

**SANUWAVE HEALTH, INC.**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

**Purpose**

This Code of Business Conduct and Ethics (this “Code”) shall apply to each director, officer and employee of SANUWAVE Health, Inc. (the “Company”). This Code provides a general statement of the Company’s expectations regarding the ethical standards that each director, officer and employee should adhere to while acting on behalf of the Company. Each director, officer and employee is expected to read and become familiar with the ethical standards described in this Code and may be required, from time to time, to affirm his or her agreement to adhere to such standards by signing the Compliance Certificate that appears at the end of this Code.

**Administration**

The Company’s Board of Directors is responsible for setting the standards of business conduct contained in this Code and updating these standards as it deems appropriate to reflect changes in the legal and regulatory framework applicable to the Company, the business practices within the Company’s industry, the Company’s own business practices, and the prevailing ethical standards of the communities in which the Company operates. While the Company’s Chief Executive Officer will oversee the procedures designed to implement this Code to ensure that they are operating effectively, it is the individual responsibility of each director, officer and employee of the Company to comply with this Code.

**Compliance with Laws, Rules and Regulations**

The Company will comply with all laws and governmental regulations that are applicable to the Company’s activities, and expects that all directors, officers and employees acting on behalf of the Company will obey all such laws and regulations. Specifically, the Company is committed to:

- maintaining a safe and healthy work environment;
- promoting a workplace that is free from discrimination or harassment based on race, color, religion, sex or other factors that are unrelated to the Company’s business interests;
- supporting fair competition and laws prohibiting restraints of trade and other unfair trade practices;
- conducting its activities in full compliance with all applicable environmental laws;
- keeping the political activities of the Company’s directors, officers and employees separate from the Company’s business;
- prohibiting any illegal payments to any government officials or political party representatives of any country; and
- complying with all applicable state and federal securities laws.

Directors, officers and employees are prohibited from illegally trading the Company's securities while in possession of material, nonpublic ("inside") information about the Company. The Company's Statement Regarding Insider Trading by Company Personnel and the Company's Insider Trading Policy, which describes the nature of inside information and the related restrictions on trading, shall be deemed a part of this Code.

### **Conflicts of Interest; Corporate Opportunities**

Directors, officers and employees should not be involved in any activity which creates or gives the appearance of a conflict of interest between their personal interests and the Company's interests. In particular, no director, officer or employee shall:

- be a consultant to, or a director, officer or employee of, or otherwise operate an outside business:
  - that markets products or services in competition with the Company's current or potential products and services;
  - that supplies products or services to the Company, unless unanimous approval has been obtained from the independent, disinterested directors of the Company;
  - that purchases products or services from the Company, unless unanimous approval has been obtained from the independent, disinterested directors of the Company;
- have any financial interest in any such outside business that might create or give the appearance of a conflict of interest; provided, however, this prohibition shall not include a passive investment in the stock of such outside business not exceeding 5% of the outstanding shares of such outside business;
- seek or accept any personal loan or services from any such outside business, except from financial institutions or service providers offering similar loans or services to third parties under similar terms in the ordinary course of their respective businesses;
- be a consultant to, or a director, officer or employee of, or otherwise operate an outside business if the demands of the outside business would interfere with the director's, officer's or employee's responsibilities with and to the Company;
- accept any personal loan or guarantee of obligations from the Company, except to the extent such arrangements are legally permissible;
- conduct business on behalf of the Company with immediate family members, which include spouses, children, parents, siblings and persons sharing the same home whether or not legal relatives; or
- use the Company's property, information or position for personal gain.

The appearance of a conflict of interest may exist if an immediate family member of a director, officer or employee of the Company is a consultant to, or a director, officer or employee of, or has a significant financial interest in, a competitor, supplier or customer of the Company, or otherwise does business with the Company.

Directors, officers and employees shall notify the Company's Human Resources Manager of the existence of any actual or potential conflict of interest.

### **Confidentiality; Protection and Proper Use of the Company's Assets**

Directors, officers and employees shall maintain the confidentiality of all information entrusted to them by the Company or its suppliers, customers or other business partners, except when disclosure is authorized by the Company or legally required.

