

Code of Conduct and Ethics

Introduction

This Code of Conduct and Ethics outlines the broad principles of legal and ethical business conduct embraced by Continucare Corporation. It is not, however, a complete list of all legal or ethical questions an employee or director might face, and therefore this Code of Conduct and Ethics must be applied using common sense and good judgment.

The following Code of Conduct and Ethics is applicable to the employees and directors of Continucare Corporation (including, but not limited to the Chief Executive Officer, Chief Financial Officer and principal accounting officer) and the employees and directors of its subsidiaries. Accordingly, when used herein, the word “Company” shall refer to Continucare Corporation and its subsidiaries.

I. Lawful and Ethical Behavior is Required at all Times

The Company’s policy is to be a good corporate citizen of the communities in which it does business. A necessary aspect of this policy is the responsibility of the Company and each employee and director to obey all laws and regulations which are applicable to us. We must obey not only the letter, but also the spirit of those laws and regulations.

If a law or regulation conflicts with this Code of Conduct and Ethics, you must comply with the law or regulation. This Code of Conduct and Ethics discusses each employee’s and each director’s obligations with respect to certain laws and regulations that directly affect the way we do business, such as those covering the medical services we provide, patients’ rights and the confidentiality of patient information, as well as laws relating to Continucare Corporation’s stock and stock options, and those governing the Company’s relationship with our employees and directors.

Another critical aspect of being a good corporate citizen is to promote high standards by conducting our affairs in an honest and ethical manner. Discussions of integrity have become increasingly important in today’s business environment. But these discussions are not new to us; ethics have always been a significant part of both our culture and the way we conduct business. The Company’s reputation for integrity is one of its most valuable assets. Integrity is, and must continue to be, the basis of all our corporate relationships. Even the appearance of ethical impropriety or conflicts of interests is to be avoided.

These policies were established with the firm belief that it is both right and in the best interest of the Company for employees and directors to act in accordance with them. The policies that are outlined in this Code of Conduct and Ethics, the Company’s policy and procedure manuals and the Company’s employee handbook should be understood and followed by every employee and director who acts on behalf of the Company.

You will be held accountable for violations of this Code of Conduct and Ethics. “Industry practice” is never a justification for violating the Company’s policies or regulations. Misconduct also cannot be excused because it was directed or requested by another, whether a

co-worker or a supervisor. Violation of these policies could, in many instances, subject the Company and the individuals involved to criminal or civil actions, fines, and lawsuits for damages. Also, violation of these policies could subject you to discipline up to and including termination of employment. The Company may also seek civil remedies from you and even refer criminal misconduct to law enforcement agencies. However, it is not the threat of discipline that should govern your actions. We hope you share our belief that a dedicated commitment to ethical behavior is the right thing to do, is good business and is the surest way for us to remain a leading company.

Employees and directors can obtain advice concerning these policies from the persons to whom they report or directly from one of the Company's executive officers or the Company's Corporate Director of Compliance. Mistakes should never be covered up, but should be immediately fully disclosed and corrected. In this regard, you are expected to alert management whenever an illegal, dishonest or unethical act is discovered or suspected. On doubtful questions, employees and directors should seek and receive advice in advance of taking action.

II. High Standards of Quality Must be Maintained

A commitment to quality is critical, especially in the health care industry. The Company is dedicated to the delivery of high quality health care services meeting both our own standards of quality and the requirements of our patients, our HMO business partners and state and federal regulators. All of our services must be offered in accordance with applicable laws, regulations and other requirements, including those relating to quality standards for medical care, the appropriate utilization of health care resources, relationships with our HMO business partners, expeditious handling of patient complaints, and proper and accurate processing of patient claims. Our goal is to provide the right care at the right time in the right manner. All employees are responsible for maintaining the high quality of our medical services. Each employee must bring to his or her supervisor's attention any lapse in quality.

III. Policies and Procedures Must be Followed

The Company is committed to the highest degree of compliance with the requirements of its state and federal regulators, the licensing requirements of the areas in which it operates, the requirements and quality standards of our HMO business partners and the requirements of the federal government's Medicare programs and the regulations promulgated thereunder. Our goal is to provide the right care at the right time in the right manner. Medicare funded programs indirectly provide a substantial portion of the Company's revenues. These programs require compliance with complex standards set forth in the applicable regulations. Employees must adhere to the Company's policies and procedures relating to compliance with its obligations at all times.

