



**Agiltron, Inc.,
its Subsidiaries and/or Affiliates**

CODE OF ETHICS AND BUSINESS CONDUCT

Effective 4 February 2014

From the President, Agiltron, Inc.

4 February 2014

Dear Colleagues:

Agiltron, Inc., its subsidiaries, and affiliates (“Agiltron” or the “Company”) are dedicated to complying with all laws and regulations governing its business operations. Agiltron expects its directors, officers, and employees to conduct the Company’s business pursuant to the highest standards of business ethics and integrity.

This document contains Agiltron’s Code of Ethics and Business Conduct (the “Code”). It serves as the basis of our ethical principles and practices for all of our work, and pays particular attention to the rules and standards governing Agiltron’s publicly funded contracts and grants. Compliance with this Code is the duty and responsibility of every Agiltron employee.

Part and parcel of Agiltron’s Code is built upon Agiltron’s dedication to a culture in which all employees are encouraged to raise any concerns about its business practices. Since no one document can provide specific guidance for all situations encountered in daily operations, Agiltron encourages employees to bring any questions regarding the interpretation of this Code, concerns regarding compliance, or suggestions for improvement to the immediate attention of their Supervisor or manager, or, if the employee prefers, to the Ethics Compliance Officer, or myself for advice and consultation. In addition, Agiltron has established a Hotline that enables an employee to report confidentially to an independent company about any problems or concerns associated with Agiltron’s business practices. It is a toll free number and available 24 hours a day to report potentially illegal, unauthorized, or inappropriate conduct. Hotline reports can be made in both English and Mandarin and the Hotline is accessible to both English- and Mandarin-speaking employees.

Finally, Agiltron has retained Richard Bednar as its Independent Ethics Consultant (the “Independent Ethics Consultant”) to provide continued guidance on how Agiltron can improve and strengthen its dedication to an ethics and compliance program that meets the “best standards” in the industry. Formerly an Army JAG Brigadier General and Army Debarring Official, General Bednar is highly knowledgeable in government contracts ethics and compliance issues and suspension and debarment matters, and serves as a Principal of Contractor Integrity Solutions, LLC (www.contractorintegritysolutions.com). Suggestions for improvement of and concerns about Agiltron’s ethics and compliance program can be raised directly with the Independent Ethics Consultant.

The successful business operations and reputation of Agiltron are built upon the principles of fair dealing and ethical conduct by our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. The continued success of Agiltron is dependent upon our clients’ trust and we are dedicated to preserving that trust. Employees owe a duty to Agiltron, its clients, and shareholders to act in a way that will merit the continued trust and confidence of the public.

Jack Salerno
President, Agiltron, Inc.

1. Mission Statement

Agiltron develops and commercializes photonics technology to deliver valued products to markets including communications, sensing, and instrumentation. Our mission is to provide our customers outstanding solutions and to be exceptional corporate citizens, serving our customers, suppliers, employees, communities, shareholders, and the national interest.

2. About the Code of Ethics and Business Conduct

Responsibility/Accountability

Agiltron has established this Code of Ethics and Business Conduct (the “Code”) to ensure that Agiltron and its subsidiaries and affiliates, including Nanotrons Corporation and Agiltron Development Corporation (collectively “Agiltron” or the “Company”), through their directors, officers and employees, conduct business honestly, with integrity and in strict compliance with the law. This Code memorializes the Company’s commitment to these fundamental principles and provides procedures for ensuring that the Company’s standards of integrity and ethical conduct are consistently and effectively maintained.

The Company values underpinning our ethics and business conduct are Business Honesty, Integrity, and Compliance with the Law. We define Business Honesty as acting with truthfulness and straightforwardness, including straightforwardness of conduct, and without fraud, cheating or theft and by being trustworthy, fair, and sincere. Integrity is defined as our consistent principled adherence to the Code of Ethics and Business Conduct. Compliance with the Law means that we have institutionalized policies and procedures to insure the Company follows relevant laws and regulations.

