



Code of Ethics

This Code of Ethics replaces and supercedes any previous version and is dated April 1, 2008.

**PSS WORLD MEDICAL
CODE OF ETHICS
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PSS WORLD MEDICAL CODE OF ETHICS

Purpose

This *Code of Ethics* is part of PSS World Medical's Compliance Program, which has been adopted by the Board of Directors (the "Board") of PSS World Medical, Inc. (or the "Company") to provide standards by which Directors, Officers and Employees of the Company conduct themselves in order to detect and deter wrongdoing, protect and promote Company-wide integrity, and enhance our ability to achieve the Company's mission.

As used in this *Code of Ethics* (the "Code"), the terms "Company" and "PSS World Medical" mean PSS World Medical, Inc. and each of its subsidiaries, divisions or departments. The term "Officer" includes any person who fills such a role or provides services on behalf of PSS World Medical or any of its divisions as a Level 1 through 5 Officer, which includes the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Accounting Officer (CAO). The term "Executive Officer" means any Officer of the Company who has been designated as an Executive Officer by the Company for the reporting purposes of Section 16 of the Securities Exchange Act of 1934, as amended. The term "Director" means a duly elected or appointed member of the Company's Board of Directors. The term "Employee" means any full or part-time employee of the Company.

The *Code* contains *Principles* articulating the policy of the Company and *Standards*, which are intended to provide additional guidance to Directors, Officers and Employees. The *Principles* and *Standards* set forth in this *Code* will be distributed annually to all Directors and Officers, and made available to all Employees of PSS World Medical at www.pssd.com, and through our online course called *Doing the Right Thing*. Each Director, Officer, and Employee shall conduct himself or herself in a manner consistent with the *Code*. Annually, each Officer will be required to sign the *Code of Ethics Certification*, which states that they have received and read the *Code*, agree to abide by the *Code*, and have had an opportunity to ask questions regarding compliance with the *Code*.

The Compliance Officer is a high-level employee of PSS World Medical who is the focal point for the compliance activities of the Company. The Compliance Officer's primary functions involve planning, implementing, and monitoring the Compliance Program in the fashion directed by the Board of Directors in the resolution dated December 4, 2001. Andy Woods currently occupies this position. He may be reached by phone at 904-332-3029, by fax at 904-380-4502 or by email at awoods@pssd.com.

The Governance Committee advises the Compliance Officer and assists with implementing and maintaining the *Code* and the Compliance Program. They periodically review the reports provided by Management and the Compliance Officer to determine the overall effectiveness of the Compliance Program.

Each Director, Officer, and Employee is responsible for knowing and understanding the laws, regulations, and Company policies affecting his or her role within the Company. We need the cooperation of all to comply with these laws and regulations, identify any violations or suspected violations of such, and to implement any corrective action necessary to correspond our behavior to applicable laws and regulations. Our continued ability to serve our customers depends on each person's full commitment to legal and regulatory compliance.

Each Director, Officer, and Employee is responsible for both the integrity and the consequences of his or her own actions. Each and every Director, Officer, and Employee when engaging in any activity concerning the Company, particularly in relationships with customers, competitors, suppliers, the public, and other employees, must follow the highest standards of honesty, integrity, and fairness.

Annually, each Officer shall provide the Compliance Officer with a Certification that states that they agree to abide by the *Code*. In addition, employees who have direct responsibility for maintaining a relationship with one or more of the Company's suppliers will annually provide a Certification.

This *Code* is not all-inclusive and should not be considered comprehensive. Each Director, Officer, and Employee is charged with complying with all legal and ethical standards affecting his or her role within the Company regardless of whether such standard is specifically addressed in the *Code*. Uncertainties, questions and concerns regarding ethical and legal compliance, and your obligations under the *Code* should be directed to the Compliance Officer or through The Ethics Hotlines. The *Code* must be continuously reevaluated in light of changes both in applicable laws and the Company's operations. The Company reserves the right to make changes to the *Principles* and *Standards* established in this *Code*. Only the Board of Directors or their authorized designee may alter or make changes to the *Principles* or *Standards* in this *Code*.

Any failure to maintain this *Code* or report known or suspected violations will result in prompt disciplinary action, up to and including termination of employment. This *Code* is not intended to create a contract of employment with any individual or to alter existing employment or contractor relationships.

Waivers

A waiver is defined as any specific exemption to the *Code* granted to any person subject to the *Code*. Requests for waiver by a Director or Executive Officer must be reviewed, and may only be granted by the Board of Directors or, if permitted by applicable statutes, regulations, and NASDAQ rules, a committee thereof. Any waiver that is granted to a Director or Executive Officer of the Company must be promptly disclosed to the public as required by applicable statutes and regulations and NASDAQ rules. Neither requests for guidance under this *Code* nor approvals granted in accordance with the provisions of this *Code* will constitute a waiver hereof. The Company shall not implicitly grant waivers by failing to take action with respect to a known or suspected violation of applicable law, regulations or this *Code*.

Requests for waiver by any person subject to the *Code*, excluding requests by Directors and Executive Officers, must be reviewed, and may only be granted by the Compliance Officer. Any waiver that is granted must be promptly disclosed to the CEO, CFO, or CAO. Neither requests for guidance under this *Code* nor approvals granted in accordance with the provisions of this *Code* will constitute a waiver hereof.

These disclosure requirements are designed to inhibit casual and perhaps questionable waivers, and should help assure that, when warranted, a waiver is accompanied by appropriate controls designed to protect the Company.

Reporting of Violations

If, at any time, any person subject to the *Code* becomes aware of any potential violation of this *Code* or other PSS World Medical compliance policies and procedures, he or she must report the suspected violation either verbally or in writing to the Company in either of the following ways:

Compliance Officer. You may contact the Compliance Officer at **904-332-3029**. You may also fax the Compliance Officer at **(904) 380-4502** or email the Compliance Officer at **awoods@pssd.com**.

