



Standards Of Business Conduct

I. PURPOSE AND SCOPE

The purpose of the Code of Conduct is to set forth the general policy of CCA Industries, Inc. ("CCA" or the "Company") to conduct its business with the highest ethical standards and to comply with all applicable laws and regulations. The Code of Conduct applies to all operations, employees and representatives (collectively, "Employees") of CCA, each of whom will be required to acknowledge that they are aware of its existence and will abide by the policies it sets forth. The Code of Conduct is also intended as a public statement to all persons and constituencies impacted by CCA's business activities. As the Code of Conduct impacts a broad range, individual policies may be issued from time to time dealing with specific areas.

II. POLICY

CCA is committed to conducting its business with the highest ethical standards and will comply with both the letter and the spirit of all-applicable laws and regulations. CCA's business success depends on its reputation for ethical conduct and on the trust and confidence of everyone with whom it associates. The guiding principle is a firm commitment to integrity and fairness.

III. COMPLIANCE WITH LAWS

CCA's employees are responsible for complying with all laws and regulations applicable to their areas of responsibility. Each employee shall immediately report possible violations of the Code of Conduct to his/her immediate supervisor, unless the supervisor is the subject of the violation (see reporting procedure reference in Section XVIII). If such instances are associated with an immediate supervisor, the matter shall be reported to CCA's Director of Human Resources. CCA's HR Director is responsible for informing CCA management and employees of applicable laws and regulations and for providing advice and compliance programs. If you have any questions regarding the guidelines outlined in this document, please contact CCA's Director of Human Resources.

IV. IN THE MARKETPLACE

A. DEALING WITH CUSTOMERS AND SUPPLIERS

CCA is committed to developing, manufacturing, and delivering products, which meet quality standards.

CCA will select and treat its suppliers of products and services impartially without unlawful discrimination. Suppliers will be evaluated on the basis of price, experience, quality, timely performance, commitment, and reliability.

Every employee has an obligation to protect customer and supplier relations by acting ethically and fairly.

B. CONTACTS WITH COMPETITORS

Employees of CCA, and its affiliates, in dealing with competitors may from time to time meet, talk and attend trade association meetings, seminars or other activities. CCA may sell to, or enter into, licensing agreements with competitors or participate with competitors in business or trade shows. Such contacts require the utmost caution and conformance with CCA's written policies.

What is to be avoided in any contact with a competitor is discussion of such things as pricing policy, terms of sales, cost, inventories, customer list, product plans, market surveys or studies, or the unauthorized exchange of any proprietary or confidential information.

CCA employees must adhere to the strict letter and spirit of these guidelines and report any questionable contact by competitors.

C. GIFTS AND ENTERTAINMENT

CCA employees and their family members may not give or accept any gift, entertainment, transportation, or other business courtesies either intended, or which might be perceived, as an attempt to influence improperly the business relationship between CCA and any current or prospective supplier, customer or other party doing business with CCA.

When an employee receives a gift, the employee's immediate supervisor must be notified and the gift must be discussed with CCA's CEO to determine whether it can be accepted or needs to be returned.

This does not apply to minor items of retail value not to exceed \$50.00 commonly exchanged in business relationships and which are not accepted by the employee on a regular or frequent basis.

The exchange between suppliers, customers and CCA employees of customary business courtesies, including transportation or meals provided in the normal course of business dealings, is permitted when reasonable, if based on a clear business purpose. Excessive entertainment of any sort is not acceptable.

V. PRESERVATION OF CORPORATE ASSETS

Every employee has the duty to preserve CCA's assets, its property and equipment. CCA's assets may not be used by CCA personnel for their personal benefit nor shall an CCA employee allow others to use CCA's assets unless: (1) prior written approval is obtained from the executive of CCA who is accountable and responsible for the CCA property proposed to be used, and (2) the employee promptly reimburses CCA for CCA's incremental costs incurred as a result of the personal use of CCA property.

Approval for use shall only be given under extraordinary circumstances and then only if such use of the CCA property shall not disrupt or interfere with the business activities of CCA, will not diminish or impair the value of the CCA property, and is for a legal and proper purpose.

VI. PAYMENTS

No illegal or improper payments may be made to employees of CCA's suppliers, vendors or customers or to any government official or employees. Payments to government officials that are legal and proper where made must conform to written CCA policies.

Direct or indirect payments to consultants, distributors, agents or other intermediaries must be at prevailing customary rates and for actual legitimate services performed.

