

Business Conduct Policy

1. PURPOSE AND GENERAL PRINCIPLES

We, Focuslight Technologies Inc. and its subsidiaries, branches and affiliated companies (hereinafter referred to as the “**Focuslight**”), including but not limited to, Focuslight Technologies Inc., Focuslight Micro-optics Co., Ltd., Xi’an Yushi Optoelectronic Technology Co., Ltd., Focuslight (Hong Kong) Investment Management Co Limited, Focuslight (Hong Kong) Investment Management Co Limited, Focuslight USA LLC, Focuslight Europe Ltd., LIMO GmbH, Focuslight Germany GmbH etc., are proud of our reputation for excellence; a reputation based on our commitment to the highest ethical standards. This commitment to integrity must permeate our dealings with stockholders, employees, customers, suppliers, local communities, and governments at all levels and the general public wherever we operate. Our success is dependent on the willingness of each individual to act in accordance with these enduring values. We must remember that misconduct by only a few can seriously discredit Focuslight, harm our reputation, and reflect poorly on all of us. No success is worth the expense of compromising ethical behavior.

All individuals employed by Focuslight, its affiliates and subsidiaries, including members of the Board of Directors (“**Covered Persons**”) are required to follow this policy and comply with its terms, to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that a registrant files with, or submits to, the government competent authorities and in other public communications made by Focuslight; and
- Compliance with applicable governmental laws, rules and regulations.

2. OBEY THE LAW AND FOCUSLIGHT POLICY

Focuslight conducts its business in accordance with all applicable laws. All employees are

expected to conduct yourself in the same manner. Compliance with the law is a minimum expectation. Personal integrity may, and often will, involve a standard higher than what exists under the law. All employees should direct any questions they may have about these Policy or a legal compliance matter to their manager.

3. AVOID CONFLICTS OF INTEREST

An employee's activities or an appearance of impropriety can, intentionally or unintentionally, create a conflict of interest. In general, you must avoid any activity or personal interest that creates or appears to create a conflict between your interests and the interests of Focuslight or that might impair, or appear to impair; your ability as a Focuslight employee to perform your work objectively and effectively. Some guidelines for avoiding actual or apparent conflicts follow:

- Do not, either directly or indirectly, become involved in any activity or business that in any way competes with Focuslight or might advance a competitor's interest.
- Do not acquire a financial interest in, or engage in any activity or business with any supplier, competitor, customer, distributor or other organization that could compromise your loyalty to Focuslight.
- Be particularly cautious if a friend or relative is employed by a competitor or supplier of Focuslight. Even where the risk to Focuslight interests from such a relationship seems remote, you must exercise particular care not to disclose confidential information inadvertently or engage in activities that could be perceived as impairing your objectivity.
- Do not accept any personal benefits from Focuslight that have not been duly authorized and approved pursuant to Focuslight policy and procedure, including any loans or guarantees of personal obligations by Focuslight.
- Do not participate individually in any business or investment opportunity of which you learned through your position at Focuslight or that may be offered to you because of your position at Focuslight. You should direct such opportunities to your manager for review.
- Do not associate Focuslight with, or indicate Focuslight support for, any civic, religious, political or social issue without approval from Focuslight.
- If you are involved with selecting a supplier, be sure to do so only on the basis of price, quality, performance and suitability of the product or service. Do not favor a supplier for reasons that could imply improper conduct or conflict of interest.
- Because conflict of interest determinations are highly fact-specific, you must seek approval from your manager before proceeding with any transaction or activity that reasonably could be expected to give rise to a conflict of interest.

4. DO NOT OFFER, AUTHORIZE OR ACCEPT QUESTIONABLE PAYMENTS, GIFTS OR BUSINESS COURTESIES

Business decisions should always be made based on the merits and integrity of products, services and people. Gifts, hospitality and entertainment in a business relationship are appropriate only to foster goodwill, and must be of reasonable value. Payments, gifts, kickbacks, or other business courtesies that are offered for an improper purpose or are excessive in terms of frequency or monetary value are inappropriate and may be unlawful.

Focuslight does not tolerate bribes, kickbacks, or extortion of any kind. In addition to putting the reputation and success of Focuslight at risk, violation of any anti-bribery, anti-kickback, or other anti-corruption law can subject Focuslight and its business partners to serious criminal and civil penalties.

Such laws apply in China in which Focuslight does business. Violation of these laws can also subject you personally to serious criminal and civil penalties, and result in your immediate termination from Focuslight.

