

Usui International Corporation Code of Business Ethics and Conduct

Introduction

This code has been prepared as a working guide and not as a technical legal document. Thus, emphasis is on brevity and readability rather than providing an all-inclusive answer to specific questions. For example, the term “employee” is used in its broadest sense and refers to every officer and employee of the company and its subsidiaries. The word “law” refers to laws, regulations, orders, etc.

It is incumbent upon you, as an employee of the company, to perform satisfactorily and to follow our policies and comply with our rules as they are issued or modified from time to time, including all policies contained in the company’s Employee Policies & Handbook. Employees should refer to the Employee Policies & Handbook for additional information.

You should familiarize yourself with this code so that you may readily distinguish any conduct that would constitute a violation. We are committed to reviewing our policies on a periodic basis. Thus, this code may be modified or revised from time to time.

Each employee is responsible for his/her actions. Violations of any part of the code may result in disciplinary action, up to and including dismissal and criminal prosecution. There will be no reprisal against an employee who in good faith reported a violation or suspected violation.

This code is not a contract of employment. Nothing contained in this code alters your at-will employment relationship with the company.

Compliance with All Laws

The company is committed to compliance with all laws. This includes federal laws, the laws of states and the laws of foreign countries, where applicable. The company expects and requires all of its employees, at every level, to share in this commitment to total compliance.

In the event that there is any concern as to the legal propriety of any existing or contemplated action, employees must report the matter and seek immediate guidance from the company's executive management, who will involve legal counsel, if appropriate.

In addition, when dealing with public officials, employees must adhere to the highest ethical standards of business conduct. When we seek the resolution of regulatory or political issues affecting the company's interests we must do so solely on the basis of merit and pursuant to proper procedures in dealing with such officials. Employees may not offer, provide or solicit, directly or indirectly, any special treatment or favor in return for anything of economic value or the promise or expectation of future value or gain. In addition, there shall be no entertaining of employees of the U.S. Government or of any state or local government.

Antitrust & Competition Laws

The federal and state antitrust laws prohibit all agreements with competitors that unreasonably restrain competition. "Agreements" may be inferred from circumstantial evidence. There is no requirement of any contract or "handshake" and it has been found by the courts that an agreement may be inferred from "a wink of an eye".

Of particular concern are actions with competitors that may relate to pricing, bid-rigging or agreements between competitors that unreasonably restrain trade by raising, lowering, stabilizing or chilling the vigor of sales or purchase price competition. Coordination as to what products may be sold to what customers and division of geographic markets are of similar concern. These offenses may be automatically illegal and result in harsh fines for the Company and employees who are involved, as well as jail time.

All employees should avoid communicating or meeting with competitors. If competitor contacts will be necessary (because of customer requests or other legitimate reasons) the reason for the contact, the agenda and the details of handling the contact should be presented to the company's executive management and approved beforehand, with input from legal counsel, if appropriate.

The prohibitions of the US antitrust laws may extend abroad to activities that occur in a foreign country and to the actions of foreign nationals, depending on the impact on US commerce. Therefore the above guidelines should be adhered to with respect to what might appear to be only "off shore" activities.

Foreign Corrupt Practices Act

No employee will engage in activity that may involve the employee or the company in a violation of the Foreign Corrupt Practices Act of 1977. The Foreign Corrupt Practices Act requires that the company's books and records accurately and fairly reflect all transactions and that we maintain a system of internal controls; transactions conform to management's authorizations; and the accounting records are accurate. No employee will falsely report

transactions or fail to report the existence of false transactions in accounting records. Employees certifying the correctness of records, including vouchers or bills, should have reasonable knowledge that the information is correct and proper.

Under the Act, it is also a federal crime for any U.S. business enterprise, or any officer, director, employee, or agent or other person acting on its behalf, to offer, give, promise or authorize a gift, payment or bribe, or anything else of value, whether directly or indirectly, to any foreign official, foreign political party or party official, or candidate for foreign political office for the purpose of influencing an official act or decision, or seeking influence with a foreign government in order to obtain, retain or direct business to the company or to any person. Even if the payment is legal in the host country, it may be forbidden by the Act and violate U.S. law.

