



TRANSYSTEMS CORPORATION CODE OF CONDUCT

Effective December 10, 2007

Code of Conduct

Dear Fellow Employee:

TranSystems (the “Company”) requires employees to act responsibly and ethically. The Code of Conduct is designed to identify behaviors that should be demonstrated in the workplace as well as behaviors that will not be tolerated. Our most valuable assets are our people and our reputation.

This Code of Conduct sets the standards of ethical conduct for our company. These standards apply to all employees, regardless of position, and to our board of directors. There are other company policies that govern specific activities. These policies still apply, and all employees must be aware of and follow them. The following related policies are included in the Company's Policies and Procedures Manual – Fair Treatment and Harassment; Consumption of Illegal Substances, Alcohol, or Prescription Drugs/Drug Free Work Environment; Information Systems; and Travel and Entertainment.

This Code of Conduct promotes:

- Honest and ethical conduct
- Conflict of interest avoidance
- Compliance with laws
- Internal reporting of violations
- Accountability

The Code of Conduct also provides important guidelines to assist you in understanding your responsibilities within the Company and compliance with applicable laws and regulations. Part of your responsibility is to communicate any violations of the Code of Conduct or laws and regulations using the proper channels, which are discussed within the Code of Conduct.

Brian Larson
President, Chief Executive Officer, Chairman of the Board

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Obtaining Guidance on a Compliance Issue Or Reporting a Suspected Violation

Each employee is responsible for knowing, understanding and complying with Company policies and procedures, the Code of Conduct and all applicable laws and regulations. If you are unsure of a compliance issue, you should contact an appropriate member of management, the Chief Financial/Administrative Officer, or the Vice President of Human Resources to seek guidance. To report a possible violation/concern, you should contact any of the individuals previously listed or a member of the Audit Committee or Board of Directors. In the event that you are not comfortable reporting through any of these options, you should contact the "Ethics Point" hotline (anonymously, if you prefer) at 888-274-7871.

Failure to report a violation of the Code of Conduct actually is a violation of it. The anonymity of any employee who reports suspected violations will be maintained to the degree possible. Furthermore, it is the Company's policy that employee's acting in good faith in reporting potential violations will not meet with any type of reprisal, retribution or negative consequences to their employment as a result of reporting and their anonymity will be maintained.

Violation of the Code of Conduct; failure to comply with policies/procedures and laws/regulations; providing false or misleading information; or retaliatory actions, direct or indirect, against an employee who justifiably reports misconduct, may result in disciplinary action, including warning, suspension or termination of employment. Additionally, the Company may elect to file charges when applicable, which may result in civil or criminal penalties.

Code of Conduct Acknowledgement Requirement

Annually, every employee of the Company will be required to read, understand and acknowledge with a signed statement that they have read and understand the Code of Conduct and agree to comply with it. A record of acknowledgements will be maintained at the corporate office. New employees will need to acknowledge the Code of Conduct within six (6) business days of their start date. The Code of Conduct as well as Ethics Point hotline information will be available on the Company's intranet.

Antitrust, Securities and Other Laws

Antitrust laws are complex; however, the underlying theme is that of fair business practices. The Company will compete vigorously and fairly and maintain practices within the law.

Potential violations include, but are not limited to:

- Fixing prices with competitors to the detriment of the buyer
- Locking out potential competitors through unethical business practices
- Providing different information to parties that are competitively bidding on proposals
- Discussions within any trade association or other industry group relating to:
 - data collection or information sharing of prices,
 - pricing policies,
 - membership restrictions,
 - market expansion,
 - costs,
 - earnings,

- credit or billing practices,
- competitor, customer or supplier practices,
- cut-back plans

Marketing efforts will include the following to help ensure compliance with antitrust laws:

- Advertising shall be honest and straightforward. Any claims made in advertisements shall be supported by facts.
- Refrain from derogatory statements about competitors.
- Our services are marketed based on performance and price only. We will not attempt to influence potential customers with gifts, excessive entertainment or any other method that could be construed in a negative manner.
- We will not pay any bribes, kickbacks or gratuities of any kind to any party.
- All marketing material will be reviewed and approved by the appropriate personnel.
- We will comply with all applicable laws and regulations.

