



Do What's → **Right**

Code of Ethics
and Business Conduct

ELECTROMED, INC.

Making life's important moments possible — one breath at a time.®

ELECTROMED, INC.

Making life's important moments possible — one breath at a time.®

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From Our President and CEO



**To build
trust and
respect,
we must
make good
decisions
and ethical
choices.**

We all have a role in shaping our culture through our words and actions. The Electromed core purpose, mission, and core values guide our decisions, while woven through everything we do is a passion for helping our patients breathe easier and live better.

Building a culture of trust and respect for each other, our customers, and our partners must be fundamental to all our actions. It's a culture where we do the right thing, always. Where we listen, learn, and deliver with our co-workers. Where we provide compassionate service to our patients. And it's a culture where every employee can perform at their very best.

To build trust and respect, we must make good decisions and make ethical choices daily with our customers and partners. Personal integrity or our reputation should never be compromised for short-term gains.

When we apply these principles in our daily work, we will have the confidence to make good decisions that build trust

We are more likely to make ethical choices when integrity, honesty, and compliance guide our decision making. We should always be open, honest, and transparent about our motives. We should learn from our mistakes. And we should bring issues to the forefront when faced with difficult challenges. Healthy, respectful debate brings about better decisions and learning from our mistakes. I expect leaders and managers to foster a culture where employees feel free to ask questions and raise concerns when something doesn't seem right.

Our Code of Conduct details the ethical standards and the framework under which we manage our business. When we apply these principles in our daily work, we will have the confidence to make good decisions that build trust and we will fulfill our core purpose and mission.

Thank you very much,



Kathleen Skarvan

President & Chief Executive Officer

Our Core Purpose

**Making life's
important
moments
possible
—one breath
at a time.[®]**

Our Mission

Electromed is committed to unwavering service to our customers and being an advocate for the patients we serve, providing innovative, value-added airway clearance products.

Our Quality Commitment

Driven and inspired by our core purpose and core values, Electromed, Inc. is committed to best-in-class engineering and design, quality, and customer service throughout all functions of our operations. This commitment ensures our products are reliable and consistently in compliance to international standards and applicable regulatory requirements.

Our Core Purpose, Core Values and Mission are infused in everything we do and guide us on how we treat each other. As a Company that provides products which improve the quality of people's lives, employees find fulfillment in their everyday roles and responsibilities.

Unwavering Passion for Patients

We are fully committed to helping people around the world to breathe better, stay healthier, and lead active and fulfilling lives.

Make it happen

This means going above and beyond and having a “can do” attitude.

Encourage innovation and creativity

Electromed has always prided itself on its innovation, continuous improvement and value provided to our customers. Let's continue that tradition!

Embrace change

In this industry, we must proactively and eagerly adjust to the ever-changing health care environment and be nimble to achieve the results we know we can.

Always do what's right

Represent yourself as a member of a highly ethical and well-respected team of professionals.

Listen, learn and deliver

Provide the service you know our customers—both external and internal—deserve. Hear what they have to say. Learn about their needs. Be agile and skillful to quickly deliver solutions with positive results.

ELECTROMED, INC.

Code of Ethics

and Business Conduct

Do What's → *Right*

...in Relationships
with Each Other



> We Treat Each Other with Respect

Treating each other with respect is the foundation of a positive and fulfilling work environment. Actively respecting each other takes many different forms, but key examples are (1) avoiding actions or circumstances that undermine a safe, healthful, and productive work environment; (2) supporting the diversity of the Electromed employee group; (3) and considering individuals for employment opportunities on the basis of merit.

We do not discriminate, or tolerate discrimination, based on any protected characteristic. Protected characteristics include race, age, religion, gender, gender identity, national origin, sexual orientation, disability, marital status, pregnancy, genetic information, or any other characteristic that is protected by law.

> We Don't Tolerate Harassment

We do not tolerate harassment or bullying at Electromed. Harassment is unwelcome conduct that creates an intimidating, hostile, or offensive work environment, causes work performance to suffer, or negatively affects job opportunities. Bullying is a particular type of harassment that includes threats and acts of violence, intimidation, use of abusive language, threatening conduct, and attempts to instill fear in others.

How We Do What's Right

Know that discrimination will not be tolerated.

Know that harassment of any kind will not be tolerated.

Always treat others with respect.

