

	Human Resources Policies & Procedures Manual			
	ORIGINAL DATE: 5/3/04	REVISION NUMBER: 1	REVIEWED DATE: 8/1/08	CORPORATE APPROVAL: J. Andrighetti
POLICY NUMBER: 202	SUBJECT: BUSINESS ETHICS AND CODE OF CONDUCT			

PURPOSE:

The Board of Directors has approved the following policy statements and directives for the guidance of board members, officers and employees of Quantum Fuel Systems Technologies Worldwide, Inc., and its subsidiaries (“Quantum” or the “Company”). This Code of Business Conduct and Ethics (“Code”) applies to the Company’s board members, officers and employees, including the Company’s principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions (“Designated Executives”). This Code constitutes the Company’s “code of ethics” as defined in Item 406 of Regulation S-K and its “code of conduct” in accordance with Nasdaq Rule 4350(n).

POLICY:

It is the policy of Quantum to conduct its affairs in accordance with all applicable laws, rules and regulations of the jurisdictions in which it does business and to adhere at all times to the standards defined herein. This Code is designed to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in the reports and documents the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;
- Compliance with applicable governmental laws, rules and regulations;
- The prompt internal reporting to the appropriate person of violations of this Code; and
- Accountability for adherence to this Code.

Quantum has established standards for behavior that affects the Company, and board members, officers and employees must comply with those standards. The Company promotes ethical behavior and encourages employees to talk to supervisors, managers, the Human Resources Manager, or other appropriate personnel when in doubt about the best course of action in a particular situation. Non-employee board members are encouraged to talk to outside counsel in such situations. Anyone aware of a situation that he or she believes may violate or lead to a violation of this Code should follow the guidelines under “**Compliance and Reporting**” below.

In addition, the Company has established an ETHICS HOTLINE to enable confidential reporting of unethical, illegal activities or to report actions in conflict with the Code. **The secure ETHICS HOTLINE phone number is 949-399-4530.**

The Code covers a wide range of business practices and procedures and was written to provide personal guidance. It does not cover every issue that may arise, but it sets out basic principles to guide you as you conduct your affairs as a board member, officer or employee of the Company. Although there can be no better course of action than to apply common sense and sound judgment, do not hesitate to use the resources available whenever it is necessary to seek clarification.

APPROVALS AND WAIVERS; DESIGNATED CHANNELS

Certain provisions of this Code require you to act, or refrain from acting unless prior approval is received from the Designate Channel. Such approvals or waivers of provisions of the Code may only be granted through the following "Designated Channels":

- Approvals or waivers of the provisions of this Code for any of the Company's employees may only be granted by the Human Resources Manager or such Manager's designee(s).
- Approvals or waivers of the provisions of this Code for any of the Company's executive officers or board members may only be granted by the Company's Board of Directors.

Any waiver relating to executive officers and board members is required to be promptly disclosed pursuant to the rules and regulations of the SEC and Nasdaq. Changes in this Code may only be made by the Board of Directors and will be disclosed as required by the rules and regulations of the SEC and Nasdaq.

CONFLICTS OF INTEREST

A conflict of interest arises when your personal interests interfere with your ability to act in the best interests of the Company. Employees must perform their responsibilities on the basis of what is in the best interest of the Company independent of personal consideration or relationships. Non-employee board members must perform their fiduciary duties as directors of the Company.

Employees should disclose any potential conflicts of interest relating to the Company through the Designated Channels, who can advise as to whether or not the Company believes a conflict of interest exists. Employees should also disclose potential conflicts of interest relating to the Company involving your spouse, siblings, parents, in-laws, children and anyone residing in their home.