Ethics Telephone and Web Hotlines. The Ethics Hotlines provide an anonymous method for Directors, Officers and Employees to communicate if they become aware of workplace behavior that violates this *Code*, our commitment to ethics, or Company compliance policies and procedures. Reports can be made anonymously, 24 hours a day, 7 days a week. The toll free number is **1-866-404-PSSI (7774)**. Effective October 15, 2006, the web-based Ethics Hotline can be accessed by going to PSS World Medical's intranet, *The Insider*, and clicking on Shared Services, and then Ethics. Employees may also type <https://www.theinsider.pssd.com> into a web browser, and enter a username and password. A link to the Ethics Hotline will be provided that transfers the employee to our anonymous service.

An outside vendor administers the Ethics Hotlines. A live person will answer all telephone calls. Calls are not recorded and are not able to be traced. If the caller chooses to remain anonymous, he or she will be given a numeric code in order to call back and ask for follow up. Web-based users will receive a Personal Identification (PIN) number and a follow up date. They will return to the web for a response from the Company. Once the call is completed, a report will be generated and sent to the Compliance Officer. Callers are urged to call back for follow up. In the event more information is required, this will be an opportunity to provide this information.

The Compliance Officer, using internal and external resources such as Human Resources or legal counsel as necessary, will investigate and resolve all reports. Reports of violations or suspected violations by the CEO will be promptly reported by the Compliance Officer to the Chairman of the Governance Committee, per Board resolution dated August 20, 2002. Reports of violations or suspected violations of financial or accounting matters will be promptly reported by the Compliance Officer to the Audit Committee.

Whistleblower Protections

All persons making reports of known or suspected violations of this *Code* are assured that, to the fullest extent possible, all reports are treated as confidential; the reports will be shared only on a bona-fide, need-to-know basis. Please note, however, that if an investigation by the Company of the activities reported takes place, it may be impossible for the Company to maintain the confidentiality as to the facts of the report or the information reported.

Reporting known or suspected violations of this *Code* is not an act of disloyalty to the Company but instead fulfills each person's obligation to the Company. The Company will not take adverse action or allow retaliation against persons for making such reports in good faith, whether or not the report proves to be well founded. It is the policy of the Company to comply with all laws that protect against unlawful discrimination or retaliation by anyone at the Company as a result of their lawfully and truthfully reporting information regarding, or their participating in, investigations involving allegations of corporate fraud or other violations by the Company or its agents of federal or state law, or this *Code*. Any person threatening or taking any adverse action, including unlawful discrimination or retaliation, against a person making a lawful and truthful report shall be disciplined as violating this *Code* in accordance with the Company's Human Resources policies regarding discipline.

If a person subject to this *Code* does not report conduct known to violate the *Code* or other Company compliance policies, that individual may be subject to disciplinary action, up to and including termination of employment. The policies and practices of the Company's Human Resources department will guide any disciplinary actions.

Principle 1 – LEGAL COMPLIANCE

PSS World Medical will strive to ensure all activity by or on behalf of the Company is in compliance with applicable laws and regulations.

The following *Standards* are intended to provide guidance to Directors, Officers and Employees to assist them in their obligation to comply with laws and regulations affecting the Company, its operations and employees (collectively, "Applicable Laws"). No *Code* can cover every possible business situation that may arise in the legal and regulatory environment in which PSS World Medical operates. Directors, Officers and Employees are required to comply with all Applicable Laws, whether or not specifically addressed in these *Principles* and *Standards*. If questions arise regarding the existence of, interpretation or application of any Applicable Laws, they should be directed to the Compliance Officer.

PSS World Medical has established and will maintain a written program to ensure compliance with Applicable Laws and with the *Principles* and *Standards* set forth in this *Code* (the "Compliance Program"). The Compliance Program consists, among other things, of the Company's Compliance Program, the *Code*, compliance training programs,

annual certification of compliance, periodic compliance audits and reviews, and The Ethics Hotlines.

Standard 1.1 - Health Care Laws and Regulations

a. Anti-Kickback Laws

The federal government as well as many state governments has adopted "anti-kickback" laws to ensure that the ordering of medical services and goods that are paid for by federal or state health care programs is free of undue financial influence. Most of our customers receive reimbursement from federal and state health care programs such as Medicare, Medicaid and Tricare/CHAMPUS. Products we sell may be separately reimbursed by such government programs or the cost of such products may be included in either a global payment to the customer or in the customer's overhead, which is covered by the government's payment mechanism. In addition, one subsidiary of PSS World Medical bills federal and state health care programs directly for Company products.

As a result of these direct and indirect payments from federal and state health care programs, we must refrain from conduct that may violate federal or state "anti-kickback" laws (collectively, the "Anti-Kickback laws"). This prohibition not only applies to direct payments, but also to indirect payments made in any form through consultants or other third persons. Directors, Officers and Employees should use caution to avoid even the appearance of violating these laws.

Anti-Kickback laws are broadly written and prohibit the Company from offering or making direct, indirect or disguised payments intended to induce the ordering of the Company's products or the referral of business, when a federal or state health care program pays, in whole or part, for such products or business. As this is a highly complex area of law, this *Standard* cannot list all situations in which Anti-Kickback laws may apply. Therefore, Officers, Directors and Employees must take special care in this area, and promptly refer any questions to the Compliance Officer, who may refer the question to legal counsel, if appropriate.

The following types of activities could violate the federal Anti-Kickback law and similar state laws:

- offering or paying anything of value to induce the ordering of products from the Company;
- offering discounts on products ordered from the Company;
- sponsoring, or paying for the travel and cost of attendance to, workshops, seminars and training sessions;
- entering into contractual arrangements with referral sources where the referral source provides few, unnecessary services on behalf of the Company; or

- the payment of incentives to encourage the generation of business, paid for in whole or part, by federal or state health care programs.

b. Available Safe Harbors

Although each of the above-listed activities may potentially violate the Anti-Kickback laws, each of these activities may also be appropriate if they are undertaken without intent to induce the ordering of products or otherwise to generate business for the Company or if such activity is undertaken pursuant to a "safe harbor" to the Anti-Kickback laws. If an activity fits within a safe harbor, the activity cannot give rise to prosecution under the Anti-Kickback laws. Common practices subject to safe harbor protection include:

- discounts properly disclosed and reflected in the costs claimed or charges made by the purchaser;
- payments to employees;
- certain payments to Group Purchasing Organizations; and
- certain personal service agreements.

