



INTER-TEL, INCORPORATED

CODE OF BUSINESS CONDUCT



Our reputation for honesty and ethical business behavior – our “good name” – is one of Inter-Tel’s most valuable assets. Each one of us is responsible for maintaining Inter-Tel’s good name through our daily business activities.

Making decisions about ethical practices can be difficult. It is not always easy to know the ethical path, given the complexity and constantly changing nature of our work and our world. Knowing where to find information about Inter-Tel’s expectations and our obligations as a member of Inter-Tel’s workforce is essential if we are to make those expectations our business practice.

Maintaining a high ethical standard at Inter-Tel is a responsibility shared by each of us at Inter-Tel. When faced with a question or concern about ethics or business practices, turn to the policies contained in this Code of Business Conduct to guide you in your decision-making. The policies outlined in this Code of Business Conduct reflect Inter-Tel’s values and the fundamental basis of our conduct as a business.

If you are ever in doubt about an action or unclear about Inter-Tel’s expectations from you, we encourage you to consult with the resources available to assist you. Contact your manager, the Human Resources Department, or the Legal Department. We believe that good ethical decisions are made when adequate information and resources are readily available.

Our good name comes to us through our dedicated efforts. I challenge you to embrace the high standards we set for ourselves and to avoid even the appearance of doing anything less. At Inter-Tel, only the highest ethical standards are acceptable.

Norman Stout

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INTRODUCTION

At Inter-Tel, we are committed to upholding the highest ethical standards in our work. Our reputation for honest and fair business dealings developed and continues today through the efforts of our workforce. It remains one of our greatest assets.

This Code of Business Conduct (“Code”) is intended to provide information about Inter-Tel’s ethical standards and the resources available to assist you in applying this Code. Every person who works for Inter-Tel, its affiliates or subsidiaries, and the members of its Board of Directors (“Directors”) are expected to understand, comply with and ensure that all agents and contractors are aware of, understand and adhere to this Code. This Code is intended to supplement, but not replace, the Inter-Tel Employee Handbook, any employment or compensation agreement you may have with Inter-Tel and any policies established by Inter-Tel. For ease of reading, we have used the term “workforce” throughout this publication to apply to all persons working for Inter-Tel, including employees, and temporary workers.

Although the Code is intended for directors, officers, employees, Inter-Tel expects contractors, consultants, agents, representatives, joint venture partners and others conducting business on behalf of Inter-Tel will conform to the spirit of the code while working on behalf of Inter-Tel. The Code should be shared with such individuals and the failure to conform to the Code should be considered as a potential basis for terminating Inter-Tel's relationship with such individuals.

This Code identifies the legal and ethical parameters under which we conduct business. The standards set forth here may go beyond mere compliance with laws and regulations. Many of these standards restate common sense rules and the use of good judgment. Although we cannot anticipate all situations that may arise, you may find it helpful to first consider the following when faced with an ethical issue:

Analyze the situation and consider:

- Does my conduct comply with Inter-Tel’s policies? Are there other Inter-Tel policies that should be consulted? For example, does the Employee Handbook address this issue?
- Who should be consulted? My supervisor? Human Resources? Inter-Tel legal department?
- Would my conduct be legal?
- Would my conduct be ethical? What are the possible choices and reasoning behind each? Are there other options that would not violate Inter-Tel’s policies?

- What are the possible results of my choices?
- Who might be hurt or helped?
- What is the extent of the harm? What is the nature of the help?
- In deciding on a course of conduct ask yourself: Which choice causes the most harm, which choice is most helpful, which is closest to compliance with the Code of Ethics, and which does the most to promote integrity and respect the rights of all involved?

Ask yourself:

- Am I comfortable with my decisions?
- Does my conduct appear appropriate or would I be embarrassed if someone knew?
- If my decisions were made public through newspapers or television, how would I feel?
- If the person I most respect were to hear about my conduct, would that person be proud of me?

For questions about interpretation or clarification of the Code, please contact our General Counsel or Compliance Officer. Other resources are also available to help you determine an appropriate course of conduct. In the “Additional Resources” section at the end of this publication, you will find contact information for various individuals and departments so that you can appropriately direct questions and concerns you may have about your ethical responsibilities and to provide reports of unethical or questionable conduct of others.

The “Additional Resources” section at the end of this publication also provides information about our confidential Ethics Line, which may be used to report possible violations of the Code or other concerns.

We believe this Code provides us with the information and resources necessary to meet our ethical obligations to each other, to Inter-Tel, to our customers, suppliers and competitors, and to the public. It is the personal responsibility of each of us to comply with this Code, and like all Inter-Tel policies, noncompliance constitutes grounds for disciplinary action, up to and including termination of employment.

Because the Code is subject to change from time to time, we ask that you not rely on printed copies, and instead refer to the version posted on the section of Inter-Tel’s website titled: “Associates Central”.

Sign the acknowledgment form at the end of this Code of Business Conduct and return the form to the Human Resources Department indicating that you have received, read, understand and agree to comply with this Code of Business Conduct. The signed acknowledgment form will be located in your personnel file.

CORE VALUES

By creating and maintaining an environment that supports our core values of honesty, integrity, trust, respect, teamwork, positive social contribution and personal achievement, each of us has the opportunity to achieve excellence. Although everyone at Inter-Tel must contribute to the creation and maintenance of a positive work environment, our executives and everyone in management have a special responsibility to set and communicate standards that allow all of us to excel.

All members of Inter-Tel’s workforce share the responsibility for mutual understanding and cooperation and for creating and maintaining a work environment in which discrimination is not tolerated. We believe that all individuals deserve consideration and respect regardless of sex, age, color, religion, national origin, ancestry, age, physical or mental disability, medical condition (including pregnancy and childbirth), marital status, sexual orientation, family care

leave status or veteran status. This applies to all workforce-related decisions and actions including but not limited to recruitment, hiring, training, compensation, benefits, promotion and recreation. Inter-Tel has a strictly enforced policy regarding acts or practices in violation of its Discrimination and Harassment policy in the Employee Handbook. Reports of violations of this policy may be made to your supervisor, to your HR representative or to the HR Manager. If none of these choices are possible for you, you may report your complaint to the Ethics Hotline. All complaints made in good faith will be investigated promptly and without retaliation to the person initiating the investigation. All incidents in violation of this policy should be reported as soon as possible. To the extent possible and consistent with Inter-Tel's obligations under law and our policies, we will maintain the confidentiality of anyone reporting a complaint. At the conclusion of the investigation, appropriate action will be taken up to and including termination of any persons found to have engaged in prohibited discriminatory or harassing conduct.

