

The Quantum Group, Inc.



CODE OF CONDUCT For Level 1 Contractors

This Code of Conduct applies to THE QUANTUM GROUP, INC., and any of its subsidiaries or affiliated companies. The use of the term “the Company” or “Quantum” refers to THE QUANTUM GROUP, INC., its subsidiaries and any of its affiliated companies.

The Company reserves the right to change, amend, or eliminate the Code of Conduct or any provision in it without prior notice to any contractor. The Code of Conduct does not alter the at-will relationship between an outside contractor and the Company.

Full acceptance and compliance with this or any future amended Code is a prime condition of contracting with the Company. Violation of this Code during or after any assignment will cause material harm or exposure to the Company, and current or former contractors will be held fully accountable.

I. Conflict of Interest

No contractor may benefit personally from the Company dealings with others.

No contractor may be involved with any other for-profit organization except for organizations which do not conflict with the contractor's obligations toward the Company, interfere with the performance of the contractor's job duties and/or compete with the Company.

No contractor shall enter into, on behalf of the Company, any contract, agreement, or other business arrangement with any close family member or with any corporation, partnership, association, or other entity in which the contractor or a close family member has any substantial financial interest, without the express written consent of the Quantum executive management.

II. Use of Company Resources

No Company contractor may give or accept a bribe. All payments for services shall be reasonable in relationship to the nature of the services provided.

No Company contractor will offer gifts to business contacts if the act of giving the gift is prohibited by law or prohibited by the contact's own company policies. Gifts should never

be given for the purpose of improperly influencing the recipient. No Company contractor shall accept a gift from a Company vendor or supplier of greater than \$50.

Company property, both tangible and intellectual, should be safeguarded as if it were the contractor's own.

III. Fraud, Dishonesty or Criminal Conduct

Fraud, dishonesty, criminal conduct or any violent activity is strictly prohibited by the Company. If fraud, dishonesty, criminal conduct or any other activity not condoned by the Company is detected or suspected of any Company contractor, or anyone doing business with the Company, it should be reported to the designated member of Quantum executive management. The Company prohibits retribution of any kind against persons who report suspected wrongdoing in good faith.

IV. Safeguarding Non-Public Information

Confidential information about the Company or its suppliers or customers or other companies should never be shared with anyone outside the Company without the prior written approval of Company executive management. The Company executive management has been instructed by the Board of Directors to take whatever action is necessary to protect the intellectual property of the Company in compliance with all SEC regulations. Confidential information may not be shared within the Company except on a need-to-know basis.

It is a violation of State and Federal laws for contractors, past or present, to use information for personal gain, to sell or to disparage the Company or management, its suppliers, or customers obtained while a Quantum contractor, or to take confidential Company-owned records in printed form, electronic or in any transportable form with them when they leave any assignment with Quantum.

V. Securities Transactions

No contractor may trade securities of Quantum or any other company if the contractor knows any non-public information about Quantum, or the company whose securities are being traded, that a reasonable person might consider important in deciding whether to buy, sell, or hold such company's securities. This conduct is commonly referred to as "insider trading," and as such, is illegal.

Any questions regarding the Company policy on insider trading should be referred to the Chief Executive Officer or Chief Financial Officer of the Company.

Legal penalties for trading or communicating material non-public information are severe. These penalties apply to both the individuals involved in the insider trading and to their employers. A person can be subject to penalties even if he or she did not personally benefit from the violation. Penalties include fines, jail sentences, and disgorgement of profit.

The term “insider” may include not only officers, director and contractors, but also spouses, parents, children and children’s spouses who reside with the officer, director or contractor. In some circumstances persons living in the same household as an officer, director, or contractor, or anyone for whom the officer, director, or contractor is financially responsible may also be considered an insider.

Material information is generally defined as information for which there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions. Material information is also information that can reasonably be expected to have an effect on the price of a company’s securities. Material information includes, but is not limited to, dividend changes, earnings estimates, changes in previously released earnings estimates, significant merger or acquisition proposals, major litigation, and extraordinary developments.