Confidential information includes (1) information marked "Confidential," "Private," "For Internal Use Only," or similar legends, (2) technical or scientific information relating to current and future products, services or research, (3) business or marketing plans or projections, (4) earnings and other internal financial data, (5) personnel information, (6) supply and customer lists and (7) other non-public information that, if disclosed, might be of use to the Company's competitors, or harmful to the Company or its suppliers, customers or other business partners. To avoid inadvertent disclosure of confidential information, directors, officers and employees shall not discuss confidential information with or in the presence of any unauthorized persons, including family members and friends.

Directors, officers and employees are personally responsible for protecting those Company assets that are entrusted to them and for helping to protect the Company's assets in general.

Directors, officers and employees shall use the Company's assets for the Company's legitimate business purposes only.

### **Fair Dealing**

The Company is committed to promoting the values of honesty, integrity and fairness in the conduct of its business and sustaining a work environment that fosters mutual respect, openness and individual integrity. Directors, officers and employees are expected to deal honestly and fairly with the Company's customers, suppliers, competitors and other third parties. To this end, directors, officers and employees shall not:

- make false or misleading statements to customers, suppliers or other third parties;
- make false or misleading statements about competitors;
- solicit or accept from any person that does business with the Company, or offer or extend to any such person,
  - cash of any amount; or
  - any gift, gratuity, meal or entertainment that could influence or reasonably give the appearance of influencing the Company's business relationship with that person unless it (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff, and (5) does not violate any laws or regulations;

- solicit or accept any fee, commission or other compensation for referring customers to third-party vendors; or
- otherwise take unfair advantage of the Company's customers or suppliers, or other third parties, through manipulation, concealment, abuse of privileged information or any other unfair-dealing practice.

Any director, officer or employee who is unsure of the propriety of the offer or acceptance of any item of value (as described above) should contact the Company's Human Resources Manager for clarification and guidance.

### **Accurate and Timely Periodic Reports**

The Company is committed to providing investors with full, fair, accurate, timely and understandable disclosure in the periodic reports that it is required to file.

As a public company it is of critical importance that the Company's filings with the Securities and Exchange Commission be accurate and timely. Depending on their position with the Company, employees may be called upon to provide information to assure that the Company's public reports are complete, fair and understandable. The Company expects all of its personnel to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements.

The Finance Department bears a special responsibility for promoting integrity throughout the organization, with responsibilities to stakeholders both inside and outside of the Company. The Chief Executive Officer, Chief Financial Officer and all Finance Department personnel have a special role both to adhere to these principles themselves and to ensure that a culture exists throughout the Company as a whole that ensures the fair and timely reporting of the Company's financial results and condition. To this end, the Company shall:

- comply with generally accepted accounting principles at all times;
- maintain a system of internal accounting controls that will provide reasonable assurances to management that all transactions are properly recorded;
- maintain books and records that accurately and fairly reflect the Company's transactions;
- prohibit the establishment of any undisclosed or unrecorded funds or assets;
- maintain a system of internal controls that will provide reasonable assurances to management that material information about the Company is made known to management in a timely fashion, particularly during the periods in which the Company's periodic reports are being prepared; and
- present information in a clear, understandable and orderly manner.

### **Reporting and Effect of Violations**

Directors, officers and employees shall report, in person or in writing, any known or suspected violations of laws, governmental regulations or this Code to the Company's Human

Resources Manager. The Company will not allow any retaliation against a director, officer or employee who acts in good faith in reporting any such violation.

The Company's Human Resources Manager will investigate any reported violations and will oversee an appropriate response, including corrective action and preventative measures. Directors, officers and employees that violate any laws, governmental regulations or this Code will face appropriate, case specific disciplinary action, which may include removal, demotion or discharge.

**Waivers**

The provisions of this Code may be waived for directors or officers or non-officer employees only by a resolution of the Company's "independent" directors as defined by applicable market rules or regulations. Any waiver of this Code granted to a director or executive officer will be publicly disclosed as required by the securities exchange or association on which the Company's securities are listed for trading. Any change in or waiver of this Code for the chief executive officer or the principal or senior financial and accounting officers will be publicly disclosed as required by the Securities and Exchange Commission.

**COMPLIANCE CERTIFICATE**

I have read and understand the Company's Code of Business Conduct and Ethics (the "Code"). I will adhere in all respects to the ethical standards described in the Code. I further confirm my understanding that any violation of the Code will subject me to appropriate disciplinary action, which may include demotion or discharge.

