

Corporate Code of Ethics

FreeHand Systems International, Inc.'s Code of Ethics is designed to deter wrongdoing by promoting:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- avoidance of conflicts of interest, including disclosure to an appropriate person or persons identified in the Code of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that a Company files with, or submits to, the SEC and in other public communications made by the Company;
- compliance with applicable governmental laws, rules and regulations;
- prompt internal reporting of suspected violations to an appropriate person or persons; and
- accountability for adherence to the Code.

The Code applies to directors and officers of the Company which includes all financial personnel and the senior financial officers, the principal executive officer and principal accounting officer/controller. Additionally, we expect all employees and non-employees who are representing the Company to follow similar high ethical business practice standards.

Failure to follow the Code will result in disciplinary action up to and including termination of employment or relationship with the Company.

We follow all compliance-related directives and requirements in all jurisdictions around the world where we do business. We disclose our Code as required by law and on our Website (www.freehandsystems.com) and we also report any amendments, changes to, or waivers of the Code on the Website as required.

Corporate Opportunities

Employees, officers and directors are prohibited from taking personal advantage of opportunities that are discovered through the use of corporate property, information or position; using corporate property, information or position for personal gain; and competing with the Company.

Conflicts of Interest

FreeHand will comply with all applicable laws in transactions with employees, officers and directors, companies with which directors are associated, and family members of employees, officers and directors. Employees, officers, directors or the family members of employees, officers and directors shall not receive any improper personal benefit by virtue of the position of the employee, officer or director with the Company.

Generally, any direct or indirect interest in, connection with, or benefit from outside activities, which might in any way adversely affect FreeHand, involves a possible conflicts of interest situation. The Nominating and Governance Committee and Audit Committee of the Board of Directors share responsibilities for monitoring and determining the response to all possible conflicts of interest situations by directors and executive officers. The Company Conflicts Committee is responsible for monitoring and determining the response to all possible conflicts of interest situations by officers, employees and agents as well as the enforcement of legal requirements. Any material transaction or relationship that reasonably could be expected to give rise to such a conflict should be reported immediately to the Company Conflicts Committee.

Confidentiality and Privacy

Employees, officers and directors are responsible for compliance with Company policies and regulatory requirements regarding the protection, collection, use or release of certain

information. We must balance the privacy interests of our employees and customers with our legitimate business needs for confidential information.

Fair Dealing

Employees, officers and directors are expected to deal fairly with the Company's customers, suppliers, competitors and employees. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Protect and Properly Use Company Assets

Employees, officers and directors should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

Comply with Laws, Rules and Regulations, including Insider Trading Laws

We proactively promote compliance with laws, rules and regulations, including insider trading laws. Insider trading is both unethical and illegal and will be dealt with decisively.

Encourage Reporting of Illegal or Unethical Behavior

We do not tolerate, and take aggressive action against, unethical conduct or fraud whether perpetrated by employees, customers, vendors, those who sell our products, or others. The Audit Committee of the Board of Directors oversees investigation and response to concerns, independent of Company management. We proactively promote ethical behavior and all employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation. Employees, officers and directors are expected to report suspected violations of laws, rules, regulations or the Code to the Chief Compliance Officer, Company Special Investigation Units, or the Company Conflicts Committee using reporting methods available via the Company's website. The Company does not allow retaliation for reports made in good faith.

Registered broker-dealers, principals, and representatives must conduct business in accordance with statutory requirements and in compliance with Securities and Exchange Commission (SEC) and National Association of Securities Dealers (NASD) rules and regulations. The NASD Conduct Rules impose numerous limitations on broker-dealers and representatives relating to supervision, disclosure, suitability, advertising, and training.