Prior to participation in any of the above-listed activities, you should contact the Compliance Officer to obtain additional guidance as to whether such activity should be undertaken and, if so, what safeguards must be built in to ensure compliance with Anti-Kickback laws.

c. Penalty for Violations

Violation of the federal Anti-Kickback law is a felony, punishable by a \$25,000 fine or imprisonment for up to 5 years, or both. Violation could also mean that PSS World Medical and the managing employee participating in such violation are excluded from federal and state health care programs, which may result in the Company being barred from making sales to customers who receive any government reimbursement.

Standard 1.2 - Antitrust and Unfair Competition Laws

Antitrust laws are intended to preserve the competitive free enterprise system. These laws are founded on the belief that the public is best served by vigorous competition, free from collusive agreements among the competitors on price or service terms. Similar to antitrust laws, federal and state laws also prohibit unfair methods of competition and unfair or deceptive acts and practices. Although PSS World Medical intends to compete vigorously in the market place, we are committed to a free and open market and do not need to behave in an unfair or deceptive manner to compete effectively. We expect our representatives, including our Directors, Officers and Employees to comply with all applicable federal and state antitrust and unfair competition laws and, at all times, to conduct themselves in a fair and honest manner.

By adopting this *Standard*, the Company seeks to sensitize its Directors, Officers and Employees to potential antitrust and unfair competition issues that may arise in the course of the Company's business. As this is a highly complex area of law, this *Standard* cannot list all situations in which Antitrust and unfair competition laws may apply. Therefore, you must take special care in this area, and promptly refer any questions to the Compliance Officer, who may refer the question to legal counsel, if appropriate.

Examples of conduct implicating these laws include:

- Collaborative action with competitors, especially action that may result in price fixing, bid rigging, the sharing of pricing information, the division of territories or customers, or the boycott or refusal to deal with particular persons or entities (such as vendors, payers, or health care providers);
- Sharing pricing, price formulas, bid formulas and other proprietary information with competitors, either directly or through a trade association;
- Collaborative action with a vendor, distributor or customer that results in the limitation of competition within a market or territory, or forecloses the possibility of free and open pricing (e.g., illegal tying arrangements, prohibiting purchase arrangements with others, or illegal price discrimination);
- Conditioning a customer's ability to purchase one product or service on the purchase of another product or service;
- Restricting a customer's re-selling activity through minimum resale price maintenance (e.g., prohibiting discounts);
- Inducing purchases, the referral of business or the breach of contracts or other financial relationships through bribery, deception, false statements or claims, intimidation, product mislabeling or similar unfair practices;
- Participating in "predatory pricing" practices such as offering a discount that results in the sales price of a product being below the product's costs with the intention of maintaining the price until competition is driven out of the market; and
- Misappropriating another's proprietary information or trade secrets.

Specific issues, questions, and concerns about such activities should be brought to the attention of the Compliance Officer, either directly, or through The Ethics Hotlines.

It should be understood that the violation of federal and state antitrust laws does not require an affirmative agreement between the parties. Instead an antitrust case can be successfully prosecuted based upon oral understanding or even action that may be reasonably inferred to be taken for anti-competitive purposes.

Penalties for antitrust violations are substantial and can result in civil liability and criminal penalties. Individuals and corporations can be fined \$350,000 and \$10,000,000 respectively, for each antitrust violation, and individuals can be convicted of a felony and sentenced for up to three years in prison for each offense.

Standard 1.3 - Environmental Laws

It is the policy of PSS World Medical to manage and operate its business in the manner that respects our environment and conserves natural resources. Our representatives will strive to utilize resources appropriately and efficiently, to recycle where possible, and otherwise to store, dispose of and transport all waste in accordance with applicable laws and regulations. We will work cooperatively with the appropriate authorities to remedy any environmental contamination for which the Company may be responsible.

Compliance with applicable federal and state environmental laws and regulations requires ongoing monitoring and care. If a Director, Officer or Employee suspects noncompliance or violation of any environmental law, the circumstances should be reported to the Compliance Officer either directly or through The Ethics Hotlines. Spills and releases of hazardous materials must be reported immediately, so that appropriate action may be taken by the Company.

Failure to prevent, report or correct environmental problems can result in criminal and civil penalties as high as \$50,000 per day per violation, conviction of a felony with imprisonment for up to two years, or both. Even merely negligent violations can result in imprisonment and substantial fines if they pose a threat to human health.

Standard 1.4 - Discrimination Laws

PSS World Medical believes the fair and equitable treatment of Employees and other persons is critical to fulfilling its vision and goals. It is the policy of the Company to treat all persons the same without regard to gender, race, color, religion, ethnic origin, age, disability, physical attributes, sexual orientation, veteran status or other classification protected by federal, state or local law. This *Standard* applies to all phases of employment including recruiting, testing, hiring, promotions, demotions, transfers, layoffs, discipline, terminations, rates of pay, benefits and selection for training, travel or company social events. This policy also includes freedom from harassment, whether that harassment is based on sex, gender, age, race, color, national origin, religion, sexual orientation, marital status, disability, veteran status or membership in other protected classification. Each allegation of harassment or discrimination will be promptly investigated in accordance with applicable human resource policies.

Standard 1.5 - Tax Laws

It is the policy of PSS World Medical to act in compliance with applicable federal, state and local tax laws. We will accurately report information to appropriate taxing authorities and will file all tax and information returns, and pay all appropriate tax in a manner consistent with applicable laws. We will provide information requested by government taxing authorities, exercise due care in the collection of information to be included in tax reports and returns, and conduct our dealings with government authorities in an honest and ethical manner.