OBLIGATIONS TO OUR WORKFORCE

Inter-Tel is strongly committed to its employees and highly values the immense contribution they make to Inter-Tel and its shareholders. To further this commitment:

- Inter-Tel strives to provide satisfying job opportunities and to give each employee the opportunity to use their capabilities to the fullest.
- Inter-Tel makes every effort, in the context of the current business climate, to provide each employee with fair compensation for the services rendered.
- Inter-Tel is committed to providing a safe, healthful and pleasant environment to improve job satisfaction.
- Inter-Tel uses a wide range of methods to communicate with its employees, such as Associate Central, quarterly conference calls, department stand-up meetings, and this Code to keep them informed.
- Inter-Tel is committed to the principle that every employee is to receive respect and recognition for a job well done, and to value each employee by the contribution, which he or she makes to the Inter-Tel Team.

OBLIGATIONS TO INTER-TEL

Conflicts of Interest

Generally, Inter-Tel's workforce may conduct their personal and financial affairs as they wish. However, there are certain situations and activities that may pose a conflict between your interests and the best interests of Inter-Tel. You should act with honesty and integrity, and avoid any relationship, influence or activity that would cause or even appear to cause a conflict of interest.

Most of the time, we easily recognize a conflict of interest. However, sometimes it is less clear that a particular activity or situation may cause or appear to cause a conflict of interest. Inter-Tel expects that you will not engage in activities where your loyalties to Inter-Tel may be compromised.

At the time you joined Inter-Tel, you signed a Proprietary Information Agreement that advised you not to engage in any activity where your role or interest may be in conflict with Inter-Tel's interest. Although such conflicts are not automatically prohibited, written approval from the Legal Department is required to participate in any such activity. Your obligation to provide written disclosure of conflicts of interest, or the appearance of conflicts of interest, continues throughout the time that you work at Inter-Tel.

If you are uncertain whether your activities may constitute a conflict of interest, or even the appearance of a conflict of interest, consult with your supervisor, the Human Resources Department or the Legal Department before taking action.

Examples of potential conflicts of interest include, but are not limited to, the following:

Outside Employment

In consideration of your employment with Inter-Tel, you are expected to devote your full business attention to the business interests of Inter-Tel. You may not be employed by, or contract or consult with a customer, supplier or competitor of Inter-Tel or its related entities. You may not engage in outside business activities that compete or appear to compete with the interests of Inter-Tel or adversely affect your performance at Inter-Tel. Members of Inter-Tel's workforce who engage in commercial activity or accept employment in addition to working at Inter-Tel must report the details of the activity, in writing, to your supervisor with a copy to the Human Resources Department.

Outside Transactions

You may not engage in transactions on behalf of Inter-Tel with any person or entity in which you or a member of your family has a substantial beneficial interest or in which you serve as a trustee or in a similar fiduciary capacity. You may not engage in significant financial transactions with other members of Inter-Tel's workforce with whom you have a reporting relationship, or with whom you have a relationship that will pose, or appear to pose, difficulties for supervision, security, safety or morale.

Financial Interests in Other Companies

You may not hold a financial interest in any customer, supplier or competitor of Inter-Tel or its related entities, unless such company is a publicly owned corporation. If the company is a publicly owned corporation, you may hold up to \$25,000 worth of stock or two percent of the company's outstanding shares, whichever is greater. You must obtain approval, in writing, of Inter-Tel's Chief Executive Officer or Board of Directors for any variance from this rule.

Outside Directorships

It is a conflict of interest to serve as a director of any company that competes with Inter-Tel. You may not serve as an officer or on the board of directors of any other company without obtaining prior written approval of Inter-Tel's Chief Executive Officer or Board of

Directors. Any compensation you receive should be commensurate with your responsibilities.

Use of Inter-Tel Assets

Each of us is personally responsible for the proper use and control of Inter-Tel property, facilities and equipment. In our dynamic business, we must use our assets as efficiently as possible and remain alert to opportunities for improving performance while reducing costs and safeguard against loss, damage, misuse or theft. Inter-Tel prohibits the use of Inter-Tel time, material, equipment or facilities for personal use or other purposes not directly related to Inter-Tel business. You may not use for yourself personally any opportunities that are discovered using corporate property, information or position. In addition, you are responsible for protecting Inter-Tel resources entrusted to you. You must not remove or borrow Inter-Tel property without permission from the appropriate authority.

Inter-Tel Funds

Every Inter-Tel employee is personally responsible for all Inter-Tel funds over which he or she exercises control. With the exception of senior management and Board approved arrangements such as certain banking/investment management functions, Inter-Tel agents and contractors should not be allowed to exercise control over Inter-Tel funds. Inter-Tel funds must be used only for Inter-Tel business purposes. Every Inter-Tel employee, agent and contractor must take reasonable steps to ensure that Inter-Tel receives good value for Inter-Tel funds spent, and must maintain accurate and timely records of each and every expenditure. Expense reports must be accurate and submitted in a timely manner consistent with Inter-Tel or departmental requirements. Inter-Tel employees, agents and contractors must not use Inter-Tel funds for any personal purpose.

Use of Inter-Tel Electronic Communications Systems

You are provided with access to Inter-Tel telephones and computer terminals and to voice-mail, word processing, e-mail Internet and other electronic communication or data storage systems for use in carrying out Inter-Tel business. In general, these systems should not be used for personal purposes. You must not use Inter-Tel resources to create, distribute, store, access or display messages or materials that are threatening or harassing. Similarly, you must not use Inter-Tel's resources to create messages or materials for personal gain. Accessing or distributing pornographic or offensive materials by Internet or e-mail is strictly prohibited.

Employees, agents and contractors should not maintain any expectation of privacy with respect to information transmitted over, received by, or stored in any electronic communications device owned, leased, or operated in whole or in part by or on behalf of Inter-Tel. To the extent permitted by applicable law, Inter-Tel retains the right to gain access to any information received by, transmitted by, or stored in any such electronic communications device, by and through its employees, agents, contractors, or representatives, at any time, either with or without an employee's or third party's knowledge, consent or approval.

Software

All software used to conduct Inter-Tel business must be appropriately licensed. Never make or use illegal or unauthorized copies of any software, whether in the office, at home, or on the road, since doing so may constitute copyright infringement and may expose you and Inter-Tel to potential civil and criminal liability. In addition, use of illegal or unauthorized copies of software may subject the employee to disciplinary action, up to and including termination. Inter-Tel's MIS Department has the right, without notice, to inspect Inter-Tel computers periodically to verify that only approved and licensed software has been installed. Any non-licensed/supported software may be removed.

Political Contributions

Inter-Tel reserves the right to communicate its position on important issues to elected representatives and other government officials. It is Inter-Tel's policy to comply fully with all local, state, federal, foreign and other applicable laws, rules and regulations regarding political contributions. Inter-Tel's funds or assets must not be used for, or be contributed to, political campaigns or political practices under any circumstances without the prior written approval of Inter-Tel's Chief Executive Officer and, if required, the Board of Directors.

