

# PROCYON CORPORATION

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## CODE OF ETHICS FOR SENIOR FINANCIAL OFFICERS

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It is the policy of Procyon Corporation (the “Company”) that all officers, directors and employees conduct business on behalf of the Company in an honest and ethical manner. In addition, the senior financial officers of the Company, which include the President, the acting Principal Executive, Financial and Accounting Officer, the Controller, and any other person performing similar functions (the “senior financial officers”), are expected to comply with the ethical standards and guidelines set forth below (the “Code of Ethics”).

The Company expects that each senior financial officer will read and understand this Code of Ethics and refer to it as necessary. This Code of Ethics underscores the serious approach that must be taken to address the ethical issues that confront the Company. Accordingly, senior financial officers of the Company shall not commit acts contrary to the Code of Ethics, nor shall they condone the commission of such acts by others within the Company.

### **Honest and Ethical Conduct**

The senior financial officers of the Company are expected to exhibit and promote the highest standards of honest and ethical conduct by:

- Carrying out their duties on behalf of the Company in accordance with the Code of Conduct, including handling actual or apparent conflicts of interest between personal and professional relationships;
- Complying with all applicable governmental laws, rules and regulations as more specifically address in the Code of Conduct; and
- Educating staff members regarding applicable governmental laws, rules and regulations and promoting compliance by staff members with respect to such laws, rules and regulations.

### **Financial Records and Periodic Reports**

As a public company, the Company is committed to full, fair, accurate, timely and understandable disclosure in reports and documents that it files with, or submits to, the SEC and in other public communications made by the Company. In support of this commitment, the Company plans on, among other measures, (a) designing and implementing disclosure controls and procedures (within the meaning of applicable SEC rules); (b) establishing a Disclosure Committee, which includes and imposes duties on each of the Senior Executive and Financial Officers; and (c) setting forth requirements relating to the maintenance of accurate and complete records, the prohibition of false, misleading or artificial entries on its books and records, and the full and complete documentation and recording of transactions in the Company’s accounting records. In addition to performing their duties and responsibilities under these requirements, each of the senior financial

officers will establish and manage the Company's reporting systems and procedures with due care and diligence to ensure that:

- Reports filed with or submitted to the SEC and other public communications contain information that is full, fair, accurate, timely and understandable and do not misrepresent or omit material facts.
- Business transactions are properly authorized and completely and accurately recorded on the Company's books and records in accordance with generally accepted accounting principles and the Company's established financial policies.
- Retention or disposal of Company records is in accordance with established Company policies and applicable legal and regulatory requirements.

In addition, the senior financial officers of the Company are expected to promote full and fair disclosure of accurate, complete and relevant information concerning the Company by:

- Encouraging open communications with senior management of the Company and accountants engaged in financial audits of the Company to promote full disclosure of all relevant and material financial information (both favorable and unfavorable) of the Company;
- Establishing procedures for staff members to inform senior management of deviations in practice from policies and procedures governing honest and ethical behavior, without fear of retaliation or harassment;
- Establishing and administering financial accounting controls that are appropriate to ensure the integrity of the financial reporting process and the availability of timely and relevant information; and
- Providing full, fair, accurate, relevant, timely and understandable information for inclusion in the Company's periodic reports and in other public communications made by the Company.

## **Compliance Procedures**

It is the policy of the Company to comply strictly with all laws governing its operations and to conduct its affairs in keeping with the highest moral, legal and ethical standards. Accordingly, the senior financial officers will comply with all applicable governmental laws, rules and regulations and the standards and procedures contained in this Code of Ethics. The Company expects all of its senior financial officers to comply with this Code of Ethics and encourages each such officer to talk to his or her immediate supervisor, or the Company's President and acting Principal Executive, Financial and Accounting Officer or the chairperson of the Audit Committee when in doubt as to whether a situation violates this Code of Ethics.

Any senior financial officer who becomes aware of any existing or potential situation or transaction that may be in conflict with the intent of this Code of Ethics is required to promptly notify his or her immediate supervisor or the Company's President and acting Principal Executive, Financial and Accounting Officer or the chairperson of the Audit Committee. Failure to do so is, itself, a violation of this Code of Ethics. The supervisor, or the Company's President and acting Principal Executive, Financial and Accounting Officer or the chairperson of the Audit Committee, as applicable, will determine what action, if any, is necessary, and will recommend that action for approval to the Board of Directors of the Company.

In those circumstances where reporting to an immediate supervisor or the President and acting Principal Executive, Financial and Accounting Officer is impossible, inappropriate or simply uncomfortable, or in those circumstances where the immediate supervisor or President and acting Principal Executive, Financial and Accounting Officer has failed to take appropriate action, the senior financial officer is required to report such concern in writing to the chairperson of the Audit Committee.

If a violation of this Code of Ethics is discovered, and the senior financial officer in question has acted in good faith, it is the Company's policy to allow a reasonable amount of time for the senior financial officer to correct the situation.

To encourage senior financial officers to report all violations of this Code of Ethics and to raise questions concerning compliance with the Code of Ethics, the Company will not permit retaliation or harassment for reports made or concerns raised in good faith. "Good faith" does not mean that a report or concern must be correct, but it does require that the senior financial officer making the report or raising the concern believes that he or she is providing truthful information.

All questions relating to how this Code of Ethics should be interpreted or applied, recommendations for amendment to its provisions and/or action arising from a failure to abide by the terms set forth herein, should be directed to the chairperson of the Audit Committee. All newly appointed senior financial officers of the Company must certify that they have read, understand and will comply with this Code of Ethics by signing and returning, to the chairperson of the Audit Committee, a copy of the attached Exhibit A.

### **Amendments to and Waivers of the Code of Ethics**

From time to time, the Company may amend or waive certain provisions of this Code of Ethics. Any senior financial officer who believes that a waiver may be called for should contact the chairperson of the Audit Committee. Amendments to and waivers of the Code of Ethics may be made only by the Board of Directors of the Company or a committee of the Board, and must promptly be disclosed on the Company's website, if appropriate, or by filing a Form 8-K with the Securities and Exchange Commission.

## Exhibit A

Procyon Corporation

Acknowledgment Certification  
Code of Ethics for Senior Financial Officers

I hereby certify that I have read and understand the attached Procyon Corporation Code of Ethics for Senior Financial Officers. Pursuant to such Code of Ethics, I recognize that I must disclose or report all transactions required to be disclosed or reported thereunder and comply in all other respects with the requirements of the Code of Ethics. I also agree to cooperate fully with any investigation or inquiry as to whether a possible violation of the foregoing Code of Ethics has occurred. I understand that any failure to comply in all aspects with the foregoing and these policies and procedures may lead to sanctions, including termination.

Date: \_\_\_\_\_

Signature \_\_\_\_\_

Print Name: \_\_\_\_\_

Position: \_\_\_\_\_