

**PERFORMANCE TECHNOLOGIES, INCORPORATED**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

**STATEMENT OF PURPOSE**

This Code of Business Conduct and Ethics (the “Code”) applies to all directors, officers and employees or associates of Performance Technologies, Incorporated (the “Company”) and its subsidiary companies. It is intended to promote the highest standards of honesty and ethical conduct, including use of business property, extending or receiving business courtesies, the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; full and understandable disclosure in reports and documents filed with the United States Securities and Exchange Commission (“SEC”); compliance with applicable governmental rules and regulations; the prompt reporting of violations of the Code to an appropriate person or persons identified in the Code; and accountability for adherence to the Code.

**STANDARDS OF HONESTY AND ETHICS**

The Company and each of its employees or associates must conduct their affairs in accordance with the highest standards of honesty and integrity and in a manner consistent with the rights, safety, and productivity of other employees as well as the protection of Company interests, products and property. Accordingly, the Company's principal directors and officers will be held to the highest ethical standards and will be expected to conduct themselves in a manner that will serve as a model for all the Company's employees or associates. Integrity must be exercised by the Company's directors, officers and employees in relation to maintaining accurate business records, use of company assets, email and other electronic communications avoiding derogatory language that could be taken out of context, and extending or accepting business courtesies that foster goodwill in business relationships but never create undue influence. Anything given must be consistent with marketplace practices, infrequent in nature, and consistent with policies of the recipient's employer as well as PT policies. It is prohibited to give tangible gifts having a market value of \$25 or more to a person or entity with which the Company does or seeks to do business unless approved by management. In addition, To ensure the highest level of objectivity in dealing with the Company's vendors, suppliers, contractors and agencies and to avoid the appearance of impropriety, employees and their immediate family are not permitted to accept personal benefits, solicited or unsolicited, of any kind. This includes gifts, free services, discounts, loans, lavish entertainment or other special favors. Infrequent gifts valuing not more than \$25 may be accepted when they have not been solicited and are not being made in return for a special consideration or decision.

**CONFLICTS OF INTEREST**

Any personal business activity, investment, or association that would place an employee's or associate's personal interests in conflict with those of the Company must be strictly avoided. (Recognizing that some conflicts of interest may be matters of degree, or may be unintended or unavoidable, the Audit Committee of the Board of Directors is authorized upon full disclosure of all relevant facts and circumstances, to approve or waive this absolute prohibition in unusual or exceptional circumstances.) All conflicts of interest, or potential conflicts of interest, must be disclosed to the Audit Committee for appropriate review.

**COMPLIANCE WITH APPLICABLE GOVERNMENTAL LAWS, RULES AND REGULATIONS**

The Company is subject to numerous governmental rules and regulations. All employees or associates are directed to inform themselves of such rules and regulations insofar as they apply to the Company in general and to such employee's or associate's area of responsibility in particular. Additionally, each such employee or associate must conduct himself or herself and the Company activities he or she is responsible for supervising in a manner that complies with applicable law and results in the Company's compliance with such law. Material noncompliance with applicable law, and related governmental rules and regulations, should be reported to the Audit Committee.

**FULL, FAIR DISCLOSURE**

Among its responsibilities for compliance with law, the Company's management is responsible for full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the United States SEC, the National Association of Securities Dealers, Inc. and in other public communications made by the Company. Recognizing that such compliance is a matter of informed judgment, the Company's principal executive officer, the principal accounting officer, and others involved in the process of preparing and filing our public communications are directed to implement and follow procedures designed to fully develop and disclose relevant factual information, and present such material information in compliance with published rules and regulations in a timely and understandable manner.

**REPORTING NON-COMPLIANCE**

If you have knowledge of a violation of this Code, you have an obligation to report it to the Chairman of the Audit Committee in the event that you do not believe that prompt, appropriate and corrective action will otherwise be taken. You may report violations knowing that the Company will not allow retaliation for reporting your concerns in good faith. Retaliation for good faith reporting is itself a violation of this Code.

**ACCOUNTABILITY**

Failure to abide by this Code will result in appropriate discipline, up to and including dismissal from the Company. Any variations from or exceptions to this Code, or amendment of its terms, will require the review and approval of the Audit Committee and will be granted only as permitted by law and in extraordinary circumstances. Any action deemed by the Audit Committee to be a violation of the Code, or any violation that is waived by the Audit Committee, shall be promptly disclosed to the stockholders of the Company.