VI. Trade Practices

All contractors are expected to comply fully with all statutes and regulations applicable to Quantum businesses, including anti-trust laws, unfair trade practice laws, nondiscrimination statutes and Quantum trade practice policies. No contractor shall discuss competitively sensitive information with a competitor, agree to fix prices, divide markets, boycott customers or vendors or engage in other anti-competitive practices.

VII. Contracting Practices

Quantum forbids discrimination or harassment based on race, color, gender, national origin, religion, age, disability, veteran status, sexual orientation, marital or parental status. All contractors have an obligation to become familiar with and to comply with the Company policy on non-discrimination.

All contractors should understand that they have an obligation to report any improper discrimination or harassment to corporate executive management immediately, even if they are not the target of such discrimination or harassment. Managers, and even contractors, can be held personally liable for engaging in unlawful discrimination or harassment.

The Company will not indemnify or provide a defense to any contractor or manager who it believes has engaged in unlawful discrimination or harassment in the event that he or she is named as a defendant in any charge or complaint of discrimination or harassment.

The Company strictly prohibits falsifying or withholding relevant information on any personnel or employment record or application, on any financial, safety, or other Company record, or on any record that is required by law to be maintained.

VIII. Interactions with Outside People and Organizations

All media inquiries regarding Quantum should be referred to or discussed with the Quantum Chief Executive Officer or Chief Administrative Officer prior to media contact.

IX. Internal Controls

Every Quantum contractor must follow the management guidelines which are designed to provide reasonable assurance to shareholders and regulators that Quantum businesses are being operated effectively and efficiently under applicable laws and regulations and that financial statements prepared by the Company are accurate.

X. Privacy

No confidential or medical information of any kind about a Company employee may be disclosed to persons outside the Company without the employee's written permission or as is required by law and should disclose it to other Quantum employees only if there is a significant need to know abiding by all HIPAA regulations.

The Company computers, telephones, voicemail system, email system, other electronic equipment and systems, including all software systems, physical files, lockers, desks, and other furniture are the property of the Company. Contractors have no right of privacy as to any materials, communications, information, or files maintained in or on the Company property or transmitted or stored through the Company computer, voicemail, e-mail, or telephone systems.

XI. Intellectual Property

Intellectual property that is designed, created, developed or modified while performing work-related duties is the Company property, not the contractor's.

Company contractors may not copy software provided to Quantum by vendors unless Quantum is licensed to make copies and the contractor has received written permission from the Quantum Chief Executive Officer or Chief Administrative Officer.

XII. Safety

Maintaining a safe working environment is of the utmost importance to the Company and is the responsibility of everyone. All contractors have an obligation to familiarize themselves

with, and to comply with, the safety rules and directives of the Company and its Corporate Guidelines Manual. In some circumstances contractors can be held criminally responsible for injuries caused by their failure to observe proper safety procedures.

XIII. Destruction and Preservation of Relevant Materials

Company contractors at all levels will preserve all information of a business nature for a minimum of five years. Electronic communications including email files will be kept for five years. Medical files, client master files, including engagement letters and all correspondence, audits and the like will be kept for a minimum of 5 years. Personal emails and files may be deleted at will.

All information on the Company property, computer systems, files, electronic media located on a company owned, leased or managed site will be the property of the Company and as such subject to full and unrestricted search and disclosure without prior notice.

XVI. Environmental Responsibility

Company contractors should conduct Quantum business in compliance with all applicable environmental laws and regulations. Quantum encourages contractors to recycle and to conserve energy and other resources. Reduce, Reuse, Recycle.

The Quantum Group, Inc.



ACKNOWLEDGMENT OF RECEIPT OF CODE OF CONDUCT For Level 1 Contractors

I have received and read the Code of Conduct for Contractors of The Quantum Group, Inc.(the “Code”). I understand the standards and policies contained in the Code and understand that there may be additional policies or laws specific to my work with the Company and agree to comply with the Code.

If I have questions concerning the meaning or application of the Code, any Company policies, or the legal and regulatory requirements applicable to my work, I know I can consult the President or Chief Administrative Officer, or, in the case of the President or Chief Administrative Officer, the Chairman of the Audit Committee, and that my questions or reports to these sources will be maintained in confidence.

Contractor Name

Contractor’s Company (if applicable)

Signature

Date

Please sign and return this form to the Chief Administrative Officer.