This Code applies to all of Agiltron’s directors, officers, and employees regardless of their position with the Company, including its President, Chief Executive Officer, senior officers, Principal Investigators, Director of Contracts, Controller, and others performing similar functions.

Agiltron and its directors, officers, and employees must also require that third parties representing Agiltron – such as agents, sales representatives, distributors, and subcontractors – agree to follow the principles embodied in this Code and other applicable Company policies when acting on Agiltron’s behalf.

We are all responsible for upholding our own reputation and that of Agiltron. You are responsible for ensuring that your own conduct complies with this Code. Supervisors are charged specifically with communicating this Code to those within their specific areas of supervisory responsibility, ensuring the employees’ understanding of and compliance with the Code, making reasonable efforts to detect and prevent violations of law and the Code, and taking prompt remedial action when required to assure continuing compliance. Disregarding or failing to comply with this Code could lead to disciplinary action, up to and including possible termination of employment.

Administration and Interpretation

Agiltron's **Ethics Compliance Officer** will administer this Code.

Agiltron has created the position of Ethics Compliance Officer for the purpose of administering and providing training on this Code. Employees are encouraged to direct all questions relating to the application and interpretation of this Code and any suggestions for its improvement to the Ethics Compliance Officer.

The Company's Obligation to Report Violations Under the Federal Acquisition Regulation's Mandatory Disclosure Rules

Agiltron employees must conduct business with honesty and integrity, in compliance with applicable federal, state, and local laws and regulations.

Federal contracting principles and requirements require, among other things, government contractors and subcontractors to monitor, identify, investigate and disclose, when detected, certain kinds of improper conduct relating to contract award, performance, and closeout. Based on these principles and requirements, Agiltron will notify the applicable agency's Inspector General and the relevant contracting officer if management concludes that it has "credible evidence" of a violation of criminal laws relating to fraud, bribery, gratuities, and conflicts of interest.

How to Report Violations

It is the responsibility of any employee or consultant having knowledge of any activity that is or may be in violation of this Code, any law, rule, or regulation applicable to Agiltron's business to promptly disclose such activity.

For this purpose, employees may report such violations in one or more of the following ways:

- You may advise the Ethics Compliance Officer;
- Agiltron has established an anonymous Hotline in which you may report violations. For English speakers, you may call 1-800-401-8004, and for Mandarin speakers, you may call 1-800-603-2869 to leave a confidential message;
- You may advise Agiltron's President directly;
- Or you may advise the Independent Ethics Consultant, Richard Bednar, by direct telephone at 1-703-461-0050 or email to RJB@rjbednar.com. Reports to the Independent Ethics Consultant will be held confidential.

Any complaint or report received will be evaluated seriously and handled as confidentially as possible consistent with investigating and resolving the matter. In conducting the investigation, Agiltron will make findings and take appropriate action to address any improper conduct. Please

help us maintain a workplace we all can be proud of by reporting such incidents.

Non-Retaliation

Agiltron is committed to providing a workplace conducive to open discussion of its business practices. It is Agiltron policy to comply with all applicable laws that protect employees against unlawful discrimination or retaliation in response to their lawfully reporting information alleging inappropriate conduct in the workplace.

2. Employee Conduct Expectations and Policies

Equal Employment Opportunity

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Agiltron will be based on merit, qualifications, and abilities. Agiltron provides equal employment opportunities to all employees and applicants without regard to race, color, religious creed, sex, national origin, ancestry, citizenship status, pregnancy, physical disability, mental disability, age, military status or status as a Vietnam-era or special disabled veteran, marital status, registered domestic partner status, gender, gender identity, genetic information, or sexual orientation, all in accordance with applicable federal and state laws. In addition, Agiltron complies with applicable state and local laws governing nondiscrimination in employment. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, and transfer, leaves of absence, compensation, and training.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of the Ethics Compliance Officer, or the President. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Avoiding Conflicts of Interest

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. The purpose of this Code is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact your Supervisor for more information or questions about conflicts of interest.