Protection of Inter-Tel Information

Everyday information shared within Inter-Tel is Inter-Tel property and must be used only for Inter-Tel business purposes. You may not use Inter-Tel's information for personal purposes or in employment positions outside Inter-Tel.

Special attention must be given to Inter-Tel information stored on computers. Accordingly, the following special efforts are required to safeguard Inter-Tel information stored on computers:

- Always use the available software security systems in place including at a minimum the Windows™ screen saver password.
- Be conscious of others who may observe the screen of the computer system you are using. Avoid working on proprietary information or handling data while traveling in aircraft or other common carrier where passengers are seated closely.
- You may use software or application level passwords to protect sensitive or confidential data while using programs such as Microsoft Word, Excel, Access and others. It is important that you remember the password, because without it, the file will likely be unusable.
- Do not share your system logon passwords with others including co-workers. This simple rule can keep your data secure and avoid the possibility of your being held liable for others' actions.

Protection of Confidential Information

Each individual working for Inter-Tel must protect and not disclose information about Inter-Tel that is not generally available to the public or has not been published or widely disseminated ("Confidential Information").

When you joined Inter-Tel, you signed a Proprietary Information Agreement to protect and hold confidential Inter-Tel's proprietary information. This agreement remains in effect for as long as you work for Inter-Tel and after you leave Inter-Tel. Under this agreement, you may not disclose Inter-Tel's confidential information to anyone or use for your own benefit or for the benefit of anyone other than Inter-Tel without the prior written consent of an authorized Inter-Tel officer.

As a member of our workforce, you must follow Inter-Tel guidelines to protect our Confidential Information, including the following:

- Ensure that a nondisclosure agreement, approved by the Legal Department, has been signed before providing any Confidential Information to any third party. You must not sign a third party's nondisclosure agreement or accept changes to Inter-Tel's standard nondisclosure agreements without review and written approval by Inter-Tel's Legal Department.
- Limit access to Confidential Information, e.g., by limiting reproduction and distribution of confidential documents, to only those persons who have a genuine need to know. You are also responsible for properly labeling any and all documentation shared with or correspondence sent to Inter-Tel's Legal Department or outside counsel as "Attorney-Client Privileged."
- Keep all confidential documents in locked or secure areas and label such documents to indicate the degree of care that must be applied when handling and distributing to others.

You should not disclose Confidential Information to: (a) any third party who has not signed or is not covered by a non-disclosure agreement or (b) any person inside Inter-Tel who does not have a need to know such information without authorization. Even in social situations, you should remember that you represent Inter-Tel.

There may be situations where Inter-Tel is legally obligated to disclose certain information. If you are contacted in connection with such a legal process, you must notify the Inter-Tel's Legal Department of the request.

Similarly, you must protect and not disclose Confidential Information about other companies that you obtain in the course of your employment, e.g., in the course of joint development, joint venture or acquisition or merger activities. In addition, you should not use or disclose confidential information relating to our competitors', customers' or suppliers' businesses.

Confidential Information may be technical as well as financial and business information. Examples of Confidential Information include: actual or projected sales, earnings, backlog, gross margins, significant capital expenditures or significant borrowings; any sales or bookings by product lines, business unit, or by country or other geographic area; internal forecasts for shipments or bookings; product performance or product development schedules; drawings, process parameters, technology roadmaps; any action or event which had or is likely to have a significant effect on Inter-Tel's anticipated annual sales or earnings, or which may result in a special or extraordinary charge against earnings or capital; major management changes, a reorganization or reduction in force; a proposed merger, acquisition or disposition of assets; staff information, including reporting structures and

salaries; technology or product roadmaps; specific customer or supplier confidential information, including sales, purchases or investment plans; and any other information that has not been published or widely disseminated by Inter-Tel in a press release, annual report, securities filing, or other public forum. Inter-Tel's policy on handling Confidential Information applies to you both while you work at Inter-Tel and after your employment at Inter-Tel ends.

Investor Relations/Corporate Communications

You may not speak publicly on Inter-Tel's behalf unless you have specific authorization. Comments made by individuals working for Inter-Tel in a variety of contexts such as user groups, trade shows, press interviews and newsgroups can be perceived by outsiders as representing "official" Inter-Tel positions. Any communications in which Inter-Tel's name appears on the cover sheet, letterhead, in a footer or using an employee's e-mail address may be viewed by the recipient as representing Inter-Tel or its opinions, whether intended or not.

Specific policies have been established regarding who may communicate information to the press and the financial analyst community. Unless explicitly authorized for a specific purpose, you should not have contacts or communications about any topics or matters related to Inter-Tel or its related entities with the media, investors, stock analysts or other members of the financial community. All inquiries concerning or in any way related to Inter-Tel from stock analysts, investors or other members of the financial community should be promptly referred to Investor Relations. All inquiries concerning or in any way related to Inter-Tel from the media should be promptly referred to Investor Relations.

Confidential Information and the Internet

You should be especially wary of posting or sharing information about Inter-Tel in Internet discussion groups, chat rooms, bulletin boards and/or other electronic communications media. Even if your intent in providing information on Inter-Tel is to "set the record straight" after seeing what you perceive as a false statement about Inter-Tel that has been posted by someone else, your posting might be misinterpreted, start false rumors and/or may be inaccurate, false or misleading.

In addition to violating this Code, disclosing Confidential Information, participating in chat rooms and/or posting information about Inter-Tel on Internet investor websites or other electronic communications media could subject you to liability for insider trading and tipping, even if you yourself did not trade and even if you received no monetary benefit from such disclosures. Such conduct could also be a violation of other civil and criminal federal and state laws.

Business Communications

When you write about Inter-Tel business, remember that our business records may be subject to compulsory disclosure to the government or other private third parties in litigation. More importantly, our records may be used by the news media to mold public opinion about

Inter-Tel's image. Irrespective of where you write it, what you write may have significant consequences. Once written, messages can be easily edited and distributed.

Business records are defined very broadly. They may include electronic mail and even individual notes and diaries. E-mail should be used with discretion when sending confidential or proprietary information. If any information is too sensitive for a memo, then it is likely too sensitive for an electronic mail communication.

Protection of Our Intellectual Property

Our intellectual property (Confidential Information, trade secrets, patents, trademarks and copyrights) is the lifeblood of Inter-Tel and protects the ideas, processes and information of Inter-Tel. Each of us is responsible for protecting our Inter-Tel's intellectual property.

You always should ensure that a nondisclosure agreement, approved by the Legal Department, has been signed before providing any intellectual property to any person or organization outside of Inter-Tel.

