

THE FEMALE HEALTH COMPANY

CODE OF BUSINESS ETHICS

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The Female Health Company ("FHC") maintains a reputation for integrity and honesty, and for acting in good faith in all of its dealings. This reputation has been established over the years by the responsible conduct of every employee of FHC.

The Female Health Company Code of Business Ethics captures in written form those ethical principles that we have always followed in the conduct of our business. It introduces no new standards of responsible conduct. The Code provides a clear statement of policy that all FHC employees should follow in the future. It is also applicable to FHC's directors (who are treated as "employees" for purposes of this Code). References to "FHC" in this Code include FHC's subsidiaries.

FHC's Code of Business Ethics will be rigorously enforced. Any employee who violates the Code is subject to disciplinary action and possible discharge.

General Guidelines for Ethical Behavior

The following general ethical principals apply to all FHC employees.

- Employees must always conduct all aspects of FHC's business in an ethical and legal manner.
- All employees should actively promote honest and ethical behavior both within and outside of FHC.
- Any employee in a supervisory role is responsible for the conduct of employees reporting to him or her.
- The conduct of each employee with customers, distributors, the general public, the media and other employees must reflect the highest standards of honesty, integrity and fairness.
- Employees must always cooperate fully in any investigation of misconduct.

Conflicts of Interest must be Avoided.

Your conduct in the performance of your duties for FHC must be honest and ethical, including the ethical handling of actual or apparent conflicts of interest between personal and professional interests. You may not engage in any act that might result in a conflict (or even the appearance of a conflict) between FHC's interest and your own or another person's or organization's interests. You should

also be free from any interest or influence that would make it difficult to give FHC your best efforts and undivided attention. For example, there may be a conflict of interest if you:

- cause FHC to engage in a business transaction with your relatives or friends;
- use non-public FHC, customer or supplier information for personal gain by you, relatives or friends (including securities transactions based on such information); or
- compete or prepare to compete with FHC while still employed by FHC.

Because it is impossible to describe every potential conflict, FHC necessarily relies on your commitment to exercise sound judgment, to seek advice when appropriate and to adhere to the highest ethical standards in the conduct of your professional and personal affairs. If you have concerns or questions about any situation, follow the steps outlined under the heading "Reporting Violations" below.

Business Opportunities belong to FHC.

You should not take advantage or allow others to take advantage of any business opportunity which FHC has (or can reasonably be expected to have) an interest. Business opportunities of FHC include any opportunity discovered through the use of FHC property, information or position.

Outside Work is Permitted but with Limitations.

You may do a limited amount of work for outside organizations on your own time if this work does not interfere in any way with the effective performance of your FHC job. However, the other organizations must not have business dealings with or compete with FHC and your outside work must not be harmful to FHC's interests or reputation.

Ownership of Outside Organizations is Restricted.

You may not own (directly or indirectly) any interest in an outside organization or serve as a director of that organization, if it competes in any way with FHC or has (or is likely to have) dealings with FHC. However, you may own up to 1% of the shares of any public corporation regardless of its business dealings or competitive relationship with FHC.

Accepting Payments from Outside Organizations is Prohibited.

You may not accept any payment or other consideration from an outside organization in connection with your FHC job. You may not accept any gift having more than nominal value or a loan other than a normal bank loan from any such organization. You must avoid even the appearance of impropriety in any situation involving a supplier, customer or other organization that currently has (or is likely to have) business dealings with FHC. Gifts may be accepted when permitted under applicable law if they are (1) noncash gifts of nominal value (less than \$50) or (2) customary and reasonable meals and entertainment at which the giver is present, such as the occasional business meal or sporting event. If you have any questions about the appropriateness of accepting a gift or invitation, you should discuss it with your supervisor or FHC's Chief Executive Officer or President before acceptance.

Improper Payments to Customers and Suppliers are Prohibited.

You must not be involved in any way with making any improper payment or offering any improper inducement to current (or potential) customers and suppliers, other business organizations or U.S. or foreign government agencies for the purpose of obtaining business or other advantages. This prohibition applies to activities such as offering bribes or kickbacks, paying excessive commissions or fees and providing inappropriate gifts or entertainment in connection with any FHC business.

The federal Foreign Corrupt Practices Act (the "FCPA") makes it a crime to bribe a foreign government official, foreign political party, party official or candidate for foreign political office for the purpose of obtaining, retaining or directing business to FHC. Under the FCPA, it is unlawful, except under very limited circumstances, for FHC or any of its employees or representatives to give money or anything else of value to a foreign official to obtain, retain or direct business to FHC.

Political Contributions on Behalf of FHC are Restricted.

No FHC funds may be used for making contributions of any kind to any political organization or candidate or holder of any federal, state or local government office unless the contributions have been approved by FHC's Chief Executive Officer or Chief Financial Officer. As a private citizen you should, if you desire, vote and participate in governmental activities, but you should not use the name of FHC in connection with these activities and you should not engage in any lobbying activities on behalf of FHC. You may not work on a political fundraiser or other campaign activity while at work or use company property for these activities.

Corporate Assets are Intended for Corporate Purposes.