Refer to applicable portions of our employee handbook(s) for more guidance related to personal behavior in the workplace. You are expected to adhere to the guidelines of the employee handbook(s).

Report discrimination or harassment to your supervisor, Human Resources, Compliance Officer Gregory Spurlock, or the CEO. If you wish to report anonymously, see the Employee Handbook for the Electromed Compliance Hotline and InSperty anti-harassment hotline.



READ THE POLICY:
Employee Handbook

Do What's → **Right**

...for the Company



> We Comply with this Code, Company Policies, and the Law

At Electromed we commit to doing what's right for the company by complying with this Code, applicable company policies, and the law. We understand that violating this Code or other company policies could result in adverse personnel actions including termination. In addition to this Code of Conduct, Electromed has established a compliance program that focuses on addressing and mitigating some of the top risks that face our company. We have a Compliance Officer who is a member of the senior leadership team. The Electromed Board of Directors exercises oversight of the compliance program.

How We Do What's Right

Review this Code and understand the portions that relate to your particular role.

Be aware of the standards that regulate our industry and apply to your particular role.

Complete any required training in a timely fashion.

Report all known or suspected violations of this Code or Electromed's policies to at least one of the following individuals: your supervisor, Human Resources, Compliance Officer Gregory Spurlock, or the CEO.

Report discrimination or harassment to your supervisor, Human Resources, Compliance Officer Gregory Spurlock, or the CEO. If you wish to report anonymously, see the Employee Handbook for the Electromed Compliance Hotline and Insperty anti-harassment hotline.



READ THE POLICY:

Look for helpful links & "Smart Tips" throughout the Code of Conduct

**"Without SmartVest,
I wouldn't be here today.
My life is totally better."**

—Nancy, SmartVest user

> We Protect Confidential Information

We protect information that is not generally known or readily available to others. This includes:

(1) intellectual property and trade secrets, (2) technical know-how, (3) business plans and information, (4) marketing and sales programs and information, (5) customer and prospective customer information and lists, (6) pricing information and policies, (7) financial information, (8) personnel information such as salaries, (9) benefits and performance information, and (10) any other information that Electromed deems confidential.

An important category of confidential information is patient information – which you may learn of or have access to in the course of your job. Patient information is protected not only by Electromed policies, but also by federal and state laws.

How We Do What's Right

Do not share the Company's confidential information.

Protect the confidential information of our customers, suppliers, and third parties who disclose information to Electromed in confidence.

Do not accept confidential information from a third party, including competitors, unless specifically authorized to do so by an authorized supervisor or officer of the Company and following an appropriate grant of rights from such third party.

Protect the confidentiality of patient information. Make sure that you are securing and protecting such patient information as required by relevant federal and state laws.

Immediately refer any request for confidential information or patient information, including a subpoena or any legal process, to one of the individuals listed under "Compliance Contact Information" on the back cover.

smarttips

Refrain from discussing sensitive matters in non-private places.

Limit access to work areas.

Dispose of documentation in accordance with Electromed policies and directions.

Do not remove such information from Electromed's premises—except as expressly authorized by Electromed.



READ THE POLICY:
Employee Access to Company Information

> We Avoid Conflicts of Interest

We have a duty to avoid conflicts of interest and make business decisions solely in the best interests of Electromed.

How We Do What's Right

Avoid situations in which you receive improper personal benefits as a result of your position with Electromed or gain personal enrichment through access to confidential information.

Avoid taking actions or having interests that may make it difficult to perform your Electromed work objectively and effectively.

Whenever you believe a situation involves, or may reasonably be expected to involve, a conflict of interest with Electromed, you should promptly notify one of the individuals identified under the heading "Compliance Contact Information" on the back cover.

Directors and executive officers of Electromed, along with their immediate family members, have additional obligations pursuant to Electromed's related party transaction policies.

smarttips

You are generally free to engage in outside activities of your choice.

Just make sure your activities do not:

1. adversely affect Electromed's business,
2. involve misuse of Electromed position or resources,
3. divert for personal gain any business opportunity from which Electromed may profit, or
4. constitute a potential source of discredit to the Electromed name.



READ THE POLICY:

EE Handbook, Ethical Interactions with Healthcare Professionals

**"My patients
couldn't believe the difference
SmartVest made in their lives."**

—Leslie Carpenter, CRT

> We Conserve and Safeguard Electromed Property

In the course of your job at Electromed, you may have access to both tangible and intangible Electromed property. This property should not be lost, damaged, misused, stolen, embezzled, or destroyed.

