

ARRHYTHMIA RESEARCH TECHNOLOGY, INC.
CODE OF CONDUCT AND ETHICS

Arrhythmia Research Technology, Inc. (the “Company”) is committed to conducting the Company’s business in accordance with all applicable federal, state and local laws, honestly in our business dealings, prudent use of our assets and resources, sound growth and achievement of business objectives and fair treatment of our Employees. We are committed to achieving and maintaining the highest level of integrity and ethics in our dealings with our Employees, customers, suppliers, shareholders and the public. For the purposes of these business and ethical conduct standards (“Standards”), the term “Employee” shall include all individuals paid through the Company’s payroll as well as persons performing similar functions such as, directors, agents and consultants and any other person deemed as such by Company’s management.

A. STANDARDS OF CONDUCT

As Employees we are responsible for fully implementing the business practices and corporate policies of the Company. These Standards are presented to govern the conduct of all our Employees and is intended to supplement the Professionalism and Code of Conduct requirements as set forth in our Employee manual. In general, each Employee shall be held to these general standards:

- 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 reports and documents that the Company files, or submits to, the Securities and Exchange Commission (“SEC”) or other governmental regulators and in other public communications made by the Company;
- compliance with applicable governmental laws, rules and regulations;
- prompt internal reporting of violations of this Code to an appropriate person or persons identified herein; and
- accountability for adherence to this Code.

1. Compliance with Laws, Rules and Regulations

The Company requires that all Employees, officers and directors comply with all laws, rules and regulations, including insider trading laws and regulations (herein after collectively “laws”) applicable to the Company wherever it does business, Employee including but not limited to laws regarding workplace health and safety, the environment, international commerce and corporate governance. You are expected to use good judgment and common sense in seeking to comply with all applicable laws and to ask for advice when you are uncertain about them.

If you become aware of the violation of any law by the Company, whether by its Employees (including officers and directors), or any third party doing business on behalf of the Company, it is your responsibility to promptly report the matter to you supervisor or to the Chief Financial Officer. While it is the Company’s desire to address matters internally, nothing in the Code should discourage you from reporting any illegal activity, including any violation of the securities laws, antitrust laws, and environmental laws or any other federal, state or foreign laws to the appropriate regulatory authority. Employees, shall not discharge, demote, suspend, threaten, harass or in any other manner discriminate or retaliate against an Employee because he or she reports any such violation, unless it is determined that the report was made with knowledge that it was false. The Code should not be construed to prohibit you from testifying, participating or otherwise assisting in any state or federal administrative, judicial or legislative proceeding or investigation.

2. Honest and Ethical Conduct

Each Employee shall adhere to honest standards and practices in all business dealings. An Employee shall act ethically and fairly when dealing with customers, suppliers and other Employees.

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3. Conflicts of Interest

Employees shall be free from any personal influence, interest, or relationship, or appearance thereof, in situations that might conflict with the best interests of the Company. Employees should be particularly sensitive to possible conflicts with suppliers, brokers or any vendors which could arise from engaging in business dealings with, or accepting gifts or compensation from, others. Each Employee should avoid any relationship, influence or activity that might impair, or have the appearance of impairing, his or her ability to make objective and fair decisions when performing his/her job.

4. Financial Interests

An Employee or a member of his or her immediate family may not have a substantial financial interest in an organization that has current or prospective dealings with the Company as a supplier, contractor or customer, or competes directly with the Company when the Employee may be able to influence the dealings of the Company to benefit the Employee's private interests. If you have concerns regarding compliance with this provision, please report the matter to your immediate supervisor as soon as possible.

An Employee shall not loan money to any individual or entity to promote the business of the Company without the express written permission of the Chief Executive Officer or the Chairman of the Audit Committee. An Employee (or member of his immediate family) may not borrow money from individuals or organizations that conduct business with the Company as a customer or supplier.

5. Confidential or Sensitive Information

Each Employee has a duty to ensure that proprietary information relating to the Company or any entity or person with which the Company does business is not disclosed to anyone without proper authorization. Every Employee has a duty to keep proprietary documents protected and secure, particularly when dealing with suppliers, customers and competitors. Any Employee who is unsure as to whether information is sensitive or confidential, or believes that such information has been intentionally or unintentionally disclosed, shall speak to their supervisor, Chief Financial Officer or Chief Executive Officer.

6. Disclosure

Each Employee must provide full, fair, accurate and understandable disclosures in all Company reports and documents submitted to any governmental authority or to other persons outside or within the Company. Disclosure shall be promptly made to Company management of any circumstance that may create a conflict of interest so that an appropriate determination can be made as to whether such conduct violates this Code.

7. Acceptance of Gifts or Entertainment

An Employee shall not accept any gifts or entertainment, nor permit an immediate family member from doing so, from any organization having current or prospective dealings with the Company as a supplier, contractor or customer, except when such gifts or entertainment are of such insignificance that acceptance would not prevent the Employee from acting solely in the best interests of the Company. It is the nature and materiality of the gift in the context in which is given that shall determine the significance of the gift. Such judgment shall be ultimately determined by the Chief Financial Officer or Chief Executive Officer.

Under no circumstances shall any gifts, payments or rendering of service or any other form of value be directly or indirectly given by an Employee (or by an immediate family member) to any person,

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including but not limited to public officials, Employees of customers, or Employees of suppliers to influence such person's exercise of judgment and discretion to assist the Company in obtaining or retaining business contracts.