Standard 1.6 - Occupational Safety and Health Laws

It is the policy of PSS World Medical to comply with all applicable health and safety laws and regulations to promote a healthful workplace for all employees. Directors, Officers and Employees will make a good faith effort to ensure compliance with applicable industry safety regulations and guidelines issued by Occupational Safety and Health Administration ("OSHA"), and all other applicable federal, state and local requirements. All persons are expected to observe all safety rules and practices and to do everything reasonably possible to ensure their own safety and the safety of fellow employees, visitors and the public.

Standard 1.7 - Securities Laws

Because the stock of PSS World Medical is publicly traded, the Company, its Officers, Directors and Employees are subject to both federal and state securities laws. For instance, the Company must file annual and periodic reports and make other filings with the Securities and Exchange Commission (the "SEC"). PSS World Medical is committed to presenting its financial information fairly and accurately. It is the policy of the Company to disclose timely, comprehensive, and meaningful financial and other information to the SEC and/or other agencies as required by all applicable federal and state laws. It is against PSS World Medical policy for anyone to unduly or fraudulently influence, coerce, manipulate or mislead our independent and/or internal auditors regarding financial statements, financial information, annual and periodic reports, processes, or internal controls. This *Standard* should be interpreted in a manner consistent with *Standard* 6.2.

It is the policy of the Company to comply with all applicable federal and state securities laws as well as any applicable rules promulgated by NASDAQ. All Directors and Officers are expected to have a basic familiarity with applicable securities laws and each Officer and Director shall comply with all such applicable laws. Examples of conduct prohibited by securities laws include (1) deceit, misrepresentation, or fraud related to the sale of securities; (2) withholding of material financial information from the SEC; (3) selling unregistered securities, and (4) certain types of conduct related to activity in the stock exchanges, such as "insider trading".

For additional information on Securities Law, please refer to the Company's Human Resources policy titled "Insider Trading Guidelines, Securities Trades by Company Personnel". The policy can be located on Employeease at www.employeease.com under the Company Guide / Associates Handbook / Appendix B.

In addition to penalties imposed against the Company, individuals who violate securities laws are subject to both civil liability and criminal penalties. For example, an individual violating the prohibition on insider trading may be subject to civil fines up to three times the profit gained or loss avoided by the trading, criminal fines up to \$5,000,000 (no matter how small the profit), and imprisonment of up to 20 years.

Standard 1.8 - Food and Drug Laws

It is the policy of PSS World Medical to comply with all federal and state laws and regulations regarding the sale and distribution of scheduled drugs, pharmaceuticals, nutritional products, and medical devices. Management will strive to submit complete, timely and accurate information and reports as required to the Food and Drug Administration (FDA), Drug Enforcement Agency (DEA), and any other federal or state agencies having jurisdiction over these matters. We are committed to handling all food, drugs, and controlled substances in accordance with applicable federal and state guidelines and the terms of any government granted authority.

Violation of the food and drug laws may result in substantial civil and criminal fines and penalties, and imprisonment of individuals for up to 10 years.

Standard 1.9 - Transportation Laws

It is the policy of PSS World Medical to comply with all applicable Department of Transportation and other federal and state regulations related to the transportation of our products, including the transportation of regulated materials. Directors, Officers and Employees will strive to ensure compliance with all laws, rules and regulations related to transportation management, regulated materials packaging and transportation, motor carrier rules, and emergency response procedures.

PSS World Medical employees are required to exercise care in the handling and transportation of any regulated material in order to protect fellow employees, visitors, and the public, as well as the environment. We will maintain proper maintenance of shipping records, and follow procedures that seek to ensure that shipping papers are correctly prepared and packages are properly documented and labeled, in order to deal with the threat posed by certain dangerous substances.

Standard 1.10- Billing and Claim Submission Laws

Certain subsidiaries of the Company submit claims for reimbursement either on their own behalf or on behalf of customers of the Company. Such subsidiaries are expected to satisfy and maintain all applicable standards necessary to submit such claims to federal and state health care programs, including Medicare, state Medicaid programs and TriCare/CHAMPUS. The Company has designed procedures that seek to ensure its billing and reimbursement practices comply with all federal and state laws, regulations, guidelines and policies and, that bills are accurate and reflect current payment methodologies.

Standard 1.11- Foreign Corrupt Practices Act

Because the Company is engaged in transactions with overseas manufacturers, we are subject to the Foreign Corrupt Practices Act of 1977 (the “FCPA”). The FCPA prohibits making improper payments to foreign officials, parties or candidates in order to obtain, retain, or direct business. It is the policy of the Company to keep accurate financial records, conform to Generally Accepted Accounting Principles, and maintain internal controls.

Employees who have direct or indirect contact with foreign agents are expected to be watchful for corrupt payments, accounting discrepancies, and failures in internal controls, and report any suspicious activity. In addition to penalties imposed against the Company, individuals who violate the FCPA are subject to both civil liability and criminal penalties

Principle 2 – BUSINESS ETHICS

In furtherance of the Company’s commitment to the highest standards of business ethics and integrity, Directors, Officers and Employees shall accurately and honestly represent PSS World Medical and shall not engage in or encourage any activity or scheme intended to defraud anyone of money, property or honest and faithful services.

The integrity of PSS World Medical, both from the perspective of its investors and its customers, is dependent on the integrity of each representative of PSS World Medical, including each Director, Officer and Employee. The *Standards* set forth below are designed to provide guidance such that PSS World Medical’s business activities reflect the highest standards of business ethics and integrity. Each Director, Officer and Employee should endeavor to deal honestly and fairly with the Company’s customers, suppliers, competitors, employees, and federal, state and local governments. No Director, Officer or Employee of the Company should take unfair advantage of anyone through manipulation, concealment, abuse of proprietary information, misrepresentation of material facts, or any other unfair-dealing practice. Directors, Officers and Employees of PSS World Medical are expected to act in accordance with both letter of the *Standards* set forth herein as well as the general spirit of *Principle 2*.