For information on the reporting process/requirements and disciplinary actions for violations of the Code of Conduct, see the “Obtaining Guidance on a Compliance Issue or Reporting a Suspected Violation” section.

Conflicts of Interest

A “conflict of interest” occurs whenever an employee, officer or director’s private interests take precedence over the interests of the Company. A conflict of interest does not have to actually occur but can also be a perceived conflict. This Section also applies to direct relatives of employees.

The Company prohibits conflicts of interest, except under certain approved exceptions. If you suspect that you might be in a situation that could be construed as a conflict of interest, you should immediately notify your direct supervisor or another appropriate member of management for guidance. In the event your supervisor/management believes you may have an exception, the situation will be brought to the attention of appropriate management, and a written waiver will be documented and retained.

While not all inclusive, the following are examples of conflicts of interest that will not be tolerated and should be used as general guidelines:

- Any direct or indirect (through a spouse, child, parent, sibling, etc.) ownership interest of more than a nominal amount in any client, sub-consultant, supplier, vendor or competitor of the Company (for example, ownership of more than 5% of a supplier’s equity securities would violate the Code of Conduct).
- Any outside business interests that are in competition with the Company.
- Acceptance of gifts, favors, loans, special services, payments, or other special treatment from potential and existing clients and sub-consultants unless:
 - It could not be considered business inducement defined as any offer involving travel costs including lodging or personal gifts and other items of a value that could impact a reasonable person’s judgment or
 - Public disclosure of the transaction would not embarrass the employee or the Company or
 - It is not illegal, improper, or unethical.

This policy also should be communicated to these parties that the Company does business with to avoid any questionable situation.

- Any outside activity of any type that may result in an employee's inability to devote required time and attention to their job responsibilities. This would include a second job that could prevent someone from being able to meet obligations to the Company.
- Being an employee, consultant or contractor or serving on any board of directors of any client, sub-consultant, supplier, vendor or competitor of the Company
- Hiring, supervising, reviewing and having influence regarding job evaluation, pay or benefits to a close relative.
- Using confidential, proprietary and/or trade secret information of the Company for any reason except in furtherance of job responsibilities for the Company.
- Taking advantage of an opportunity identified during the course of employment with the Company, such as by acquiring property or assets the Company may be interested in purchasing or selling potential client leads.
- Purchasing goods or services or directing Company business to a close friend or relative.
- Using Company property or services for any personal benefit or the personal benefit of anyone else. This excludes any usage that is deemed to be insignificant or de-minimus in nature (for example, cell phone usage, copies, etc.).
- Dating any subordinate in your direct or indirect line of supervision.
- Having a personal relationship, individually or through your family, with any employee where there exists actual or perceived favoritism or preferential treatment to the detriment of the Company.
- Acceptance of bribes or kickbacks of any kind.

As a general rule, any situation that may present a conflict of interest to an employee would also constitute a conflict of interest for close relatives of the employee.

For information on the reporting process/requirements and disciplinary actions for violations of the Code of Conduct, see the "Obtaining Guidance on a Compliance Issue or Reporting a Suspected Violation" section.

Harassment-Free Work Environment

The Company is committed to the principle of fair employment, and it is our policy to ensure employees have a work environment that is free from all forms of discrimination, intimidation or harassment. The Company also expects all interactions with clients, sub-consultants, suppliers, vendors or competitors to be free from this behavior as well (see the Fair Treatment and Harassment policy included in the Policies and Procedures Manual). Any racial, ethnic, religious, sexual and other prohibited harassment will not be tolerated. This includes inappropriate verbal or physical conduct or creating an intimidating, offensive, abusive or hostile work environment.

If you feel that you have been discriminated against or harassed or witnessed this treatment based on race, color, sex, religion, age, national origin, handicap or disability, veteran status or other protected status, you are encouraged to contact an appropriate member of management, the Chief Financial/Administrative Officer, or the Vice President of Human Resources immediately. In the event that you are not comfortable reporting through any of these options, you should contact the "Ethics Point" hotline (anonymously, if you prefer) at 888-274-7871.

