

Business Conduct and Ethics Policy

Avistar's business operation and reputation is based upon the principles of fair dealing and ethical conduct of our employees. Our continued success is dependent upon our customers' trust and we are dedicated to preserving that trust. Avistar will comply with all applicable laws and regulations and expects its directors, officers and employees to conduct business in accordance with all relevant laws and to refrain from any illegal, dishonest or unethical conduct.

Every employee must strictly observe all laws and regulatory requirements applicable to Avistar Communications, and is expected to be familiar with the basic legal requirements that apply to his or her job responsibilities. For example, sale representatives and marketing managers are expected to know basic antitrust principles, such as the prohibition against price-fixing and the rules governing restrictions on dealers and distributors.

Improper Payments

The use or promise of Company funds or assets for any unlawful or improper purpose is strictly prohibited. No payment shall be made to, or for the benefit of, government employees or entities/individuals in the private sector for the purpose of, or otherwise in connection with, the securing of sales to or obtaining favorable actions from the recipients. Gifts of substantial value or lavish entertainment of government or client/supplier employees are prohibited since they can be construed as attempts to inappropriately influence decisions in matters affecting the Company's operation.

No political contribution shall be made, directly or indirectly, with corporate funds or assets, regardless of whether the contributions are legal under the laws of the country in which they are made.

Lavish Gifts and Entertainment

Business gifts and entertainment are designed to promote goodwill between business partners and are a valuable part of our business culture. If a company with whom you have developed a relationship while working at Avistar provides you with gifts, entertainment, or financial opportunities, such offerings present a problem when they compromise or appear to compromise your objectivity or influence a business decision. Neither you nor members of your immediate family may give or receive gifts, gratuities, or entertainment from suppliers, potential suppliers, persons or business entities seeking to do business with Avistar, or competitors except for:

- Promotional items less than \$25 in value (e.g. pens, mugs, T-shirts with a logo).
- Modestly-scaled entertainment intended to facilitate business objectives.
- Meals and beverages that are modestly priced, infrequent, and offered in conjunction with a business meeting or conference.

These guidelines on gifts and entertainment apply to anything given or received as a result of a business relationship for which the recipient does not pay full market value. Examples of prohibited gifts and entertainment include but are not limited to gifts of money; special treatment from a supplier, customer, or competitor; travel for other than business reasons; and discounts not generally available to the public. Likewise, you and members of your immediate family may not accept extraordinary financial opportunities which place you in a more advantageous financial opportunity than the public at large when those opportunities are made available by suppliers, potential suppliers, persons or business entities seeking to do business with Avistar, or competitors. Prohibited opportunities include participation in 'friends and family' or 'directed share' IPO stock offerings. When in doubt, please contact the CFO prior to providing or accepting an item in question.

Proper Accounting Practices

Each employee must help maintain the integrity of the Company's financial records. The Company must rely on employee truthfulness in accounting practices. Employees may not participate in any misstatement of the Company's accounts. All records must truly reflect the transactions they record, and all assets and liabilities shall be recorded in the regular books of account. No undisclosed or unrecorded fund or asset shall be established for any purpose and no false or artificial entries shall be made in the books and records for any reason. No payment shall be approved or made with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the document supporting the payment.

Conflicts of Interest

All employees must exercise great care any time their personal interests conflict with those of the Company, or where there might be even the appearance that an action or decision was motivated for reasons other than to benefit the Company.

Relations with Suppliers Employees purchasing goods or services on behalf of the Company must exercise great care to preserve their independence. Employees are prohibited from receiving a payment or anything of value in exchange for a purchasing decision. The Company recognizes an exception for token gifts (such as a calendar or clock) of nominal value (less than \$100).

Outside Employment The level of attention required for employment with Avistar Communications makes it impractical for employees to pursue extensive employment outside the Company. Moreover, outside employment could also lead to a conflict of interest for the employee. Consequently, the Chief Administrative Officer (COO), or the CFO must approve any outside employment in advance.

Service on Corporate Boards Due to the access of sensitive information within the Company, and the potential for being placed in a potential position of conflicting interests, the approval of the COO or CEO is required before any employee can accept a director's position at another company.