Transactions with outside firms must be conducted within a framework established and controlled by senior management of Agiltron. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the

employer, the employee, or both. Promotional plans offered to outside firms outside the usual course of business require specific approval by the President.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of Agiltron's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No "presumption" of conflict is created by the mere existence of a relationship with outside firms. However, if employees have any influence on transactions involving purchases, contracts, or leases, it is imperative that they immediately disclose the relationship to the Ethics Compliance Officer in order to prevent even the appearance of impropriety or conflict of interest and so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has an ownership interest in a firm with which Agiltron does business, but also when an employee or relative receives any inappropriate monetary gain, substantial gift, or special consideration as a result of any transaction or business dealings involving Agiltron.

Trade Secrets and Confidential Information

Confidential Information is a valuable asset of the Company and must be kept confidential. The Company has developed its own trade secrets and proprietary and confidential information, and may also have access to the trade secrets and proprietary and confidential information of other parties with whom it does business. The following are some examples of Confidential Information:

- trade secrets or proprietary information;
- strategic sourcing information or analysis;
- patent applications, developmental or experimental work, formulas, test data, prototypes, models, and product specifications;
- financial information;
- sales and marketing strategies, plans and programs, and product development information;
- customer lists;
- employees' and consultants' personnel information, including but not limited to benefits, perquisites, salaries, stock options, compensation, formulas or bonuses, and their non-business addresses and telephone numbers;
- organizational structure and reporting relationships; and
- business plans.

You must not use Confidential Information for other than Company purposes, either during or after employment with the Company, nor should you disclose such information to unauthorized employees or third parties such as customers, clients, or outside contractors without prior written approval from the Ethics Compliance Officer. You also must refrain from improperly using

Confidential Information obtained from former employers or other third parties, such as suppliers, customers, or entities involved in the Company's negotiation of contracts, mergers, acquisitions, or other business transactions.

All employees are reminded that they signed a Non-Disclosure Agreement as a condition of employment. Employees who improperly use or disclose trade secrets or Confidential Information will be subject to disciplinary action, up to and including termination of employment, as well as legal action, even if they do not actually benefit from the disclosed information.

In addition, employees are reminded that all work and documentation they create or have access to while under employment with Agiltron is intellectual and/or Company property that belongs only to Agiltron or its clients. Employees are required to sign a "work made for hire" letter as a condition of employment. No Company property should be distributed to anyone by an Agiltron employee, unless the employee has prior written authority to do so from his/her Supervisor.

Upon termination of the Employee's employment with Agiltron for any reason, employees shall not retain or remove from the Company's premises any records, property, files or other documents or copies thereof or any other Confidential Information whatsoever, and shall surrender same to the Company, wherever it is located, immediately upon termination of his employment.

You should address any questions concerning whether something is Confidential Information to any higher authority in your chain of command to include your immediate Supervisor, the Director of Contracts, Ethics Compliance Officer, or the President. If you are uncertain whether something is Confidential Information you should treat it as Confidential Information until you receive clarification from Agiltron that it is not Confidential Information. Confidential Information shall remain at all times the property of Agiltron.

Conducting International Business

To the extent that you are involved in any business activities outside the United States, it is critical that you be mindful of complying with both U.S. laws and the foreign laws governing the place where Agiltron is conducting its international business activities, as well as import and export regulations relating to shipment of items and/or information. The broad principles expressed in this Code should be read in conjunction with Agiltron's Export Control Policies/Procedures and apply to Agiltron's international business as well as domestic business that requires performance abroad. In addition to other areas of potential concern, the following U.S. laws apply and must be strictly observed:

The **Foreign Corrupt Practices Act (FCPA)** prohibits directly, or through an agent or intermediary, giving, offering, or promising anything of value to foreign government official to influence them to misuse their authority or exert an unfair business advantage. The FCPA also imposes civil liability on a company which does not keep accurate accounting records or

knowingly fails to implement adequate accounting controls. Please contact the Ethics Compliance Officer if you have any questions regarding payments to a foreign person or entity.