For additional information on the reporting process/requirements and disciplinary actions for violations of the Code of Conduct, see the "Obtaining Guidance on a Compliance Issue or Reporting a Suspected Violation" section.

Employee Privacy

The Company respects the individual privacy of its employees; however, these rights do not extend to the employee's work-related conduct or to the use of Company provided equipment or facilities. This specifically includes computers, telephone network, and voice mail/e-mail systems which are to be used primarily for company business.

Employees are strictly forbidden from using the Company's e-mail system, Internet access, or computer network, for any improper purpose, including the transmission of messages or the downloading of material that a reasonable person would view as insulting or offensive. This includes transmitting or downloading pornography, sexually explicit messages, cartoons, jokes, ethnic or racial slurs, or any other message or material that could be construed as offensive, harassing or disparaging of others on the basis of sex, race, religion, national origin, age, sexual orientation, or disability or that would violate this Code of Conduct.

The Company owns all e-mail messages that are sent from or received through the Company's systems. The Company may monitor messages and may be required to disclose them, for example, in the case of internal investigations, litigation or any appropriate government inquiry. Additionally, the Company has the right to search employee work spaces or property on the Company's premises. See the Information Systems policy included in the Policies and Procedures Manual for additional information.

On and Off the Job Conduct

Honorable and ethical conduct by employees both on and off the job is necessary because our employees represent our business in the marketplace and our employees' conduct may directly impact the success of our business and our brand. The Company recognizes that employees have a right to privacy when not on the job. However, consistent with applicable law, our employees may be disciplined up to and including termination for unlawful off-duty conduct, based on the negative impact the employee's conduct has on his/her job performance, our business, and the public's perception of the Company.

Substance Abuse

The use or possession of any illegal drugs or alcohol is prohibited on Company property, including Company vehicles. There may be occasions that alcohol is permitted for certain receptions but must be approved by management. Employees are also prohibited from being on Company property or engaging in Company business while under the influence of drugs or alcohol. See the Consumption of Illegal Substances, Alcohol, or Prescription Drugs/Drug Free Work Environment Policy included in the Policies and Procedures Manual for additional information.

Weapons in the Workplace

The Company prohibits employees from bringing weapons into the workplace, whether an office or field location. This includes, but is not limited to, guns of any type and knives with a blade longer than three inches. See the Weapons in the Workplace policy included in the Policies and Procedures Manual for additional information.

Accurate Books and Records

The Company relies on its accounting records to produce reports for our management, shareholders, creditors, governmental agencies, clients and others. The Company is committed to maintaining books and records that accurately and fairly reflect our financial transactions and to ensuring full, fair, accurate, timely and understandable disclosure in reports and documents.

Employees must maintain accurate and fair records of transactions, time reports, expense reports and other business records to ensure that false or intentionally misleading information is not given in any communications. Employees also must comply with any applicable record retention policy of the Company (see the Information Management Policy), whether such policy governs paper documents, e-mail, voice mail or any other type of record.

In this respect, the following guidelines must be followed:

1. No undisclosed or unrecorded funds or assets may be established for any purpose.
2. Assets and liabilities of the Company must be recognized and stated in accordance with our standard practices and Generally Accepted Accounting Principles.
 - No false or artificial entries may be made or misleading reports issued.
 - No false or fictitious invoices may be paid or created.

Disciplinary action(s) will be taken against the Chief Executive Office and Chief Financial/ Administrative Officer if there is a restatement due to material non-compliance. These action(s) will be determined by the Board of Directors.

Employees should promptly disclose any information related to significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data, or any fraud, whether or not material, involving management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls to an appropriate member of management, the Chief Financial/ Administrative Officer, the Vice President of Human Resources, or to a member of the Audit Committee or Board of Directors. In the event that the employee is not comfortable reporting through any of these options, he/she should contact the "Ethics Point" hotline (anonymously, if preferred) at 888-274-7871.

For additional information on the reporting process/requirements and disciplinary actions for violations of the Code of Conduct, see the "Obtaining Guidance on a Compliance Issue or Reporting a Suspected Violation" section.

