



Principles of Business Conduct and Code of Ethics

Building Trust

Each day, as a value-added distributor serving the dental, companion-pet veterinarian and rehabilitation supply markets, Patterson provides customers with the finest service available and the broadest selection of products. Our objective is to meet the individual needs of each customer. The manner in which we conduct our business and how we treat others directly affects the operation, efficiency, profitability and reputation of our Company.

Our Values

At Patterson, our core values guide us every day.

- Partnership – creating a partnership with our employees, customers and suppliers
- Integrity – maintaining trust and loyalty through straightforward honesty and reliability
- Insight – applying our experience and knowledge
- Communication – fostering open dialogues that build relationships
- Forward-thinking – leaving our mark through innovative, intelligent ideas
- Respect – valuing the relationships with our colleagues and customers

Conducting Business

Patterson conducts business on a worldwide basis. We reflect and respect the diversity of cultures throughout the world and strive to conduct business in a culturally appropriate manner. Employees of Patterson will comply with Patterson policies, the ethical standards and legal requirements of each country in which business is conducted, as well as United States laws that apply in other countries. Every employee is responsible for conducting business in a non-discriminatory manner free from harassment.

Asking for Guidance and Raising Concerns

The following guidelines represent standards of conduct that every employee is expected to follow. If you are in a situation that is not specifically described here, or if for any reason you feel uncertain about something you intend to do while conducting business on behalf of Patterson, many other resources are available to you:

- Your manager, region manager or division head.
- Human Resources may be reached at 866-234-2165.
- The Ethics Hotline is available at 877-888-0040.

No one will be retaliated against for raising a question or voicing a concern in good faith.

Representing Patterson

Our Communities

Giving back to our communities is a part of our culture. Each year, Patterson responds to requests from non-profit organizations to provide resources to programs and organizations that make a distinct contribution to enhance quality of life and create social and economic value for our communities, primarily in our market areas. Requests for contributions, including in-kind, corporate or cash donations, should be directed to your manager or to Corporate Giving at 651-686-1614.

In addition, many employees share their time, talents and resources through civil, political and public affairs activities in their communities. Most volunteer activities take place outside of business hours. Employees who wish to use Company time or resources for volunteer activities must obtain prior approval from their managers. Patterson does not compensate or reimburse employees for political contributions.

Acting Within Authority

In representing Patterson and acting on Patterson's behalf, you are responsible for ensuring that you are acting within the scope of authority that Patterson has granted to you, based upon your job responsibilities. If you have any questions about your authority, contact your manager. Employees are not permitted to use their positions at Patterson to advocate non-Company interests.

Avoiding Conflicts of Interest

A conflict of interest exists where one or both parties in a relationship receive or give unfair advantage or preferential treatment because of the relationship. Following are a few examples of situations that might constitute a conflict of interest. The perception of a conflict may be as damaging as an actual conflict of interest, so if you are not sure whether a particular situation conflicts with your job performance or Patterson's interests, contact your supervisor. Most potential conflicts are readily resolved, and it is always best to raise your concern.

- Any situation where the employee may obtain personal gain or potential personal gain or which may serve as a detriment to Patterson, either monetarily or to its public image because of the use of information or personal contact usually not attainable except through employment with Patterson.
- Any outside activity by any employee that may be viewed as competing with the products or services usually offered by Patterson.
- Any outside activity that may interfere with the operations of Patterson or the employee's loyalty to Patterson.
- Accepting outside compensation for work, which is already being paid for by Patterson, or accepting outside employment that interferes in any way with the employee's job at Patterson. Employees who hold licenses to perform services (including, for example, real estate licenses) must notify their manager in order to avoid any potential conflicts of interest.
- Deriving personal gain, directly or indirectly, from purchases made by Patterson or from other transactions to which Patterson is a party.

- Soliciting, giving or receiving gifts of money, merchandise, services, travel or unusual entertainment in connection with Patterson-related business relationships. This includes vendor “spiffs” but is not intended to restrict gifts of “token” or insignificant value or usual business meals and entertainment.
- Disclosing or using information of a prior employer or other party in a manner which violates any agreement with or rights of such previous employer or other party.
- Owning, directly or indirectly, financial interests in suppliers or competitors except for publicly traded securities where employee’s percentage of ownership is less than 1%.
- Borrowing money from or loaning money to, a supplier or competitor. Obtaining personal and mortgage loans from banks and other financial institutions is usually permitted.
- Becoming a director, officer, employee or consultant of a supplier or competitor, or receiving income from these sources. Outside directorships may be permitted in some situations, but only with the approval of an officer of the Company.
- Using confidential Patterson information, directly or indirectly, to buy securities of a company with which Patterson is conducting acquisition negotiations; or buying or selling securities while Patterson is buying or selling the same securities or buying or selling real estate or mineral interests in the same vicinity as Patterson.