Numerous **Export Control laws and regulations** apply to the export of materials, equipment, weapons, technology, data, software, information, and services (“items”) to foreign governments, businesses, and individuals. Export controls may also restrict the sale of items to U.S. companies abroad and foreign corporations in the United States. A sampling of relevant laws includes: Foreign Asset Control legislation, the U.S. Department of Defense’s International Traffic in Arms Regulations, and the U.S. Department of Commerce’s Export Administration Regulations. The Company’s compliance with such laws is addressed specifically in the Company’s Export Control Policies/Procedures, a copy of which can be obtained from your Supervisor and/or the Export Compliance Officer. Employees should not transfer any item outside of the United States or provide access to any item to a foreign person (defined as any natural person who is not a U.S. Citizen, Lawful Permanent Resident, or individual who has been granted refugee or asylum in the United States), unless and until they have consulted with and received written permission from the Ethics Compliance Officer. This prohibition includes foreign persons (as defined above) who are employees, agents, consultants, or subcontractors of Agiltron.

Accepting Gifts, Gratuities, and Entertainment

Acceptance of gifts and gratuities from actual or would-be clients, suppliers, vendors, competitors, or business partners can result in possible conflicts between your duty of loyalty to Agiltron and your personal interests. In order to ensure that such situations are considered thoughtfully, if you are offered a gift or gratuity with a value exceeding **\$20**, you must seek approval from the Ethics Compliance Officer prior to accepting such gift or gratuity.

In no event should you accept a gift where it would be prohibited by law or is known by you to be contrary to law or the corporate business practices of the company employing the person offering the gift. Under no circumstances should you accept a gift of any value if it is offered in exchange for or as a reward for providing a benefit to the person offering the gift. Any questions involving the interpretation of this policy and prohibition should be raised with the Ethics Compliance Officer.

Providing Gifts, Gratuities, and Entertainment

Due to the nature of Agiltron’s business, the giving of gifts, gratuities, or entertainment (considered “Business Courtesies”) requires the use of good business judgment by employees and careful monitoring by managers. For commercial, non-government clients, Business Courtesies, including meals, entertainment, gifts, promotional items, services, and favors, may be extended, provided they are reasonable, not extravagant in value or number, infrequent enough not to become expected, and not offered in exchange for favorable consideration or treatment. A business courtesy is simply that - a courtesy - and should not be given if doing so would create even the appearance of an impropriety on Agiltron’s part. For Governmental clients, employees must follow Agiltron’s Policies relating to U.S. Government Funded Contracts and Grants found

at Paragraph 3 below.

Dealings with Suppliers, Vendors, Business Partners, and Competitors

Integrity and fair dealing are core components of our business practices. All vendors, suppliers, other business partners, and competitors should be treated fairly and uniformly in accordance with Agiltron's established purchasing policies and procedures. You must not engage in any activity prohibited under anti-trust laws, including boycotting, price-fixing, refusal to deal, price discrimination, or disparate treatment of suppliers. Paying bribes, accepting kickbacks, and obtaining and using third-party insider information in dealings with suppliers, vendors, and business partners are completely inappropriate and will not be tolerated.

3. Policies Relating to U.S. Government Funded Contracts and Grants

Contracting with the Government imposes requirements not traditionally associated with purely commercial business transactions. We are committed to compliance with the letter and spirit of the laws and regulations governing Government contracting. Summarized below are a number of key requirements affecting Government contracts. Please contact the Ethics Compliance Officer with any questions or concerns you may have regarding the following Government contracting policies and procedures.

False Claims/False Statements

It is a violation of the law to knowingly make a false claim or false statement to the Government. Willful violations of these and other statutes can potentially subject Agiltron and individual employees to civil and criminal sanctions including fines, debarment or suspension, and prison sentences. Such violations will expose an employee to disciplinary action, up to and including termination of employment.