Direct or indirect payments to a CCA employee or a member of the employee's family in any form from a supplier, customer, or any other party doing business with CCA are prohibited.

An employee shall neither solicit nor accept loans from any person or from any financial institution doing, or seeking to do, business with CCA, unless such loan is made at the prevailing interest rates and upon such terms as are commonly offered to individual borrowers similarly situated. An employee may not exploit his or her position with CCA, or CCA's relationship with any financial institution, to make a personal loan to the employees or to his/her designee or to make a loan to any business in which the employee has an interest irrespective of whether such loan is to be made at the prevailing interest rates and terms.

VII. CONFLICT OF INTEREST

CCA respects its employees' rights of privacy in both their personal and financial affairs. However, these rights must be balanced against the interest of CCA in maintaining a reputation for the highest standards of business ethics and conduct.

All CCA employees have a duty to avoid financial, business or other relationships, which might be opposed to the interest of CCA, or might cause a conflict with the performance of their duties as CCA employees.

Employees shall not have a financial interest in, be employees of, consult with, be a director or an official of, hold an equivalent position of, or have any other business relationship with, a competitor, customer, contractor, vendor, or supplier of CCA or other enterprise with whom CCA does business except with the prior written permission of the CEO or Chairman of the Board. This permission can only be granted after the CEO or Chairman of the Board is provided with full written disclosure of the terms and the nature of the financial relationship in question. The foregoing affiliations may constitute impermissible conflicts of interest if the employee is in a position to render or influence a decision as to whether CCA shall do business with such a person or entity or determine the terms and conditions of a transaction with a purchase or sale by CCA. CCA employees may not accept any payment, service or loan from any enterprise with whom CCA does business without adequate consideration or at other than regular commercial

terms. This includes, but is not limited to, gifts, trips, entertainment, or other benefits of more than nominal value.

Ownership of stock or other financial interests in an outside concern doing business, or in competition with CCA, and which might influence adversely one's responsibility to CCA is prohibited by CCA employees and their immediate family members. CCA personnel may invest in broadly distributed stocks of such concerns if the stock is publicly traded on a recognized stock exchange or the over-the-counter market; provided that the investment does not exceed one percent of that outstanding stock of the company or represents more than 5% of the net worth of the employee. For purpose of this section, immediate family includes an employee's spouse, parent, child, spouse's parent, brother and sister and their spouses as well as any individual living in an employee's household.

An CCA employee should promptly notify his or her supervisor or the Director of Human Resources in writing if the employee or a close family member owns or has a financial interest in a proposed transaction between CCA and a third party, other than a permitted investment in a publicly traded stock.

An employee shall not use or disclose, any confidential or non-public information about CCA's intention to acquire, invest or enter into business relationships with another person or entity, to any person, except for disclosure to those CCA employees who have the need to in order to perform their duties; nor shall an employee disclose trade secrets, proprietary product information or confidential financial data of CCA to any person or entity other than authorized CCA employees, irrespective of whether knowledge of such information and data is required as a result of his or her duties and responsibilities or is otherwise acquired.

VIII. FINANCIAL AND ACCOUNTING RECORDS

CCA requires that:

- All payments and other transactions must be properly authorized, recorded accurately, and in sufficient detail in accordance with generally accepted accounting principles;
- An employee shall report any knowledge or suspicion of instances where (1) a transaction in which CCA is a party, or an expense report of an employee has not been or may not have been accurately or properly recorded, or not recorded at all, on CCA's books and records, (2) documents supporting a transaction were altered or falsified to disguise a transaction's true purpose or for any other improper purpose, (3) any transaction recorded in what seemed to be an incomplete or an unusual manner;
- There shall not be any unrecorded or undisclosed funds or assets;
- No false, incomplete, or misleading entries shall be made in the books and records of the Company;

- No relevant information shall be concealed from management or from CCA's independent accountants or counsel;
- An employee shall give full and accurate information in response to any inquiry by an independent accountant, or counsel and shall provide such accountants and attorneys all records and documents requested by them, unless otherwise instructed by CCA's legal counsel.

IX. OTHER COMPANY RECORDS

Employees are personally responsible for the reports and records they write and the information they provide for computer systems. All CCA accounts, research reports, sales reports, expense accounts, time sheets, and other documents must be accurate, clear, and unambiguous. The falsification of records is always unethical and often illegal. Every employee's memos and letters should reflect these same high standards.