How We Do What's Right

Make sure you are using Electromed property for legitimate business purposes.



READ THE POLICY:

*Unique User ID and Password Requirements
Work Station Security and Use
Home Office/Telecommuting*

> We Use Caution if Discussing Electromed Matters on Social Media

Only a limited number of people are authorized to speak on behalf of Electromed. If you do not have this official authorization, it is important that you do not overstate your authority to speak for Electromed on any social media platform. We should also never reveal any confidential or proprietary Electromed information in our online activities.

How We Do What's Right

When referencing topics related to Electromed's business and/or products on social media (in any form or manner):

- Make sure any information that you reference is not confidential.

- Clearly disclose that you are an Electromed employee and identify your opinions as your own.
- Stick to your experiences and be careful not to make claims you cannot support.

smarttips

Here are some hypothetical examples of Electromed related topics that constitute confidential information:

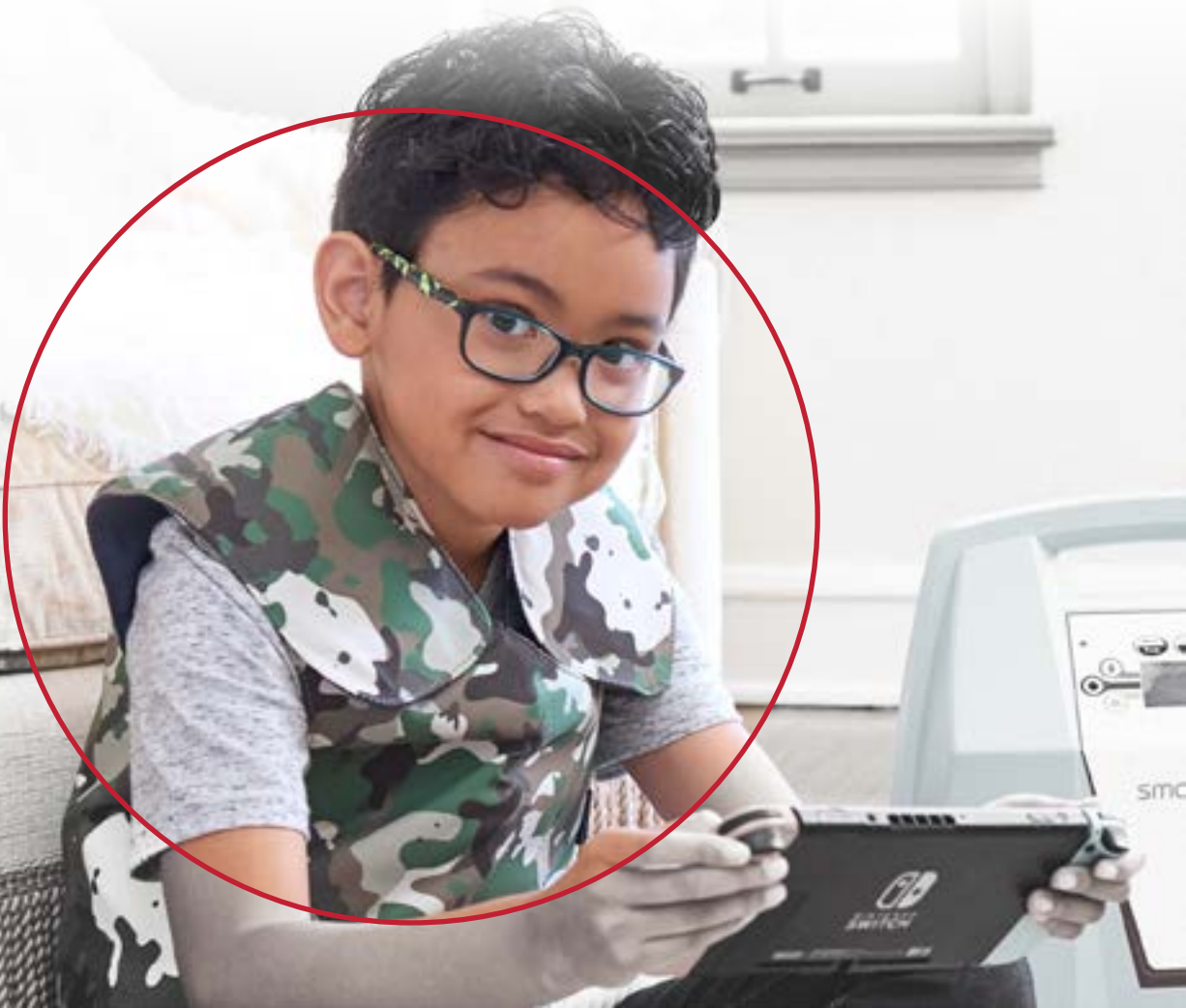
- A secret product launch
- A yet-to-be-announced upcoming job change of a senior executive



