

# OTIX GLOBAL, INC.

## INSIDER TRADING POLICY

AMENDED AND RESTATED December 23, 2009

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### GENERAL:

This policy provides guidelines to employees, officers and directors of, and consultants to, Otix Global, Inc. (the “*Company*”) with respect to transactions in the Company’s securities. It is the policy of the Company to oppose the unauthorized disclosure of any nonpublic information acquired in the workplace and the misuse of Material Nonpublic Information (as defined below) in securities trading.

### APPLICABILITY:

This policy applies to all transactions in the Company’s securities, including common stock, options to acquire common stock and any other securities the Company may issue from time to time, such as preferred stock, warrants and convertible debentures, as well as to derivative securities relating to the Company’s stock, whether or not issued by the Company, such as exchange-traded options. This policy applies to all members of the Company’s Board of Directors, all officers of the Company and all employees of, or consultants to, the Company, who receive or have access to Material Nonpublic Information regarding the Company. This group of people, including members of their immediate families and households, are sometimes referred to in this policy as “*Insiders*.” This policy also applies to any person who receives Material Nonpublic Information from any Insider.

Any person who possesses Material Nonpublic Information regarding the Company is an Insider for so long as the information is not publicly known. Any employee can be an Insider from time to time, and would at those times be subject to this policy.

An Insider may be subject to substantial civil and criminal liability for engaging in transactions in the Company’s securities while such Insider is in possession of Material Nonpublic Information. In addition, an Insider may be liable for improper transactions conducted by persons (commonly referred to as “*tippees*”) to whom such Insider has disclosed Material Nonpublic Information.

## SPECIFIC POLICIES:

1. **Trading on Material Nonpublic Information.** No director, officer or employee of, or consultant to, the Company, and no member of the immediate family or household of any such person, shall engage in any transaction involving a purchase or sale of the Company's securities, including any offer to purchase or offer to sell, during any period commencing with the date that he or she possesses Material Nonpublic Information concerning the Company and ending at the beginning of the second (2<sup>nd</sup>) Trading Day following the date of public disclosure of that information, or at such time as such nonpublic information is no longer material. For example, if public disclosure of previously Material Nonpublic Information occurs on a Monday of a given week, a person subject to this policy and the guidelines described herein may not engage in any transaction involving a purchase or sale of the Company's securities until the beginning of Wednesday of the same week.

As used herein, the term "**Trading Day**" shall mean a day on which national stock exchanges are open for trading. A Trading Day begins at the time trading begins on such day. This restriction on trading does not apply to transactions executed under a trading plan adopted pursuant to Securities and Exchange Commission Rule 10b5-1(c) (17.C.F.R. §240.10b5-1(c)) ("**Rule 10b5-1(c)**") and approved in writing by the Board of Directors of the Company or a committee thereof, or such proper officer(s) of the Company as may be designated by the Board of Directors (an "**Approved Rule 10b5-1 Trading Plan**") nor shall this restriction apply to *bona fide* gifts.

2. **Short Sales.** No director, officer or employee of, or consultant to, the Company, and no member of the immediate family or household of such person, shall engage in a short sale of the Company's stock. A short sale is a sale of securities not owned by the seller or, if owned, not delivered against such sale within 20 days thereafter (a "*short against the box*") or any other transaction in which the person engaging in such transaction derives an economic benefit as a result of a decline in the price of the Company's securities. Transactions in certain put and call options for the Company's securities may in some instances constitute a short sale.

Short sales of the Company's securities by directors, officers or employees are potentially harmful for several reasons: *First*, the short seller may be suspected of insider trading, and may be subject to criminal prosecution and other penalties; *Second*, a short sale by a director, officer or employee may be misinterpreted by brokers as a possible signal of future bad news about the Company and may lead brokerage houses to make unfounded recommendations of sales of the Company's securities; and *Finally*, a short seller is effectively betting against the Company's success.

We believe that all employees are dedicated to the Company's success and would not appreciate working with someone who stands to benefit from the Company's misfortune.