Laws and regulations applicable to government or public sector business are particularly restrictive. Except in very limited circumstances, offering, promising or giving any gratuity or benefit, either directly or indirectly, to an official, employee or agent of any government or state-controlled enterprise can result in criminal or civil penalties. Accordingly, any meal, travel, entertainment, lodging or gift for any government or public sector personnel must be offered or given only in accordance with Focuslight written policy or guidelines for your geographic location, account category or business unit or with written approval obtained in advance from your manager.

Whether in the public or private sector, you must never offer, promise, request, authorize or accept a bribe, directly or indirectly, for any reason. A bribe can be any benefit (meaning anything of value or any other advantage) that is offered or given with the intent to obligate or influence a decision or act of the recipient. Bribes can take the form of kickbacks or other cash payments, but may also take other forms, such as loans, gifts, travel or lodging expenses, charitable donations, event sponsorships, tickets to events, meals and entertainment or job opportunities, whenever offered for an improper purpose.

You should never offer or provide any improper benefit to a customer, potential customer, channel partner, vendor or agent on the condition or with the expectation of receiving something in return. Focuslight expects all of its business partners to act with integrity and to comply with all applicable laws, including applicable anti-bribery laws, when doing business with or on behalf of Focuslight.

5. DO NOT TRADE ON “INSIDE” INFORMATION

It is against the law and you are prohibited from buying or selling Focuslight if you are aware of “inside” information, that is, material non-public information about Focuslight. You may also become aware of inside information about other companies, such as Focuslight partners, suppliers and customers, through your work at Focuslight. You are similarly prohibited from buying or selling information of such other company if you are aware of inside information about that other company. You may not pass along any inside information to others, such as friends or relatives.

6. HANDLE TRADE SECRETS AND CONFIDENTIAL INFORMATION OF OTHERS WITH CARE

Focuslight competes vigorously, but fairly.

You may use any publicly available information about Focuslight competitors or other companies, but you may not unlawfully acquire or misuse the trade secrets or other confidential information of another third party. Focuslight prohibits the use of any improper means, such as cash payments, favors or hiring a competitor’s employees, to acquire confidential information of third parties.

Even if you receive information about another company through legitimate means, you need to determine if the information is confidential and how such information may be used. For example, check written documents for labels that designate them as private or confidential. Before receiving what you know to be confidential information, you should establish the terms for its use. This may require the execution of a “confidentiality agreement,” which restricts the use, disclosure or distribution of the information. Once you have received confidential information through legitimate means, you should use, copy, disclose or distribute it only in accordance with the terms of any relevant “confidentiality agreement.”

You must also abide by the lawful obligations that you have to your former employer(s). These obligations may include restrictions on the use and disclosure of confidential information or

solicitation of former colleagues to work at Focuslight, or non-competition agreements. If you have any questions regarding these obligations, you should contact your manager.

7. COMPLY WITH THE ANTITRUST AND COMPETITION LAWS

The objective of the antitrust and competition laws that apply to Focuslight business activities is to protect and promote competition and free enterprise. These laws prohibit certain practices which are deemed to unreasonably restrain trade. You must fully comply with these laws. Any violation of these laws may result in severe discipline and civil and criminal penalties for you and Focuslight.

8. BE HONEST AND TRUSTWORTHY WHEN DEALING WITH CUSTOMERS, VENDORS AND OTHER BUSINESS PARTNERS

Customer satisfaction is a paramount goal of Focuslight. To establish and maintain strong and long-lasting relationships, we must be honest and trustworthy in all of our dealings with customers, vendors and other third parties. Long-term relationships are more valuable than short-term gains.

If you are involved in proposals or contract negotiations with third parties, you must communicate honestly. In addition, you must not enter into any contract or commit Focuslight resources unless you are authorized to do so. Once a valid contract is entered into, both Focuslight and the customer or vendor must adhere to its terms. You should not enter into an agreement on behalf of Focuslight if you believe that Focuslight will not be able to adhere to its terms. Do not take advantage of others through manipulation, concealment, and abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. In addition, you must not in any way propose, support, participate in or accept any inappropriate or illegal behavior by third parties. Should you become aware of any inappropriate behavior of such third parties, promptly inform your manager.