Standard 2.1 - Honest Communication

The Company requires candor and honesty from its Directors, Officers and Employees at all times, including in the performance of their responsibilities and in communication with our attorneys, auditors, investigators, the government and outside agencies. No person shall knowingly make false or misleading statements to any person or entity doing business with the Company, about other persons or entities, including competitors of PSS World Medical, or about the products or services of the Company or its competitors. This prohibition applies to both general business interactions as well as the marketing of the Company and its products. Affirmative statements about the Company’s products should only be made when there exists a reasonable basis for so doing. In the event any communication is later found to be inaccurate, incomplete or misleading, the person making such communication shall inform the Company, which

will attempt to notify affected persons and entities unless the information has already been superseded because of events or the inaccuracy is immaterial.

Standard 2.2 - Misappropriation of Proprietary Information

PSS World Medical's Directors, Officers and Employees shall not misappropriate confidential or proprietary information belonging to another person or entity nor utilize any publication, document, computer program, information or product in violation of a third party's interest in such product. Directors, Officers and Employees shall not improperly copy for their own use documents or computer programs in violation of applicable copyright laws or licensing agreements. Directors, Officers and Employees shall not utilize proprietary business information or trade secrets, including customer lists, price lists, contacts or other information of third parties, in violation of applicable laws, regulations or contractual obligations.

Standard 2.3 - Accuracy of Business Records

PSS World Medical expects its Directors, Officers and Employees to record and report information accurately and honestly. This includes accurate reporting of time worked, disclosure of conflicts, business expenses incurred, purchase and sales documents, and all other business related activities. Directors, Officers and Employees are expected to use good judgment and common sense when preparing any Company document in order that it objectively and accurately reflects the reality of the situation. Such business records shall be maintained in accordance with Standard 6.5 of this *Code*.

Principle 3 – CONFIDENTIAL AND PROPRIETARY INFORMATION

PSS World Medical Directors, Officers and Employees shall strive to maintain the confidentiality of the Company's confidential and proprietary information as well as the confidential and proprietary information of others, including protected health information.

PSS World Medical and its Directors, Officers and Employees are in possession of and have access to a broad variety of confidential, sensitive and proprietary information, the inappropriate release of which could be injurious to individuals, our business partners, customers and the Company itself. Directors, Officers and Employees have an obligation to protect and safeguard confidential, sensitive and proprietary information in a manner designed to prevent the unauthorized disclosure of such information. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. In addition, each Officer, Director and Employee shall maintain the confidentiality of all information received from another that has been entrusted to the Company on a confidential basis in accordance with applicable laws regulations and contractual obligations. All obligations with respect to confidential or proprietary information as set forth in this Principle 3 and the accompanying Standards shall continue as required by applicable laws, regulations and contractual obligations even if the individual ceases to be employed by, or otherwise associated with, the Company.

Standard 3.1 - Customer Confidentiality Shall be Maintained

All PSS World Medical Directors, Officers and Employees have an obligation to conduct themselves in a manner so as to maintain the confidentiality of customer information as required by applicable laws, regulations, ethical standards and contractual obligations. Directors, Officers and Employees shall refrain from revealing any confidential information concerning customers or potential customers unless authorized or legally mandated to make such disclosures. If questions arise regarding an obligation to maintain the confidentiality of information or the appropriateness of releasing information, you should seek guidance from the Compliance Officer.

Standard 3.2 - Proprietary Information

Information, ideas and intellectual-property assets of PSS World Medical are important to organizational success. Information pertaining to the Company's competitive position, business strategies, marketing, sales techniques, costs and prices, and information relating to negotiations with employees or third parties should be held in confidence and shared only with individuals having a need to know such information in order to perform their job responsibilities. Directors, Officers and Employees should exercise substantial care to ensure that intellectual property rights of the Company, including patents, trademarks, copyrights and licenses are carefully maintained and managed to preserve and protect their value.

Standard 3.3 - Personnel Actions/Decisions

Salary, benefit and other personnel information relating to employees shall be treated as confidential. Personnel files, payroll information, disciplinary matters, and similar information shall be maintained in a manner designed to ensure confidentiality in accordance with applicable laws. Directors, Officers and Employees shall exercise due care to prevent the release or sharing of information beyond those persons who may need such information to fulfill their job function.

Standard 3.4 - Protected Health Information

The Company and its representatives may have access to or become aware of personal health information related to our Employees, contractors, the patients and residents of our customers, or patients for whom we provide products directly. Patients, residents, employees and contractors properly expect that personal health information will be kept confidential. A Director, Officer or Employee who has access to personal health information shall maintain the confidentiality of such information in accordance with the privacy standards of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and applicable state and local laws and regulations. Further, the use and disclosure of protected health information shall be in accordance with HIPAA and applicable state law.

The Company is subject to HIPAA both as a "covered entity" for those products sold directly to patients and for which the Company seeks payment from the patient, and as a "business associate" of health care providers for whom the Company furnishes products or serves as a billing agent. All proposed business associate agreements, and

any known or suspected violations of the Company's compliance with HIPAA's privacy standards should be brought to the attention of the Company's Privacy Officer or disclosed through The Ethics Hotlines.

Principle 4 – CONFLICTS OF INTEREST

Directors, Officers and Employees of PSS World Medical owe a duty of undivided and unqualified loyalty to the Company. Persons holding such positions may not use their positions to profit personally or to assist others in profiting in any way at the expense of the Company.

A “conflict of interest” occurs when an individual’s private interest interferes in any way – or even appears to interfere – with the interests of the Company as a whole. A conflict situation can arise when a Director, Officer or Employee takes action or has interests that may make it difficult to perform his or her role within the Company objectively and effectively. Conflicts of interest may also arise when a Director, Officer, Employee or members of his or her family, receive improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, Directors, Officers, Employees, or members of their family may create conflicts of interest (See Standard 6.4).