Employees must also observe other laws, rules and regulations in the United States and those of other countries, such as the U.K. Bribery Act 2010, that prohibit bribery of private persons, as well as public officials, and that control export of sensitive goods, software and data, that restrict dealings with certain countries, entities, groups and individuals, and that bar actions in support of illegal boycotts, such as the Arab League boycott of Israel.

Employees should be aware of circumstances that may raise concerns or “red flags” under any of these laws and present the circumstances to the company’s executive management for review, with input from legal counsel, if appropriate.

Conflicts of Interest

There are several situations that could give rise to a conflict of interest. The most common are accepting gifts from suppliers, employment by another company, ownership of a significant part of another company or business, close or family relationships with outside suppliers and communications with competitors. A potential conflict of interest exists for employees who make decisions in their jobs that would allow them to give preference or favor to a customer in exchange for anything of personal benefit to themselves or their friends and families. Such situations could interfere with an employee’s ability to make judgments solely in the company’s best interest.

Gifts and Entertainment

Definition of gifts: “Gifts” are items and services of value that are given to any outside parties, but do not include items described below.

- Normal business entertainment items such as meals and beverages are not to be considered “gifts.”
- Items of minimal value, given in connection with sales campaigns and promotions or employee services, safety or retirement awards are not to be considered “gifts” for purposes of this code.
- Contributions or donations to recognized charitable and nonprofit organizations are not considered gifts.
- Items or services with a total value under \$100 per year are excluded.

Definition of supplier: “Supplier” includes not only vendors providing services and material to the company, but also consultants, financial institutions, advisors, and any person or institution which does business with the company.

Gifts: No employee or member of his immediate family shall solicit or accept from an actual or prospective customer or supplier any compensation, advance loans (except from established financial institutions on the same basis as other customers), gifts, entertainment, or other favors which are of more than token value or which the employee would not normally be in a position to reciprocate under normal expense account procedures.

Under no circumstances should a gift or entertainment be accepted which would influence the employee's judgment. In particular, employees must avoid any interest in or benefit from any supplier that could reasonably cause them to favor that supplier over others. It is a violation of the code for any employee to solicit or encourage a supplier to give any item or service to the employee regardless of its value, no matter how small. Our suppliers will retain their confidence in the objectivity and integrity of our company only if each employee strictly observes this guideline.

Reporting Gifts: An employee who receives, or whose family member receives, an unsolicited gift prohibited by these guidelines, is to report it to his supervisor and either return it to the person making the gift or, in the case of perishable gift, give it to nonprofit charitable organization.

Discounts: An employee may accept discounts on a personal purchase of the supplier's or customer's products only if such discounts do not affect the company's purchase price and are generally offered to others having a similar business relationship with the supplier or customer.

Business meetings: Entertainment and services offered by a supplier or customer may be accepted by an employee when they are associated with a business meeting and the supplier or customer provides them to others as a normal part of its business. Examples of such entertainment and services are transportation to and from the supplier's or customer's place of business, hospitality suites, golf outings, lodging at the supplier's or customer's place of business, and business lunches and dinners for business visitors to the supplier's or customer's location. The services should be of the type normally used by the company's employees and allowable under the applicable company's expense account.

Outside Employment

Employees must not be employed outside the company:

- In any business that competes with or provides services to the company or its subsidiaries, and/or
- In a manner which would affect their objectivity in carrying out their company responsibilities, and/or
- Where the outside employment would conflict with scheduled hours, including overtime, or the performance of the company assignments. Employees must not use company time, materials, information or other assets in connection with outside employment.

Relationships with Suppliers and Customers

Business transactions must be entered into solely for the best interests of the company. No employee may, directly or indirectly, benefit from his position as an employee or from any sale, purchase or other activity of the company. Employees should avoid situations involving a conflict or the appearance of conflict between duty to the company and self-interest.

Our policy is that employees will not do business on behalf of the company with a close personal friend or relative. This policy is applicable equally to the members of the immediate family of each employee, which normally includes your spouse, children and their spouses, and the father, mother, sisters and brothers of yourself and your household.

Employment of Relatives

Relatives of employees will not be employed on a permanent or temporary basis by the company where the relative directly reports to the employee or the employee exercises any direct influence with respect to the relative's hiring, placement, promotions, evaluations or pay.

