

CODE OF BUSINESS CONDUCT AND ETHICS

It is the policy of Qualis Corporation that its employees, executives, and Board of Directors members uphold the highest standards of ethical, professional behavior when interacting with customers, potential customers, business associates, management, co-workers and subordinates. Qualis Corporation expects every individual to handle problems and challenges in the workplace with good judgment, maturity and honesty, and with the utmost respect for others. Individuals should avoid situations that create an actual or perceived conflict between their personal interests and those of the Company. Qualis Corporation needs to know that the transactions in which employees and Board members participate are ethical and within the constraints of the law, both in letter and in spirit. Individuals unable to conduct themselves in this manner may find themselves in violation of this policy and acting contrary to the Company's mission and values.

Qualis Corporation recognizes that different companies have different codes of ethics and conduct. What may be standard practice to one company may not necessarily be accepted at Qualis Corporation. With that said, there is no way to develop a comprehensive, detailed set of rules to cover every business situation. The tenets in this policy outline some basic guidelines for ethical behavior at Qualis Corporation. Whenever employees are in doubt, they should consult with their supervisor for guidance.

Conflicts of interest or unethical behavior may take many forms, including but not limited to:

- Giving and/or receiving gifts from competitors, vendors, potential vendors, or customers of the Company (unless the gift is of a nominal retail value and is only given on appropriate occasions, for example, a holiday gift);
- Improper disclosure of protected information regarding procurement and other non-public information that could affect a contract bid or the award process; including failure to disclose prior involvement as a procurement official on any procurements for the U.S. Government, especially participation in any decisions resulting in any contract award to Qualis Corporation;
- The providing or selling to third parties of any proprietary and/or confidential information, products, or materials acquired from the Company;
- Utilizing for personal use assets or labor belonging to the Company;
- The registration of Qualis Corporation's name on any internet transaction unless specifically approved by Qualis Corporation management;

- Deriving personal gain from any purchase of goods or services for the Company or from transactions made as an employee of the Company or as a relative of an employee of the Company;
- Engaging in employment outside of Qualis Corporation that is or could be perceived as a conflict of interest (see Outside Employment section in this policy);
- Having a direct or indirect interest in any enterprise doing business with or competing with Qualis Corporation, or having a family member with a direct or indirect interest in a competing enterprise, except when such interest comprises securities listed on a public securities of any company, or except when the interest has been fully disclosed and has been officially approved by the Board of Directors;
- Accepting a loan or borrowing from individuals or concerns that do business with or compete with Qualis Corporation, except banks and other financial institutions;
- Providing direct personal services to any Federal employee, creating or modifying Federal policy, obligating appropriated funds of the U.S. Government or overseeing work of or taking direction from a Government official;
- Donating corporate funds, goods, or services, directly or indirectly, to any officer or employee of any agency in connection with a contract award or modification;
- Soliciting of products or services to employees on Company time for own personal gain;
- Displaying behavior contradictory or in violation of Company policies and procedures.

Prohibition Against Improper Payments

The Company expects all employees to use only legitimate practices in promoting the Company's position on issues before governmental authorities. As stated below, "kickbacks" or "bribes" intended to induce or reward favorable buying decisions and governmental actions are unacceptable and strictly prohibited.

No employee of the Company shall, in violation of any applicable law, offer or make directly or indirectly through any other person or firm any payment of anything of value (in the form of compensation, gift, and contribution or otherwise) to:

- Any person or firm employed by or acting for or on behalf of any customer, whether private or governmental, for the purpose of inducing or rewarding any favorable action by the customer in any transaction; or any governmental entity, for the purpose of inducing or rewarding action (or withholding of action) by a governmental entity in any governmental matter;

- Any governmental official, political party or official of such party, or any candidate for political office, for the purpose of inducing or rewarding favorable action (or withholding of action) or the exercise of influence by such official, party or candidate in any commercial transaction or in any governmental matter. Employees may, however, participate in and/or contribute to the political process as concerned individuals, through means which would include voting and the contribution of their own time and money, and participate in or make contributions to political action committees.

The provisions of this section are not intended to apply to ordinary and reasonable business entertainment or gifts not of substantial value, individual contributions to political candidates, customary in local business relationships and not violative of law as applied in that environment. Managers are expected to exercise sound discretion and control in authorizing such business entertainment and gifts.

When customer organizations, governmental agencies, or others have published policies intended to provide guidance with respect to acceptance of entertainment, gifts, or other business courtesies by their employees, such policies shall be respected.

Conflict of Interest

A “conflict of interest” occurs when an individual’s private interests interfere in a material way or appears from the perspective of a reasonable person to interfere in a material way with the interests of the Company. Any employee, executive, or Board member who has a financial or employment relationship with a competitor, vendor, potential vendor, or customer of Qualis Corporation’s or who are in a close relationship with someone else that has a financial or employment relationship with the same (“close relationship” means, at a minimum, an immediate family member or friend for whom, if given access to Company proprietary information, could personally benefit at the Company’s expense), must immediately disclose this fact in writing to their supervisor, Human Resources, and/or Board Chair. The Company or Board will determine what course of action must be taken to resolve any conflict it believes may exist. If the conflict is severe enough, Qualis Corporation may be forced to ask the employee, executive or Board member to tender his/her resignation. Qualis Corporation has sole discretion to determine whether such a conflict of interest exists.