3. ***Tippling.*** No Insider shall disclose (“*tip*”) Material Nonpublic Information to any other person (including family members) where such information may be used by such person to his or her profit by trading in the securities of companies to which such information relates, nor shall such Insider or related person make recommendations or express opinions on the basis of Material Nonpublic Information as to trading in the Company’s securities.
4. ***Confidentiality of Nonpublic Information.*** Nonpublic information relating to the Company is the property of the Company and the unauthorized disclosure of such information is forbidden. In the event any director, officer or employee of, or consultant to, the Company receives any inquiry from outside the Company, such as a stock analyst, for information (particularly financial results or projections) that may be Material Nonpublic Information, the inquiry should be referred to either the Chief Financial Officer or Chief Executive Officer of the Company, who are responsible for coordinating and overseeing the release of such information to the investing public, analysts and others in compliance with applicable laws and regulations.

#### **POTENTIAL CRIMINAL AND CIVIL LIABILITY OR DISCIPLINARY ACTION:**

1. ***Liability for Insider Trading.*** Pursuant to federal and state securities laws, Insiders may be subject to criminal and civil fines and penalties, as well as imprisonment, for engaging in transactions in the Company’s securities at a time when they have knowledge of Material Nonpublic Information regarding the Company.
2. ***Liability for Tippling.*** Insiders may also be liable for improper transactions by any person to whom they have disclosed Material Nonpublic Information regarding the Company or to whom they have made recommendations or expressed opinions on the basis of such information as to trading in the Company’s securities. The Securities and Exchange Commission (the “*SEC*”) has imposed large penalties even when the disclosing person did not profit from the trading. The SEC and the stock exchanges use sophisticated electronic surveillance techniques to uncover insider trading.
3. ***Possible Disciplinary Actions.*** Employees of the Company who violate this policy shall also be subject to disciplinary action by the Company, which may include ineligibility for future participation in the Company’s stock plans or termination of employment with the Company.

#### **TRADING GUIDELINES AND REQUIREMENTS:**

1. ***Black-out Period and Trading Window.*** The period beginning at the close of market on the fifteenth (15<sup>th</sup>) day of the third (3<sup>rd</sup>) calendar month of each quarter and ending at the beginning of the second (2<sup>nd</sup>) Trading Day following the date of public disclosure of the financial results for that quarter is a particularly sensitive period of time for transactions in the Company’s stock from the perspective of compliance with applicable securities laws. This sensitivity is due to the fact that officers, directors and certain employees will,

during that period, often possess Material Nonpublic Information about the expected financial results for the quarter during that period. Accordingly, this period of time is referred to as a “*black-out*” period.

All members of the Company’s Board of Directors, all officers (as identified in the Company’s SEC filings) and certain other of the Company’s employees and consultants are **prohibited** from trading during such period. **THE COMPANY WILL NOTIFY EACH PERSON WHO IS SUBJECT TO THIS PROHIBITION.**

- (a) ***Mandatory Trading Window.*** To ensure compliance with this policy and applicable federal and state securities laws, the Company requires that each member of the Board of Directors, each officer and certain other employees of, or consultants to, the Company (as identified and notified from time to time by the Company) refrain from conducting transactions involving the purchase or sale of the Company’s securities other than during the following period:

***The Trading Window.*** The period commencing at the open of market on the second (2<sup>nd</sup>) Trading Day following the date of public disclosure of the financial results for a particular fiscal quarter or year and continuing until the close of market on the fifteenth (15<sup>th</sup>) day of the third (3<sup>rd</sup>) calendar month of the next quarter.

From time to time, the Company may also prohibit directors, officers and potentially a larger group of employees of, and consultants to, the Company from trading securities of the Company because of material developments known to the Company and not yet disclosed to the public. In such event, each person who has been so identified and notified by the Company may not engage in any transaction involving the purchase or sale of the Company’s securities and should not disclose to others the fact of such suspension of trading. This restriction on trading *does not* apply to transactions made under an Approved Rule 10b5-1 Trading Plan nor shall they apply to *bona fide* gifts. The restriction on trading *does* encompass the fulfillment of “limit orders” by any broker and any broker with whom any such limit order is placed must be so instructed at the time it is placed. The Company ordinarily will re-open the trading window at the beginning of the second (2<sup>nd</sup>) Trading Day following the date of public disclosure of the information, or at such time as the information is no longer material.

The safest period for trading in the Company’s securities, assuming the absence of Material Nonpublic Information, is probably only the first 10 days of the trading window and trading during that period is recommended (unless of course you are in possession of Material Nonpublic Information at that time or unless you have an Approved Rule 10b5-1(c) Trading Plan).