Conflicts Involving Family and Friends Care must be taken to avoid conflicts of interest relating to personal financial interests outside of the Company, including those of close relatives, associates, and friends. When an employee's job performance or independent judgment might be affected by an outside financial interest, the employee must either divest that interest or not participate on either side of business dealings involving that interest.

Unfortunately, apparent conflicts of interest can be as troubling as the real thing, unless they are disclosed. For that reason, all employees must complete the disclosure questionnaire attached to this Policy. (See Attachment A to this policy). Each employee must disclose any financial interest in a supplier, customer, or competitor of the Company. The only exceptions to the disclosure requirement are small investments in publicly held companies in which an employee has no influence or control.

In the majority of cases, simple disclosure of an outside financial interest will be sufficient to resolve an apparent conflict of interest, in some cases, however, further steps may be required, and the COO or CFO will work with the employee to satisfactorily address those specific situations.

Company employees must avoid engaging in behavior or transactions where a conflict of interest, either real or implied, could be construed. Employees have the right to privacy in their personal affairs, but at the same time, need to avoid situations where their allegiance may become divided

between the Company's interest and those of a competitor, supplier, or client. Employees must also avoid gaining inappropriate personal advantages or benefits as a result of working for the Company. Consequently, employees or their immediate family, should not have any financial interests, or be directly or indirectly involved in, any of the Company's clients', suppliers' or competitors' businesses. The only exception to this is if the COO or CFO has determined, in writing, that employee cannot influence the Company's decisions that would benefit such financial or business interests.

Employees are not permitted to provide gifts, payments or favors to the Company's clients, suppliers or competitors other than inexpensive advertising novelties that are within the law and would not create an unfavorable image of the Company. The Company does not permit the payment of commissions or other forms of compensation to employees of our clients, or suppliers, or their customers or suppliers unless approved by the COO/CFO

Any actual or potential situations involving unethical conduct are to be reported immediately to the Chief Financial Officer or Human Resources for review and action. For more information on Conflict of Interest, consult with your manager and/or Human Resources.

Fair Trade The United States, along with most other countries, have trade regulations intended to encourage fair and vigorous competition as the basis for a free enterprise economic system. The purpose of such regulations is to forbid unfair or deceptive business practices and to eliminate restrictive practices and business agreements, which have the purpose or effect of restraining competition. Examples of prohibited practices are:

- Making false or misleading comparisons with other products;
- Misrepresenting intellectual property including patent, copyright or trademark rights;
- Misrepresenting the ability to fill orders or product quality and features;
- Or making false claims about product features.

Agreements or mutual understanding with competitors regarding pricing, terms of sale, production volume, credit terms, or the allocation of clients, territories or product markets are illegal under antitrust laws of the United States and many other countries. Similarly, agreements or understandings with competitors to not do business with a particular client, or supplier, or to hinder other competitors are also illegal.

As a Company employee, you are asked, and required, to both comply with the law and to assist Avistar in fully complying with the Company's policy of appropriate business conduct and ethics.

If you have any questions, need advice or have knowledge of and/or suspect possible violations of appropriate conduct or ethics as described, contact the Human Resources Department or the COO/CFO of the Company.

Policy Violations

As part of Avistar's commitment to ethical and legal behavior, the Company requires its employees to report to the Company any actual or apparent violations of law or ethical standards so that they can be investigated and dealt with appropriately. This obligation extends to any instance where one suspects, but is uncertain whether, a violation may be occurring. Failure to comply with the duty to come forward is a violation of this Policy and can result in serious disciplinary action, including possible termination of employment.

Employees suspecting a violation of this policy are directed to contact their immediate manager, the Human Resources department, or any senior manager within the Company. Alternatively, if the employee

wishes to anonymously report any unethical or illegal business practices, they may do so by contacting THE NETWORK (<http://www.tnwinc.com>) at their toll-free number, 1-877-888-0002. This number can be accessed 24/7 throughout the 50 United States. An employee will not suffer retaliation by the Company as a consequence of coming forward under this Policy, regardless of whether that inquiry is made to his or her immediate manager, Human Resources or any other member of the management staff.