Complying with Laws

Each of us must act within the letter and spirit of the laws and regulations affecting our business. In the course of their employment with Patterson, employees may have frequent business dealings with suppliers, customers and competitors. Patterson expects its employees to observe and comply with all federal, state and local laws and regulations in the course and scope of their employment. Each employee is expected to cooperate with Patterson regarding any legal compliance programs maintained by Patterson.

Anti-Bribery

Certain activities – such as providing gifts, political contributions, entertainment, and travel-related benefits or facilitating payments – can violate anti-bribery laws around the world. Patterson may also be liable under some circumstances for bribes or attempted bribes made or offered by third-party business associates with whom Patterson does business or for the prior acts and omissions of businesses that Patterson acquires.

Patterson prohibits:

- (i) Bribing another person – offering, promising or giving a financial advantage, or other advantage, to another person to bring about, or as a reward for, improper performance of their function or activity;
- (ii) Accepting a bribe – requesting or agreeing to receive a financial or other advantage in return for improper performance of your function or activity;
- (iii) Bribing a foreign public official – any attempt to influence an official in their capacity as a foreign public official; and

(iv) Failing to prevent bribery – failing to speak up if something inconsistent with this policy occurs.

A “bribe” is the direct or indirect offer, authorization, gift or promise to give anything of value to a government official or other person, with the intent to obtain or retain business or gain any improper advantage, or something to which Patterson is not clearly entitled, such as a price increase approval, improper influence on a decision to purchase product at a government institution or commercial business, contract award, grant of operating permits, product use/registration approval, favorable court decision, or tax dispute settlement.

The U.S. Foreign Corrupt Practices Act prohibits bribery of government officials, and the U.K. Bribery Act prohibits all bribery, of both government officials and private individuals, and includes facilitation payments in its prohibitions. Patterson’s policy prohibits all forms of bribery to be consistent with both laws.

Patterson requires that its employees:

- Not engage in acts or omissions that offer, authorize or give anyone a bribe, or create that impression that a bribe has been offered, authorized or given;
- Take affirmative steps to prevent those doing business directly or indirectly before a government official, or in any commercial context, on Patterson’s behalf, from engaging in bribery;
- Always follow Patterson’s internal approval, financial reporting, and document retention requirements;
- Carefully scrutinize activities of acquisition targets to identify and address potential bribery issues;
- Not make or authorize “grease” or facilitating payments, which are typically small, infrequent payments made solely to speed up non-discretionary actions (e.g., getting electrical power turned on or phones installed);
- Comply with all record-keeping requirements and financial controls and avoid making any incomplete, false or inaccurate entries on Patterson’s books and records to enable Patterson to demonstrate its compliance with anti-bribery laws; and
- Promptly report any suspected violations of the policy by Company employees or others doing business on Patterson’s behalf.

Patterson monitors and audits its businesses as appropriate for potential bribery activities and risks and to ensure that accounting books and records are being maintained in accordance with this policy.

Patterson believes that corporate hospitality, when used correctly, can be an outstanding way of strengthening business networks and developing relationships with key stakeholders, such as suppliers, customers and contractors. Therefore, when allowable, Patterson has and will continue to provide hospitality as part of its commercial development programs. Employees are expected to ensure that any hospitality given is not prohibited by local laws or regulations, proportionate to the commercial relationship and is not used in any way to incentivize individual actions or events.

The giving of corporate gifts for specific occasions, such as holidays or special occasions, is not prohibited, provided any such gift is proportionate to the commercial relationship, not made or offered in return for any specific act, is allowable under local laws and regulations and is approved by an appropriate supervisor.

Likewise, Patterson does not prohibit employees from accepting hospitality or corporate gifts, provided they are proportionate to the commercial relationship, not accepted in return for specific acts, and approved by the recipient's supervisor. Patterson's general practice is to pool corporate gifts and dispose of them through staff raffles, donating the proceeds to charity. By exception and with supervisor approval, employees may keep small gifts for themselves. Employees are not allowed to accept hospitality or gifts if offered or made in return for any specific act.

Marketing to Healthcare Professionals

Interactions between medical device and pharmaceutical manufacturers and distributors and healthcare providers are increasingly regulated. Patterson's policies regarding such interactions are contained in Marketing and Sales Codes of Conduct specific to each of its businesses and employees with marketing and sales responsibilities are responsible for ensuring they are familiar with those policies as applicable to their respective business.

Your Privacy

Patterson recognizes the confidential nature of information that employees share with us as an employer, and handles such information with care. As a general practice, Patterson discloses such information on a need-to-know basis only.