**Even during the trading window, any person possessing Material Nonpublic Information concerning the Company should not engage in any transactions in the Company's securities until such information has been known publicly for at least two Trading Days, whether or not the Company has recommended a suspension of trading to that person. TRADING IN THE COMPANY'S SECURITIES DURING THE "TRADING WINDOW" SHOULD NOT BE CONSIDERED A "SAFE HARBOR," AND ALL DIRECTORS, OFFICERS OR OTHER EMPLOYEES OF, OR CONSULTANTS TO, THE COMPANY AND OTHER PERSONS SHOULD USE GOOD JUDGMENT AT ALL TIMES WHEN TRADING COMPANY STOCK.**

- (b) **Short Sales.** To ensure compliance with this policy and applicable federal and state securities laws, the Company requires that all directors, officers and other employees of, or consultants to, the Company refrain from conducting short sales (the sale of securities not owned by the seller or, if owned, not delivered against such sale) at any time. Short sales of the Company's securities are prohibited by this policy even when the trading window is open.
2. **Pre-clearance of Trades.** The Company has determined that each member of the Board of Directors, each officer and certain other employees of, or consultants to, the Company (as identified and notified from time to time by the Company) must refrain from trading in the Company's securities, even during the trading window, without first complying with the Company's "pre-clearance" process. Each such person should contact one of the Company's Insider Trading Compliance Officers prior to commencing any trade in the Company's securities. The Company has appointed each of the Chief Financial Officer and the Chief Executive Officer of the Company as an Insider Trading Compliance Officer (each a "Compliance Officer"). The Compliance Officers will consult, as necessary, with legal counsel to the Company before clearing any proposed trade.

Although an Insider wishing to trade pursuant to an Approved Rule 10b5-1 Trading Plan need not seek pre-clearance from a Compliance Officers before each trade takes place, such Insider must notify the Compliance Officer before such a Rule 10b5-1 trading plan is adopted. Such Insider may only enter into a Rule 10b5-1 trading plan during a trading window and when he or she is not in possession of Material Nonpublic Information. The Rule 10b5-1 trading plan must specify the dates, prices and amounts of the contemplated trades or establish a formula for determining such dates, prices and amounts.

3. **Individual Responsibility.** Every director, officer and other employee of, or consultant to, the Company has the individual responsibility to comply with this policy against insider trading. An Insider may, from time to time, have to forego a proposed transaction in the Company's securities even if he or she planned to make the transaction before learning of the Material Nonpublic Information and even though the Insider believes he or she may suffer an economic loss or forego anticipated profit by waiting.

## **APPLICABILITY OF POLICY TO INSIDE INFORMATION REGARDING OTHER COMPANIES:**

This policy and the guidelines described herein also apply to Material Nonpublic Information relating to other companies, including the Company's distributors, vendors or suppliers ("*business partners*"), when that information is obtained in the course of employment with, or the performance of services on behalf of, the Company. Civil and criminal penalties, and termination of employment, may result from trading on inside information regarding the Company's business partners. All directors, officers and other employees of, or consultants to, the Company should treat Material Nonpublic Information about the Company's business partners with the same care required with respect to information related directly to the Company.

## **DEFINITION OF MATERIAL NONPUBLIC INFORMATION:**

It is not possible to define all categories of material information. However, information should be regarded as material if there is a reasonable likelihood that it would be considered important to an investor in making an investment decision regarding the purchase or sale of the Company's securities.

While it may be difficult under this standard to determine whether particular information is material, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material. Examples of such information may include:

- Financial results;
- Known but unannounced future earnings or losses;
- Execution or termination of significant contracts with distributors, original equipment manufacturers, collaborators and other business partners;
- News of a pending or proposed merger or other acquisition;
- News of the disposition, construction or acquisition of significant assets;
- Impending bankruptcy or financial liquidity problems;
- Patent or other intellectual property milestones;
- Scientific achievements or other developments from research and development efforts;
- Significant developments involving corporate relationships;
- Changes in dividend policy;
- New product announcements of a significant nature;
- Significant product defects or modifications;
- Stock splits;
- New equity or debt offerings;
- Positive or negative developments in outstanding litigation;
- Significant litigation exposure due to actual or threatened litigation; and
- Major changes in senior management.