**If you do not have
official authorization,
do not overstate your
authority to speak for
Electromed on any
social media platform.**

Do What's → *Right*

...in Relationships with Patients,
Health Care Professionals,
Suppliers, and Competitors



> We Maintain Ethical Relationships With Health Care Professionals

Our relationships with health care professionals, like physicians who write orders for our products, are subject to many statutory and regulatory requirements. It is critically important for our salesforce and others who interact with health care professionals to comply with Electromed policies to ensure our actions are consistent with legal and ethical standards.

Electromed policies are based on guidelines adopted in the AdvaMed Code, which are not only evidence of community standards, but in some states are legally required.

How We Do What's Right

Do not, directly or indirectly, offer or solicit any kind of payments or contributions for the purpose of obtaining, giving, keeping, or rewarding business.

Focus on informing health care professionals about products. Provide scientific and educational information.

Especially if you directly interact with health care professionals, you must read, understand, and comply with the procedure for Ethical Interactions with Healthcare Professionals.

· This Work Instruction addresses compliance with the U.S. Federal Anti-Kickback Statute, the Stark Law, and other applicable laws, rules, and regulations.

Note that there is a general prohibition on most gifts to health care professionals and customers.

· If you have any question about whether any business courtesies, gratuities, or gifts are appropriate, please contact your supervisor or one of the individuals identified under the "Compliance Contact Information" on the back cover.



READ THE POLICY:

Ethical Interactions with Healthcare Professionals

> We Make Quality Products

Fundamental to our mission is to make products of world-class quality to help people breathe easier and live better. Our patients depend on us to provide a product that is durable and will reliably improve their health. As we build our products we must adhere to a myriad of laws, regulations, and Electromed policies. Regularly scheduled internal and external audits ensure compliance with FDA, ISO, TJC and other regulatory requirements.



READ THE POLICY:
Quality Policy and Mission

How We Do What's Right

If you are involved in the manufacturing process, become familiar with Electromed's quality program and the Work Instructions that apply to you.

Report any concerns regarding compliance with quality standards to your supervisor.

Supervisors must respond in a timely manner to concerns regarding compliance with our quality standards.

> We Respect Our Patients, Competitors, and Suppliers

Our interactions with competitors, customers, and suppliers all have the power to affect our stature in our industry and the market generally. Thus, it is important to act with transparency and in good faith when dealing with these entities.

How We Do What's Right

Deal fairly with our patients, suppliers, and competitors.

- Do not take unfair advantage through:
 - *manipulation,*
 - *concealment,*
 - *abuse of privileged information,*
 - *misrepresentation of material facts, or*
 - *any other intentional unfair dealing.*

Always make it clear when serving Electromed that you are a representative of Electromed

Always avoid any untruthful statements that could be disparaging of a competitor's:

- reputation,
- quality or efficacy of goods or services, or the
- character, competence, or reputation of any officers, directors, executives, shareholders, partners, agents, or employees.

> We Respect Patient Privacy

Electromed is not only a manufacturer, it is also a durable medical equipment supplier. In that capacity we sell our products directly to patients and indirectly through durable medical equipment providers. It is necessary for us to collect and maintain sensitive medical information on our patients. This medical information is sometimes referred to as “protected health information,” or “PHI.”

The Health Insurance Portability and Accountability Act, or “HIPAA,” contains strict requirements regarding how we use PHI internally, and when we can disclose PHI to third parties. State laws sometimes have stricter standards. Electromed’s policies are designed to comply with HIPAA and state laws to ensure that we are protecting patient privacy.

Our policies regarding patient privacy include security standards. For example, laptops with patient information must be encrypted, and employees who access systems with patient information must have unique user names and passwords.