Activities Outside the Company

Although Quantum has no interest in preventing employees from engaging in lawful activities during nonworking hours, employees must make sure that their outside activities do not conflict or interfere with their responsibilities to the Company. For example, without approval by the Company, a Quantum employee generally may not:

- Engage in self-employment or perform paid or unpaid work for others in a field of interest similar to Quantum;
- Use proprietary or confidential Company or customer information for personal gain or to the Company's detriment; or
- Appear to represent Quantum as the participant in an outside activity unless Quantum has authorized the employee to represent Quantum.

Community, Political & Governmental Activities

Quantum encourages you to be actively involved in your community through volunteer service to charitable, civic and public service organizations, and through participation in the political process and trade associations.

Employees must make sure, however, that your service is consistent with your responsibilities with Quantum and does not pose a conflict of interest. This is particularly important before accepting any leadership position (such as membership on the board of a charitable or civic organization), before seeking or accepting political office, and before soliciting a charitable contribution.

Service on Outside Boards of Directors

Serving as a director of another corporation may create a conflict of interest. Employees must disclose such service through the Designated Channels and obtain prior approval before serving on the board of another company whether or not such company is a competitor of Quantum, whether or not such company's interests may be adverse to Quantum's, or that may require a significant amount of time.

Competitor Relationships

Employees should avoid even the appearance of a conflict of interest in your relationships with competitors. Employees may not:

- Provide compensated or uncompensated services to a competitor, except for services rendered under a valid Quantum contract with the competitor;
- Disclose any Company proprietary information to a competitor, unless a nondisclosure agreement executed by Quantum and the competitor is in place; or
- Utilize for any unauthorized purposes or disclose to a competitor or other third-party any proprietary data that has been entrusted to the Company by a customer or supplier.

Corporate Opportunities & Resources

You are prohibited from taking for yourself personal opportunities that are discovered through the use of the Company's property, information or position. You may not use Company property, information or position for personal gain. Company resources may be used for minor personal uses, so long as such use is reasonable, does not interfere with your duties, does not conflict with the Company's business and does not violate any Company policy.

Employees may not compete with the Company, directly or indirectly, except as permitted by Company policies.

You should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

Indirect Interests and Relationships

A conflict of interest can also arise because of the business activities of your close relations. For example, employees may have a potential conflict of interest whenever a close relative has a significant relationship with, or has a significant financial interest in, any supplier, customer or

competitor of the Company.

Employees may not make or attempt to influence any decision of the Company that could directly or indirectly benefit any of your close relatives. To protect employees and the Company from the appearance of a conflict of interest, they should make appropriate disclosure of the interest through the Designated Channels.

BUSINESS RELATIONSHIPS

Quantum seeks to outperform its competition fairly and honestly. The Company seeks competitive advantages through superior performance, not unethical or illegal business practices. When acting on behalf of the Company, employees must endeavor to deal fairly with the Company's customers, suppliers, competitors and employees and must not take advantage of them through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair-dealing practice.

Customer Relationships

Our customers are of the utmost importance to Quantum. When acting on behalf of the Company, employees must always treat customers and potential customers according to the highest standards of business conduct.

It is Quantum's policy to sell our products and services on their merits and to avoid making disparaging comments about the products and services of competitors unless they can be substantiated. When acting on behalf of the Company, employees should be careful in this regard in commenting upon the character, financial condition, or potential legal or regulatory problems of competitors.

Suppliers

Quantum's suppliers -- companies and individuals that sell products and services to Quantum -- are important to our business. When acting on behalf of the Company, employees should always treat suppliers and potential suppliers in accordance with the highest standards of business conduct.

Suppliers must be selected on the basis of objective criteria, such as quality, price, technical excellence, service reputation and production/service capacity.

If working with current suppliers on behalf of the Company, employees must never intentionally interfere with a supplier's contracts or business relations with a competitor of Quantum.

Individuals with procurement responsibility should review the sections of this Code concerning fair competition and should be familiar with applicable laws and Company policies.

Contracts and Commitments

You may not enter into any agreement binding Quantum without authorization. The Company has instituted contract and signature approval policies that identify those individuals who have the authority to approve and sign certain contracts binding Quantum and its subsidiaries. If there are any questions about signature authority for a given contract, contact the Chief Financial Officer or such officer's designee.

