

# ENDOCARE, INC.

## AMENDED AND RESTATED FINANCIAL CODE OF ETHICS

Endocare is committed to full and accurate financial disclosure in compliance with applicable laws, rules and regulations and to maintaining its books and records in accordance with applicable accounting policies, laws, rules and regulations. This Financial Code of Ethics is applicable to all Endocare directors, officers and employees, including without limitation, employees in leadership and executive roles as well as to those performing sales, operational and financial functions throughout the company. This Code sets forth specific policies to guide the Company's directors, officers and employees in the performance of their duties. This Code is intended to constitute a "code of ethics" as defined in Securities and Exchange Commission Regulation S-K Item 406 and a "code of conduct" as defined in NASD Marketplace Rule 4350(n) or the rules of any other self-regulatory organization on which Endocare's securities are listed.

Endocare's Compliance Program and Code of Conduct, which this Financial Code of Ethics is intended to supplement, set forth fundamental principals and key policies and procedures that govern the conduct of all employees. With respect to this Code, the enforcement mechanisms set forth in the Compliance Program and Code of Conduct shall apply not only to Endocare's employees, but also to its directors and officers. Amendments to or waivers of this Code may be made only by the Board or a Board Committee and will be disclosed in accordance with applicable law.

To the best of their knowledge and ability, all Endocare directors, officers and employees shall adhere to, and advocate, the following principles:

- I. Engage in and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- II. Provide full, fair, accurate, timely and understandable public disclosure, in reports and documents filed with, or submitted, to the Securities and Exchange Commission and in other public communications made by Endocare;
- III. Take all reasonable measures to protect the confidentiality of non-public information about Endocare, its subsidiaries and their customers obtained or created in connection with financial activities and to prevent the unauthorized disclosure of such information unless required by applicable law, rule or regulation, legal or regulatory process;

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<sup>1</sup> Certain other standards for employee conduct and business conduct are set forth in the Employee Handbook. In addition, the Company's business units also have adopted and will continue to adopt policies that are specific to that business unit.

<sup>2</sup> Some of these topics are dealt with in more detail in other Company policies maintained for the DMEPOS supplier business.

- IV. Comply with applicable laws, rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies;
- V. Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing independent judgment to be subordinated;
- VI. Respect the confidentiality of information acquired in the course of work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of work is not used for personal advantage;
- VII. Not, directly or indirectly, take any action to coerce, manipulate, mislead or fraudulently influence Endocare's independent auditors; and
- VIII. Promptly report any suspected violations of applicable governmental rules and regulations or this Code to the Compliance Officer, CFO, CEO or the Audit Committee of the Board of Directors.

Failure to observe the terms of the Financial Code of Ethics may result in disciplinary action, up to and including termination of employment. Violations of this Code may also constitute violations of federal securities laws and regulations, which may result in civil and criminal penalties.