8. Protection and Use of Company Assets

Under no circumstances shall an Employee misappropriate or otherwise use Company assets other than for legitimate Company business purposes. No Employee may use information gained in the course of performing his or her duties to take personal advantage of any Company business opportunity without first obtaining the consent of the Company.

B. MONITORING, REPORTING AND ACCOUNTABILITY

1. Management Responsibility

Department managers shall be responsible for monitoring compliance with this Code in the areas under their supervision.

2. Reporting & Compliance

Every Employee has the responsibility to ask questions, seek guidance, report suspected violations and express concerns regarding compliance with this Code. Any Employee who knows or believes that any other Employee or representative of the Company has engaged or is engaging in Company-related conduct that violates applicable law or the Code should report such information to his or her supervisor, the Chief Financial Officer or the Chairman of the Audit Committee as described below. You may report such conduct openly or anonymously without fear of retaliation. The Company will not discipline, discriminate against or retaliate against any Employee who reports such conduct, unless it is determined that the report was made with knowledge that it was false, or who cooperates in any investigation or inquiry regarding such conduct. Any supervisor who receives a report of a violation of this Code must immediately inform the Chief Financial Officer. The Company will, to the fullest extent possible without contravening any law, regulation or statute, hold confidential the name of any Employee reporting any event or conduct which he or she believes, in good faith, may raise concern that any policy described in this Code may not have been observed. In some circumstances, however, the Company may be required to furnish such information to law enforcement or governmental officials and counsel in order to address issues raised by such reports.

You may report any violation of this Code on a confidential or anonymous basis by contacting the Company's Chief Financial Officer by mail at 25 Sawyer Passway, Fitchburg, MA 01420 or by contacting the Chairman of the Audit Committee, currently Mr. E. P. ("Lou") Marinos, at 2901 Seargent Street, Seabrook, Texas.

The Audit Committee will evaluate the merits of any concerns or complaints received by it and authorize such follow-up actions, if any, as it deems necessary or appropriate to address the substance of the concern or complaint including but not limited to those outlined in section 3 below.

3. Investigation and Enforcement

If the Chief Financial Officer receives information regarding an alleged violation of this Code, he or she shall, as appropriate, (a) evaluate such information, (b) if the alleged violation involves an executive officer or a director, inform the Chief Executive Officer and Board of Directors of the alleged violation, (c) determine whether it is necessary to conduct an informal inquiry or a formal investigation and, if so, initiate such inquiry or investigation with Company's legal counsel and (d) report the results of any such inquiry or investigation, together with a recommendations as to disposition of the matter, to the Chief Executive Officer for action, or if the alleged violation involves an executive officer or a director, report the results of any such inquiry or investigation to the Board of Directors or a committee thereof.

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Employees are expected to cooperate fully with any inquiry or investigation by the Company regarding an alleged violation of the Code. Failure to cooperate with any such inquiry or investigation may result in disciplinary action, up to and including termination.

The Company shall determine whether violations of this Code have occurred and, if so, shall determine the disciplinary measures to be taken against any Employee who has violated this Code. In the event that the alleged violation involves an executive officer or a director, the Board of Directors, or a committee thereof, shall determine whether a violation of this Code has occurred and, if so, shall determine the disciplinary measures to be taken against such executive officer or director.

Failure to comply with the standard outlined in this Code will result in disciplinary action, up to and including termination. Certain violations of this Code may require the Company to refer the matter to corporate legal counsel or to the appropriate governmental or regulatory authorities for investigation or prosecution. Moreover, any supervisor who directs or approves of any conduct in violation of this Code, or who has knowledge of such conduct and does not immediately report it, also will be subject to disciplinary action, up to and including termination.

4. Annual Questionnaires

The Company shall prepare and distribute a questionnaire annually to all Finance Employees and all non-Finance supervisory Employees requesting each of them to certify as to his or her knowledge of circumstances, including actions taken, during the preceding fiscal year that had a bearing on this Code. The Audit Committee Chairman may expand the distribution of the questionnaire at his/her discretion. Copies of completed questionnaires will not be retained in personnel files.

5. Amendments

This Code, any supplement, or any provision contained in the Code or supplement, may be amended or repealed by the Board, provided any such amendment is done in writing and is specifically approved or ratified by the Board.

6. Acknowledgment

We will expect every Employee, after he or she has read this Code of Conduct and Ethics, to execute an acknowledgment form affirming his or her knowledge and understanding of this Code of Conduct and Ethics and affirming his or her responsibility as an Employee to promptly notify his/her immediate supervisor if he or she has any questions or concerns regarding conduct that may raise concern that any of these policies have not been observed.

7. Internal Use

This Code is intended solely for internal use by the Company. It is not intended to and does not create any rights in any Employee, investor, supplier, competitor, shareholder or any other person.

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ACKNOWLEDGMENT

I have read the Arrhythmia Research Technology, Inc. Code of Conduct and Ethics. I understand my responsibility to comply with the Code of Conduct and Ethics and the process and consequences for dealing with violations thereof.

If I have any questions or concerns regarding conduct that may raise concern under this Code of Conduct and Ethics, I will immediately follow one of the procedures suggested in the Code and will notify my immediate supervisor and the Chairman of the Audit Committee of the Board of Directors.

Signature

Print Your Name

Date

Job Title