Although it is not possible to specify here all contract-related dealings with the Government that present the risk of false statements, false claims, or other violations, particular attention is called to the following:

- Agiltron is required to submit accounting and other records to the Government as a basis for payment on existing contracts or as estimates on future work. All data must be accurate and all estimates must be made in good faith. It is our policy to charge all labor and material costs accurately and to the appropriate account. Our policy on labor charging and time card preparation is detailed in our "Labor Accounting and Timekeeping Policy and Procedure" which is provided to each employee. Willful failure to abide by these policies will be grounds for disciplinary action, up to and including termination of employment.
- Agiltron is frequently required to submit cost or pricing data to the Government, and to certify that it is current, accurate, and complete. The definition of data that must be disclosed is very broad and includes facts as well as management decisions, estimates

(based on verifiable data), and other information that a reasonable person would expect to affect the negotiations. Our policy is full disclosure of complete and accurate cost and pricing data that is current up to the date of agreement on price.

- Agiltron submits proposals for reimbursement of indirect costs to the Government. A company official may be required to certify his belief that the proposal does not contain expressly unallowable costs such as for advertising, donations, entertainment, fines and penalties, lobbying, defense of fraud proceedings, and goodwill. It is our policy to request reimbursement only for those indirect costs that are reasonable in amount and for which we have a good-faith belief that the costs are allowable.

In all your business dealings, you must always make truthful statements about the Company's products and services, must not willfully conceal material facts from anyone with whom the Company does business and must not knowingly make commitments that the Company cannot fulfill.

In particular, you must not knowingly and willfully make or cause to be made false statements, orally or in writing, to Government officials. Similarly, you must not knowingly and willfully conceal or cause to be concealed material facts called for in a Governmental report, application, or other filing. These prohibitions extend to all communications with any federal, state, local, or foreign government agency. You can violate this policy and the law even if you do not personally make the false statement or conceal the material fact. For example, employees are prohibited from providing false information to any other employee or third party knowing that, or if under the circumstances it is likely that, the information will later be provided to the Government.

Gifts and Gratuities to U.S. Government Officials

Agiltron maintains a strict policy of no gifts or gratuities to employees and other representatives of the Government consistent with United States law and regulations. This includes but is not limited to transportation, meals at business meetings, tickets to sporting or other events, holiday gifts, or expense-paid attendance at Company or industry forums, trade shows, or conventions. Although United States law carves out certain exceptions or exemptions to this "no gifts or gratuities" policy (for instance, recipients of Government funding (either by grant or contract) may provide, from time to time, token gifts which are of small value to Government employees); no employee of Agiltron may provide anything of value to a Government employee or representative without the prior written permission of the Ethics Compliance Officer.

Lobbying Activities

Agiltron is prohibited from using Federal funds to pay persons, whether they be existing employees or outside consultants or lobbyists, to influence or attempt to influence executive or legislative decision-making in connection with the award of any contract. We are also required to furnish a certification that no Federal funds have been paid or will be paid in violation of this prohibition. In addition, Agiltron is required to report to the Government any payments to any lobbyist or consultant paid with non-Federal funds for such purposes. Accordingly, no employee

may engage in these efforts or retain any outside person or firm to engage in these efforts without the prior written permission of the President.

Prohibited Use of Source Selection Information/Competing Contractor Cost and Pricing Information

Agiltron must be particularly concerned with obtaining sensitive procurement information from Government agencies. During the conduct of any procurement action, Agiltron will not solicit or accept from any officer or employee of the agency, or any other source, any proprietary or source selection information regarding that procurement. This prohibition begins with the development, preparation, and issuance of a solicitation and concludes with award of a contract, a contract modification, or extension. As used herein, proprietary data includes information contained in a bid or proposal, cost or pricing data, and any information submitted to the Government by a contractor and properly designated as proprietary. Source selection information includes information designated as Government sensitive, such as listings of offerors and prices, listings of bidders prior to bid opening, source selection plans, technical evaluations of proposals, competitive range determinations, rankings (except for sealed bidding), source selection board reports and evaluations, source selection advisory board recommendations, and other information determined by the head of the agency or contracting officer to be information which would jeopardize the integrity or successful completion of the procurement if disclosed.