Trade Secrets

A trade secret is information, including a formula, pattern, compilation, program, device, method, technique or process that has economic value because it is not known to the public. In order to qualify as a trade secret, information must, in fact, be kept secret. If a trade secret is disclosed, Inter-Tel may lose the ability to prevent others from using it. Members of our workforce who handle trade secrets must follow Inter-Tel guidelines to protect this information, including the following:

- Limit access to documents containing trade secrets, e.g., by limiting reproduction and distribution of such documents to only those persons within Inter-Tel who have a genuine need to know.
- Number copies of documents containing trade secrets and maintain a list of those persons who have received copies.
- Place confidential legends on all documents containing trade secrets.
- Ensure that a nondisclosure agreement, approved by the Legal Department, has been signed before providing trade secrets to a third party.
- Store all confidential documents containing trade secrets in locked areas.
- Shred or securely store excess or obsolete documents containing trade secrets.

For more information or if you have a questions as to what constitutes a trade secret, please contact the Legal Department.

Inventions and Patents

All inventions, whether patentable or not, that you conceive, work on or reduce to practice while employed at Inter-Tel are the property of Inter-Tel. An exception to this rule is for inventions that are not related in any way to Inter-Tel's products, research or business, are developed entirely on your own time, and are developed without the use of any of Inter-Tel's assets, equipment, facilities, or resources. After conceiving an invention, you must promptly report it to the Legal Department, even if you are unsure or doubt that the invention is patentable or will be used in a product.

Trademarks

Our Inter-Tel logo is the most recognized symbol of Inter-Tel and is designed to reflect consistently Inter-Tel's values and attributes. Professional use of Inter-Tel logo requires strict adherence to Inter-Tel standards and trademark law. You must consult with Marketing and obtain written approval before using the logo on printed documents, corporate gifts and other items.

Copyright

Copyright laws protect many types of materials that we produce. For example, copyright laws often protect books, pamphlets, seminar materials, journals and computer software. All such materials that you create or help to create are owned by Inter-Tel and subject to copyright protections. If you become aware of any unauthorized use of any copyrighted Inter-Tel materials you must report it to an attorney in the Legal Department.

Recordkeeping and Accounting Practices

Records are a vital component in maintaining our high standard of ethical business conduct. Every member of Inter-Tel's workforce must keep accurate and complete Inter-Tel records. It is essential to record and report information accurately and honestly, without misleading, misrepresenting, misinforming, making false statements or omitting important information. The following activities are prohibited:

- Making payments for Inter-Tel without supporting documentation or for a purpose contrary to that described in supporting documentation.
- Establishing undisclosed or unrecorded Inter-Tel funds or assets.
- Making false or misleading entries in, or omitting important information from, Inter-Tel's records.

Inter-Tel does not tolerate dishonesty, including false recordkeeping. You never should rationalize or even consider making false representations or falsifying records. Inter-Tel is required by local, state, federal, foreign and other applicable laws, rules and regulations to retain certain records and to follow specific guidelines in managing its records. Civil and criminal penalties for failure to comply with such guidelines can be severe for employees, agents, contractors and Inter-Tel, and failure to comply with such guidelines may subject the employee, agent or contractor to disciplinary action, up to and including termination of employment or business relationship at Inter-Tel's sole discretion. If you are aware of or

suspect false recordkeeping or representations by others, you must report such activities immediately to your manager.

Special Ethics Obligations For Individuals With Financial Reporting Responsibilities

As a public company it is of critical importance that Inter-Tel's filings with the Securities and Exchange Commission be accurate and timely. Depending on their position with Inter-Tel, members of Inter-Tel's workforce may have responsibility for providing and/or certifying information to assure that Inter-Tel's public reports are complete, fair and understandable. This standard of integrity applies to internal reports and documents as well. Inter-Tel requires all of its officers and employee personnel to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to Inter-Tel's public disclosure requirements.

These obligations apply to the Chief Executive Officer, the Chief Financial Officer, the Controller and any other employee with any responsibility for preparation and filing of such reports and documents, including drafting, reviewing and signing or certifying the information contained in those reports and documents (each such employee is a "Financial Reporting Person").

Because of this special role, each Financial Reporting Person is bound by the following Financial Code of Ethics, and by accepting it and the Code of Business Conduct, each agrees that he or she will:

- Provide information that is accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that Inter-Tel files with, or submits to, government agencies and in other public communications.
- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
- Promptly report to the Director of Internal Audit and/or the Chairman of the Audit Committee any conduct that the individual believes to be a violation of law or business ethics or of any provision of the Code of Conduct, including any transaction or relationship that reasonably could be expected to give rise to such a conflict.

Violations of this Financial Code of Ethics, including failures to report potential violations by others, will be viewed as a severe disciplinary matter that may result in personnel action, including termination of employment. If you believe that a violation of the Financial Code of Ethics has occurred, please contact Inter-Tel's General Counsel. If you are concerned about maintaining anonymity, you may submit your report using Inter-Tel's confidential Ethics Line described under "Additional Resources" at the end of this publication.

It is against Inter-Tel policy to retaliate against any employee who reports, provides information or testifies about any matter that the employee reasonably believes to be a violation of federal securities law or any provision of federal laws relating to fraud against shareholders.

General Contracting Issues

Inter-Tel expects its workforce to compete fairly and ethically for all business opportunities. Anyone involved in the sale or licensing of products and services and the negotiation of agreements and contracts must ensure that all statements, communications, and representations to customers are accurate and truthful.

Inter-Tel is committed to meeting all of its contractual obligations. Each individual responsible for fulfilling contractual obligations are expected to know, understand, and honor the terms of Inter-Tel's contractual obligations.

Only certain members of Inter-Tel's workforce are authorized to sign contracts or commit Inter-Tel to acquiring products or services or providing anything of value to any third party. All appropriate approvals are to be obtained before contracts are executed, modified or amended. No unauthorized contracts or modifications of contracts such as unapproved "side letters" or oral agreements constituting modifying or amending contracts may be entered into. Entering into unauthorized amendments, side letters or oral agreements is grounds for disciplinary action, including termination.

Business Gifts and Entertainment

At Inter-Tel, we believe that business decisions must be based on objective standards and established business needs. We do not accept or offer gifts, favored treatment or entertainment that are, or could be construed to be, a means to influence the judgment of the recipient or to secure unfair preferential treatment.

As a general policy, members of Inter-Tel's workforce are prohibited from offering or accepting gifts in connection with their business activities. Gifts are permitted only in specified circumstances where (a) applicable laws are not violated, (b) they are consistent with this policy, (c) they are not given in violation of the Foreign Corrupt Practices Act, and (d) they are of limited value. It is never appropriate to solicit gifts or other courtesies, directly or indirectly.

If you are offered a gift or other business courtesy of material value from an individual, firm, or representative of a firm who has or seeks a business relationship with Inter-Tel you must demonstrate that the gift could not be construed as an attempt by the offering party to secure favorable treatment.