At the same time, employees cannot expect privacy rights to extend to work-related conduct or the use of Patterson property. Employees are advised that they do not have a personal privacy right in any Patterson property or in any matter created, received or sent via Patterson communication systems, in accordance with applicable law.

Safeguarding Patterson Assets

During the course of your employment with Patterson, you will gain knowledge and information that belongs to Patterson. You will have access to Patterson property, including Company-owned communication systems; parts, tools, supplies and equipment; vehicles; files, data and information; employee work products; and money. Patterson property is to be used for business purposes in serving customer needs and conducting normal business operations. All Patterson policies apply to the use of Patterson property.

Patterson Ownership of Employee Work Products

Work created during the course of employment or while using Company information, equipment or other property belongs to Patterson, in accordance with applicable law.

Employees' work products, such as paperwork, computer files, products, customers' files or lists, and customer interaction, belong to the Company and are subject to Company review.

Company Property

Company property includes, but is not limited to, Company-owned electronic resources and communication systems; parts, tools, supplies, workstations, lockers and equipment; vehicles; files; data and information; employee work products and money.

Company property is to be used for business purposes in serving customer needs and conducting normal business operations. Company property cannot be used to conduct illegal activities or in the commission of any crime, including but not limited to stalking, abusing, harassing or threatening another individual. Use of Company property to create, send, or receive messages, pictures or computer files which are fraudulent, illegal, pornographic, obscene, sexually suggestive, insulting, sexist, racist, discriminatory or harassing is prohibited. If you receive such material, notify your manager.

Company-Owned Vehicles

The Company provides Company-owned vehicles to designated employees for business-related use. Employees are not authorized to use Company-owned vehicles for personal use. The Company is not responsible for personal items left in Company-owned vehicles. The Company will determine what decals and other markings must be displayed on Company-owned vehicles. Only Company-approved decals, bumper stickers or other markings may appear on Company-owned vehicles.

Return of Company Property

Employees are required to return Company property at the request of management or immediately upon termination of employment.

Confidential and Proprietary Information

Confidential and proprietary information includes, without limitation, any information not generally known about Patterson's business, such as customer, prospective customer and supplier data and lists, financial data, sales data, materials developed for in-house use, administrative and manufacturing processes, business systems and future plans, pricing strategies and lists, trade secrets and other information concerning Patterson's business affairs or operating practices.

Protecting Confidential and Proprietary Patterson Information

Employees who have contact with and access to confidential and proprietary information concerning Patterson and its products or services and not generally known by persons outside Patterson must take precautions to keep such information confidential. Confidential information shall not be stored on employee-owned electronic devices. Confidential information should never be sent to external parties not authorized to receive such information, or to Patterson employees who have no authorized business reason for such information. Unauthorized disclosure could jeopardize the value of the information to Patterson and give unfair advantage to others. Responsibility to keep information confidential continues even after employment with Patterson ends.

Guidelines:

- Confidential information must never be discussed, released, removed from Patterson premises, copied, transmitted or in any other way used by employees for any purpose outside the scope of their Patterson employment or revealed to non-Patterson persons without the written authorization from your manager.
- Employees must not release any information about Patterson or its activities to members of the press. If you receive an inquiry from the press, a government agency or other organization, refer it immediately to your manager.

Protecting Confidential Customer Information

Employees who have contact with and access to confidential customer information, including information relating to patients, must take precautions to keep such information confidential. Employees must use and disclose customer and patient information only as necessary to service a customer and in accordance with applicable law.

Employees who have access to payment card information must take appropriate steps to comply with applicable Company policy and laws and regulations. Payment card information must never be stored on an unsecured computer, such as cellular phones and laptops, and should not be included in email or facsimile transmissions. Employees must properly dispose of payment card information on paper documents.

Confidential customer information, including but not limited to information related to patients, shall not be stored on employee-owned electronic devices.

Employees must receive approval from management prior to engaging in remote access of customer information and/or systems.

Securities

As a publicly traded company, Patterson complies with United States Securities law and the requirements of both the Securities and Exchange Commission (SEC) and NASDAQ, as well as applicable laws and regulations of other jurisdictions.

Reporting Our Performance

Patterson is committed to accurate and timely disclosure of information as set forth by the United States securities laws. As a public company, Patterson submits quarterly financial reports in accordance with United States generally accepted accounting principles. No willful or knowingly false or misleading statement or omission will be made in any disclosure, report or registration statement filed with the SEC.