Confidential Information and Privacy of Communications

Confidential Information

Confidential information includes all information, whether technical, business, financial or otherwise concerning the company, which the company treats as confidential or secret and/or which is not available or is not made available publicly. It also includes any private information of, or relating to, customers, fellow employees, other persons or other companies, and national security information obtained by virtue of the employee's position.

Company policy and various laws protect the integrity of the company's confidential information which must not be divulged except in strict accordance with established company policies and procedures. The obligation not to divulge confidential company information is in effect even though material may not be specifically identified as confidential and the obligation exists during and continues even after employment with the company ends.

A few examples of prohibited conduct are:

- Selling or otherwise using, divulging or transmitting confidential company information;
- Using confidential company information to knowingly convert a company business opportunity for personal use;
- Using, divulging or transmitting confidential company information in the course of outside employment or other relationship or any succeeding employment or other relationship at any time.

Employees shall not seek out, accept or use any confidential company information of or from a competitor of the company. In particular, should we hire an employee who previously worked for a competitor, we must neither accept nor solicit confidential information concerning that competitor from our employee.

Company Assets

Cash and Bank Accounts

All cash and bank account transactions must be handled so as to avoid any question or suspicion of impropriety. All cash transactions must be recorded in the company's books of account.

All accounts of company funds shall be established and maintained in the name of the company or one of its subsidiaries and may be opened or closed only on the express authority of the company's Board of Directors. Petty cash funds must be maintained by the custodian who is wholly responsible for these funds. All receipts shall be promptly recorded and deposited in a company or subsidiary bank account.

No payments can be made in cash (currency) other than normal disbursements from petty cash supported by signed receipts or other appropriate documentation. Further, corporate checks shall not be written to "cash," "bearer" or similar designations.

Company Assets and Transactions

Compliance with prescribed accounting procedures is required at all times. Employees having control over company assets and transactions are expected to handle them with the strictest integrity and ensure that all transactions are executed in accordance with management's authorization. All transactions shall be accurately and fairly recorded in reasonable detail in the company's accounting records.

Employees are personally accountable for company funds over which they have control. Employees who spend company funds are to ensure the company receives good value in return and must maintain accurate records of such expenditures. Employees who approve or certify the correctness of a bill or voucher should know that the purchase and amount paid are proper and correct.

Obtaining or creating "false" invoices or other misleading documentation or the invention or use of fictitious sales, purchases, services, loans, entities or other financial arrangements is prohibited.

Expense Reimbursement

Expenses actually incurred by an employee in performing company business must be documented on expense reports in accordance with company procedures. In preparing expense reports, employees should review these procedures for the documentation in order to be reimbursed for business expenses. The company procedures may be found in the Company's Employee Policies and Handbook.

Company Credit Card

When authorized, a company credit card may be used for the convenience in conducting the Company's business. No personal expenses may be charged on company credit cards. Any charged personal expenses must be paid promptly by the employee. Company credit cards are not to be used to avoid preparing documentation supporting any direct payment to vendors.

Computer and Information Systems

Computerized information and computer software are valuable assets of the company and must be protected from misuse, theft, fraud, loss and unauthorized use or disposal, just as any other company property.

For business purposes, the Company provides telephones, smart phones, computers, devices, systems, and software, including network access to computing systems such as the Internet and e-mail, to improve personal productivity and to efficiently manage proprietary information in a secure and reliable manner. We are responsible for the appropriate use of the Company's computer and information systems just like all other company equipment and assets. Except for limited personal use, such equipment and systems may be used only for business purposes. Personal use cannot be allowed for personal financial gain.

Employees cannot access company records of any kind for their personal use.

Employees cannot expect a right to privacy of their e-mail, Internet, or network use. All data, files, records, communications, e-mails, or Internet use on Company equipment or networks may be subject to monitoring by the Company for legitimate purposes.

Political Contributions

Federal law and many state laws prohibit contributions by corporations to political parties or candidates. The term "political contributions" includes, in addition to direct cash contributions, the donation of property or services, and the purchases of tickets to fundraising events. Employees can make direct contributions of their own money, but such contributions are not reimbursable.

