

HIGHEST PERFORMANCES HOLDINGS INC.

Foreign Corrupt Practices Act Compliance Policy

I. Policy

The policy of Highest Performances Holdings Inc. (the “**Company**”) is to conduct operations and activities outside of the United States in complete compliance with the Foreign Corrupt Practices Act (“**FCPA**”). This policy is an integral part of the Code of Business Conduct and Ethics in requiring compliance with laws applicable to our international business dealings.

II. Purpose and Scope

The purpose of this policy is to inform Company employees of their responsibility to ensure that the Company does not violate the FCPA and to set forth the procedures to carry out this policy.

This policy applies to the Company and its subsidiaries, divisions, controlled affiliates and to all directors, officers, employees, consultants, contractors, agents, joint venture partners and other persons acting for or on behalf of the Company.

III. Foreign Corrupt Practices Act

The FCPA has two primary sections. The anti-bribery provisions make it illegal to bribe foreign officials, and the accounting provisions impose record-keeping and internal accounting requirements.

(A) Anti-Bribery Standards

The anti-bribery provisions of the FCPA prohibit:

- Offering or giving money or anything of value to a *foreign official* for the purpose of obtaining or retaining business.
- Offering or giving money or anything of value to a *foreign official* for the purpose of obtaining or retaining favorable legislation or regulation or other preferential treatment.
- Offering or giving money or anything of value to a third party while *knowing* that some or all of the payment will be given or offered to a *foreign official* in order to obtain any unfair or unlawful preferential treatment.

“*Foreign official*” means any officer or employee of a foreign government or governmental department, agency, or instrumentality, and includes any person acting in an official capacity on behalf of a governmental entity. “*Foreign official*” also includes political party officials and candidates for political office, employees of government-owned telecommunications companies and other government-owned corporations, and officials of international organizations. Any doubts about whether a particular person is a government official should be resolved by assuming that the individual involved is a

government official for FCPA purpose.

The FCPA prohibits making payments to third persons, such as sales agents, distributors or contract partners, while “*knowing*” that some or all of such payments will be given to a foreign official in return for an exercise of influence to help a U.S. company or U.S. listing company to obtain or retain business. The definition of “*knowing*” includes an awareness that a result is “substantially certain” to occur or that a “high probability” exists that a certain circumstance will occur or that such circumstance exists. Under this standard, actual knowledge of the actions of a company’s agent or partner is not necessarily required. Purposeful ignorance will not shield an individual or a company from prosecution under the FCPA. Thus, employees may not turn a “blind eye” to activity that appears to violate the FCPA.

(B) Permissible Payments

The FCPA permits payments to foreign government officials in limited situations. However, *none of the payments described below in subsection (1), (2) or (3) may be made or authorized without the prior written approval of the Finance Department and any authorized payments must be properly documented.*

(1) Facilitating (“Grease”) Payments

Payments related to the facilitation of routine governmental actions, so-called “grease payments,” do not violate the FCPA. Examples of routine administrative tasks include: provision of common governmental services, such as mail pickup, power and water supply, and processing official papers, such as visa applications or work orders. Routine governmental action will never include any decision to award new business to or continue doing business, enter into a contract or continue doing business with a particular company or person.

(2) Lawful Payments

The FCPA permits payments that are “lawful under the written laws and regulations” of the official’s country. The absence of written laws prohibiting certain activity does not meet the requirement that the activity be lawful under the written laws. Further, the fact that foreign officials may routinely solicit and receive bribes does not make the payment of such bribes acceptable corporate action or legal under the FCPA.

(3) Payment of Reasonable and Bona Fide Expenses

The Company may pay bona fide and reasonable expenditures (including travel and lodging) incurred by or on behalf of a foreign official, if the payments are directly related to either (a) the promotion, demonstration or explanation of products or services or (b) the execution or performance of a contract with a foreign government or agency thereof.

The Company may also provide gifts, meals and entertainment to foreign officials if the expenditures are modest and conform to the laws and customs of the country where incurred. All such payments must be approved in writing in advance by the financial department and properly documented when paid.

(C) Accounting Standards

The accounting standards of the FCPA require that companies establish accounting and recordkeeping controls that will prevent the use of “slush funds” and “off-the-books” accounts which have been used in the past by some companies as a means of concealing questionable foreign payments. In particular, the FCPA requires companies to establish and keep books, records, accounts and controls which accurately and fairly reflect their transactions and dispositions of their assets. This includes transactions that relate in any way, directly or indirectly, to a foreign official. The use of Company funds or assets for any unlawful, improper or unethical purpose, the establishment of any undisclosed, unrecorded or otherwise secreted funds or assets of the Company, and all false or artificial entries in its books and records, are all strictly prohibited. Of course, this is in addition to the Company's other policies requiring approvals for transactions and expenditures, and its other accounting controls and procedures.

(D) Penalties for Violations

Violations of the FCPA could subject individuals to fines of the greater of \$250,000 or twice the gross gain or loss from the offense and imprisonment for up to five years. The Company may be fined up to \$2 million or twice the gross gain or loss from the offense. *Employees in violation of this policy will be subject to disciplinary action, up to and including termination from employment.*

IV. Reporting Violations

Any employee who suspects or becomes aware of a violation of this policy or the FCPA should contact either one's own supervisor or Compliance Officer via the E-mail or telephone.

Every effort will be made to investigate confidential and anonymous reports within the confines of the limits on information or disclosure such reports entail. While self-reporting a violation will not excuse the violation itself, the extent and promptness of such reporting will be considered in determining any appropriate sanction, including dismissal. The Company will investigate any matter which is reported and will take any appropriate corrective action.

The Company will not tolerate any retaliation against any person who communicates bona fide concerns to the Company or law enforcement officials concerning a possible violation of any law, regulation or this policy.