



CODE OF ETHICS – PAGE 1

TABLE OF CONTENTS

- I. Leadership Letter
- II. Introduction
- III. Statement of Values
- IV. Rules of Conduct
- V. Conflicts of Interest
- VI. Enforcement
- VII. Additional Code of Ethics for Senior Financial Officers
- VIII. Further Information



CODE OF ETHICS – PAGE 2

I. Leadership Letter

Spherix is committed to upholding high ethical standards in all its operations, adhering to the basic principles of honesty, fairness, and respect. The Company values the contributions of all its Employees, Managers, Directors, Officers, and Board Members (“Team Members”) and vows to treat each individual fairly and with respect. In return, Spherix asks that each Team Member make a conscious commitment to uphold the standards outlined in this Code of Ethics. The ability of our Company as a whole to live up to the standards outlined in this document is directly dependent on the day-to-day actions of each Team Member. In our roles as representatives of Spherix, we must consider how our actions impact upon and affect the integrity and credibility of the Corporation.

Respect for the differences in backgrounds, experiences, and talents of each Spherix Team Member is mandatory. The Company will not tolerate discrimination or harassment of any sort. Spherix recruits, hires, upgrades, trains, and promotes individuals without regard to race, color, religion, sex, national origin, age, disability or veteran status.

Each Team Member must accept responsibility for creating and maintaining a harmonious and safe working environment. Part of this responsibility will be following the Company’s Rules of Conduct detailed later in this Code of Ethics. Resolving problems in a productive manner and working together efficiently as a team are ongoing goals we must all strive to achieve. We must ensure that our ideas and concerns are communicated in an honest and constructive manner and must also be willingly to accept constructive criticism from other Team Members.

As CEO of Spherix, I am committed to supporting the obligation our Company has to conduct business in an honest and ethical manner. I ask that each of you read this document and make a personal commitment to abide by it.

Sincerely,

A handwritten signature in black ink that reads 'Thomas W. Gantt'. The signature is written in a cursive style with a large, sweeping 'T' and 'G'.

Thomas W. Gantt
Chief Executive Officer



CODE OF ETHICS – PAGE 3

II. Introduction

Spherix will continually strive to conduct its business honestly and ethically. We will constantly attempt to improve the quality of our services, products and operations. Our ultimate goal is to always maintain a reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgment. No illegal or unethical conduct on the part of any Team Member will be tolerated. Spherix will not compromise its principles for short-term advantages. The ethical performance of this Company is the sum of the ethics of our Team Members. Thus, we are all expected to adhere to high standards of personal integrity.

Team Members must never permit their personal interests to conflict, or even appear to conflict, with the interests of the Company, its clients or affiliates. Team Members must avoid using their Company contacts to advance their private business or personal interests at the expense of the Company, its clients or affiliates.

No bribes, kickbacks or other similar remuneration or consideration shall be given to any person or organization in order to attract or influence business activity. Team Members will not accept gifts, gratuities, fees, bonuses, or excessive entertainment, in order to attract or influence business activity.

Team Members will often come into contact with, or have possession of, proprietary, confidential or business-sensitive information and must take all appropriate steps to assure that the confidentiality of such information is maintained. This information—whether it belongs to our Company or any of our clients or affiliates—may include strategic business plans, operating results, marketing strategies, customer lists, personnel records, upcoming acquisitions and divestitures, new investments, or manufacturing costs, processes and methods. Proprietary, confidential and sensitive business information about our Company, other companies, individuals, and entities must be treated with sensitivity and discretion and will only be disseminated on a need-to-know basis.

All business transactions must be accurately and completely accounted for and reported in the books and records of Spherix. Team Members will refrain from gathering competitor intelligence by improper or illegal means and will not take action on any knowledge gained in such a manner.

Team Members must obey all applicable Equal Employment Opportunity laws and act with respect and responsibility towards others in all of their dealings.

III. Statement of Values

Spherix's basic philosophy in dealing with its investors, employees, clients, the Government, and the general public is described below.

Management is dedicated to providing a good investment for its shareholders in a legal, responsible, and ethical manner through providing socially beneficial services and products for its clients and the public. The Company adheres rigorously to the highest ethical standards of business conduct.



CODE OF ETHICS – PAGE 4

A. Investors

Along with its obligation to earn an attractive rate of return for investors, Spherix recognizes the further obligation to its shareholders to keep them informed in full accord with securities laws and regulations about aspects of the Corporation's business that are important to their investment decisions and the protection of that investment.

B. Employees

Spherix recognizes the individuality and quality of its employees and its obligation to promote their personal fulfillment and well-being. Employees will be selected for employment, promotion, and salary increases on the basis of Company needs, their ability to perform the work, and in accordance with the Company's Equal Employment Opportunity Policy. The Company recognizes its obligation for honest performance evaluation and openness in dealing with its employees. It will inform employees about Corporate matters of general interest and particularly those that affect them individually.