X. EMPLOYEE RELATIONSHIPS

CCA requires that employees treat each other with respect, fairness, and dignity. Employment decisions regarding selection, advancement, retention, and termination will be made in accordance with all applicable Equal Employment Opportunity laws.

Harassment of any employee, for any reason, will not be tolerated. No employee, male or female, shall harass another employee by (1) making unwelcome or unsolicited sexual advances or requests for sexual favors, either explicitly or implicitly, (2) making submission to, or acceptance of, such conduct the basis for employment decisions affecting the employee's evaluation, advancement, compensation, duties or other conditions of employment or career development, or (3) creating an intimidating, hostile or offensive working environment by such conduct.

CCA's employee handbook explains the procedure an employee should follow if they feel they are a victim of such harassment. CCA is committed to discuss employee job-related concerns in a fair, prompt, and impartial manner while assuring employees the right of review by senior management, without fear of reprisal or retaliation. CCA believes that trust, sharing and respect for the individual are essential to its continued success.

XI. PROPRIETARY OR CONFIDENTIAL INFORMATION AND TRADE SECRETS

Proprietary or confidential information and technology, trade secrets, client information, financial and operational plans or data of CCA and CCA's clients must be protected for they are an asset of CCA. Business strategies, pending contracts, unannounced products, product improvements, or technical innovations of CCA and CCA's clients all represent a substantial investment of resources. They are essential to survival and growth in the competitive marketplace. Remember that our clients share with us, and expect us to safeguard, their marketplace plans, technical developments and other business strategies. If an employee is unsure as to whether or not something is proprietary or a trade secret, he or she should contact CCA's CEO or Chairman of the Board for guidance.

Proprietary or confidential information should not be shared with fellow employees unless they are specifically authorized to receive it.

Proprietary or confidential information of other companies (vendors, suppliers, and clients) also should be protected. Such information should not be passed on to colleagues unless permission has been ascertained from an appropriate authority to do so.

XII. ENVIRONMENTAL COMMITMENT

We expect all employees to help assure that our facility is operated in accordance with all applicable federal, state, and local environment laws and regulations, and in a manner which preserves the quality of the environment, conserves energy, minimizes the creation of hazardous waste products and does not expose its employees and the public to hazardous or toxic substances.

XIII. SAFETY COMMITMENT

CCA recognizes its commitment to provide a safe work place and environment for its employees, free from recognized hazards, which cause or are likely to cause, death, serious physical injury or illness to its employees. It is the responsibility of all employees of CCA to safeguard the work place from recognized hazards and unhealthy working conditions.

Management employees shall take, and shall require all employees under their supervision to take, the necessary actions to comply with all occupational safety and health standards, rules, and regulations issued under the Occupational Safety and Health Act of 1970 and under applicable occupational safety and health state and local laws. Employees are required to conduct their activities in the work place in a manner that will not endanger the welfare and health of their fellow employees. Employees shall report all unsafe and unhealthy conditions and incidents of injuries or illness which occur in the work place to their supervisor or to the employee responsible for safety and health programs.

Management employees responsible for the operation of CCA facilities shall maintain procedures and practices to accurately record accidents, injuries, and illnesses of employees while on the job, as required by applicable occupational safety and health laws and regulations.

XIV. SECURITY

CCA's facility contain various machinery, equipment, furnishings, merchandise, software, creative archives and other property. It is important that all employees pay close attention to the security of our facility as well as other property of CCA. Notify your supervisor immediately if you see any suspicious or illegal activity of any kind, including the presence of strangers on any CCA premises.

XV. ROLE OF INDIVIDUAL EMPLOYEES

Strict adherence to these Standards is vital. All employees are expected to disclose immediately, or in advance if possible, any situation in which they are involved or aware of which could be the source of a conflict of interest or otherwise violate corporate policies. Employees are expected to report any violation of these Standards as outlined in Section III – COMPLIANCE WITH LAWS and Section XVIII – CCA COMPLIANCE PROGRAM – Reporting of Criminal Offenses.

XVI. DISCIPLINARY ACTION

CCA's purpose is to encourage compliance rather than to punish violators. However, violation of these Standards will subject the employee to disciplinary action up to and including termination.

XVII. ANTITRUST

CCA believes in competing in the marketplace based on free, open and competitive markets. Consequently, sales of CCA products and services should be based on product and service distinctiveness and quality, a low cost position, fair pricing and promotional programs and honest advertising and marketing practices. Compliance with the antitrust and trade regulation laws and regulations of the United States government and the various states is essential not only to the preservation of CCA's market positions which have been attained through legal and competitive means, but also to their vitality and growth.

