

Code of Ethics

2010

McGrath Systems

CODE OF ETHICS

- ◆ McGrath Systems expects all of its directors, officers and employees to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities, to comply with all applicable laws, rules and regulations, to deter wrongdoing and abide by the applicable policies and procedures of McGrath Systems that govern the conduct of its employees (including those set forth in the Employee Handbook).

CODE OF ETHICS

Each of our directors, officers and employees must:

- ◆ Engage in and promote honest and ethical conduct, including the proper handling of actual and apparent conflicts of interest between personal and professional relationships;
- ◆ Avoid conflicts of interest and disclose to the Chairman of the Ethics Committee any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest;

CODE OF ETHICS

- ◆ Each of our directors, officers and employees must:

Protect the confidentiality of nonpublic information about McGrath Systems and confidential information about its customers, and prevent the unauthorized disclosure of nonpublic, confidential information unless required by applicable law or regulation or legal or regulatory process;

CODE OF ETHICS

Each of our directors, officers and employees must:

- ◆ Report promptly any possible violations of this Code of Ethics to either the Chairman of the Ethics Committee or anonymously through the use of the Whistleblower e-mail.
- ◆ All related party transactions must be reported to the Ethics Committee.

CODE OF ETHICS

- ◆ Each of our directors, officers and employees are prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate or mislead McGrath System's independent public auditors.

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- ◆ Each of our directors, officers and employees will be held accountable for his or her adherence to this Code of Ethics. Failure to observe the terms of this Code of Ethics may result in disciplinary action, up to and including termination of employment. Violations of this Code of Ethics may also constitute violations of law and may result in civil and criminal penalties for the director, officer or employee, his or her supervisors and/or McGrath Systems