C. Clients

Spherix will deal fairly and equitably with its clients. Spherix's policy is to offer its clients quality products and services at reasonable prices. The Company assigns a high priority to prompt, efficient, courteous service to its clients and responsiveness to their needs. Spherix will maintain the confidentiality of each client's proprietary information.

D. Suppliers and Consultants

Spherix will purchase goods and services exclusively on the basis of cost, quality, reliability, and terms of delivery and service, from ethical sources only.

E. Public

Spherix recognizes that it has obligations to the public in addition to its other obligations to its shareholders, employees, customers, and suppliers. Spherix will conduct its business in an open, forthright, ethical manner that is compatible with the public's needs.

F. Government

Spherix's business will be conducted in strict observance of both the letter and spirit of all applicable laws and regulations of the United States and other countries in which it operates. Where the law is unclear or conflicting, Spherix's business will be conducted in such a manner that the firm would be proud to have the full facts disclosed. Spherix will deal in an open, forthright manner with local, state, and national governments.

Spherix will not use corporate funds for political contributions nor provide elected members, officials, or employees of any government with entertainment, gifts, gratuities, or anything of value through the use of corporate funds, services, or facilities when any such activity violates applicable laws or regulations.



CODE OF ETHICS – PAGE 5

IV. Rules of Conduct

There are certain standards of common honesty and decent human behavior that are an integral part of good citizenship and respect for the rights of others. Most people follow these standards, and Spherix is particularly proud of its record in this regard. For those few exceptions found in any large group of people, however, we find it necessary to list the specific instances of misconduct constituting grounds for termination.

The following list is by no means exhaustive of all the rules that govern our workplace. While it is the intent of the Company to allow the opportunity to correct unsatisfactory behavior or work performance, the following acts of misconduct are illustrative of those so disruptive to the safety and operating effectiveness of the Company and our employees that they are grounds for immediate dismissal:

- Theft of any property on Company premises, or theft of Company property at any time or place.
- Possession or use of any intoxicant, narcotic, or illicit drug on Company premises on Company time or on Company business.
- Illegal possession of firearms or other dangerous weapons on Company premises or on Company business.
- Falsification of any report or Company record, including, but not limited to, employment application information, time sheets (your own or that of another employee), work production records, accident reports, etc.
- Willful abuse or deliberate destruction of Company property, tools, equipment, or any property on Company premises at any time.
- Fighting, injuring, threatening, or manhandling another employee while on the Company's premises.
- Gross insubordination to your supervisor or other members of Management.
- Misuse or removal from Company premises, without proper authorization, of any Company property, or possession of any property removed from Company premises without proper authorization.
- Any conduct contrary to common decency or morality or liable to incite, provoke, or discriminate against anyone because of race, color, sex, age, religion, or national origin.
- Inappropriate or personal use of company equipment.



CODE OF ETHICS – PAGE 6

V. Conflicts of Interest

A conflict of interest occurs when private interests interfere in any way, or even appear to interfere, with the interests of Spherix. Such situations can occur by taking on outside work or making financial investments that interfere with the ability to perform assigned duties objectively and effectively. Conflicts of interest can also arise by accepting personal, unearned benefits as a result of our position in the Company.

A. Outside Activities

Team Members are prohibited from working as an employee or consultant of, or serving as a Director or Officer of, any organization that competes with our Company. In the event that a Team Member starts his or her own outside business, or takes another position with an outside company, it is the responsibility of the Team Member to ensure that this outside work does not conflict with the interests of Spherix. In order to prevent any conflict of interest, Team Members must advise the Company before commencing any outside business activity. The following guidelines must be observed:

- No outside activities shall be performed on Spherix's time.
- Customers or colleagues from your outside business activities must not contact you at Spherix.
- Spherix information, contacts, equipment, and supplies may not be used for any outside business activities.
- You will not promote, or attempt to sell, your outside activities to other Spherix Team Members during working hours.

B. Gifts and Entertainment

Business gifts and entertainment are courtesies designed to build understanding and goodwill among business associates. A conflict occurs when these items compromise, or even appear to compromise, the ability to make objective and fair business decisions. Because of this, Spherix Team Members are asked not to give or receive gifts or gratuities, with the exception of promotional items of limited value such as pens, mugs, calendars, etc. that bear the Company's name. In general, business entertainment in the form of meals and beverages is acceptable, so long as it is infrequent and reciprocal. If there is any uncertainty on your part, consult with Management or the HR Department.

C. Bribes and Kickbacks

Under no circumstances is it acceptable to give, solicit, or receive any form of bribe, kickback or inducement. These actions may be considered criminal acts that may be legally prosecuted.



CODE OF ETHICS – PAGE 7

D. Investment/Securities Trading

Team Members are not permitted to invest in, directly or indirectly, a competitor of Spherix, a client of Spherix, or a supplier of goods to Spherix. The only exception to this rule is in the case of publicly traded shares of an outside organization as long as the investment does not exceed 5 percent of the issued shares.