FHC's assets and the services of FHC's personnel are intended to be used only for FHC's business purposes. You may not remove, loan, give, sell or otherwise dispose of any equipment, tools, materials, supplies or other property owned by FHC without proper authorization.

Misappropriation of corporate assets is a breach of your duty to FHC and may constitute an act of fraud against FHC. Similarly, carelessness or waste in regard to corporate assets is also a breach of your duty to FHC.

FHC's electronic communications systems may not be used to access or post material that is:

- pornographic, obscene, sexually-related, profane or otherwise offensive;
- is intimidating or hostile; or
- violates FHC policies or any laws or regulations.

Employees may make limited non-business use of FHC's electronic communications systems, provided that such use:

- is occasional;
- does not interfere with the employee's responsibilities;
- does not diminish productivity; and
- does not violate this Code or any laws or regulations.

Personal communications using these systems should be kept to a minimum.

Unauthorized Use of the Property of Others in FHC's Possession is Prohibited.

FHC's customers and suppliers often entrust us with their property. You should use this property only as specified in the agreements we have with these outside organizations.

FHC's Confidential Information must be Protected.

You are responsible for protecting and keeping strictly confidential FHC's business plans, financial documents, customer information, technology and other trade secrets or proprietary information. Do not communicate this information to outsiders unless you have been authorized to do so, and do not share this

information with other employees except on a "need-to-know" basis. You should also follow any specific confidentiality procedures that may be issued from time-to-time. Using confidential information for your personal benefit or in any way not directly related to your duties as a FHC employee is prohibited. Your obligation to keep this kind of information confidential continues even if you leave FHC. No employee may communicate with the media, stock brokers, stock analysts or stockholders on any matter relating to FHC without the express prior approval of FHC's Chief Executive Officer or Chief Financial Officer.

Privacy of Employee Information must be Maintained.

FHC recognizes and protects the privacy and confidentiality of employee medical and personnel records. Such records must not be shared or discussed outside FHC, except as authorized by the employee or as required by law, regulation or a subpoena or order by a court of competent jurisdiction or requested by a judicial or administrative or legislative body. Any request for such records by anyone outside of FHC must be approved by FHC's Chief Executive Officer or Chief Financial Officer.

Trading in FHC Stock by Employees

Material nonpublic information is nonpublic information about FHC that a reasonable investor would consider important in making a decision to buy, sell or hold FHC stock. This includes, for example, nonpublic information on earnings, significant gains or losses of business, tender offers, or significant acquisition or divestiture negotiations.

All of FHC's employees are subject to FHC's Insider Trading Policy. Disclosing material nonpublic information, acting on such information, or recommending others to act based on the information violates FHC's Insider Trading Policy and federal and state securities laws. To avoid this risk:

- Do not buy or sell FHC stock when you have material nonpublic information about FHC. You may exercise stock options for cash under FHC's stock option plans when you have material nonpublic information about FHC, but you may not sell any shares issued upon such exercise at that time.
- Do not pass on material nonpublic information about FHC to friends, relatives, or others. If you do pass on material nonpublic information and the listener uses it to trade in FHC stock, it may violate FHC's Insider Trading Policy and federal and state securities laws.
- Do not suggest to friends, relatives or others that they should trade in FHC stock when you have material nonpublic information about FHC.

- Do not discuss material nonpublic information with co-workers, except to the extent that it is necessary for you to do your job.

For further information, please review FHC's Insider Trading Policy or contact FHC's Chief Executive Officer or Chief Financial Officer.

Receipt and Use of Trade Secret and Confidential Information of Others is Restricted.

You may receive and use trade secrets and other confidential information from an outsider only on the basis of a written understanding that has been reached with the outsider that the information need not be treated as confidential or as otherwise specified in a written understanding approved by FHC's Chief Executive Officer or Chief Financial Officer.. You should also keep confidential the trade secrets and confidential information of your former employer.

Our Actions in the Marketplace will be Lawful, Ethical and Fair.

You have an obligation to protect FHC's relations with its customers and suppliers by acting lawfully, ethically and fairly. Any questions about what action is required in any particular situation in order to meet this standard should be referred to your immediate supervisor or, if appropriate, FHC's Chief Executive Officer or another officer of FHC.

Full and Accurate Disclosure in SEC Reports.

FHC's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions (FHC's "SEC reporting officers") are responsible to promote and oversee systems and procedures reasonably designed to facilitate FHC's ability to provide full, fair, accurate, timely and understandable disclosure in reports and documents that FHC files with, or submits to, the SEC and in other public communications made by FHC. All other FHC officers, FHC directors and other FHC employees involved directly or indirectly in the preparation of such SEC reports or other public communications are responsible for assisting FHC's SEC reporting officers in providing full, fair, accurate, timely and understandable disclosure. All such persons must exercise the highest standards of care in preparing such SEC reports or other public communications in accordance with the following guidelines:

- All FHC accounting records, as well as reports produced from those records, must be in accordance with the laws of each applicable jurisdiction.