Either positive or negative information may be material.

Nonpublic information is information that has not been previously disclosed to the general public and is otherwise not available to the general public.

#### **CERTAIN EXCEPTIONS:**

For purposes of this policy, the Company considers that the exercise of stock options for cash under the Company's stock plans and the purchase of shares pursuant to the Company's employee stock purchase plan (**but (1) not the sale of any shares issued upon such exercise or purchase and (2) not a cashless exercise (accomplished by a sale of a portion of the shares issued upon exercise of an option)**) are exempt from this policy, since the other party to these transactions is the Company itself and the price does not vary with the market, but is fixed by the terms of the plan. In addition, the Company considers that *bona fide* gifts of the securities of the Company are exempt from this policy. Any other exceptions to this policy must be approved by the Compliance Officers, after consultation with the Company's legal counsel, or by the Board of Directors of the Company.

#### **ADDITIONAL INFORMATION – DIRECTORS AND OFFICERS:**

Directors and officers of the Company and certain other persons identified by the Company from time to time must also comply with the reporting obligations and limitations on short-swing transactions set forth in Section 16 of the Securities Exchange Act of 1934, as amended. The practical effect of these provisions is that officers, directors and such other persons who purchase and sell the Company's securities within a six-month period must disgorge all profits to the Company whether or not they had knowledge of any Material Nonpublic Information. Under these provisions, and so long as certain other criteria are met, neither the receipt of an option under the Company's option plans, nor the exercise of that option is deemed a purchase under Section 16; however, the sale of any such shares is a sale under Section 16. In addition, the receipt of stock under the Company's employee stock purchase plan is not deemed a purchase under Section 16 (*i.e.*, it is an exempt acquisition), but the subsequent sale of such stock is not exempt under Section 16.

Section 16 prohibits directors and officers from ever making a short sale of the Company's stock. A short sale is a sale of securities not owned by the seller or, if owned, not delivered. Transactions in put and call options for the Company's securities may in some instances constitute a short sale or may otherwise result in liability for short swing profits. All directors and officers of the Company and such other identified persons must confer with a Compliance Officer before effecting any such transaction. The Company strongly discourages all short-swing and short sale transactions.

While employees who are not officers and directors are not prohibited by law from engaging in short sales of the Company's securities, the Company believes it is inappropriate for employees to engage in such transactions and therefore strongly discourages all employees from such activity. The Company will, from time-to-time, provide materials to its directors, officers and those identified employees regarding compliance with Section 16 and its related rules.

**INQUIRIES:**

Please direct your questions as to any of the matters discussed in this policy to one of the Compliance Officers identified below:

Michael M. Halloran  
Vice President and Chief Financial Officer  
Otix Global, Inc.  
4246 South Riverboat Road, Suite 300  
Salt Lake City, UT 84123  
Tel: 801-312-1717

Samuel L. Westover  
Chairman and CEO  
Otix Global, Inc.  
4246 South Riverboat Road, Suite 300  
Salt Lake City, UT 84123  
Tel: 801-312-1700

## OTIX GLOBAL, INC.

### PERSONS SUBJECT TO PRE-CLEARANCE OF TRADING PURSUANT TO INSIDER TRADING POLICY:

**1. Directors:**

<u>Name</u>	<u>Title</u>
Samuel L. Westover	Chairman and CEO
James M. Callahan	Director
Cherie Fuzzell	Director
Craig McKnight	Director
Robert Miller	Director
Kevin J. Ryan	Director
Lawrence C. Ward	Director

**2. Officers:**

<u>Name</u>	<u>Title</u>
Samuel L. Westover	Chairman and CEO
Paul Wennerholm	President and COO
Michael M. Halloran	Vice President and CFO
Brent H. Shimada	Vice President Administration and General Counsel
Jerry L. DaBell	Vice President Research and Development
Christie Mitchell	Vice President WW Manufacturing
Dale Fayerweather	Vice President Information Systems & Technology
Michael Nilsson	Vice President Audiology & Director Center for Amplification & Hearing Research
David Whittle	Vice President Worldwide Quality
Scott O. Lindeman	Vice President, Corporate Controller
Kathy Schofield-Landon	Vice President Marketing & Product Development