the confidential information of a third party under a nondisclosure agreement, it is natural to take notes or prepare reports summarizing the results of the review and, based partly on those notes or reports, to draw conclusions about the suitability of a business relationship. Notes or reports, however, can include confidential information disclosed by the other party and so should be retained only long enough to complete the evaluation of the potential business relationship. Subsequently, they should be either destroyed or turned over to the Legal Department for safekeeping or destruction. They should be treated just as any other disclosure of confidential information is treated, marked as confidential and distributed only to those Liquidmetal employees with a need to know.

(iv) Competitive Information

You should never attempt to obtain a competitor's confidential information by improper means; you should especially never contact a competitor regarding the confidential information. While Liquidmetal may, and does, employ former employees of competitors, we recognize and respect the obligations of those employees not to use or disclose the confidential information of their former employers.

### ***E. Selecting Suppliers***

Liquidmetal's suppliers make significant contributions to our success. To create an environment where our suppliers have an incentive to work with Liquidmetal, they must be confident that they will be treated lawfully and in an ethical manner. Liquidmetal's policy is to purchase supplies based on need, quality, service, price and terms and conditions. Liquidmetal's policy is to select significant supplier agreements through a competitive bid process where possible. Under no circumstance should any Liquidmetal employee, agent or contractor attempt to coerce suppliers in any way. The confidential information of a supplier is entitled to the same protection as that of any other third party and must not be received before an appropriate nondisclosure agreement has been signed. A supplier's performance should never be discussed with anyone outside Liquidmetal. A supplier to Liquidmetal is generally free to sell its products or services to any other party, including competitors of Liquidmetal. In some cases where the products or services have been designed, fabricated, or developed to our specifications, the agreement between the parties may contain restrictions on sales.

### ***F. Government Relations***

It is Liquidmetal's policy to comply fully with all applicable laws and regulations governing contact and dealings with government employees and public officials, and to

adhere to high ethical, moral and legal standards of business conduct. This policy includes strict compliance with all local, state, deferral, foreign and other applicable laws, rules and regulations. If you have any questions concerning government relations, you should contact Liquidmetal's Legal Department.

### ***G. Lobbying***

Employees, agents and contractors whose work requires lobbying communication with any member or employee of a legislative body or with any government official or employee in the formulation of legislation must have prior written approval of such activity from Liquidmetal's General Counsel (unless such employees, agents, or contractors are a part of the company's regular governmental relations function). Activity covered by this policy includes meetings with legislators or members of their staffs or with senior executive branch officials. Preparation research, and other background activities that are done in support of lobbying communication are also covered by this policy even if the communication ultimately is not made.

### ***H. Government Contracts***

It is Liquidmetal's policy to comply fully with all applicable laws and regulations that apply to government contracting. It is also necessary to strictly adhere to all terms and conditions of any contract with local, state, federal, foreign or other applicable governments. Liquidmetal's Legal Department must review and approve all contracts with any government entity.

### ***I. Free and Fair Competition***

Most countries have well-developed bodies of law designed to encourage and protect free and fair competition. Liquidmetal is committed to obeying both the letter and spirit of all these laws. The consequences of not doing so can be severe for all of us.

These laws often regulate Liquidmetal's relationships with its customers and distributors. Competition laws generally address the following areas: pricing practices (including price discrimination), discounting, terms of sale, credit terms, promotional allowances, secret rebates, exclusive dealerships or distributorships, restrictions on carrying competing products, termination and many other practices.

Competition laws also govern, usually quite strictly, relationships between Liquidmetal and its competitors. As a general rule, contacts with competitors should be limited and should always avoid subjects such as prices or other terms and conditions of sale, customers, and suppliers. Employees, agents or contractors of Liquidmetal shall not knowingly make false or misleading statements regarding its competitors or the products of its competitors, customers or suppliers.

No employee, agent or contractor shall at any time or under any circumstance enter into an agreement or understanding, written or oral, express or implied, with any competitor concerning prices, discounts, other terms or conditions of sale, profits or profit margins, costs, allocation of product or geographic markets, allocation of customers, limitations on production, boycotts of customers or suppliers, or bids or the intent to bid or even discuss or exchange information on these subjects. In some cases, legitimate joint ventures with competitors may permit exceptions to these rules as may bona fide purchases from or sales to competitors on non-competitive products, but Liquidmetal's Legal Department must review all such proposed ventures in advance. These prohibitions are absolute and strict observance is required. Collusion among competitors is illegal, and the consequences of a violation are severe.

Although the spirit of these laws, known as "antitrust," "competition," or "consumer protection" or unfair competition laws, is straightforward, their application to particular situations can be quite complex. To ensure that Liquidmetal complies fully with these laws, each of us should have a basic knowledge of them and should involve our Legal Department early on when questionable situations arise.

#### ***J. Industrial Espionage***

It is Liquidmetal's policy to lawfully compete in the marketplace. This commitment to fairness includes respecting the rights of our competitors and abiding by all applicable laws in the course of competing. The purpose of this policy is to maintain Liquidmetal's reputation as a lawful competitor and to help ensure the integrity of the competitive marketplace. Liquidmetal expects its competitors to respect our rights to compete lawfully in the marketplace, and we must respect their rights equally. Liquidmetal employees, agents and contractors will not steal or unlawfully use the information, material, products, intellectual property, or proprietary or confidential information of anyone including suppliers, customers, business partners or competitors.

### **V. DISCIPLINARY ACTIONS**

The matters covered in this Code of Conduct are of the utmost importance to Liquidmetal, its shareholders, and its business partners, and are essential to Liquidmetal's ability to conduct its business in accordance with its stated values. We expect all of our employees, agents, contractors and consultants to adhere to these rules in carrying out their duties for Liquidmetal.

Liquidmetal will take appropriate action against any employee, agent, contractor or consultant whose actions are found to violate these policies or any other specific policies of Liquidmetal. Disciplinary actions may include immediate termination of employment or business relationship, at Liquidmetal's discretion. Where Liquidmetal has suffered a



loss, it will pursue its remedies against the individuals or entities responsible. Where laws have been violated, Liquidmetal will cooperate fully with the appropriate authorities.