Employees involved in proposals, bid preparations or contract negotiations should strive to ensure that all statements, communications, and representations to prospective customers are truthful and accurate.

FAIR COMPETITION

Fair competition laws, including the U.S. antitrust rules, limit what Quantum can do with another company and what Quantum can do on its own. Generally, the laws are designed to prohibit agreements or actions that reduce competition and harm consumers. You may not enter into agreements or discussions with competitors that have the effect of fixing or controlling prices, dividing and allocating markets or territories, or boycotting suppliers or customers. U.S. and foreign antitrust laws also apply to imports and exports.

GIFTS, GRATUITIES, ENTERTAINMENT AND OTHER CONSIDERATIONS

Use of Company funds or other Company property for illegal, unethical or otherwise improper purposes is prohibited. The purpose of business entertainment and gifts in a commercial setting is to create goodwill and a sound working relationship, not to gain personal advantage with customers or suppliers.

Gifts

When acting on behalf of the Company, giving or accepting any unsolicited gifts is permissible where there is a business benefit or purpose for the gift and any benefits received do not influence, or appear to influence, selection and purchasing decisions. Employees should express care to ensure that the value and frequency of such gifts are not excessive under the applicable circumstances. When acting on behalf of the Company, employees may not accept a customer, vendor or supplier discount for yourself unless it is generally available to all Company employees or to the public.

It is never appropriate or permissible in connection with the business of the Company to accept or give cash or a cash equivalent from or to a vendor, supplier or customer outside the Company's normal business. Cash equivalents include, among other things, checks, money orders and vouchers.

Rules relating to U.S. and foreign government personnel are more stringent. See ***“Doing Business Internationally”*** and ***“Government Contracting”*** below.

Meals, Entertainment, and Travel

Employees may provide or accept meals and entertainment, including attendance at sporting or cultural events, as long as it is associated with an occasion at which business is discussed and is provided as a normal part of business. The value of the activity must be reasonable and permissible under Quantum's expense account procedures. Employees should express care to ensure that such activities are necessary and that their value and frequency are not excessive under the applicable circumstances. Rules relating to U.S. and foreign government personnel are more stringent. See ***“Doing Business Internationally”*** and ***“Government Contracting”*** below.

Employees may entertain socially friends or relatives doing business with the Company, so long as there is a legitimate business purpose.

Investment Activities

Unless you have sought and received pre-approval, you may not:

- Participate in so-called “directed shares,” “friends and family,” and similar stock purchase programs of customers, vendors or suppliers of Quantum;
- Invest in non-public companies that are, or are likely to be, customers, vendors or suppliers of Quantum; or

- Invest in non-public companies in which Quantum has made or is expected to make an investment.

Bribes and Kickbacks

The use of Company funds, facilities or property for any illegal or unethical purpose is strictly prohibited; provided, that certain facilitating payments discussed in ***“Doing Business Internationally”*** are permitted.

- You are not permitted to offer, give or cause others to give, any payments or anything of value for the purpose of influencing the recipient’s business judgment or conduct in dealing with the Company other than facilitating payments.
- You may not solicit or accept a kickback or bribe, in any form, for any reason. **DOING**

DOING BUSINESS INTERNATIONALLY

Quantum is committed to the highest business conduct standards wherever it operates. Quantum observes these standards worldwide, even at the risk of losing business. While no one can anticipate all the situations that may present challenges to you while doing business on behalf of the Company in the worldwide marketplace, the following guidelines always apply:

- Observe all laws and regulations, both U.S. and non-U.S., that apply to business abroad.
- Paying bribes to government officials is absolutely prohibited, even if those bribes are common practice, except for facilitating payments. You may not give, promise to give or authorize the giving to a foreign official, a foreign political party, or official thereof or any candidate for foreign political office any money or offer, gift, promise to give or authorize the giving of anything of value to influence any act or decision, to induce such official, party or candidate to do or omit to do any act in violation of the lawful duty of such official, party or candidate, or to induce such official, party or candidate to use his or her influence with a foreign government or agency to affect or influence any act or decision of such foreign government or agency.
- Do not cooperate with illegal boycotts.
- Observe all licensing requirements and the requirements of applicable import and export control laws.
- Do not enter into an agreement with an agent or consultant that relates to Quantum’s business outside the United States unless it has been approved by the Company.