Outside Employment

Any employee or executive holding a job with another company or desiring to seek additional employment outside of Qualis Corporation must notify management to ensure that a conflict of interest does not exist. To request approval for outside employment, the individual must complete a Request for Outside Employment Form. If it is determined that the outside employment does not compete with, is not prejudicial to, and does not negatively impact the best interests of Qualis Corporation, then the request will be approved. Individuals working under an outside employment agreement must always demonstrate satisfactory performance in their job responsibilities with Qualis Corporation. All employees will be judged by the same performance standards and will be subject to Qualis Corporation’s scheduling demands, regardless of any existing outside work requirements.

If Qualis Corporation determines that an employee's outside work interferes with performance or the ability to meet the requirements of the job as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain employed with the Company.

Confidentiality and Preservation of Records

Employees frequently have access to confidential information concerning the Company's business. Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed. Safeguarding company confidential information is essential to the performance and future of the Company. Caution and discretion must be exercised in the use of such information, which should be shared only with those who have a clear and legitimate right to know. Employees must maintain the confidentiality of Qualis Corporation's business information at all times.

Qualis Corporation creates, retains, and disposes of our Company records as part of our normal course of business in compliance with all regulatory and legal requirements. Under no circumstances shall any records subject of anticipated, threatened or pending lawsuit be removed, concealed or destroyed. "Records" are defined as any hard copy, paper documents and electronic records, including but not limited to, email, voicemail, and the contents of hard drives. All audit and audit review work papers shall be retained as required in accordance with the rules outlined by the Securities and Exchange Commission (SEC).

Employee Privacy

Qualis Corporation believes in safeguarding our employees' personnel files and general employee information. This involves:

- Collecting and retaining personal information only for business or legal reasons, and conforming to regulatory retention requirements.
- Limiting access to employee files to those with a "need to know."
- Adhering to a practice of limited internal use and external disclosure of requested employee information.
- Limiting release of information on present or former employees to information required by legitimate investigatory or legal need.
- Maintaining sensitive information such as medical files in a separate secure location and limiting access to information to authorized Human Resources department personnel.
- Regularly reviewing employment privacy practices to ensure compliance with legal requirements.

Fair Employment Practices

Employees at Qualis Corporation are recruited, selected, and hired on the basis of individual merit and ability with respect to the position filled. We are committed to the fair and effective utilization of all employees without regard to race, color, religion, national origin, sex, age, covered veteran status, disability, or any other category protected by federal, state, or local laws. Qualis Corporation expects all of its employees to treat each other, regardless of title or position, with the fairness and respect necessary to maintain a place of employment that encourages each person to contribute to his or her fullest potential.

Harassment. Every person conducting business, whether or not employed by Qualis Corporation, must refrain from engaging in any verbal or physical conduct that could be construed as harassment. Such conduct may consist of making unwelcome sexual advances, or engaging in coercive behavior that is sexual in nature when the rejection of or submission to such conduct affects, either implicitly or explicitly, an employee's status of employment (*i.e.*, pay, promotion, assignment, termination, etc.).

Health & Safety

The Company has a long-standing philosophy to ensure the safety, health and well-being of all of our employees. All employees are expected to abide by safe work practices and adhere to general safety rules to ensure their safety as well as the safety of coworkers.

Good Faith Reporting of Wrongdoing

Employees are encouraged to seek assistance from their Qualis Corporation supervisors and through their appropriate chain of command regarding any legal or ethical concerns. However, the Company realizes this may not always be possible. As a result, employees may call the Director of Human Resources at 256-327-3452 to report anything that they cannot discuss with their supervisors. Employees may also report misconduct or unethical behavior anonymously to the Qualis Corporation Code of Business Conduct & Ethics Hotline **1-866-806-8302**. All calls will be taken seriously and will be promptly investigated. The company does not permit retaliation of any kind against employees for reports of violations made in good faith. This hotline is not intended to replace any government reporting mechanism used to report violations of ethical standards and/or the law; *i.e.* the Department of Defense Hotline.

Violation of this Policy

If an employee, executive, or Board member is found in violation of this policy, thereby determining that a conflict of interest indeed exists or that inappropriate unethical behavior has occurred, then the Company will recognize its right and obligation to terminate and/or discipline the individual. Executive Management and Qualis Corporation's Board of Directors have sole discretion to make these decisions. The President serves as the Ethics Officer who is responsible for the resolution of violations of this policy at the operational level. Each Executive Officer of the Company is responsible and accountable for the adherence of this policy by their respective groups, divisions, or organizations.

RELATED DOCUMENTS/FORMS:

- Request for Outside Employment Form (ROE-174-0407)
- Procurement Integrity Questionnaire (PIQ-185-0208)

Signature on file

6/5/2009

Qualis Corporation President/CEO

Date