Approval in writing by an Executive Vice President or higher-ranking executive must be obtained to give a gift with a value greater than US\$200. Inter-Tel also requires advance written clearance from the Chief Executive Officer or an attorney in the Legal Department for any gift being given to a government employee, public official, political candidate or political party.

Inter-Tel's rules for entertainment require that reimbursable entertainment be for the benefit of Inter-Tel. It is important that our actions are proper and appropriate according to Inter-Tel's policies. We must take care to avoid even the appearance of impropriety.

Entertaining customers and suppliers is permitted only for the limited purpose of building business relationships. It is important that you act in accordance with Inter-Tel's business goals and avoid any behavior that could be perceived as an attempt to influence decisions, to create an obligation to reciprocate, or to place anyone in a compromising position. If you have any questions regarding appropriate business expenses, you should refer to Inter-Tel's Business Expense Reimbursement Policy.

International Business Conduct

The Foreign Corrupt Practices Act prohibits offering directly or indirectly anything of value by United States companies and/or their subsidiaries to the following persons or entities, or their representatives, for purposes of securing business or to influence the acts or decisions of an official:

- a foreign government official;
- a foreign government or agency;
- a foreign political party or official thereof;
- a candidate for foreign political office; or
- a public international organization, or its official.

Although making offers of value or payments to public officials is viewed as a culturally acceptable practice in many countries, we must be aware that doing so may violate the Foreign Corrupt Practices Act and usually violates local laws as well. You should not make any offer or payment or give any gift that you believe might be for the benefit of a foreign official, government, political party, candidate, or public international organization without express approval in writing of your manager, and you must report any such conduct of which you learn. Inter-Tel's policy also requires that you obtain prior written consent from the Legal Department before giving a gift of any value to a foreign official.

Members of Inter-Tel's workforce who are involved in international operations are expected to understand the requirements of the Foreign Corrupt Practices Act. Any violation of the Foreign Corrupt Practices Act can result in serious consequences for the individual involved and for Inter-Tel. If you have any doubts or are unclear about your responsibilities under our policy or Foreign Corrupt Practices Act, consult with an attorney in the Legal Department.

Workplace Safety; Drug-Free Workplace

At Inter-Tel, we are committed to providing a safe, healthy and drug-free workplace. We assume this responsibility by paying constant attention to the health and safety of our workforce and by complying with all health and safety laws and regulations. Each of us must adopt safe work practices in order to provide a hazardous-free work environment. The misuse of drugs, both legal and illegal, interferes with a safe, productive work place. Inter-Tel has a strictly enforced Drug-Free Workplace policy in its Employee Handbook. If you have any questions, call the Human Resources Department.

OBLIGATIONS TO OUR CUSTOMERS, SUPPLIERS AND COMPETITORS

At Inter-Tel, we are proud of our reputation for integrity and fairness in our commercial dealings with our customers, suppliers and competitors. Each of us must assume a personal responsibility to understand the standards of conduct that apply to our commercial dealings and to ensure that we are treating our customers, suppliers and competitors in an ethical and respectful manner. If your job puts you in contact with any Inter-Tel customers or potential customers, it is critical for you to remember that you represent Inter-Tel to the people with whom you are dealing. Act in a manner that creates value for our customers and helps to build a relationship based upon trust. Inter-Tel and its workforce have provided products and services for many years and have built up significant goodwill over that time. This goodwill is one of our most important assets, and Inter-Tel employees, agents and contractors must act to preserve and enhance our reputation.

Antitrust and Unfair Competition

Antitrust laws protect our competitive, free-market system by prohibiting unfair agreements that restrain trade and other types of anticompetitive conduct. Other laws prohibit unfair methods of competition and unfair or deceptive trade practices. We expect each individual performing services on behalf of Inter-Tel to obey both the spirit and the letter of the law. Any restrictive practices that may unreasonably reduce competition without providing beneficial effects to consumers should be regarded as improper. A thorough list of prohibited practices is not possible, but you should not engage in, and you should report to your manager, any of the following conduct:

- Entering into an agreement (whether formal, informal, written, oral, express or implied) with:
 - a competitor regarding prices, terms of sale (discounts, credits or trade-in allowances), product market or customer allocation or production volume;
 - a customer regarding exclusive or tie-in (refusal to sell a product as a stand-alone product) sales;
 - a dealer regarding the price or terms on which the dealer will offer or advertise our product to its customers;
 - a customer, consultant, or potential competitive bidder regarding who will bid on which pieces of a project and at what price; or
 - a supplier regarding a requirement that the supplier purchase our products if we purchase from the supplier.
- Failing to warn customers of known dangers in connection with use of our products.
- Boycotting customers or suppliers.
- Marketing used equipment as new equipment.
- Making false or deceptive comparisons with other products, or with competitors.
- Encouraging or causing a breach of contract between our competitors and their customers or suppliers.
- Restricting a supplier from selling its own products to our competitors.
- Misrepresenting Inter-Tel's trademark, copyright, trade secret or patent rights.
- Discussing, or even being present while others are discussing, prices, terms of sale, etc. at trade association or other professional meetings.

- Making inaccurate, false or misleading comments about other parties with whom we have commercial dealings or the nature of those dealings.

Violations of antitrust laws may result in severe penalties for Inter-Tel and the individuals involved, including substantial fines and prison sentences. United States' antitrust laws apply to domestic and international business operations and transactions. Our workforce, especially those persons involved in sales, purchasing and dealings with competitors, are required to know that U.S. and foreign antitrust laws may affect their activities and are expected to consult with an attorney from the Legal Department prior to negotiating or entering into arrangements.

Industrial Espionage

It is Inter-Tel's policy to lawfully compete in the marketplace. This commitment to fairness includes respecting the rights of our competitors and abiding by all applicable laws in the course of competing. The purpose of this policy is to maintain Inter-Tel's reputation as a lawful competitor and to help ensure the integrity of the competitive marketplace. Inter-Tel expects its competitors to respect our rights to compete lawfully in the marketplace, and we must respect their rights equally. Inter-Tel employees, agents and contractors may not steal or unlawfully use the information, material, products, intellectual property, or proprietary or confidential information of anyone including suppliers, customers, business partners or competitors.

Intellectual Property of Others

In the same way that each of us is responsible for protecting Inter-Tel's intellectual property, we are also responsible for respecting the intellectual property rights of others. Under no circumstances should you improperly acquire or attempt to acquire the trade secrets or other proprietary or confidential information of others. It is Inter-Tel's policy not to hire employees or contractors in violation of agreements they may have with prior employers. The following list includes a few examples of activities that are prohibited - you should report any of these activities that you learn of to your supervisor, the Human Resources Department or an attorney in the Legal Department:

- Use of another company's confidential information or trade secrets;
- Encouraging a competitor's employees to improperly divulge trade secrets or confidential information; and
- Inducing a customer or supplier to improperly divulge confidential information or trade secrets about competitors.