In addition, from time to time the Company will have outside parties on site to perform financial audits, examinations or reviews of our financial statements, operation and business. These outside parties may include the Company's independent auditors, representatives of our HMO business partners, or federal or state regulators. It is the Company's policy to fully cooperate with these audits with all necessary information. During these audits, examinations

and reviews you should never destroy or alter any documents or give false or misleading statements, nor should you provide inaccurate information or obstruct or mislead any person conducting the investigation. If you should have any questions regarding the propriety of an investigator's request, you should promptly contact your supervisor and seek guidance as to how you may best comply.

IV. Harassment and Discrimination are Strictly Prohibited

The Company strives to maintain an environment that is free from unlawful harassment or discrimination. Discrimination or harassment of any sort (e.g., verbal, physical, visual) or of any type (e.g., sexual, racial, ethnic, national origin, age, disability, or based on any other legally protected status) will not be tolerated, and violators are subject to disciplinary action up to and including discharge. The Company is committed to providing equal employment opportunities to all employees and prospective employees. All employment decisions will be based on merit, qualifications and ability and the Company shall not tolerate discrimination in employment opportunities or practices on the basis of race, color, religion, gender, sexual orientation, national origin, marital status, citizenship, age, disability or any other status entitled to protection under federal, state, or local anti-discrimination laws. All employees, particularly supervisors and managers, have a responsibility for maintaining an operating environment that is free of unlawful harassment and discrimination.

V. Conflicts of Interest are to be Avoided

The Company respects the rights of its employees and directors to manage their affairs and investments and does not wish to impinge upon their personal lives. At the same time, employees and directors should avoid situations that present a hazard to the Company or a potential conflict between their interests and the interests of the Company. Also, employees and directors should pay proper attention to the Company's best interests and owe the Company a duty of trust and loyalty. Employees and directors should avoid any investment or association that interferes with the independent exercise of sound judgment in the Company's best interests. Accordingly, we must be careful to avoid situations where our personal interests could conflict or appear to conflict with the interests of the Company. You should avoid any relationships with a patient, business partner, competitor, supplier or regulator that may impact your loyalty to the Company and not allow any past relationships to impair your business decisions or your ability to do your job. Where a conflict exists, it must be promptly disclosed in writing and resolved to the satisfaction of the Company in order for the employer-employee relationship to continue.

A conflict or the appearance of a conflict of interest may arise in many ways. Each employee and director must deal at arm's length with the Company and should disclose to the Company's Corporate Director of Compliance or an independent committee of the Board of Directors any conflict or any appearance of a conflict of interest on his or her part. Any activity which even appears to present such a conflict must be avoided or terminated unless, after such disclosure to the Company's Corporate Director of Compliance or an independent committee of the Board of Directors, it is determined that the activity is not harmful to the Company or otherwise improper. This determination must occur prior to the commencement of the activity in question. The end result of the process of disclosure, discussion and consultation may well be approval of certain relationships or transactions on the ground that, despite appearances, they are

not harmful to the Company. However, all conflicts and appearances of conflicts of interest are prohibited, even if they do not harm the Company, unless they have gone through this process. The approval of a relationship or transaction hereunder or the determination in the manner set forth herein that an activity is not harmful to the Company or otherwise improper shall in no event be deemed a waiver of any provision of this Code of Conduct and Ethics.

Circumstances that may give rise to conflicts of interest are not always obvious. There are many areas of uncertainty, as well as conflicts, that arise despite the best intentions of an employee. To avoid potentially damaging effects on both the Company and the individuals, the Company asks employees to promptly disclose in writing to their supervisors any facts or circumstances that may involve, or appear to involve, a conflict of interest. Such disclosure can assist employees in resolving honest doubts as to the propriety of a particular course of conduct.

Circumstances which could involve conflicts of interest which should be avoided include, but are not limited to, the following: personal or family financial interests in a competitor or supplier; employment by, or the conduct of services for, a competitor in any capacity; placement of business in a firm owned or controlled by an employee or a family member; or giving or accepting of entertainment, gifts, payment, services or travel which have more than a nominal value from those seeking to do business with the Company.