Hiring of Government and Former Government Employees

Special concerns apply to hiring or retaining a Government or former Government employee as an employee or consultant of Agiltron. In addition, there are special constraints regarding any communication concerning possible employment of Government employees who are designated as “procurement officials” during the conduct of any procurement action and otherwise. You shall not conduct any discussions regarding, or make any offer or promise of, future employment or business opportunity to any procurement official during the conduct of any procurement. In order to be sure that you do not run afoul of restrictions in this area, before discussing potential Agiltron employment with any Government employee, you should consult with the Ethics Compliance Officer.

Prohibited Contractual Relationships

Agiltron shall not knowingly hire an individual nor contract with a company, by any means, if the individual or company is on the General Services Administration’s (GSA) consolidated list of suspended, debarred, and/or ineligible contractors found on the “Excluded List of Parties System” (EPLS); nor shall it knowingly employ an individual who has been convicted of an offense related to government contracting. The System for Award Management (SAM) is the official Government system that consolidated the capabilities of the Central Contractor Registry (CCR), the Federal Agency Registration (FAR), the Online Representations and Certifications Application (ORCA), and the EPLS. (Refer to Web-page: <https://www.sam.gov/portal/public/SAM/>.)

Agiltron's policy does not require it to terminate the employment of individuals who are suspended or proposed for debarment or charged with a criminal offense relating to honesty or integrity during their employment with Agiltron. Agiltron will, however, at a minimum, remove such employees from all supervisory responsibilities within the Company and involvement with Company activities involving government contracts until the resolution of such suspension or proposed debarment. If the employee is convicted or debarred, the employee will be terminated from employment with Agiltron.

Agiltron will not knowingly contract with an individual or entity identified on the Office of Foreign Asset Control's (OFAC) "Specially Designated" list of nationals or persons who are subject to trade restrictions. (Refer to Web-page: <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>.)

Agiltron employees will immediately sever all business connection with any person whose conduct violates applicable laws, regulations, or basic tenets of business integrity and honesty, and such other individuals specifically identified by the Company.

Avoidance of Restrictions on Trade

Agiltron will not enter into a subcontract or teaming agreement that unreasonably restricts sales by the other company directly to the Government of items made or supplied by the other company and will not otherwise act to restrict unreasonably the ability of any other company to sell directly to the Government. Conversely, Agiltron will not enter into agreements where, as a subcontractor or teaming partner, we are subject to any unreasonable restriction to sell our products or services directly to the Government.

Agents, Consultants, and Subcontractors Compliance with Code

Agents, consultants, and subcontractors shall be required by contract to comply with all laws and regulations relating to Government contracting. The principles underlying this Code shall be incorporated in all contracts with agents, consultants, and subcontractors and each such contract shall expressly provide for termination in the event the consultant violates the laws or regulations relating to Government contracting and the principles underlying this Code.

Government-Furnished Property

Employees are responsible for the appropriate use, maintenance, accounting for, and, when necessary, disposal of Government property in compliance with Government-mandated policies and procedures. Any questions concerning the proper use, transfer and disposal of Government property should be directed to the Director of Contracts.

Whistle-Blower Protections

With regard to US Government Contracts at any level, each employee is advised that there are protections pertaining to employee whistleblower rights and protections under 10 U.S.C. § 2409, as described in Subpart 203.9 of the Defense Federal Acquisition Regulation Supplement. If you suspect or reasonably believe there is evidence of gross mismanagement of a Department of Defense (“DoD”) contract, a gross waste of DoD funds, a substantial and specific danger to public health or safety, or a violation of law related to a DoD contract (including the competition for or negotiation of a contract), the Ethics Compliance Officer is available to assist as necessary. In accordance with federal law, Agiltron has a strict and express policy prohibiting retaliation against a person who reports suspected discrimination, fraud, waste, abuse or other ethical violations. Retaliation includes discharge, demotion, suspension, threats, harassment or any other adverse employment action.