Due to the technical nature of our products, we often need to supply a customer or supplier with confidential information or trade secrets, or to accept the same from a customer or supplier. Circumstances also may arise in which such information is available from a competitor. You should always have in place a signed nondisclosure agreement that has been approved by the Legal Department before providing or receiving any confidential information or trade secrets with parties outside of Inter-Tel.

At Inter-Tel, we have set a standard of competing ethically and fairly at all times. To do so, you may be required to review public information about our competitors' products to stay abreast of competitive developments. Examples of appropriate sources of public competitive information include:

- Public information in annual reports and filings with the Securities and Exchange Commission;
- Technical seminars open to the public;
- Trade journals containing technical articles;
- Industry analysts' published reports;
- Technical product information, provided by an authorized representative of the company producing the product; and
- Public advertisements.

Copyright

Copyright laws protect many types of third party materials that we use. For example, copyright laws often protect books, pamphlets, seminar materials, journals and computer software. Inter-Tel does not tolerate the making or use of unauthorized copies of copyrighted materials under any circumstances. The commercial computer software that we purchase from our suppliers is copyrighted. Therefore, in some cases, copying software for use on more than one computer is illegal. Also, downloading software from a network may be illegal in some circumstances. Downloading music or video to your computer or engaging in other file sharing constitutes copyright infringement. If you have any doubts about whether you are authorized to copy, use or download any materials, you are required to consult with an attorney in the Legal Department before doing so. You must also report any unauthorized use of copyrighted materials of which you learn to an attorney in the Legal Department.

Confidential Information of Others

The same protection afforded to Inter-Tel's Confidential Information extends to confidential information belonging to other companies that you obtain during the course of your employment. For example, information that you may acquire during joint development, joint venture, acquisition or merger negotiations is protected and must not be disclosed. You should also refrain from commenting about pricing, sales, production, marketing and other related business activities of our competitors, customers and suppliers. If you have any doubt whether third party information should be considered confidential, contact an attorney in the Legal Department.

Selection of Suppliers

Inter-Tel considers all qualified suppliers with fairness. To create an environment where our suppliers have an incentive to work with Inter-Tel, they must be confident that they will be treated lawfully and in an ethical manner. Inter-Tel's policy is to purchase supplies based on need, quality, service, price and terms and conditions. Inter-Tel's policy is to select

significant suppliers or enter into significant supplier agreements through a competitive bid process where possible. Under no circumstances should any Inter-Tel employee, agent or contractor attempt to coerce suppliers in any way.

If you are responsible for receiving bids, you should provide all qualified suppliers with Inter-Tel's technical and business requirements. When selecting suppliers, you must assess each qualified supplier's ability to satisfy Inter-Tel's requirements pertaining to quality, timeliness, and ability to provide materials on an ongoing basis and to meet technical specifications. In addition, you must make purchasing decisions based on the long-term cost and benefit to Inter-Tel, while making sure that agreements are fair to Inter-Tel and the supplier.

Treatment of Suppliers

Inter-Tel treats all potential suppliers fairly and considers all interested suppliers when we buy goods or services. Kickbacks of any kind violate our Inter-Tel's business ethics and policies. A kickback refers to any money, fee, commission, credit, gift, gratuity, and thing of value or compensation of any kind, which is provided, directly or indirectly, for the purpose of improperly obtaining or rewarding favorable treatment in connection with a contract. Therefore, you should not offer, give, solicit or accept anything of value that is, or even appears to be improper or irregular, and especially if it is outside the scope of Inter-Tel's policy, and you should report any such conduct of which you become aware to the Legal Department. If you have any doubt regarding the propriety of your actions in a given situation, contact an attorney in the Legal Department.

OBLIGATIONS TO THE PUBLIC

Compliance with Laws

It is Inter-Tel's policy that members of Inter-Tel's Board of Directors, officers and workforce comply with all applicable governmental laws, rules and regulations that affect our business and the performance of their jobs.

Fraud

Inter-Tel is committed to ensuring that all of its communications with customers, suppliers, the public, and other third parties are truthful. In all of your activities on behalf of Inter-Tel, you must ensure that you are not misrepresenting or concealing important facts, and that you are not enabling someone else to do so. Examples of conduct that are prohibited include:

- Making false statements about the capabilities of Inter-Tel equipment to customers
- Misrepresenting the price to be charged or the equipment to be provided to a customer at the customer's request
- Altering or destroying documents in order to conceal information

Violations of the laws prohibiting fraud may result in severe penalties for Inter-Tel and the individuals involved, including substantial fines and prison sentences. If you have any doubts about a representation you are about to make, or that a customer or other third party has asked you to take, you should consult with the Legal Department.

Insider Trading and Tipping

You must always be aware of and comply with all securities laws and regulations. United States' federal and state securities laws prohibit insider trading, that is, buying or selling Inter-Tel's securities at a time when you possess "material nonpublic information" relating to Inter-Tel.

Material nonpublic information is information about a company that is not known to the general public and that a typical investor would consider important in making a decision to buy, sell or hold the company's securities. Material nonpublic information can include information that something is likely to happen -- or just that it might happen. If you possess any material nonpublic information, the law generally requires that you refrain from buying or selling Inter-Tel's securities until after the information has been disclosed to the public and absorbed by the market (in most cases, the first safe day to trade is the third trading day after the disclosure).

Passing material nonpublic information to someone else who may buy or sell securities -- which is known as "tipping" -- is also illegal, as is trading securities on the basis of a tip received from someone else if you have reason to know that the "tipper" obtained the information improperly. These prohibitions apply to stock, options, debt securities or any other securities of Inter-Tel, as well as to securities of other companies if you obtain material nonpublic information in the course of working at Inter-Tel.

The fact that you have material nonpublic information is enough to bar you from trading; it is no excuse that the reasons for trading were not based on that information. For example, you might have a long-standing plan to sell Inter-Tel's shares at a particular time to pay a tuition bill. Other than limited exceptions allowable under specific SEC regulations such as 10b-5(1) trading plans, you may not do so, however, if you possess material nonpublic information about Inter-Tel at that time.

In addition, members of the Board of Directors, officers and certain persons within Inter-Tel with early knowledge of quarterly financial results (these groups of people are referred to as "insiders") must refrain from buying or selling Inter-Tel's stock during the period from the twenty-ninth day of the second month of each quarter until the third trading day after Inter-Tel's announcements of quarterly results, unless such trades are made pursuant to 10b-5(1) trading plans previously approved by the Board of Directors. As a matter of Inter-Tel policy, insiders and other members of our workforce whose responsibilities include access to corporate financial results should never sell Inter-Tel stock short or trade in open market or publicly traded options on Inter-Tel stock.