Directors, Officers and Employees are expected to regulate their non-Company activities so as to avoid actual conflicts of interest as well as the appearance of impropriety, which might arise from the influence of those activities on business decisions of PSS World Medical. Any transaction involving a Director or Executive Officer, which may constitute a related party transaction under the securities laws shall be disclosed in advance to the Audit Committee of the Company. Annually, each Officer shall complete a Conflict of Interest Disclosure Statement (the "Annual Disclosure") requiring them to provide information of any material transaction or relationship that reasonably could be expected to give rise to a conflict. In addition, employees who have direct responsibility for maintaining a relationship with one or more of the Company’s suppliers will complete an annual Conflict of Disclosure Statement.

The current version of the Annual Disclosure is attached to this *Code*. The Board of Directors or, if permitted, an appropriate committee thereof, will review all disclosures by Executive Officers. Disclosures by Officers other than Executive Officers will be reviewed by the Compliance Officer and promptly disclosed to the Executive Officers, as required. All other employees will be required to make a Conflict of Interest Disclosure during the hiring process and during completion of the required online course *Doing the Right Thing*.

If a material transaction or relationship occurs that could reasonably be expected to give rise to a potential conflict of interest prior to Annual Disclosure, the affected individual should contact the Compliance Officer immediately and make a disclosure of the potential conflict of interest. In addition, because conflicts of interest are not always clear-cut, uncertainties regarding particular situations should be brought to the attention of the Governance Committee or Compliance Officer for further direction.

This *Principle* is not intended to describe all possible conflicts of interest that could develop. Some of the common conflicts of interest that may arise are described below.

Standard 4.1 - Outside Financial Interests

While not all inclusive, the following will serve as a guide to the types of activities by a Director, Officer, Employee, or family member of such person that might give rise to conflicts of interest:

- a. Ownership in, or employment by, any outside concern that does business with PSS World Medical. The purchase or ownership of stock or other investments held in a publicly held corporation does not generally give rise to a conflict of interests; provided that the value of the stock or other investments does not exceed 5% of the corporation's outstanding stock. The Board of Directors or, if permitted, an appropriate committee thereof, may, following a review of the relevant facts, permit ownership interests that exceed this threshold amount if it concludes that such ownership interests will not adversely impact the Company's business interest or the judgment of the individual.
- b. Directors, Officers or Employees should not have other outside employment or business interests that (1) place them in the position of appearing to represent the Company, (2) provide goods or services substantially similar to those PSS World Medical provides or is considering making available, or (3) lessen their efficiency, productivity or dedication to the Company in performing their respective duties.
- c. Conducting business, not on behalf of the Company, with any PSS World Medical vendor, supplier, contractor, agency, customer, or any of their officers or employees.
- d. Representation of the Company by a Director, Officer or Employee in any transaction in which he or she, or a family member, has a material personal financial interest.
- e. Disclosure or use of confidential, special or inside information of or about the Company, particularly for personal profit or advantage of the Director, Officer, Employee or a family member.
- f. Competition with the Company by a Director, Officer or Employee, directly or indirectly, in the purchase, sale or ownership of property or property rights or interests, or business investment opportunities.

Standard 4.2 - Services for Competitors/Vendors

No Director, Officer or Employee shall perform work or render services for any competitor of the Company or for any organization with which PSS World Medical does business or which seeks to do business with the Company, outside of the normal course

of his/her relationship with the Company, without the approval of the Board of Directors, or a committee thereof, if permitted, or the Compliance Officer, as appropriate. Nor shall any Director, Officer or Employee serve as a director, officer, or consultant of such an organization, nor permit his/her name to be used in any fashion that would tend to indicate a business connection with such organization without the approval of the Board of Directors, or a committee thereof, if permitted, or the Compliance Officer, as appropriate.

Standard 4.3 - Participation on Boards of Directors/Trustees

- a. Directors, Officers and Employees must obtain prior approval from the Governance Committee prior to serving as a member of the Board of Directors/Trustees of any organization whose interest may conflict with those of PSS World Medical.
- b. A Director, Officer or Employee who is asked, or seeks to serve on the Board of Directors/Trustees of any organization whose interest does not potentially conflict with PSS World Medical (for example, civic, non-governmental, charitable, fraternal organizations and so forth) may do so, and will not be required to obtain such prior approval.
- c. Officers must disclose all Board of Directors/Trustees participation in the annual Conflict of Interest Disclosure Statement. A Disclosure Statement form is attached to this *Code*.
- d. Notwithstanding anything herein to the contrary, PSS World Medical retains the right to prohibit Directors and Officers from participating on any Board of Directors/Trustees when the Governance Committee believes in good faith that such participation might conflict with the best interests of the Company.
- e. Questions regarding whether or not Board participation might present a conflict of interest should be discussed with the Governance Committee or Compliance Officer, as appropriate.

Standard 4.4 – Corporate Opportunities

Directors, Officers and Employees are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors. No Director, Officer or Employee may use corporate property, information or position for improper personal gain. Directors, Officers and Employees owe a duty to the Company to advance its legitimate interest when the opportunity to do so arises. Without limiting the foregoing, Directors, Officers and Employees should avoid speculation or dealings in any kind of service or real or personal property in a market during a period that the Company may be purchasing or dealing in services or property of the same or similar kind.

Principle 5 – BUSINESS RELATIONSHIPS

Business transactions with vendors, customers and other third parties shall be transacted free from improper inducements in exchange for influence, assistance in a transaction, the referral of business or the purchase of the Company's products.