Facilitating Payments to Low-Level Non-U.S. Governmental Employees and Officials for Non-Discretionary Action

Quantum is committed to complying with the laws of the countries where it operates. In some countries, a very limited category of small payments to facilitate or expedite routine non-discretionary governmental actions may be permitted as exceptions to anti-bribery laws, including the U.S. Foreign Corrupt Practices Act (“FCPA”).

These “facilitating payments” to non-U.S. governmental officials are distinguished from payments made to influence a discretionary decision or to cause violation of, or an act in conflict with, the interests of an individual’s employer, which are strictly prohibited. In particular, under the Foreign Corrupt Practices Act it is a crime for the Company or a Board member, officer, employee or agent of the Company to make any payment or promise to any foreign official, political party or official thereof or any candidate for foreign political office for the purpose of:

- Influencing any act or decision by that official, party, party official or candidate in his or its official capacity, or inducing the foreign official, party, party official or candidate to do or omit to do any act in violation of his or its lawful duty; or
- Inducing such foreign official, party, party official or candidate to use his or its influence with a foreign government to influence any act or decision of the foreign government for the purpose of obtaining or retaining business for the Company, or directing business to any person.

It is also a crime to make any payment or promise to any person while knowing that it will be used to make any such unlawful payment or promise. "Knowing" is defined to mean being aware that the person is engaging in such conduct, or having a firm belief that such circumstances exist or that such result is substantially certain to occur.

Import and Export Regulation/Trade Compliance

Quantum is subject to the import and export laws and regulations of the United States and certain foreign governments. These laws and regulations govern the international transfer of all products and services of Quantum, as well as technology, information and ideas belonging to Quantum.

Under U.S. law, no technology may be exported without the proper government export licenses and documentation. Exports of technology include not only technology shipped via freight, but also technology that is hand-carried (e.g., employees traveling overseas), sent via courier services or U.S. mail, electronically transmitted, and/or disclosed to foreign nationals in the United States or abroad. "Technology" is defined as hardware, software, technical documentation, product specifications, technical data, etc.

It is your responsibility to ensure that proper documentation accompanies each export or disclosure of Quantum's technology. Failure to export or re-export without the proper export license or documentation can jeopardize Quantum's compliance with U.S. laws, as well as the laws of foreign countries. Non-compliance can result in denial of export privileges, criminal penalties, seizure of commodities, and fines to Quantum and its employees.

It is Quantum's policy to comply fully with all applicable U.S. and foreign laws controlling the export and re-export of products, technology (including software) and services.

Anti-boycott Compliance

The United States has enacted anti-boycott regulations which make it unlawful for U.S. persons to participate in any activity that could have the effect of promoting or supporting a boycott or restrictive trade practice of another country against customers or suppliers located in a country friendly to the United States or against a U.S. person, firm or corporation. Boycott issues arise most frequently in connection with the Arab boycott of Israel. Prohibited actions include, but are not limited to, furnishing information about business relationships with boycotted countries, or information about race, religion, sex or national origin. Any request to participate in such activity relating to Quantum should be immediately reported to the Human Resources Manager or such Manager's designee.

GOVERNMENT CONTRACTING

Detailed laws and regulations govern virtually every aspect of doing business with the U.S. government and its agencies, as well as doing business with state and local governments and their agencies. Activities that might be permitted when working with the private sector may be improper or even illegal when a national, state or local government is the customer.