Sanctions, which may be imposed for violations of the antitrust laws, can be severe. These include possible criminal charges, substantial civil monetary penalties and the imposition of restrictive decrees or court orders, which adversely affect the future vitality, and growth of CCA's business. Moreover, antitrust violations, or possibly merely the public charge of an antitrust violation, could create a long-term detriment to CCA's reputation as a premier Company and have an adverse effect on the other businesses of CCA which were not a party to such violation.

The analysis of the antitrust laws (i.e., the Sherman Act, The Clayton Act, Robinson-Patman Act, Federal Trade Commission Act and the comparable antitrust and trade regulation status of the various states) can be extraordinarily complex. Consequently, CCA employees are not expected to interpret these laws, but they should be aware of the type of transactions, conduct and practices, which could violate the antitrust laws. Employees should review with CCA's CEO or Chairman of the Board proposed practices or conduct which involve, or could be constructed to involve, the following agreements or understandings, whether written or oral (include tacit understandings): (i) agreements with a competitor to raise, lower, fix or stabilize prices or the terms and conditions of the sale of products or services; (ii) agreements with a competitor to limit or restrict the production or distribution of products; (iii) agreements with a competitor to limit product or service characteristics or quality; (iv) agreements with a competitor to allocate sales territories, products or product lines, customers or suppliers; (v) agreements with a competitor or customer to either boycott, or not deal with, a third party; (vi) agreements with a customer to control the customer's resale pricing of CCA's products; (vii) agreements with a customer which obligates the customer not to sell products of CCA's competitors; (viii) agreements with a customer that conditions the sale of one CCA product on the customer's agreement to purchase another CCA product; (ix) agreements to buy products or services from a company on the condition that the company agrees to buy CCA's products and services particularly if coercion or an abuse of market power is implicated; and (x) agreements which obligate a customer to purchase a full line of CCA products in order for the customer to be entitled to purchase a desired individual CCA product.

Other business transactions, practices or conduct which may violate the antitrust laws and should be reviewed with CCA's CEO or Chairman of the Board to ascertain whether they may unreasonably restrain trade or cause an antitrust injury to a competitor or a certain class of competitors include any transaction or practice (i.) which may result in

CCA acquiring a substantial market share in any product category or geographical area, including the acquisition of shares or assets of a business entity, particularly if the entity is in a business related to any of CCA's businesses – a so-called horizontal acquisition; (ii) which involves the pricing of products or services below cost, the purpose or the result of which may be to force a competitor out of business; (iii) which may be viewed as an unfair method of competition or a deceptive practice; (iv) which obligates a customer to buy all of its product requirements from CCA; or (v) which restricts a customer's right to resell in a particular geographical area or to a certain customer or class or group of customers.

CCA's President, CEO or Chairman of the Board, if they are not uniform for competition customers, should review proposed pricing practices. These practices may include: (i.) charging competing customers different prices for the same product, if the price differences are not cost or volume justified or are not charged in a good fair effort to meet competition; (ii) not offering a customer services, payments or other sales or promotional assistance on a proportionally equal basis to those offered to that customer's competitors; or (iii) knowingly receiving or including a discriminatory price or terms of sale from a supplier.

XVIII. CCA COMPLIANCE PROGRAM

Purpose

An effective compliance program is the key element in the effort to assure that CCA conducts its business with the highest ethical standards and complies with both the letter and spirit of all applicable Federal and state laws and regulations. An effective compliance program may lessen CCA's exposure to civil liabilities and sanctions, which might arise as a result of a criminal act committed by a CCA employee.

Responsibility for the Compliance Program

The CFO and in-house counsel of CCA have the overall responsibility for the Compliance Program. As overseer of the Compliance Program, the CFO and in-house counsel shall:

- (i) Assure that the Compliance Program is effectively communicated to CCA employees who are in positions to cause CCA to be held criminally liable for acts performed within the scope of their employment and, to the extent practicable, to other employees, taking into consideration the size and the organizational complexity of CCA.
- (ii) Assure that CCA has adopted reasonable measures through the implementation and maintenance of monitoring and auditing programs and systems which are reasonably designed to prevent and, to the extent practicable, to detect actual or prospective criminal conduct by CCA employees, including the Compliance Program.
- (iii) Encourage CCA employees, irrespective of their level or position in the organizational structure of CCA, to report actual or prospective criminal conduct by another CCA employee without fear of retribution (i.e., demotion, termination, intimidation, or reduction in compensation, duties or responsibilities).