The *Standards* set forth below are intended to guide Directors, Officers and Employees in determining the appropriateness of certain business practices and behaviors within the context of PSS World Medical's relationships with vendors, customers, governmental entities and other third parties. If there is any doubt or concern about whether specific conduct, behaviors or activities are legal, ethical or otherwise appropriate, you should contact the Governance Committee or Compliance Officer, as appropriate, prior to engaging in such conduct, behaviors activities. All guidance in this *Principle 5* is subject to compliance with applicable laws, including the Anti-Kickback Laws set forth in *Standard 1.1* of this *Code*.

Standard 5.1 - Gifts and Gratuities

It is PSS World Medical's desire to, at all times, preserve and protect its reputation, and to avoid the appearance of impropriety. Consequently, the following standards of conduct shall be observed by all representatives of PSS World Medical, including Directors, Officers and Employees:

- a. Gifts Influencing Decision-making. Business and purchasing decisions on behalf of PSS World Medical should always be made in the best interests of the Company based upon your uncompromised and objective judgment. Directors, Officers and Employees may never accept cash or cash equivalents from any purchaser, supplier, customer, government official or other person. Directors, Officer and Employees shall not accept gifts, favors, services, entertainment or other things of value to the extent that decision-making or actions affecting PSS World Medical might, or could reasonably be expected to, be improperly influenced. Unsolicited gifts and business courtesies, including meals and entertainment, are permissible if they are customary and commonly accepted business courtesies, are in accordance with standard business practices for the level of Director, Officer or Employee, and they are given and accepted without an express or implied understanding that your judgment shall be improperly affected by such gifts and courtesies.

Similarly, Directors, Officers and Employees of the Company may never offer or give cash or cash equivalents to any purchaser, supplier, customer, and government official or other person. Directors, Officers and Employees shall not offer or give gifts or business courtesies, including gifts, services or other things of value with the expectation of improperly influencing the judgment or decision-making process of any purchaser, supplier, customer, government official or other person. It is appropriate to provide gifts and business courtesies in connection with Company business, including meals and entertainment, so long as such are consistent with common courtesies associated with accepted business practices, are

in accordance with standard business practices for the level of Director, Officer or Employee, and are not provided with the intent, either implicit or explicit, to improperly influence the judgment or decision making process.

Any offers or acceptances in violation of the above prohibitions must be reported immediately to the Compliance Officer.

- b. Gifts to Government Entities. The offering or giving of any gift to government employees or their families is strictly forbidden when selling products or services to a governmental entity. State and local governmental hospitals, laboratories, and other institutions may also have rules on acceptance of gifts and entertainment that are more restrictive than those of other customers. Directors, Officers and Employees should consult with the Compliance Officer prior to offering a gift to any state or local government institution.

Standard 5.2 - Contracting

All business relations with contractors including all customers and vendors must be conducted at arms' length both in fact and in appearance, and in compliance with Company policies and procedures. Directors, Officers and Employees must disclose conflicts of interests (through a relationship or otherwise), and business activities with contractor personnel, which could be construed by an impartial observer as influencing the judgment, impartiality, performance or duties of the individual. Directors, Officers and Employees have a responsibility to obtain clarification from the Governance Committee or Compliance Officer on questionable issues that may arise in the performance of their duties, and to comply to the extent applicable with the Company's conflict of interest policy.

Standard 5.3 - Business Inducements

Appropriate commissions, rebates, discounts and allowances are customary and acceptable business inducements, provided that they do not constitute illegal remuneration under the Anti-Kickback laws or result in unethical payments, inducements, or remuneration. Any such remuneration must be reasonable in value, competitively justified, properly documented, made to the business entity to which the original agreement or invoice was made or issued, and must be in accordance with all applicable laws and regulations. Such remuneration should not be made to individual employees or agents of business entities.

Principle 6 – PROTECTION OF ASSETS

Directors, Officers and Employees shall strive to preserve and protect PSS World Medical's assets by making prudent and effective use of Company resources, and properly and accurately reporting its financial condition.

The Standards set forth below are intended to guide Directors, Officers and Employees by articulating the Company's expectations as they relate to activities or behaviors, which may impact our financial health.

Standard 6.1 - Internal Controls

PSS World Medical has established control standards and procedures with the intent to ensure that assets are protected and properly used, and that financial records and reports are accurate and reliable. The Company requires that all material information is made known to its CEO and CFO and that each periodic report filed with the SEC is accurate. All Officers and Directors are therefore responsible for assisting the CEO and CFO in developing and maintaining detection and disclosure controls and procedures that will provide information flow that will surface material information so that it can be evaluated and disclosed in a timely manner.

Standard 6.2 - Financial Reporting

All financial reports, accounting records, research reports, expense accounts, time sheets and other documents must fairly, accurately and clearly represent the relevant facts or the true nature of a transaction. Improper or fraudulent accounting, documentation or financial reporting is contrary to the policy of PSS World Medical and may be in violation of applicable laws.

PSS World Medical requires that all financial statements filed with the SEC contain full, fair, accurate timely and understandable disclosures. All other public communications should also contain full, fair, accurate and understandable disclosures. Without limiting the foregoing, all financial statements filed with the SEC should reflect all material correcting adjustments under Generally Accepted Accounting Principles. Moreover, the Company requires disclosure of all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of PSS World Medical with unconsolidated entities or other persons that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources or significant components of revenues or expenses.

Standard 6.3 - Personal Use of Corporate Assets

All Company representatives, including Directors, Officers and Employees, are expected to refrain from converting assets of the Company to personal use. All property and business of the Company shall be conducted in the manner designed to further PSS World Medical's interest rather than the personal interest of any individual. Company representatives are prohibited from the unauthorized use or taking of Company equipment, supplies, materials, or services. Prior to engaging in any activity on Company time, which will result in remuneration to a Director, Officer or Employee or the use of the Company's equipment, supplies, materials or services for personal or non-work related purposes, Directors, Officers and Employees shall obtain the approval of the Governance Committee or Compliance Officer, as appropriate.