- All records must fairly and accurately reflect the transactions or occurrences to which they relate.
- All records must fairly and accurately reflect, in reasonable detail, FHC's assets, liabilities, revenues and expenses.
- FHC's accounting records must not contain any false or intentionally misleading entries.
- No transactions should be intentionally misclassified as to accounts, departments or accounting periods.
- All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.
- No information should be concealed from the independent auditors.
- Compliance with FHC's system of internal accounting controls is required.

Improper Influence on Audits is Prohibited.

You may not take or facilitate any action to fraudulently influence, coerce, manipulate or mislead FHC's independent auditors for the purpose of rendering FHC's financial statements materially misleading.

FHC Records must be Properly Maintained.

You must always record information accurately, honestly and in accordance with all relevant accounting, recordkeeping and document retention standards. No employee is ever authorized to knowingly enter or maintain false or misleading information in corporate books, records or reports. Also, no circumstances justify keeping "off-the-books" accounts in any form, particularly accounts established to facilitate or disguise questionable or illegal payments.

Employees in possession of corporate records are responsible for the use and safekeeping of such records and must take all prudent measures to safeguard the privacy of employees and other individuals with respect to personal information contained in such records.

FHC business records must be maintained for the periods specified in any document retention policy of FHC in effect. Records may be destroyed only at the expiration of the pertinent period. In no case may documents involved in a pending or threatened litigation, government inquiry or under subpoena or other information request be discarded or destroyed, regardless of the periods specified in any document retention policy of FHC in effect. In addition, you may never destroy, alter or conceal, with an improper purpose, any record or otherwise

impede any official proceeding, either personally, in conjunction with, or by attempting to influence, another person.

You must use common sense and observe standards of good taste regarding the content when creating business records and other documents (such as e-mail) that may be retained by FHC or a third party. You should keep in mind that at a future date, FHC or a third party may be in a position to rely on or interpret the document with the benefit of hindsight and/or the disadvantage of imperfect recollections.

You are required to cooperate fully with appropriately authorized internal or external investigations. Making false statements to or otherwise misleading internal or external auditors, corporate counsel, FHC representatives or regulators can be a criminal act that can result in severe penalties. You should never withhold or fail to communicate information that raises ethical questions and thus should be brought to the attention of higher levels of management.

Applicable Laws and Regulations must be Respected.

You must abide by all applicable laws and regulations in the countries in which FHC operates, including insider trading laws, antitrust and fair competition laws, import and export laws and the FCPA. If you have any questions concerning the application or interpretation of laws and regulations that may relate to your business activities, consult FHC's Chief Executive Officer or Chief Financial Officer. You are encouraged to report any known or suspected criminal activity of any nature, or any dishonest or fraudulent act, which may affect FHC, its officers, directors, employees or customers to the appropriate person as provided under "Reporting Violations" below.

FHC prohibits sexual or any other kind of harassment or intimidation. If you believe that you are being subjected to harassing behavior, or if you observe or receive a complaint regarding such behavior, you should report it to the appropriate person as provided under "Reporting Violations" below.

You must Immediately Report Any Fraud.

All employees must immediately report any fraud committed by management or others who have a significant role in internal accounting controls or the preparation of FHC's financial statements.

Reporting Violations.

You are expected to treat compliance with ethical standards as a critical element of your responsibilities. Although this Code endeavors to address a wide range of business practices and procedures, it cannot anticipate every issue that may arise. If you are unsure of what to do in any situation, you should seek additional guidance and information before you act. You should use your judgment and common sense; if something seems unethical or improper, it probably is. If you have any questions regarding the best course of action in a particular situation, or if you suspect a possible violation of law, regulation or this Code, you should promptly contact any of the following:

- O.B. Parrish
Chairman /CEO
312-595-9833
oparrish@aol.com
- David Bethune
Independent FHC Directors
Chairman of the Corporate Nominating
& Governance Committee
970-482-5888
sdbethune@beecreek.net
- Mary Margaret Frank, Ph.D.
Independent FHC Director
Chairman of the Audit Committee
434-924-4432

If you raise an ethical issue and you do not believe the issue has been addressed, you should raise it with another of the contacts listed below.

Your identity will be kept strictly confidential unless you agree to be identified, identification is necessary to allow FHC or law enforcement officials to investigate or respond effectively to the report, identification is required by law or the report is baseless and not made in good faith. In all cases, you have the commitment of FHC and the Audit Committee of FHC's Board of Directors that you will be protected from retaliation for reports made in good faith.

Refer Questions to Management.

No set of ethical guidelines can cover every situation that might arise. If you have any questions or concerns about the ethical propriety of any actions you have taken or may be about to take, you should seek clarification. If you have any

questions or concerns regarding this Code or any matter covered by this Code, you should contact FHC's Chief Executive Officer or another officer of FHC.

Waivers

The Board of Directors will have final responsibility for the interpretation and administration of this Code. Only the Board of Directors (or a committee of the Board) may grant waivers of any of the provisions of this Code, and any such waivers will promptly be disclosed in an SEC filing as required by SEC and other applicable rules and regulations. A determination by the Board of Directors (or an authorized committee of the Board) that a particular matter does not violate the provisions of this Code shall not be construed as a waiver of this Code.