It is improper for an employee to use his position within the company to solicit political contributions from another employee for the purpose of supporting a political candidate or influencing legislation. It is also improper for an employee to make a political contribution in the name of the company.

Employee Conduct

Conduct on Company Business

Dishonest or illegal activities on company premises or while on company business will not be condoned and can result in disciplinary action, including dismissal and criminal prosecution. The following illustrates activities that are against company policy, and which will not be tolerated on company premises, in company vehicles or while engaged in company business:

- The storage or use of controlled substances, such as drugs or alcohol. The unlawful manufacture, distribution, dispensation, possession, transfer, sale, purchase or use of a controlled substance.
- Driving vehicles or operating company equipment while under the influence of alcohol or controlled substances.
- Illegal betting or gambling.

The company reserves the right to inspect any property used by employees for the storage of their personal effects. This includes desks, lockers and vehicles owned by the company. It is a violation of company policy to store any contraband, illegal drugs, toxic materials or weapons on company property.

The company also expects all employees to adhere to any customer code of conduct that may apply to the company as part of its customer relationships.

Reporting Violations

All employees are responsible for compliance with this code of conduct. Employees should be alert to possible violations of the code anywhere in the company and are encouraged to report such violations promptly. Reports should be timely made to the employee's supervisor, human resources, an officer, or elsewhere as the circumstance dictates. The company will timely investigate any report of a violation of this code. Employees will also be expected to cooperate in an investigation of reported violations.

Whenever possible, the company will keep confidential the identity of employees about or against whom allegations of violations are brought, unless or until it has been determined that a violation has occurred. Similarly, whenever possible, the company will keep confidential the identity of anyone reporting a possible violation. Retaliation against any employee who has, in good faith, reported a violation or suspected violation is strictly prohibited and also subject to disciplinary action.

All employees are required to notify the company within five (5) days of any conviction of any criminal statute relating to the employee's work. In addition, any employee who is convicted of a felony, whether related to these rules or not, must immediately report that information to the employee's supervisor or human resources.

Discipline

Violation of this code can result in serious consequences for the company, its image, credibility and confidence of its customers and can include substantial fines and restrictions on future operations as well as the possibility of fines and prison sentences for individual employees. Therefore, it is necessary that the company ensure that there will be no violations. Employees should recognize that it is in their best interest, as well as the company's, to follow this code carefully.

Any employee who violates this code is subject to disciplinary action, up to and including discharge from employment. The company in its sole discretion, and in coordination with Human Resources as necessary, will determine the disciplinary action appropriate to a given matter. The overall seriousness of the matter will be considered in determining the disciplinary action to be taken against an individual employee. The amount of any money involved in a violation may not be determinative in assessing the seriousness of a violation since, for example, in some cases heavy penalties may be assessed against the company for a violation even if the amount of money involved was relatively small.

Disciplinary action may include reprimand, probation, suspension, demotion, or discharge.

In addition, individual cases may include:

- Reimbursement of losses or damages to the company or any other party
- Referral for criminal prosecution or civil action
- Combination of the above

The listing of possible actions is informative only and does not bind the company to follow any particular disciplinary steps, process or procedure. Disciplinary action may also be taken against supervisors or executives who condone, permit or have knowledge of a violation of this code by those reporting to them and do not take corrective action. Disciplinary action may also be taken against employees who make false statements in connection with investigations of violations of this code.

The company does not authorize any employee to commit an act that violates this code or to direct a subordinate to do so. The Company, and its Board of Directors when appropriate, has the full discretion to determine the appropriate level of discipline to issue in response to any violation of the Code. A violation may not be excused on the grounds that the employee's violation was directed by higher management.

Annual Acknowledgment Form

Annually, each applicable employee will review the Code of Business Ethics and Conduct and sign the code's Acknowledgment form.

The Code of Business Ethics and Conduct Acknowledgment form must be signed and given to your supervisor for inclusion in your personnel file.

Usui International Corporation
Acknowledgement

I have received a copy of the Usui International Corporation Code of Business Ethics & Conduct. I understand that it is my responsibility to read and comply with the guidelines contained in the code. I also understand and accept the fact that any guideline in the codes subject to change at the sole discretion of the Company at any time.

(Signature of Employee)

(Date)

(Printed Name)

(Title)