Standard 6.4 – Loans to Directors and Executive Officers

PSS World Medical shall not, directly or indirectly, including through any subsidiary, extend or maintain credit, or renew an extension of credit in the form of a personal loan to or for any of its Directors or Executive Officers. However, no extension of credit “maintained” by the Company on July 30, 2002, is subject to this prohibition, so long as there is no subsequent material modification to any term of the credit or renewal of the credit.

Standard 6.5 –Records Retention

In the course of its business, the Company produces and receives a large number of documents. Numerous laws require the retention of certain documents for various periods of time. Our Document Retention Policy and Manual cover the required legal retention of these documents. The Company is committed to compliance with all applicable laws and regulations relating to the preservation of records. Our policy is to identify, maintain, safeguard, and dispose of all records in our possession in the normal course of business and according to our Document Retention Policy and Manual. Under no circumstances are records to be disposed of selectively, or are they to be maintained outside of Company premises or their designated storage facilities. No person subject to this *Code* may dispose of any electronic or paper records of the Company unless such disposal: (a) is in compliance with the Company's Document Retention Policy and Manual or (b) has been expressly approved, in writing, by the Compliance Officer.

In the event of the commencement of any government investigation, audit or review, it is the Company's policy to immediately cease the disposal of any documents associated with such investigation, audit or review even if such disposal is otherwise consistent with the Company's Document Retention Policy and Manual.

Administration and Application of this Code

The Company expects each person to whom this *Code* applies, to abide by the *Principles* and *Standards* set forth herein and to conduct the business affairs of the Company in a manner consistent with the general statement of principles set forth herein.

Failure to abide by this *Code* or the guidelines for behavior that the *Code* represents may lead to disciplinary action. For alleged violations of the *Code*, the Company will weigh relevant facts and circumstances, including, but not limited to, the extent to which the behavior was contrary to the express language or general intent of the *Code*. The seriousness of the behavior, the individual's history with the Company, and any other factors that the Company deems relevant will be considered. Discipline for failure to abide by the *Code* may, in the Company's discretion, range from oral correction to termination of employment to reporting unlawful conduct to the proper authorities. The policies and practices of the Company's Human Resources department will guide any disciplinary actions to assure consistent enforcement and a fair process by which to determine violations.

Nothing in this *Code* is intended to nor shall be construed as providing any additional employment rights to any person.

CODE OF ETHICS CERTIFICATION

All Officers and Employees with direct responsibility for maintaining a supplier relationship are required to sign and return this Certification within 10 days of receipt. Please send to: Andy Woods, Corporate Compliance Officer, PSS World Medical, Inc., 4345 Southpoint Blvd., Jacksonville FL 32216 or fax to 904-380-4502

It is important that you read this information carefully. This *Code of Ethics* describes important information about how you are expected to behave as an Officer or Employee of PSS World Medical. You may have some specific questions that are not covered in this document. If so, please feel free to contact the Compliance Officer, Andy Woods, by phone at 904-332-3029 or by fax at 904-380-4502.

Compliance Statement

I understand that I am expected to observe and abide by the attached *Code* as well as additional rules and regulations that may be provided to me in writing by the Company either online via the Internet or Intranet, through the Company's bulletin boards or through verbal instruction from Management. I acknowledge receipt of the *Principles* and *Standards* as outlined in the *Code* concerning Legal Compliance, Business Ethics, Confidentiality, Conflicts of Interest, Business Relationships, and Protection of Assets. I acknowledge that I was given an opportunity to ask questions about any part of the *Code* that I did not understand.

Furthermore, I acknowledge that this *Code* an important corporate policy containing guidelines provided by PSS World Medical to assist me in understanding the regulations that guide my daily activities, to deter wrongdoing, protect and promote Company-wide integrity and to enhance my ability to achieve the Company's mission.

It is my understanding that any violation of the *Code* can make me subject to disciplinary action or immediate termination and forfeiture of all privileges and benefits. I hereby certify that I have received, read and understood the information contained in PSS World Medical's *Code of Ethics*, I agree to abide by the *Principles* and *Standards* contained within it, and I am unaware of any violation of the *Code* that has not already been disclosed to the Compliance Officer directly or through The Ethics Hotlines.

Name Printed

Division

Signature

Title

Date

CONFLICT OF INTEREST DISCLOSURE STATEMENT

STATEMENT #1:

I, _____, disclose to the Board of Directors of PSS World Medical, Inc. that I serve either as an officer or as a member of the Board of Directors/Board of Trustees of or consultant to the following entities:

<u>Entity</u>	<u>Title</u>
_____	_____
_____	_____
_____	_____

Initial here if Statement #1 does not apply _____.

STATEMENT #2:

I disclose that I or my spouse, child or sibling (or any entity in which I, my spouse, child or sibling owns a financial interest) hold a direct or indirect ownership interest in assets or stock of the following health care provider, managed care provider or network, or the following entities which sell/purchase products or services to/from PSS World Medical, Inc. or a subsidiary or division of PSS World Medical (other than ownership of 5% or less of a publicly held corporation:

<u>Name of Entity</u>	<u>% Ownership Held by Employee or Spouse, Child or Sibling</u>
_____	_____
_____	_____
_____	_____

Initial here if Statement #2 does not apply _____.

STATEMENT #3:

I disclose that the following entities which I, my spouse, child or sibling own a financial interest in or have a financial relationship with, provide goods or services substantially similar to those with PSS World Medical, Inc., or a subsidiary or division of PSS World Medical, provides or is considering making available:

<u>Name of Entity Having Financial Relationship</u>	<u>Nature of Relationship (lease, service contract, supply contract, etc.)</u>
_____	_____
_____	_____
_____	_____
_____	_____

Initial here if Statement #3 does not apply _____.

STATEMENT #4:

As an Officer of PSS World Medical, Inc., I further disclose that I am not aware of any activities conducted by me or a family member which might give rise to a conflict of interest with PSS World Medical as described in the *Code*.

Printed Name

Signature

Title

Date of Disclosure Statement