How We Do What’s Right

All employees should understand the sensitivity of having access to PHI, and only access PHI if there is a legitimate business purpose

Employees who regularly have access to patient information will complete additional training on HIPAA privacy and security standards

We will not disclose PHI to third parties without the patient’s written authorization unless a legal exception applies



READ THE POLICY:
HIPAA Privacy Policies and Procedures

> We Protect Research Subjects

Electromed will occasionally conduct clinical research to improve our products, or to establish the clinical efficacy of our products. When performing clinical research we are subject to laws and regulations designed to ensure that research is conducted safely and ethically.

Whether our research involves actual patients or just their data, we will adhere to all applicable standards in the conduct of clinical research.

How We Do What’s Right

We will appoint monitors to ensure that any Electromed research is being conducted in accordance with legal and regulatory standards as well as Electromed policies

Leadership will be aware of research activity and understand when such activity must be subject to oversight by an Institutional Review Board



READ THE POLICY:
Clinical Study Procedure

Do What's → *Right*

...in Relationships
with Governments



> We Have Ethical Interactions With Government Officials

Interactions with government officials are always important and should be approached with the utmost care. Government officials are government employees in local, state, national, or foreign governments.

An interaction could include a simple phone call asking for guidance about a government policy, or it could be a formal letter or personal meeting. If you are unsure whether you are authorized to interact with a government official, talk it over with your supervisor first.

How We Do What's Right

Before interacting with a government official:

- Make sure you are authorized to have the interaction
- Seek guidance from legal counsel for any and all activities that might constitute lobbying or attempts to influence

When interacting with a government official:

- Always provide accurate, honest information
- Never engage in bribery, kickbacks, and/or other improper or illegal payments
 - *Certain U.S. laws and regulations address when U.S. Government Officials may or may not accept business gratuities*

- *The promise, offer, or delivery of a gift, favor or other gratuity to a government official or employee in violation of these rules could constitute a criminal offense.*

- Keep in mind that the U.S. Foreign Corrupt Practices Act ("FCPA") prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business

- *Electromed strictly prohibits making payments to government officials of any country.*

- If you are in doubt about any of these points, you must discuss the matter with your supervisor or one of the individuals identified in "Compliance Contact Information" on the back cover.



READ THE POLICY:

Electromed Anti-Corruption Policy

"On her first treatment she could breathe better."

—Delores, daughter of a SmartVest user

> We Cooperate With Government Investigations

When contacted by government investigator we will commit to cooperate with the investigation. However, senior leadership should be notified immediately of any contact with a government investigator.

How We Do What's Right

If a government official contacts you, be aware that:

- The government is not forbidden from contacting you and requesting to speak with you.
- You have every right to refuse to speak with the government official. If you decide to speak, you may have an attorney present.
- In most cases, Electromed will pay for your attorney if the inquiry is related to your service as a representative of Electromed and the representation is arranged in advance.
- Failure to tell the truth to government officials may, in and of itself, be a violation of the law - *You may not destroy any documents related to the matter at issue or attempt to hide evidence. Destroying evidence is a crime.*
- Never destroy, alter, falsify or cover up documents with the intent to impede or obstruct any investigation of suspected wrongdoing
- Never participate in any misstatement of Electromed's accounts, and
- Always avoid improper influence on the conduct of an audit.
- Retain or destroy company records according to Electromed's record retention policies
- In the event of litigation or governmental investigation, consult with Electromed's legal counsel concerning the records you hold.
- Destruction or falsification of any document that is potentially relevant to a violation of law or a government investigation could lead to prosecution for obstruction of justice.

> We Submit Accurate Claims

Submitting accurate claims to third party payers can be a challenge. Although there is only one code to use to bill for a SmartVest® Airway Clearance System, HCPCS E0483, payers have different rules about when the product can be rented, when it can be purchased, and the documentation required to support the medical necessity of the product.

We must be familiar with various payer requirements, especially those applicable to government payers like Medicare and Medicaid. Submitting erroneous claims to a federal healthcare program could result in a violation of the False Claims Act.