While business courtesies are to be encouraged, employees and directors should not accept entertainment, gifts, payments, services or travel that may reasonably be deemed by others to affect their judgment or actions in the performance of their duties, or have the appearance of impropriety. Gifts or entertainment should never be used for the purpose of influencing or seeking to influence any state or federal government employee. Any request or solicitation of gifts to or from government employees should be reported immediately.

VI. Corporate Opportunities

Employees and directors are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position without the consent of an independent committee of the Board of Directors. No employee or director may use corporate property, information, or position for improper personal gain. Employees and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Sometimes the line between personal and corporate benefits is difficult to draw, and sometimes there are both personal and corporate benefits in certain activities. The only prudent course of conduct for our employees and directors is to make sure that any use of corporate property or services that is not solely for the benefit of the Company is approved beforehand by the Company's Corporate Director of Compliance or an independent committee of the Board of Directors. Any such approval shall in no event be deemed a waiver of any provision of this Code of Conduct and Ethics.

VII. Employees and Directors May Not Use Inside Information

Employees and directors may not use, either directly or indirectly, any information that they acquire during the course of their employment or affiliation with the Company that has not been publicly disclosed (“inside information”) for any purpose other than Company business. This information could be used for personal advantage in a number of ways. One way is associated with trading in Continucare Corporation’s securities, including, in some cases, the exercise of stock options.

Trading Continucare Corporation stock based upon material inside information, or providing or “tipping” others who trade on that information, is unethical, illegal and forbidden. All employees and directors must not disclose inside information to outsiders, either intentionally or inadvertently, under any circumstances, whether at meetings held as part of the business day or at informal after-hours discussions. The Company’s executive officers are responsible for all public external communications that pertain to the Company, its policies or practices, or its business activities. This includes any communication on behalf of the Company with the media, legislators, regulators (other than routine contact with regulators in the ordinary course of business), industry audiences, securities analysts, the public at large or any other person where there is a likelihood that the communication could be perceived as a public statement by the Company.

Even after information has been publicly disclosed through appropriate channels, a reasonable time should be allowed to pass before trading in Continucare Corporation stock, to allow for public dissemination and evaluation of the information. In addition, none of us should buy or sell securities in any other company about which we have material inside information obtained in the performance of our duties at the Company.

Because it may be difficult to determine whether the standards described above have been satisfied, to prevent inadvertent violation of the Company’s policy or of the securities laws, employees and directors must consult with the Company’s Chief Financial Officer or Chief Executive Officer prior to engaging in any transaction involving Continucare Corporation stock or stock options.

Employees and directors of the Company may also be subject to additional trading guidelines promulgated separately.

VIII. Preserving the Company’s Assets

Each employee and director has a responsibility to preserve the Company’s assets, including its property, equipment, resources and confidential information from theft, loss, damage, sabotage or misuse. Inherent in this responsibility is the duty not to misuse the assets of the Company. The use of Company assets or the use of the services of Company personnel for non-Company purposes is improper. The Company’s corporate names and logos are also Company assets subject to this policy. Letterhead, business cards and other business forms for the Company are only to be used by the Company’s officers and employees when conducting

business on behalf of the Company. Continucare Corporation letterhead and business cards may not be used to conduct the business of a subsidiary company.

IX. The Company's Proprietary Information Should be Safeguarded

In addition to preserving and not misusing the tangible assets and resources of the Company, each employee and director must also protect the Company's intellectual property. Such property includes knowledge, know-how, and the experience developed in the course of the Company's activities, including information related to marketing and sales techniques. Such information is a vital asset of the Company and essential to our continued success.

This information is highly confidential. It should be protected by all Company employees and not disclosed to outsiders. Its loss through inadvertent or improper disclosure could be harmful to the Company. Employees are required to sign agreements reminding them of their obligation not to disclose the Company's confidential information, both while they are employed and after they leave the Company.

The loyalty, integrity, and sound judgment of employees and directors both on and off the job are essential to the protection of the Company's proprietary information.

X. Protecting Personal Information

The Company maintains personnel and medical records, performance reviews and other confidential information concerning Company employees in the Human Resources Department for the use of management on a need-to-know basis only. Any such information will remain confidential, and will not be disclosed to any person or entity not employed by or affiliated with the Company without written authorization of the employee, except for third parties that maintain or prepare employment records or other employment-related services for the Company or as otherwise permitted by applicable law.

