

CODE OF ETHICS

This Code of Ethics of Escalon Medical Corp. (the “Company”) applies to the Company’s Chief Executive Officer and all personnel of the Company and its subsidiaries serving in a finance, accounting, tax or investor relations role, including but not limited to the Company’s Principal Directors, Chief Accounting Officer, Treasurer and Controller (each a “Covered Person”). The Covered Persons hold important roles in corporate governance and fulfill their responsibilities by prescribing and enforcing policies and procedures designed to promote ethical conduct and compliance with applicable laws and regulations. The Company also expects all of its employees to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities, to comply with all applicable laws, rules and regulations, to deter wrongdoing and abide by other policies and procedures adopted by the Company that govern the conduct of its employees.

Each Covered Person has the obligation to:

- (a) engage in and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) produce full, fair, accurate, timely and understandable disclosure in reports and documents that the Company or its subsidiaries files with, or submits to, the Securities and Exchange Commission and other regulators and in other public communications made by the Company or its subsidiaries;
- (c) comply with applicable governmental laws, rules and regulations, as well as the rules and regulations of the Nasdaq Stock Market; and
- (d) promptly report any possible violation of this Code of Ethics to the VP of Corporate & Legal Affairs or the audit committee or any of the persons designated from time to time by the Company’s Board of Directors for such purposes.

Each Covered Person is prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate or mislead the Company or its subsidiaries’ Independent public accountants for the purpose of rendering the financial statements of the Company or its subsidiaries misleading.

Each Covered Person will be held accountable for his or her adherence to this Code of Ethics. Failure to observe the terms of this Code of Ethics may result in disciplinary action, up to and including termination of employment. Violations of this Code of Ethics may also constitute violations of law and may result in civil and criminal

Penalties for the Covered Person, his or her supervisors and/or the Company.
Reporting any possible violation of the Code of Ethics may be made anonymously.
Questions regarding the best course of action in a particular situation should promptly be directed to VP of Corporate & Legal Affairs or the audit committee.

Adopted By the Board of Directors May 11, 2004.