A short sale, as defined in this Code, means any transaction whereby one may benefit from a decline in Inter-Tel's stock price.

Insider trading and tipping are prohibited, and you should report any such conduct of which you become aware. Persons who engage in insider trading or tipping are liable under civil and criminal federal and state securities laws as are their employers and other controlling persons in certain situations. For more information on insider trading, you should refer to Inter-Tel's Insider Trading Policy or contact an attorney in the Legal Department. You should take a few minutes to read the Policy carefully, paying particular attention to the specific policies and the potential criminal and civil liability and/or disciplinary action for insider trading violations. Members of Inter-Tel's workforce, agents and contractors of Inter-Tel who violate this Policy are also be subject to disciplinary action by Inter-Tel, which may include termination of employment or of business relationship.

Environmental Health and Safety

Taking care of the environment is part of our corporate responsibility to current and future generations. Inter-Tel, like all other companies that manufacture high technology products, uses regulated chemicals and raw materials and generates wastes. Each of us is responsible for handling raw materials, products and wastes in full compliance with all legal requirements and Inter-Tel policies. The following list contains only a few examples of activities that are regulated:

- Treating, handling, storing, transporting and disposing of hazardous materials and waste;
- Releasing hazardous substances into the environment, even in small quantities;
- Manufacturing, using, distributing or disposing of certain toxic substances;
- Emitting air pollutants; and
- Discharging pollutants into or onto the ground or into groundwater or surface water.

You must be aware of your responsibilities to protect the environment while performing your daily work. Because of the extent and complexity of environmental regulations, you

should consult with the Global, Environmental, Safety and Health Department if you have questions or concerns about your responsibilities under governmental regulations or Inter-Tel policies.

Participating in Investigations

At Inter-Tel, we take our civic obligations seriously. If your cooperation has been requested during an investigation of a crime or other wrongdoing at Inter-Tel, you must cooperate and be honest and thorough in your responses. Documents should only be disposed of in compliance with Inter-Tel's document retention policies and should never be destroyed or hidden. You must never conceal wrongdoing or permit others to do so. Our Document Retention Policy is posted on the section of Inter-Tel's website titled: "Associates Central".

If you have any questions or concerns about your responsibilities, or actions and responsibilities of others, please contact an attorney in the Legal Department. In addition, before responding to any inquiry, you must consult with an attorney from the Legal Department.

Inter-Tel forbids retaliation against any member of its workforce for reporting a violation of this Code or for initiating or testifying, assisting, or participating in any manner in any investigation, proceeding, or hearing. You should not be afraid to report any conduct that may be illegal or unethical.

Taxes

Inter-Tel strictly complies with all known applicable tax laws, including federal, state and foreign laws. These laws require the reporting of financial information, payment of taxes due, filing of tax returns, and withholding or collecting of necessary taxes on behalf of our workforce. Contact the Tax Department if you have any questions about Inter-Tel's responsibilities under tax laws and regulations.

Importing and Exporting

Inter-Tel is a global growth company supporting a growing worldwide customer base in many countries.

We are fortunate to have earned the reputation of being a responsible international corporate citizen. To maintain our international standing, each of us must strictly comply with United States' laws that govern the import, export and re-export of our leading edge products. Any violation of these laws, even through ignorance, could have damaging and long-lasting effects on our business.

When importing products, you must obey the import requirements of various governmental agencies. All questions and inquiries for information pertaining to the identity, value or duty due on imported products must be answered truthfully and completely.

When exporting or re-exporting products, you must comply with the laws and regulations of the U.S. Department of Commerce and other laws pertaining to the export and/or re-export

of products, spare parts, accessories, training materials and technical data. Current United States' policies also require that you are cautious when disclosing restricted technical data in the United States to a non-U.S. citizen working in the United States. In some cases, you may be required to obtain individual export authorizations for certain members of our workforce who have access to controlled technology, software or information while they are working in the United States.

The intent of the export control laws is to protect national security, support foreign policy and prevent the proliferation of chemical and biological weapons, missile technology and nuclear capability. These laws are being heavily scrutinized due to recent global events in the past two years, and strict adherence and awareness of these laws is mandatory. If your responsibilities include exporting products, you are responsible for screening customers and transactions to ensure that we comply with all export requirements.

You should direct any questions you have regarding imports or exports of Inter-Tel's products, parts or technology to the Legal Department.

Corporate Philanthropy Program

As a socially responsible corporate citizen, Inter-Tel and its associates are committed to making meaningful and positive contributions to the communities in which we do business. As part of that commitment, we maintain a corporate philanthropy program to support personnel efforts for the benefit of organizations and activities in these communities. Our program complies with all governmental guidelines and prohibits providing support to political candidates or parties, religious or fraternal organizations, individuals or ongoing capital or endowment fund-raising campaigns.

Government Contracts

Inter-Tel sometimes enters into product or service contracts with the United States, state and local governments and governments of other countries, government agencies and government contractors. These contracts may be subject to special regulations and impose special requirements on Inter-Tel and our workforce.

In the United States, for example, a number of laws have been enacted to ensure the truth of any representations made to government agencies and to ensure the quality of goods and services provided to the government. Such regulations require that our business conduct conform to stipulated pricing, contracting and certification requirements. In certain situations, it may be necessary to certify that we are providing the lowest commercial price and that such price has been determined independently. It is the responsibility of each of us to make sure that these requirements are met and that all government regulations are being followed. Some examples of these requirements include:

- Accurately representing which Inter-Tel products are covered by government contracts;
- Not offering or accepting kickbacks, bribes, gifts, gratuities or anything else of value with the intent of obtaining favorable treatment from the recipient (A gift that is customary in the business sector may be perceived as a bribe by a government official);

- Not improperly soliciting or obtaining confidential information, such as sealed competitors bids, from government officials prior to the award of a contract; and
- Hiring present and former government personnel may only occur in compliance with applicable laws and regulations (as well as consulting the Legal Department and Human Resources).

In order to make sure these requirements are being met, until further notice, all government bids, quotes, and contracts, on any project to be paid for in part with government funds, must be submitted for review prior to execution. Any person handling such a project must submit all RFPs, bids or responses to RFPs, contracts, purchase orders or quotes for review as required under the Inter-Tel Government/Schools Sales Policies, which is posted on the section of Inter-Tel’s website titled: “Associates Central.”

E-Rate Program for Schools and Libraries

Inter-Tel has established an E-Rate Code of Conduct, which is posted on the “Associates Central” section of Inter-Tel’s website. All members of Inter-Tel’s workforce who may be involved with the sale or installation of equipment or service at public schools and libraries must certify that they have read and will comply with the E-Rate Code of Conduct as part of their responsibilities and obligations under the Code of Business Conduct.