Protecting the privacy of the medical, financial and personal information we have about our patients is of paramount importance, and we take this responsibility very seriously. This information must be, and is, maintained in a manner that protects the privacy and confidentiality rights of our patients. The Company's Notice of Privacy Practices explains how the Company fulfills its obligations in this very important and sensitive area.

XI. Good Community Relations Should be Maintained

The Company seeks to be a good corporate citizen. The Company recognizes that constructive interaction with society and a positive relationship with host communities are important to business success. These goals are achieved by conducting business, whenever possible, so as to contribute to the overall economic vitality of the host community by operating our programs in accordance with applicable laws and by supporting and encouraging public policies that enhance the proper operation of the business and take into account legitimate employee and community interests.

XII. Accurate Financial Records Must be Maintained

It is the policy of the Company to maintain the integrity of its financial records and to assure that its financial statements fairly and accurately reflect the financial condition and results of operations of the Company. All funds and assets of the Company are to be recorded in its records of account and are not to be hidden. No false or artificial entries shall be made in the records of the Company for any reason, and no payment on behalf of the Company shall be approved or made with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the documents supporting the payment. Any person having knowledge of any such hidden funds or assets, of any false or artificial entries in the books and records of the Company, or of any such payments should promptly report that matter.

XIII. Accurate and Timely Disclosures will be Submitted

The Company is engaged in activities that are heavily regulated by various federal and state agencies. In addition, the Company is a reporting company under the Securities Exchange Act of 1934. As such, the Company must file periodic reports with government regulators, including the Securities and Exchange Commission ("SEC"). It is the policy of the Company that all documents and reports filed with, or submitted to the SEC, and all public communications made by the Company, shall contain full, fair, accurate, timely and understandable disclosure. All Company employees and directors are required to strive to ensure that all required filings and reports to federal and state governmental agencies are complete, accurate, understandable and on time. Employees and directors who complete information for inclusion in a report that will be submitted to a governmental agency must ensure the accuracy of the information and disclose any problems or questions in advance of the completion of the filing or report. Back-up documentation and other materials used in the preparation of a filing or report to a government agency must be retained for audit purposes. Government agencies typically reserve the right to audit the accuracy of Company filings and reports. The absence of back-up documentation may lead an agency to question or reject a filing or report. It may also lead to fines or other penalties.

XIV. The Bribery of Government Officials is Forbidden

The Company has a policy forbidding bribery of government officials in the conduct of its business. No employee or director may engage in bribery of any government official. The Company takes this position not only because such payment would be in violation of the law but also because of the Company's commitment to good government and the fair and impartial administration of the laws.

Bribery involves the offering or giving of anything of value to a government official because of any official act performed or to be performed and is a felony under United States law. In addition, most government agencies have strict standards which their employees must follow regarding the receipt of gifts, entertainment, meals, or other things of value.

XV. Commercial Bribery is Prohibited

The Company's success in the market is based on the value provided to its patients through the delivery of quality health care services. The Company does not seek to gain any improper advantage through the use of entertainment, meals, other business courtesies or gifts. Accordingly, their use under circumstances which might infer that favorable treatment is being sought must be avoided. It is imperative that when we meet with prospective business partners and other vendors, we exercise good judgment and moderation in providing business courtesies and offer them only when appropriate and in accordance with reasonable and lawful customs in the marketplace.

Company policy prohibits any employee, director, consultant or other agent acting on behalf of the Company from directly or indirectly engaging in commercial bribery. "Commercial bribery" deals with furnishing something of value to an agent, without the knowledge of the agent's principal, in the hope that the agent will influence the principal's commercial conduct. Engaging in commercial bribery is unlawful under the laws of the United States and the laws of a number of states.

XVI. Federal Corporate Political Contributions are Prohibited

As a corporation, the Company is prohibited by United States' law from contributing to candidates for federal office. Of course, this does not mean that employees and directors of the Company cannot contribute to candidates or otherwise take part in the political process. In fact, the Company encourages participation by employees and directors in public affairs and political activities. Each of us must recognize, however, that our participation must be on an individual basis, on our own time, and at our own expense. Under no circumstances will the Company provide reimbursement for contributions to the campaign of any candidate for federal, state, or local office or to a political party.

XVII. Competing Fairly and Complying with Antitrust Laws is Essential

It is the Company's policy to compete fairly and legitimately and to comply with antitrust and competition laws. The antitrust and competition laws apply to many aspects of business behavior, and those employees who have responsibility in areas of the business to which these laws apply must be aware of them and their implications.