- (iv) Take reasonable and prompt action to appropriately respond to a report of criminal conduct by an CCA employee or agent by conducting or coordinating a comprehensive and well-documented investigation of the allegations contained in such report; and if the report is found to be accurate, take immediate action as shall be deemed necessary to prevent the same or similar criminal conduct from occurring in the future, including modifications to the Compliance Program and the Code, if appropriate.
- (v) Assure that any CCA employee who shall be found to have engaged in, condoned or authorized, criminal conduct or has known of such criminal conduct and failed to report it, shall be appropriately disciplined including demotion and termination of employment.

Responsibility for Programs and Systems to Prevent and Detect Criminal Conduct

The CEO or Chairman of the Board, in collaboration with legal counsel, shall have the principal responsibility to devise, implement, amend or supplement, when appropriate, and to maintain monitoring and audit programs and systems reasonably designed to prevent and, to the extent practicable considering the size and organizational complexity of CCA, detect criminal conduct by CCA employees or agents, including the compliance programs; and, when appropriate, they shall request the assistance and advice of legal counsel and independent public accountants in the evaluation of the effectiveness of such programs and systems.

Reporting of Criminal Offenses

All CCA employees shall promptly report to his/her immediate supervisor (unless the supervisor is the subject of the violation) any actual or prospective act or activity by another CCA employee when the reporting employee knows or reasonably believes the act or activity constitutes or will constitute criminal conduct. If such instances are associated with an immediate supervisor, the matter shall be reported to CCA's Director of Human Resources, or in her absence, to CCA's legal counsel,

If an employee knows, or reasonably believes, that the criminal conduct has occurred, or is about to occur, and does not promptly report the act or activity as directed above, he or she shall be subject to appropriate disciplinary action, up to and including termination.

There is no circumstance in which criminal conduct by a CCA employee or agent will be considered to be within the scope of his or her employment or authority. Because the distinction between criminal conduct and conduct which may violate a civil statute is not always clear, if an employee knows of any act or activity by another employee or agent which violates, or which appears to violate, any provision of the Code, the employee is encouraged to discuss the act or activity with the Director of Human Resources to determine if a criminal act has occurred.

Confidentiality of Unlawful Conduct Reports

The identity of a reporting employee and the contents of any reports or discussions shall be kept in strict confidence and shall be disclosed by the CEO or Chairman of the Board or Human Resources Director only (i.) to such third parties, including legal counsel and independent public accountants, as shall be determined by the CEO or Chairman of the Board, and (ii) to such officers of CCA who are not the subject of the act or activity in

question and whose duties and responsibilities, in the opinion of the CEO or Chairman of the Board, require them to be appraised of the report or the result of the investigation, if the report discloses allegations for which he is organizationally responsible to investigate, and (iii) as may be required to investigate, remediate and redress the matters raised by the reporting employee. The reporting employee shall not disclose the contents of a report or discussions to any third party other than to the CEO or Chairman of the Board, Human Resources Director or legal counsel.

Reporting Procedures

Reporting employees are encouraged to communicate a questionable act or activity directly and personally to the Director of Human Resources, whenever practicable. If an incident is communicated in writing, it should be delivered to the Director of Human Resources by the reporting employee in the most expeditious manner in an envelope marked "Personal and Confidential - To Be Opened Only By The Director of Human Resources." To assure its confidentiality, the utilization of a telecopy machine is not authorized for communicating a questionable act or activity. CCA's Director of Human Resources is Veronica J Pouch. CCA's legal counsel is Ira W Berman.

If the questionable act or activity involves the Director of Human Resources, the reporting employee should contact CCA's CFO or legal counsel.

Treatment and Anonymous Reports

The CEO or Chairman of the Board and/or Director of Human Resources shall treat and investigate anonymous communication as seriously and fully as any filed or communicated by an identified reporting employee.

No Retribution against Reporting Employees

No retribution or retaliation shall be taken against any CCA employee who has communicated a questionable act or activity based on a good faith belief that an CCA employee or agent has engaged, or is about to engage, in a criminal conduct. Any CCA employee who shall take (or attempt to take) retaliatory action against a reporting employee shall be subject to appropriate disciplinary action, up to and including termination.