Employees should seek to adhere to the highest standards of honesty and integrity in your relations with government officials and employees when acting on the Company's behalf. For example, employees should observe the following principles when bidding or performing government contracts:

- Do not offer or provide meals, transportation, gifts or other consideration to government employees except as permitted under applicable law and Company policy.
- Obey the regulations governing current and post-government employee conflicts of interests. Obtain all appropriate government approvals prior to recruiting or hiring current or former government employees.
- Obtain appropriate licenses prior to exporting or even discussing certain technologies with citizens of other countries.
- Obey any requirements that may restrict access to source selection or competitive information.

If employees deal with government representatives on behalf of the Company, they are responsible for knowing and obeying the laws and regulations applicable to doing business with federal, state and local government entities.

POLITICAL CONTRIBUTIONS AND LOBBYING

No political contributions are to be made using Quantum funds or assets, or the funds or assets of any Quantum subsidiary, to any political party, political campaign, political candidate or public official in the United States or any foreign country, unless the contribution is lawful and expressly authorized in writing. In addition, you may not make a political contribution on behalf of Quantum or its subsidiaries, or with the appearance that such contribution is being made on behalf of Quantum or its subsidiaries, unless expressly authorized in writing. A "contribution" is any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, services or anything of value in connection with an election or to an organization or group formed to support or defend a referendum or ballot issue.

Nothing in this Code is intended to discourage you from making contributions of your own time or funds to political parties or candidates of your choice. However, you will not be compensated or reimbursed by Quantum for any personal contributions.

Nothing in this Code is intended to discourage you from representing the best interests of the Company should you have contact or communication with government officials through the normal course of your responsibilities. However, you must obtain prior approval from the Chief Executive Officer to hire outside counsel or a public affairs firm to contact government officials regarding legislation, regulatory policy, or rule making on behalf of the Company. This includes hiring grassroots lobbying contacts.

ACCURACY OF REPORTS, RECORDS AND ACCOUNTS

You are responsible for the accuracy of your records, time sheets and reports. Accurate information is essential to Quantum's ability to meet legal and regulatory obligations and to compete effectively. The records and books of account of Quantum must meet the highest standards and accurately reflect the true nature of the transactions they record. Destruction of any records, books of account or other documents except in accordance with Quantum's document retention policy is strictly prohibited.

You must not create false or misleading documents or accounting, financial or electronic records for any purpose relating to Quantum, and no one may direct an employee to do so. For example, expense reports must accurately document expenses actually incurred in accordance with Quantum policies. You must not obtain or create "false" invoices or other misleading documentation or invent or use fictitious entities, sales, purchases, services, loans or other financial arrangements for any purpose relating to Quantum. Employees are also responsible for accurately reporting time worked.

No undisclosed or unrecorded account or fund may be established for any purpose. No false or misleading entries may be made in the Company's books or records for any reason. No disbursement of corporate funds or other corporate property may be made without adequate supporting documentation or for any purpose other than as described in the documents. You must comply with generally accepted accounting principles and the Company's internal controls at all times when acting on behalf of the Company. These internal accounting controls are to be sufficient to provide reasonable assurances that transactions are properly authorized and recorded, access to assets is permitted only as

authorized, and recorded assets are compared with existing assets at reasonable intervals.

GOVERNMENT INVESTIGATIONS

It is the policy of the Company to cooperate with all government investigations. You must promptly notify the Human Resources Manager or General Counsel of any government investigation or inquiries from government agencies concerning Quantum. You may not destroy any record, books of account, or other documents relating to Quantum except in accordance with the Company's document retention policy. If you are aware of a government investigation or inquiry you may not destroy any record, books of account, or other documents relating to Quantum unless advised by the Human Resources Manager or General Counsel or such individual's designee that you may continue to follow the Company's normal document retention policy.