How We Do What's Right

Employees involved in the claims process will receive specialized training on requirements of third party payers, especially government payers, and will understand how to stay informed of changes to such requirements

We will act as a zealous advocate for patients seeking our products but we will not falsify information to get a product covered



**We will act as a
zealous advocate
for patients seeking
our products but
we will not falsify
information to get a
product covered.**

Do What's → *Right*

...in Relationships with
Investors and the Public



> We Avoid Insider Trading

Inside information is material (i.e. important) information about Electromed that has not been released to the public. This includes, but is not limited to: strategies, plans, new products or processes, mergers, acquisitions or dispositions of businesses or securities, problems facing Electromed, sales, profitability, negotiations relating to significant contracts or business relationships, significant litigation, or financial information.

Trading or informing trades based on this type of information (“Insider Trading”) is not fair to other participants in the market and could bring serious legal consequences.

How We Do What’s Right

Review “Policy Statement on Confidential Information and Securities Trading”

- Certain individuals will be required to certify that they have read and understand this separate securities trading policy.
- If you are an officer or manager, you must certify that you have informed your employees of the contents of the policy.

Never trade, or advise another’s trade, based on inside information

- If a reasonable investor would consider your inside information important in reaching an

investment decision, you may not buy or sell Electromed securities, or provide the information to others, until such information becomes public.

Never allow your family or household members to trade based on your inside information

Know that if you directly or indirectly involve yourself in illegal insider trading, you may be subject to immediate termination by Electromed.

smarttips

If you have questions regarding the Policy Statement—or any aspect of trading based on inside information—you should contact our Chief Executive Officer at 952.758.9299.



READ THE POLICY:
ELMD Insider Trading Policy

> We Maintain Accurate Records

Maintaining accurate company records (books, records, accounts, and financial statements, which are relied upon by internal and external stakeholders) and understanding the potential level of accessibility of company records and communications (e-mail, internal memoranda and formal reports, etc.) are all important factors to keep in mind as an Electromed employee.

Electromed is committed to providing full, fair, accurate, timely, and understandable disclosure in all reports filed with the Securities and Exchange Commission (“SEC”) and in other public communications.

How We Do What’s Right

Maintain Accurate Company Records

- Provide truthful, complete, and timely information in support of Electromed’s SEC commitment
- Do your part to ensure that company records appropriately and accurately reflect Electromed’s transactions and conform to applicable legal requirements and Electromed’s system of internal controls.
- Never participate in the creation of, or fail to report, a deliberately false or misleading company record

- Never maintain “off-the-books” accounts
- *All arrangements or contracts under which funds are disbursed shall accurately state the purposes for which these funds are paid and shall not be misleading.*

Understand the potential level of accessibility of company records and company communications

- Company records and company communications often become public. Thus, you should aim to avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of individuals or companies that could be misunderstood.

**“I have used my SmartVest
for 10 years and
it helped me make it to age 87.”**

—Jo Allison, SmartVest user



**Electromed is
committed to
providing full, fair,
accurate, timely,
and understandable
disclosure in
all reports.**

Do What's → *Right*

...if We Observe or Suspect
a Code Violation



> We Discuss our Concerns Without Fear of Retaliation

Having open lines of communication with leadership is essential to an ethical compliance culture. Electromed has an Open Door Policy which means that any employee can raise a compliance concern directly with a member of senior leadership.

As a company we know it takes courage to come forward and share your concerns. Electromed has a policy of non-retaliation and we won't retaliate or permit retaliation against anyone who makes a good faith report about possible misconduct or legal violations. All concerns will be investigated thoroughly and in a timely manner.

How We Do What's Right

Talk with your supervisor about any behavior you believe may be illegal or unethical

Otherwise, contact at least one of the individuals identified under the "Compliance Contact Information" on the back cover. If you wish to report anonymously, see the Employee Handbook for the Electromed Compliance Hotline and Insperty's anti-harassment hotline.

Remember that Electromed policy prohibits retaliation for good faith reporting.

· If you feel you have been retaliated against for your good faith reporting, you should immediately contact your supervisor or one of the individuals identified under the "Compliance Contact Information" on the back cover.



READ THE POLICY:
EE Handbook

"I know that we will have more tomorrows because of what SmartVest does!"

—Kristin, mother of a SmartVest user

> Compliance Contact

If you have a concern regarding compliance with this Code or other Electromed policies, you have a duty to raise the concern with a person in a position to address that concern, such as **your supervisor, Human Resources, Compliance Officer Gregory Spurlock, or the CEO. If you wish to report anonymously, see the Employee Handbook for the Electromed Compliance Hotline and Insperty anti-harassment hotline.**

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