The United States antitrust laws prohibit agreements and activities that may have the effect of reducing competition without providing counterbalancing benefits to consumers. Agreements and activities which are prohibited include: agreements with competitors to fix or control prices; agreements with competitors to allocate products, markets or territories; agreements to boycott certain customers or suppliers; agreements to refrain from or limit the manufacture, sale or production of any product or reciprocal purchase arrangements or tie-ins.

To ensure that the Company avoids these illegal agreements, it is the policy of the Company that there are to be no discussions or other contacts, direct or indirect, with competitors regarding fees charged by the Company or regarding other terms and conditions of patient

enrollment, the territories or markets in which medical services will be offered by the Company, persons or companies with whom the Company will not conduct business. Employees and representatives of the Company should be particularly sensitive to antitrust laws if they participate in conferences or other meetings where competitors are likely to be present. Likewise, Company employees should not seek information about competitors if such information is proprietary, nor should they seek to gain such information illegally or in a way that involves a breach of integrity or breach of any confidential or employment agreement. Employees must never misrepresent their identities when attempting to collect competitive information.

XVIII. Compliance with the Code of Conduct and Ethics

The Company strives to serve the overall interests of our patients, and our business partners, employees, directors, communities and shareholders. The Company believes that strict compliance by all employees and directors with this Code of Conduct and Ethics will best serve the interests of the Company and these constituencies. Accordingly, violations of the Code of Conduct and Ethics will not be tolerated and will result in penalties ranging from warnings and reprimands to discharges, as deemed appropriate by the Company. Willful disregard of criminal statutes underlying this Code of Conduct and Ethics may require the Company to refer such violation for criminal prosecution or civil action.

Each supervisor has the responsibility for employees, including agents, consultants, and other representatives of the Company under his or her direction to: (1) continually stress to all employees the need for a commitment to the principles of the Code of Conduct and Ethics; (2) ensure that their departments operate in accordance with the sound principles of business ethics; and (3) maintain a workplace environment that encourages open communication regarding the importance of operating under these principles and to reinforce the lines of communications available to employees to resolve concerns related to the Code of Conduct and Ethics.

Each employee and director is charged with the responsibility of familiarizing himself or herself with the Code of Conduct and Ethics and reporting each violation or potential violation of the Code of Conduct and Ethics of which he or she becomes aware. The Company strongly encourages employees to work with their supervisors on matters concerning the interpretation and application of the Code and in making reports. If any employee feels that he or she may not discuss a particular situation with his or her supervisor, such employee should feel free to discuss the matter with the Company's Corporate Director of Compliance, or any of the Company's executive officers or other senior management. If an employee is not satisfied with the actions taken or is uncomfortable in directly addressing any of those people, he or she may call the Company's Employee Hotline.

We wish to ensure each employee or director who reports a violation or potential violation of the Code of Conduct and Ethics that he or she will, to the extent practicable, remain anonymous. Under no circumstances will any employee be subject to any disciplinary or retaliatory action as a result of his or her good faith filing of a report of a violation or a potential violation. Concerns in this area should be reported to the head of human resources or to any executive officer. Fraudulent or bad faith reports of violations or potential violations will be

treated as a violation of this Code of Conduct and Ethics and will result in penalties ranging from warnings and reprimands to discharges, as deemed appropriate by the Company.

XIX. Waiver

There shall be no waiver of any part of this Code of Conduct and Ethics, except by a vote of the Board of Directors, or a designated committee thereof, which will ascertain whether a waiver is appropriate and whether it is accompanied by appropriate controls to protect the Company. If a waiver is granted for any of our directors or executive officers (including our Chief Executive Officer, Chief Financial Officer and chief accounting officer) the waiver will be posted on the Company's web site or disclosed as required by the SEC.

XX. Employee Hotline

It is expected that most questions or concerns regarding potential violations of this Code of Conduct and Ethics will be resolved through discussions with your supervisor, if applicable, or through the Company's Corporate Director of Compliance or the Company's executive officers or other senior management. However, any employee who still has a concern or question may call the Company's Employee Hotline at (800) 624-6502. All calls to the Employee Hotline will, to the extent possible, be kept confidential. However, you may leave the message anonymously, if you prefer.