Material Nonpublic Information and Securities Trading

To protect the shareholders of Patterson and to promote confidence in the capital markets in general, securities legislation and Patterson policy prohibit persons who have access to material undisclosed information about Patterson from trading in Patterson securities or informing others of that information before it has been generally disclosed to the public. Information about applicable laws in your work location is available by contacting your manager, region manager, division head or Human Resources. You may contact Human Resources at 866-234-2165. You may also contact the Ethics Hotline at 877-888-0040.

Employees, members of their immediate families, members of their household and companies controlled by such persons (herein collectively referred to as “insiders”) may not buy or sell Patterson securities with the knowledge of a material fact or material change with respect to Patterson that has not been generally disclosed. This is referred to as “insider trading.”

In addition, no Patterson insider may inform, other than in the necessary course of business, another person or company of a material fact or material change with respect to Patterson before it has been generally disclosed. This is referred to as “tipping.”

A “material fact” with respect to Patterson is a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of its securities.

A “material change” with respect to Patterson means a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of its securities (and includes a decision to implement such a change made by the directors or made by senior management who believe that confirmation of the decision by the directors is probable).

The following are some examples of information that could be regarded as a material fact or material change:

- Earnings releases or projections of future earnings or losses;
- Lawsuits;
- News of a pending or proposed merger, acquisition, tender offer, take-over bid or other significant transaction (and, in certain circumstances, the fact of negotiations with respect such matters);
- News of a significant sale of assets or the disposition of a subsidiary;
- Stock splits or changes in dividend policies;
- The offering of additional securities;
- Changes in management;
- Significant new discoveries and products or significant product defects or modifications;
- Significant product or service pricing changes;
- Impending bankruptcy or financial liquidity problems; or
- The gain or loss of a substantial customer, supplier, joint venture or other contractual relationship.

Either positive or negative information may be material.

In addition, insiders may not engage in any of the following activities with respect to Patterson securities:

- Short sales; or
- Buying or selling put options or call options relating to Patterson securities.

Generally, no trading should be initiated until the third trading day after the information has appeared on the “broad tape,” in a news dissemination service, the Wall Street Journal, the Globe and Mail or another widely read business publication, or four trading days after a narrower dissemination.

Consequences of Non-Compliance

Employees who violate this policy, including engaging in insider trading or tipping, shall be subject to disciplinary measures up to and including termination from employment. In addition, violations of this policy may result in criminal and civil liability for you and Patterson.

Communication of Material Information

Employees should take the following steps in order to reduce the possibility of undisclosed material facts or material changes being misused by insiders:

- Restrict access to material undisclosed information. Employees and other insiders should restrict access to sensitive information that could constitute a material fact or a material change. Ensure the physical security of confidential documents and files, in order to limit the possibility of the transmission of such information prior to its public disclosure.
- Communications in the necessary course of business. Employees and other insiders who disclose material information to third parties may do so only when such disclosure is in the necessary course of Patterson’s business. Prior to communicating any material undisclosed information to third parties, employees should contact their manager or Patterson’s general counsel, as certain protocols must be followed. Such protocols may include entering into a confidentiality agreement with the third party.
- Communications in the ordinary course of business. Employees and other insiders should avoid communicating any information that is not part of Patterson’s public record to third parties. Patterson’s public record includes such things as press releases that have been previously disseminated, material change reports that have been filed and financial statements and proxy solicitation materials that have been filed and sent to Patterson shareholders. Prior to communicating any information that is not part of Patterson’s public record to third parties, employees should contact their manager or Patterson’s general counsel.
- Communications with analysts, media and members of the investment community. Employees should direct any questions from securities analysts or the media to their manager or Investor Relations at the Corporate Office. For further information and guidance, contact your manager.

Competing Ethically

Patterson fully complies with the antitrust laws and fair trade practices of the United States and all other applicable jurisdictions.

It is impossible to define every situation in which applicable competition laws may come into play. However, the following additional specific guidelines should be observed by all employees.

- Never discuss pricing policy with competitors.
- Never discuss or imply that Patterson would divide a market with a competitor or respect a competitor's territory as "off limits" to Patterson.
- Never engage in a joint selling activity with a competitor.
- Never ask a vendor to cease doing business with a competitor. All communications with vendors, other than routine business transactions in the normal course and scope of an employee's job, should be made through the Marketing Department at the Corporate Office.
- Avoid even the appearance of improper or collusive conduct when meeting with competitors or vendors at trade shows or trade association meetings.
- Do not disparage a competitor's or vendor's products or services, even if Patterson does not carry that vendor's product line.
- Never quote a price to a customer unless Patterson is prepared to sell the product at the quoted price.

Seek guidance from your manager whenever questions arise related to competitive practices, or if you are uncertain as to whether a particular action or practice may violate the antitrust laws of the jurisdiction in which you work. Information is available from your manager or the Human Resources Department for specific locations.