You must not obstruct the collection of information, data or records relating to Quantum or its subsidiaries. The Company provides information to the government that the government is entitled to during an inspection, investigation, or request for information. You must not lie to government investigators or make misleading statements in any investigation relating to Quantum or its subsidiaries. You must not attempt to cause any employee to fail to provide accurate information to government investigators.

You have the right to consult your own legal counsel at your own expense.

INSIDER TRADING; COMMUNICATIONS WITH THIRD PARTIES

You are not permitted to use or share the Company's confidential information for stock trading purposes or for any other purpose except the conduct of our business.

Insider Trading

The Company has adopted an Insider Trading Policy. You are subject to the Insider Trading Policy that prohibits, among other activities:

- Buying or selling the Company's securities while in possession of material non-public information ("inside information");
- Communicating such information to third parties other than those who need to know such information in connection with doing business with or for the Company;
- Recommending the purchase or sale of the Company's securities while in the possession of material information that has not been publicly disclosed by the Company; and
- Assisting anyone engaged in any of the above activities.

Inside information is material information about a publicly-traded company that is not known by the public. Information is deemed "material" if it could affect the market price of a security or if a reasonable investor would attach importance to the information in deciding whether to buy, sell or hold a security. Inside information typically relates to financial conditions, such as progress toward achieving revenue and earnings targets or projections of future earnings or losses of the Company. Inside information also includes changes in strategy regarding a proposed merger, acquisition or tender offer, new products or services, contract awards and other similar information. Inside information is not limited to information about Quantum. It also includes material non-public information about others, including the Company's customers, suppliers, and competitors.

Insider trading is prohibited by law. It occurs when an individual with material, non-public information trades securities or communicates such information to others who trade. The person who trades or "tips" information violates the law, if he or she has a duty or relationship of trust and confidence not to use the

information. Such violations may present civil and criminal liability for the individuals involved. This potential liability also extends to an individual's immediate family members, including their spouse, children or others living in their home and any entities under their control.

Trading or helping others trade while aware of inside information has serious legal consequences, even if the insider does not receive any personal financial benefit. Insiders may also have an obligation to take appropriate steps to prevent insider trading by others.

Full and Fair Disclosure; Communications with the Media and the Financial Community

Quantum communicates with the press and with the financial community through official channels only. The Company's policy is to provide accurate and timely information about its business, to investors, the media, and the general public. All inquiries received from financial analysts or the media concerning Quantum should be directed to the Director of Communications and Corporate Support. All legal inquiries concerning Quantum should be referred to the General Counsel. All inquiries regarding current or former employees of Quantum should be referred to the Human Resources Department.

Confidential Information

You must maintain the confidentiality of information entrusted to you by the Company or its customers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information, including information that might be of use to competitors or harmful to the Company or its customers if disclosed. You may not use such information for your personal or private benefit, or for the benefit of anyone else, during or after your tenure with the Company.

TECHNOLOGY USE AND PRIVACY

Quantum provides various technology resources (including computers, telephones, software, copying machines, Internet access, and voice mail) to you to assist in performing your duties on behalf of the Company. You have the responsibility to use the Company's technology resources in a manner that complies with applicable laws and Company policies.

Authorization

Access to the Company's technology resources is within the sole discretion of the Company and subject to Company policies. Generally, you are given access to the Company's various technologies consistent with your job functions. The Company reserves the right to limit such access by any means available to it, including revoking access altogether.

Prohibition Against Violating Copyright Laws

You may not use the Company's technology resources to copy, retrieve, forward or send copyrighted materials unless you have the author's permission or are accessing a single copy only for your own reference.

Other Prohibited Uses

You may not use any of the Company's technology resources for any illegal purpose, in violation of any Company policy, in a manner contrary to the best interests of the Company, in any way that discloses confidential or proprietary information of the Company or third parties on an unauthorized basis, or for personal gain.