Lobbying

Members of Inter-Tel’s workforce, agents or contractors whose work requires lobbying communication with any member or employee of a legislative body or with any government official or employee in the formulation of legislation must have prior written approval of such activity from Inter-Tel’s General Counsel. Activity covered by this policy includes meetings with legislators or members of their staffs or with senior executive branch officials. Preparation, research, and other background activities that are done in support of lobbying communication are also covered by this policy even if the communication ultimately is not made.

COMPLIANCE AND CONSEQUENCES

Inter-Tel is committed to attaining the highest ethical standards in our work and in all of our interactions with our workforce, our customers, our suppliers, our competitors and the public.

Each of us is responsible for reading this Code and maintaining Inter-Tel’s reputation for ethical business conduct. Inter-Tel expects you to comply with the policies set forth in this publication and to rely upon your own high standards. Inter-Tel also expects that you will seek advice, as appropriate, from the available resources to assist you in resolving issues that are not covered by this Code.

While the Code applies to everyone at Inter-Tel, Inter-Tel has developed procedures and assigned the oversight responsibility for implementation of the Code to the Compliance Officer, the Audit Department, the Human Resources Department and the Legal Department. All Inter-Tel managers and supervisors are required to ensure compliance with this Code by

everyone under his or her line of responsibility. Managers and supervisors have a special responsibility regarding their own behavior to show, through words and actions, their personal commitment to the highest standards of integrity. Specifically, supervisors, as coaches and leaders must:

- Maintain an environment of open and honest communication in which Inter-Tel's values and the provisions of this Code and related policies and instructions are shared and discussed;
- Ensure that those employees under their responsibility understand the Code;
- Ensure that they demonstrate respect to others at Inter-Tel and require their direct reports to do the same;
- Take reasonable steps to ensure that unethical conduct within their areas of responsibility is detected and appropriate action is taken; and
- Consider an individual's integrity and honesty before placing them in a position of responsibility.

This Code is based, in part, on various laws. You should be aware that violations of local, state, or federal laws might result in criminal penalties for you and/or Inter-Tel. You are not to engage in any conduct that you suspect may violate any law and you must report any suspected violation of this Code or other Inter-Tel policies or any law to one of the resources described below. Because of the gravity of the issues addressed in this publication, Inter-Tel may take disciplinary action up to and including termination of employment against any member of our workforce whose actions violate this Code, or other Inter-Tel policies, or any laws. Persons subject to disciplinary actions may include the violator, other person(s) involved in the wrong doing such as a) persons who fail to use reasonable care to detect a violation, b) persons who purposely withhold information regarding a violation, and c) management who approve or condone the violations or attempt to retaliate against employees or others for reporting violations or violators.

ADDITIONAL PROVISIONS RELATING TO DIRECTORS AND EXECUTIVE OFFICERS

Waivers of the provisions of this Code of Conduct that are granted to any member of Inter-Tel's Board of Directors or executive officer may be made only by Inter-Tel's Board of Directors, or by a committee designated by the Board. Any such waiver that is granted to a member of Inter-Tel's Board of Directors or executive officer (i) will be made only when circumstances warrant granting such a waiver, and then only in conjunction with any appropriate monitoring of the particular situation and (ii) will be disclosed as required under applicable law and regulations

CONCLUSION

Inter-Tel's business was founded on ethics and integrity. This Code should be your guide to build on this foundation and reinforce this philosophy. In order for Inter-Tel to continue to be successful, it is essential that each of you demonstrate a deep respect for all who

contribute to Inter-Tel's success including, co-workers, customers, suppliers or any one else we work with during the course of our day.

ADDITIONAL RESOURCES

Many Inter-Tel policies are located on Associate Central and/or in hard copy. If you cannot find a particular policy, call Inter-Tel Human Resources at (480) 449-8900, extension 18060.

You are both encouraged and required to bring all concerns you have, for example, about your own or someone else's conduct, an uncertainty about the meaning of a particular regulation, a suspicion that somebody you work with may have done something questionable or an issue with an action Inter-Tel is taking, to the attention of Inter-Tel by discussing them with your supervisor or other member of management. Where you suspect a violation of this Code or other Inter-Tel policies has occurred, you must report your suspicion to the Compliance Officer. You may also report suspected violations to the General Counsel, or Chief Financial Officer.

- Compliance Officer - Lianne Cottingham; x 22121; Lianne_Cottingham@inter-tel.com
- General Counsel – John Gardner; x 18081, John_Gardner@inter-tel.com
- Chief Financial Officer – Kurt Kneip; x 18043; Kurt_Kneip@inter-tel.com
- Human Resources Department x 18060

Inter-Tel has also established a confidential 24-hour Ethics Line that you may contact by toll-free telephone or by Internet anytime to report any possible violations of the Code or other concerns. You may contact the Ethics Line anonymously.

- Ethics Line Toll-free Telephone: (866) 617-4448
- Ethics Line Web-site Access: <https://www.compliance-helpline.com/welcomePageInter-Tel.jsp>

All communications will be treated with the highest regard for confidentiality. It is against Inter-Tel's policy to retaliate against any employee who provides a report, information or testimony relating to any matter that they reasonably believe to be a violation of the law or of this policy.

ACKNOWLEDGMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT

I have received and read Inter-Tel’s Code of Business Conduct. I understand the standards and policies contained in the Code of Business Conduct and understand that there may be additional policies or laws specific to my job. I further agree to comply with the Code of Business Conduct. I understand that Inter-Tel is committed to a work environment free of discrimination, retaliation or harassment of employees. I agree to raise concerns regarding legal compliance (including, but not limited to questionable accounting, internal accounting controls, or auditing matters, or fraudulent financial information) and understand that Inter-Tel specifically prohibits retaliation whenever a member of Inter-Tel’s workforce makes a report of a reasonable belief of such a violation. To the extent I have concerns that I reasonably believe to be related to a violation of Inter-Tel’s legal duties, or which is otherwise in violation of Inter-Tel’s policies, I will immediately report such conduct to my supervisor, another management level employee, the Compliance Officer, the General Counsel, the Chief Financial Officer, the Internal Audit Director, Human Resources or to Inter-Tel’s Ethics Line.

If I have questions concerning the meaning or application of the Code of Business Conduct, any Inter-Tel policies, or the legal and regulatory requirements applicable to my job, I know I can consult my manager, the Compliance Officer, the Human Resources Department or the Legal Department, knowing that my questions or reports to these sources will be maintained in confidence. I understand that the Code of Business Conduct is subject to changes, and that the most current version will be posted on Associates Central.

Employee Name

Signature

Date

Please sign and return this form to the Human Resources Department