Insider trading is defined as using confidential material information about Spherix, its affiliates, clients, customers, or suppliers, to obtain an unfair advantage in the buying or selling of shares or other securities. Material information is defined as information which, if publicly disclosed, would reasonably be expected to influence the decision of an investor to buy, hold, or dispose of securities of the Company. Insider trading is both unethical and illegal. Any Team Member engaging in such activity will be subject to immediate termination and possible prosecution.

The following guidelines should be followed in dealing with inside information:

- Until material information has been publicly released by the Company, Team Members must not disclose it to anyone except those within the Company whose positions require use of that information.
- Team Members may not buy or sell the Company's securities when they have knowledge of material information concerning the Company until it has been disclosed to the public and the public has had sufficient time to absorb the information.
- Any misuse of material inside information in connection with trading in the Company's securities can expose an individual to civil lawsuits and penalties under the Securities Exchange Act. Under this Act, Team Members in possession of material information not available to the public are "insiders." Spouses, friends, suppliers, brokers, and others outside the Company who may have acquired such information directly or indirectly from a Team Member are also considered "insiders." The Act prohibits insiders from trading in, or recommending the sale or purchase of, the Company's securities while such inside information is regarded as "material", or if it is important enough to influence you or any other person in the purchase or sale of securities of any company with which we do business, which could be affected by the inside information.

E. Family and Friends

This conflict of interest guideline is not intended to unnecessarily interfere with your family or personal life; however, certain situations involving family members and personal friends may constitute a conflict of interest for Team Members. For example, the "Gifts and Entertainment" guidelines outlined in Section V.B. above also apply to the Team Member's family and personal friends.

If a family member or personal friend works for, or has a substantial interest in, a client or supplier of Spherix, the Team Member must not use this contact to influence the bidding processes or negotiations in any way.



CODE OF ETHICS – PAGE 8

If a family member or personal friend works for, or has a substantial interest in, a competitor, you must inform the Company of the situation and discuss any possible problems or conflicts with Management.

If a family member or personal friend also works for Spherix, or desires to work for Spherix, you may not use your position to influence the hiring, work assignments, evaluations, or promotions of this individual.

VI. Enforcement

Team Members who have evidence of any breaches of this Code of Ethics are encouraged and expected to report them to their supervisor, a member of the Board of Directors, or a member of the Audit Committee. Such reports will be investigated. It is unlawful and against Company policy to institute reprisal or recrimination against Team Members for reporting such concerns.

If you have any doubt about whether any conduct meets the ethical standards set forth herein, please discuss it with Management or the HR Department immediately.

Breaches of this Code of Ethics will subject the Team Members to disciplinary action, which may include termination of employment or other status, fines and/or possible criminal prosecution. The degree of discipline imposed may be influenced by voluntary disclosure of the breach.

Any waiver of this Code of Ethics for Directors or Executive Officers must be approved by the Board of Directors.

VII. Additional Code of Ethics for Senior Financial Officers

A. Introduction

This Code of Ethics for Senior Financial Officers has been adopted by the Board of Directors of Spherix Incorporated to promote honest and ethical conduct, proper disclosure of financial information in the Corporation's periodic reports, and compliance with applicable laws, rules, and regulations by the Corporation's senior officers who have financial responsibilities.

B. Applicability

As used in this Code, the term Senior Financial Officer means the Corporation's Chief Executive Officer, Chief Financial Officer and Controller.

C. Principles and Practices

In performing his or her duties, each of the Senior Financial Officers must:

- (1) maintain high standards of honest and ethical conduct and avoid any actual or apparent conflict of interest as defined in the Corporation's Code of Ethics;



CODE OF ETHICS – PAGE 9

- (2) report to the Audit Committee of the Board of Directors any conflict of interest that may arise and any material transaction or relationship that reasonably could be expected to give rise to a conflict;
- (3) provide, or cause to be provided, full, fair, accurate, timely, and understandable disclosure in reports and documents that the Corporation files with or submits to the Securities and Exchange Commission and in other public communications;
- (4) comply and take all reasonable actions to cause others to comply with applicable governmental laws, rules, and regulations; and
- (5) promptly report violations of this Code to the Audit Committee.

Senior Financial Officers must also comply with the Code of Ethics applicable to the Corporation's Directors, Officers, and employees generally.

D. Waiver

Any request for a waiver of any provision of this Code must be in writing and addressed to the Audit Committee. Any waiver of this Code will be disclosed promptly on Form 8-K or any other means approved by the Securities and Exchange Commission.

E. Compliance and Accountability

The Audit Committee will assess compliance with this Code, report material violations to the Board of Directors, and recommend to the Board appropriate action.

VIII. Further Information

Any Team Member needing guidance or further information about this Code of Ethics should discuss the matter with Management or the HR Department.

Recommended for approval by the Audit Committee of the Board of Directors on February 17, 2004. Approved unanimously by the Board of Directors on February 17, 2004.