9. OBSERVE SUSTAINABLE BUSINESS PRACTICES

Focuslight is committed to protecting the environment through sustainable business practices. As an employee of Focuslight, you are expected to comply with all applicable environmental laws and regulations and to adhere to the guidelines set forth in the Focuslight Principles for Environmental Sustainability.

10. SAFEGUARD FOCUSLIGHT ASSETS AND INFORMATION

Misusing or disclosing information that Focuslight considers confidential or proprietary, both during and after your employment with Focuslight, is prohibited and is a violation of these policies. Such disclosure may also result in serious damage to Focuslight and you.

All Focuslight confidential or proprietary information, including any related document in any tangible or electronic form, in your possession or control, no matter where it is located, is the property of Focuslight. Both during your employment with the Focuslight and thereafter, you are prohibited from using such information, including such documents, for your own benefit or disclosing them to anyone outside of Focuslight. All such information must be returned to Focuslight when you terminate your employment with Focuslight. Any taking, downloading or other prohibited use or disclosure of such Focuslight information constitutes theft of Focuslight property and may be deemed to be a misappropriation of Focuslight trade secrets.

Additionally, you should take steps to prevent inadvertent disclosure of Focuslight confidential or proprietary information. You should not discuss any non-public or confidential information of Focuslight with outsiders, including family and friends, and you should not discuss such information in any public place, such as an elevator, restaurant or airplane. Even within Focuslight, information should be shared with others only on a “need to know” basis. You should not post any Focuslight information when using social media tools such as blogs, internet chat boards or social networking sites without express authorization. When you are away from Focuslight premises, you should take special care to protect Focuslight information, in both hard copy and electronic form, to prevent inadvertent disclosure in public places.

11. RECORDS AND REPORTS

Open and effective cooperation requires accurate and truthful reporting. This applies equally to the relationship with investors, employees, customers, and business partners, as well as with the public and all governmental offices.

12. CONFIDENTIALITY

Confidentiality must be maintained with regard to internal corporate matters which have not been

made known to the public. As an example, this includes details concerning the Focuslight's organization and equipment, as well as matters of business and development, and internal reporting figures.

13. DATA PROTECTION AND DATA SECURITY

Access to the Intranet and Internet, nationwide electronic information exchange and dialogue, electronic business dealings—these are crucial requirements for the effectiveness of each and every one of us, and for the success of the business as a whole. However, the advantages of electronic communication are tied to risks in terms of personal privacy protection and data security. Effective foresight with regard to these risks is an important component of IT management, the leadership function, and also the behavior of each individual.

14. PROTECT FOCUSLIGHT PROPERTY AND EQUIPMENT

You should take all reasonable steps to protect against loss, theft or misuse of any Focuslight asset. Moreover, Focuslight facilities, property and equipment are provided only to conduct Focuslight business or for purposes authorized by management. You may not perform any personal or non- Focuslight work in Focuslight facilities, on Focuslight time, or using Focuslight training, tools, materials or resources, except for incidental personal activities that are kept to a minimum and comply with all Focuslight policies.

15. KEEP ACCURATE AND HONEST BUSINESS RECORDS

Focuslight books and records must reflect all transactions included in its results of operations and financial position truthfully, accurately and in compliance with generally accepted accounting principles. It is, therefore, essential that you report all business transactions honestly, accurately and in compliance with all Focuslight policies and procedures. For example, all employees must provide accurate reports of expenses and time. All sales employees must provide truthful, accurate and complete paperwork relating to sales transactions. Falsification of business documentation, whether or not it results in personal gain, is never permissible and may result in penalties to Focuslight and you.

16. COMPLY WITH FOCUSLIGHT RECORD RETENTION POLICIES

Focuslight record retention policies and procedures are designed to ensure legal compliance, preservation of and access to important records, and reduction of costs associated with maintaining large volumes of documents. They require certain documents and records to be retained for specified periods. Drafts and other documents not required to be retained under such Focuslight policies and procedures or otherwise by applicable law should be destroyed regularly in the ordinary course of business. However, if you become aware of a subpoena or of litigation or an investigation that relates to Focuslight and you have documents that may be relevant, you must retain and preserve those documents, including e-mails and other documents that may otherwise be automatically deleted or destroyed, until you are advised by your manager and legal department otherwise.

Focuslight takes seriously its legal and ethical obligations. As an employee of Focuslight, you should always conduct yourself with integrity and in compliance with laws and Focuslight policies, including these Policies. By doing what is right, you help Focuslight move forward with continued success.