I certify to the Company that I am not in violation of the Code, unless I have noted such violation in a signed Statement of Exceptions attached to this Compliance Certificate.

\_\_\_\_\_ (Date)

Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

**Check one of the following:**

- A Statement of Exceptions is attached.
- No Statement of Exceptions is attached.

## SANUWAVE HEALTH, INC.

### STATEMENT REGARDING INSIDER TRADING BY COMPANY PERSONNEL

The Securities and Exchange Commission (“SEC”) and U. S. Attorneys have been vigorously pursuing violations of insider trading laws. In 1988, to further deter insider trading violations, Congress expanded the authority of the SEC and the Justice Department, adopting the Insider Trading and Securities Fraud Enforcement Act (the “Act”). The Act increases the penalties for insider trading for the person engaging in illegal trading and provides for liability of certain “controlling persons” of the violator, for instance, an employer, in certain circumstances. With the passage of the Sarbanes-Oxley Act of 2002, Congress further increased the penalties.

The consequences of insider trading violations can be staggering:

For an individual who trades while in possession of insider information, whether learned directly or via a tip from an insider:

- a civil penalty up to three times the profit gained or loss avoided;
- a criminal fine (no matter how small the profit) of up to \$5 million; and
- a jail term of up to twenty (20) years.

For a company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:

- a civil penalty of the greater of \$1 million or three times the profit gained or loss avoided as a result of the employee’s violation; and
- a criminal penalty of up to \$25 million.

If an employee of SANUWAVE Health, Inc. (the “Company”) violates the insider trading laws, dismissal for cause will result. Even an SEC investigation that does not result in prosecution can be embarrassing, time-consuming and expensive for both the Company and the employee and may result in termination of employment.

**The Company prohibits a director, officer or any employee that has material nonpublic information relating to the Company or any of its subsidiaries, from buying or selling securities of the Company or engaging in any other action to take advantage of, or passing on to others, that information. This also applies to information relating to any other company, including our customers or suppliers, obtained in the course of employment. The exercise of stock options that comply with the requirements of Section 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, shall not be considered a purchase or constitute “trading” under this policy.**

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided.

Material Information. Material information is any information that a reasonable investor may consider important in a decision to buy, hold or sell stock. In short, material information is any information which could reasonably affect the price of the stock.

Examples. Common examples of information that will frequently be regarded as material are: projections of future earnings or losses; news of a pending or proposed merger, acquisition or tender offer; news of a significant purchase or sale of assets or the acquisition or disposition of a subsidiary; changes in dividend policies or the declaration of a stock split or the offering of additional securities; changes in management; significant new products or discoveries; impending bankruptcy or liquidity problems; and the gain or loss of a substantial customer or supplier. Either positive or negative information may be material.

Twenty-Twenty Hindsight. Remember, if your securities transactions become the subject of scrutiny, they will be viewed after the fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.

Transactions by Family Members. The very same restrictions apply to your family members and others living in your household. Employees are expected to be responsible for the compliance of their immediate families and personal households.

Tipping Information to Others. Whether the information is proprietary information about the Company or information that could have an impact on the price of the Company's stock, employees must not pass the information on to others. The above penalties apply, whether or not you derive any benefit from another's action. In fact, the SEC has in the past imposed a \$470,000 penalty on a tipper even though he did not profit from his tippee's trading.

## SANUWAVE HEALTH, INC.

### INSIDER TRADING POLICY

**SANUWAVE Health, Inc. (the “Company”) prohibits a director, officer or any employee who has material non-public information relating to the Company, its subsidiaries, customers, or suppliers, from buying or selling securities of that entity, engaging in any other action to take advantage of such information, or passing such information on to others. This prohibition applies to any such information obtained in the course of employment.**

The Company prohibits an officer, director or other insider from entering into a trade immediately after the Company has made a public announcement of material information, including earnings releases. For purposes of this policy, the term “insider” shall be deemed to include all directors and executive officers of the Company and its subsidiaries, as well as their family members and members of their household.

