

ARRHYTHMIA RESEARCH TECHNOLOGY, INC.
Foreign Corrupt Practices Act Policy

This statement represents the policy of Arrhythmia Research Technology, Inc. and its affiliates, subsidiaries and related parties (the “Company”) with respect to compliance with the Foreign Corrupt Practices Act ("FCPA"). This Policy applies to the Company’s executive officers (including but not limited to the Company’s Chief Executive Officer, Chief Financial Officer, and Controller, or persons performing similar functions), directors, sales, accounting, other technical personnel, and contractors including agents of the Company.

Under the FCPA, the Company is prohibited from making improper payments or inducements and is required to keep accurate records to monitor compliance. No Employee or contractor of the Company may offer illegal payments, bribes, kickbacks or other questionable inducements to a Foreign official to obtain a business advantage. Please note that the FCPA addresses only illegal payments to Foreign officials. This includes payments made by another party with knowledge or at the behest of a Company Employee or contractor for the benefit of the Company.

The following terms are used in connection with our FCPA compliance provisions:

Term	Description
Bribe	Any payment that is illegal under the FCPA, other laws of the U.S., or under the laws of the country in which the payment is made.
Foreign official	An officer, employee, or person acting on behalf of a foreign Government. Foreign officials may also include foreign political parties and their officials, a candidate for political office, or a candidate’s representative.
Government	Any agency, instrumentality, subdivision or other body of any national, state, or local government, including regulatory agencies, public utilities, or health services owned or operated by the government, and government-controlled businesses, companies, or societies.
Payment	A transfer of money, stock, bonds, or other property, payment of expenses, provision of any type of services, assumption or forgiveness of debt, or any other transfer of tangible or intangible goods or services that accrues to the benefit of the ultimate recipient, or promotes the interest of the recipient in any way.
Third-party	A person or entity, usually an agent or other sales intermediary, not a party to the transaction between the Company and a customer.

Illegal payments

You may not, directly or through an intermediary, make any of the following types of payments:

- Bribes – Giving or offering to give any money, gift, or thing of value to any Foreign official to obtain or retain business;

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- Political contributions – Making contributions to political parties or officials to obtain their support for executive, legislative, administrative, or other action favorable to the Company;
- Third-party payments – Giving or offering to give any money, gift, or thing of value to a third-party (such as an agent) when you know or suspect that it will be offered to a Foreign official to obtain or retain business.

Legal payments

Payments to Foreign officials are legal only if they are permissible under the written laws of the Foreign official's country or if they are a reasonable and bona fide expenditure in connection with promotional activities or performance of a contract with a foreign government. For example, the Company may pay travel expenses for a Foreign official who visits the U.S. for a demonstration of the Company's technology or to execute an agreement with the Company, provided such payments are permitted by the Foreign official's government.

The Company is liable for FCPA violations if a Company employee is aware that an improper payment is being made or has a "firm belief" that the circumstances for an improper payment exist or that an improper payment is substantially certain to be made.

Whenever directors, officers, or employees of the Company become aware of a violation or suspected violation of the FCPA, they must report the matter immediately to the Chairman of the Audit Committee, together with the following information, to the extent they know:

- The existence, amount, and purpose of the payment;
- The official position and business of the recipient of the payment;
- The circumstances under which the payment arose;
- The manner in which the payment was made, including the character of any accounting entries made in connection with the payment; and
- The identity of the recipients and the identity of the Company employees who knew or should have known about the payment.

Routine governmental action payments ("facilitating payments")

Certain countries may require payments to Foreign officials to expedite or secure performance of routine government actions. The FCPA provides an exception for these facilitating payments, but the exception is limited to the following types of governmental actions:

- Providing licenses, permits, and other routine official documents to qualify to do business in a foreign country;
- Processing governmental papers, such as visas and work permits;
- Providing police protection, mail service, and inspection of goods;
- Providing phone service, power and water supplies, loading and unloading cargo, and protecting perishable goods from deterioration; or

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- Actions of a similar nature where the facilitating payment serves only to ensure or expedite actions or services to which you are entitled as a matter of law and common practice.

You must obtain the Audit Committee Chairman's advance clearance of any routine governmental action payments, such as those described above, because of the difficulty in determining whether a facilitating payment falls within the FCPA exceptions, and because of the potential for abuse.

Record keeping and accounting

- The FCPA requires the Company to keep books, records, and accounts that, fairly and accurately reflect all transactions and dispositions of assets of the Company in reasonable detail.

We expect you to accurately record all transactions and not maintain undisclosed or unrecorded funds or assets such as numbered foreign bank accounts, bank accounts containing corporate funds held in the names of individuals, unrecorded petty cash or "black box" funds, or property held by a third-party on the Company's behalf. You must not alter records to disguise any aspect of a transaction such as the identity of a payee, nor misrepresent a payment in any way, such as failure to disclose that a portion of a payment made to one party was forwarded to another party.

Penalties for violation of the FCPA are severe. The Company can be fined up to \$2 million per violation and officers or directors can be fined up to \$250,000 or imprisoned for up to five years. The FCPA does not contain any "materiality" standard. All violations, regardless of the sum of money involved, are equally serious. Violation of our FCPA compliance guidelines may also result in disciplinary action by the Company including termination of employment. All questions concerning compliance with the FCPA should be referred to the Chairman of the Audit Committee.

Amendments

This Policy or any provision contained therein 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.

Acknowledgment

We will expect every executive officer, director, or employee, after he/she has read this Policy, to execute an acknowledgment form affirming his/her knowledge and understanding of this Policy relating to compliance with the FCPA and affirming his/her responsibility as an employee to promptly notify his/her immediate supervisor if he/she has any questions or concerns regarding conduct that may raise concern that any of these policies have not been observed or in the alternative notify the Chairman of the Audit Committee.

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ACKNOWLEDGMENT

I have read the Arrhythmia Research Technology, Inc. Foreign Corrupt Practices Act Policy. I understand my responsibility to comply with the Policy and the process and consequences for dealing with violations thereof.

If I have any questions or concerns regarding conduct that may raise concern under such Policy, I will immediately notify my immediate supervisor and/or the Chairman of the Audit Committee of the Board of Directors.

Signature

Print Your Name

Date

Job Title or Classification

Location or Company Name