PROCEDURE FOR HANDLING ACCOUNTING-RELATED COMPLAINTS (Whistleblower Policy)

The Audit Committee has adopted the following procedures to comply with Section 301(4) of the Sarbanes-Oxley Act of 2002 related to accounting-related complaints. These procedures may be amended from time to time only by the Audit Committee.

The procedures are intended to address all complaints received by the Company from any person external to the Company about the Company's accounting methods, internal accounting controls,

or auditing matters, and any concerns submitted by an employee of the Company regarding questionable accounting or auditing matters.

I. Receipt of Matters

1. Although questions and concerns about the Company's accounting matters may be brought to the Company's attention in several ways, the Company will establish and maintain the following to facilitate the receipt of complaints and concerns related to accounting matters:
 - A. Address for mailing (send to the attention of the Chief Financial/Administrative Officer or the Audit Committee Chairman at the corporate headquarters address).
 - B. A toll-free number staffed by a third party service provider to receive anonymous complaints and concerns.
2. The information in Section 1, above, will be disseminated as deemed reasonably appropriate, which may include inclusion on the Company's website or in the Company's annual communication to shareholders.
3. The only persons authorized to open the mail or receive reports from the anonymous complaint number based upon the Whistleblower Reporting Matrix are the Chief Financial/Administrative Officer, the Vice President of Human Resources, the Vice President of Accounting, or members of the Audit Committee. Note that the third party reports all accounting and auditing matters directly to the Audit Committee Chairman in addition to the designated Company management previously mentioned.

II. Handling Matters

1. Every complaint or concern regarding accounting or auditing matters will be referred to the Chief Financial/ Administrative Officer, whether received through the methods described in Section I.1., above, or otherwise. The Chief Financial/ Administrative Officer will maintain records to catalogue all complaints and concerns received and then will provide this information periodically to the Audit Committee.
2. Each complaint or concern will be assessed preliminarily by the Chief Financial/Administrative Officer to the extent necessary for that Officer to conclude that the concern is unwarranted or that further assessment is warranted. The Chief Financial/Administrative Officer may seek advice from other senior executives at the Company, members of the Audit Committee, outside legal counsel, or the Company's auditors and may request research assistance from certain Company management. The Chief Financial/Administrative Officer will report the results of such preliminary assessment to the Audit Committee Chairman.
3. After receiving the report of the Chief Financial/Administrative Officer, the Audit Committee Chairman may make such additional assessment and take such additional action as he or she deems appropriate, including seeking the advice and assistance of legal counsel, accounting or auditing experts, or others.

III. Information Retention

1. Each record referred to in Section II.1., above, will be maintained for the period as defined by the Company's Information Management Policy.
2. All materials, reports, data and analyses gathered or compiled in the course of the preliminary assessment by the Chief Financial/Administrative Officer and any further action by the Audit Committee will be retained at the corporate headquarters through the date on which the audit report on the Company's financial statements for the fiscal year in which the preliminary report of the Chief Financial/Administrative Officer was delivered to the Audit Committee.

IV. Confidentiality

Any concerns about questionable accounting or auditing matters may be raised anonymously by an employee, or alternatively, if an employee chooses to provide his or her name, the employee may request confidentiality. If the employee requests confidentiality, his or her identity will not be shared with anyone other than the Chief Financial/Administrative Officer, the Vice President of Human Resources, the Audit Committee and the Company's legal advisors as necessary, without the employee's permission.

V. Scope of Policy

These procedures are applicable to all complaints and concerns regarding the Company's accounting and auditing matters, other than as may be raised by any government agency or through any judicial process. Any questions or concerns raised by any government agency or through any judicial process are to be referred directly to the Chief Financial/Administrative Officer, the Vice President of Human Resources or the Chairman of the Audit Committee with contemporaneous notice to the Company's legal advisors.

Code of Conduct Acknowledgement

I have received, read and understand TranSystems' Code of Conduct. I understand that I must comply with this Code of Conduct and that violations of it may result in disciplinary action, including warning, suspension or termination of employment. Additionally, the Company may elect to file charges when applicable, which may result in civil or criminal penalties.

Printed Name

Signature

Date