Black-out Periods. Employees will generally not be permitted to purchase or sell Company securities during the following black-out periods:

- April 1 through and including the business day on which the first quarter financial results are published (e.g. if the financial results are published at 6:00 p.m. on Tuesday, the first trading day would be Thursday; if the results are published at 3:00 p.m. on Tuesday, and Tuesday is not a holiday, the first trading day would be Wednesday).
- July 1 through and including the business day on which the second quarter financial results are published.
- October 1 through and including the business day on which the third quarter financial results are published.
- January 1 through and including the business day on which the year-end financial results are published.

Be aware that if material non-public information arises during the “safe harbor” window outside of the black-out periods, the window closes and no trading is permitted until the information is made public and the post-announcement waiting period has passed. If the original window would have closed before these conditions are met, no trading can take place until the next quarter’s safe-harbor window opens.



## **Pre-clearance Procedures**

To help prevent inadvertent violations of the federal securities laws and to avoid even the appearance of trading on inside information, all insiders and employees may not engage in an open market purchase or sale of the Company's securities without first obtaining pre-clearance of the transaction from the Company's Chief Executive Officer or Chief Financial Officer. Pre-clearance of all transactions will also permit the Company to assist insiders, if necessary, in complying with their SEC requirements for filing the requisite SEC forms (Forms 3, 4 and/or 5). The following three steps are necessary to obtain pre-clearance before engaging in a transaction involving the Company securities:

(a) A written request for pre-clearance should be submitted to the Company's Chief Executive Officer via facsimile (or in his absence, to the Chief Financial Officer via facsimile) at least one business day in advance of the proposed transaction;

(b) The person trading must certify to the Company in writing no earlier than one business day prior to the proposed transaction(s) that, to the best of his/her knowledge and belief:

(i) he or she is not in possession of material non-public information concerning the Company, and

(ii) the proposed transaction(s) do not violate the trading restrictions of Section 16 of the Securities Exchange Act of 1934 or Rule 144 of the Securities Act of 1933; and

(c) The Company's Chief Executive Officer (or in his absence, the Chief Financial Officer) approves the transaction(s) in writing sent by facsimile or email to the person engaging in the transaction.

The Company's Chief Executive Officer (or in his absence, the Chief Financial Officer) is under no obligation to approve a transaction submitted for pre-clearance, and may, with reasonable cause, determine that the proposed transaction(s) should not be permitted.

With respect to transactions so approved, the person engaging in the transaction shall immediately notify the Company's Chief Financial Officer by telephone (to be immediately confirmed in writing by facsimile or e-mail) when the transaction actually occurs. A copy of such information shall also be sent to the Company's Chief Executive Officer. For insiders, the facsimile must include all transaction information necessary to complete and file the Section 16 reporting requirements (i.e., Form 3s, 4s and 5s) the insider is required to file, including a listing of the person's Company securities bought or sold and his or her total holdings of Company securities following the transaction. The insider is responsible for the timely filing of the applicable Form 4 or 5, as the case may be. **FOR INSIDERS, PLEASE NOTE THAT A FORM 4 MUST BE FILED WITH THE SEC WITHIN TWO (2) DAYS AFTER THE TRADE OCCURS.**

**Establishing a 10b5-1 Plan**

A 10b5-1 Plan allows insiders to outline a plan for future transactions of the Company's stock at pre-determined prices or times that can occur outside a trading window. The 10b5-1 Plan must be approved and processed during a trading window and cannot be changed or terminated outside a trading window. The 10b5-1 Plan **must** have prior approval from the Company's Chief Executive Officer or Chief Financial Officer. Please note that a 10b5-1 Plan must be put in place at a time when you do not have possession of material non-public information.

**Failure to observe the above policies could result in the offending person's immediate dismissal.**

**COMPANY ASSISTANCE**

Any person who has any questions about specific transactions may obtain additional guidance from the Company's Chief Executive Officer or Chief Financial Officer. Remember, however, that the ultimate responsibility for avoiding improper transactions rests with you.

**CERTIFICATIONS**

Employees will be required to certify their understanding of this statement. Officers and directors and other key employees may be required to certify compliance on an annual basis.

**CERTIFICATION**

The undersigned hereby certifies that he/she has read and understands the foregoing statement on securities trades by Company personnel, a copy of which was distributed to the undersigned.

Date: \_\_\_\_\_

\_\_\_\_\_

Signature

\_\_\_\_\_

Print Name