OUR WORK ENVIRONMENT

The diversity of the Company's employees is a tremendous asset. Quantum is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or

harassment. In addition, the Company strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following health and safety rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

COMPLIANCE AND REPORTING

Compliance

Any employee who violates the provisions of this Code will be subject to disciplinary action up to and including termination. Disregard of any criminal statute underlying this Code may require the Company to refer such violation to the appropriate authorities.

Any board member who violates the provisions of this Code will be subject to disciplinary action up to and including dismissal, as deemed by the Board of Directors with proper approvals from the stockholders when necessary. Disregard of any criminal statute underlying this Code may require the Company to refer such violation to the appropriate authorities.

Reporting Procedures and Other Inquiries

Questions regarding the policies in this Code may be directed to the Human Resources Manager. Managers and supervisors are also resources who can provide advice and guidance to employees on ethics and compliance concerns. If you have knowledge of, or questions or concerns about, an actual or possible violation of the provisions of this Code, you are encouraged to promptly report the matter to your immediate supervisor or to the Human Resources Manager. Board members are encouraged to discuss any issues or concerns with outside counsel.

Possible violations may also be reported to the confidential Ethics Hotline at **888-532-6090**. Complaints regarding Accounting Matters may be submitted directly to the Audit Committee using the procedures outlined in the Company's policy entitled, "Reporting Complaints Regarding Accounting, Internal Accounting Controls or Auditing Matters."

When submitting concerns, you are asked to provide as much detailed information as possible. Providing detailed, rather than general, information will assist us in effectively investigating complaints. This is particularly important when you submit a complaint on an anonymous basis, since we will be unable to contact you with requests for additional information or clarification.

We are providing these anonymous reporting procedures so that you may disclose genuine concerns without feeling threatened. Anyone who chooses to identify himself or herself when submitting a report may be contacted in order to gain additional information.

All conversations, calls and reports made under this policy in good faith will be taken seriously. Any allegations that are knowingly false or without a reasonable belief in the truth and accuracy of the information provided will be viewed as a serious disciplinary offense.

Policy Prohibiting Unlawful Retaliation or Discrimination

Neither the Company nor any of its employees may discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of such employee who in good faith:

- Provides information or assists in an investigation relating to or regarding any conduct that the employee reasonably believes constitutes a violation of Fraud Laws (as defined below); or
- Files, testifies, participates or otherwise assists in a proceeding that is filed or about to be

filed (with any knowledge of the Company) relating to an alleged violation of a Fraud Law.

This policy applies in any instance where such information or assistance is provided to, or the investigation is conducted by, a federal regulatory or law enforcement agency, any member or committee of Congress, or any person with supervisory authority over the employee in the authority to investigate misconduct relating to potential securities violations by the Company with employees. For purposes of this policy, a "Fraud Law" is a violation of federal criminal law involving:

- Securities fraud, mail fraud, bank fraud or wire, radio or television fraud;
- Violation of SEC rules and regulations; or
- Violations of any federal law relating to fraud against stockholders.

SUMMARY

This Code of Conduct represents only a starting point in assuring that you do your part in fulfilling the Quantum's commitment to the law and to the highest standards of integrity. It is your responsibility to adhere not only to the specific directives of these guidelines, but also to their spirit. The Human Resources Manager and General Counsel are always available to answer any specific questions you may have.

This document is not an employment contract between Quantum and its employees, nor does it modify your relationship with the Company.

This Code is intended to clarify your existing obligation for proper conduct. The standards may change from time to time in the Company's discretion. Your continued employment acts as your acceptance of any such change and your agreement to comply therewith. The most current version of this document can be found on the Company's intranet.

The Code covers a wide range of business practices and procedures and was written to provide personal guidance. It does not cover every issue that may arise, but it sets out basic principles to guide you as you conduct your affairs as a board member, officer, or employee of the Company. Although there can be no better course of action than to apply common sense and sound judgment, do not hesitate to use the resources available whenever it is necessary to seek clarification.