

## **SEMILEDS CORPORATION**

### **CODE OF ETHICS**

#### **1. Introduction**

SemiLEDs Corporation (the “Company”) is committed to maintaining the highest standards of ethical conduct. This code of ethics (“Code of Ethics”) reflects the business practices and principles of behavior that support this commitment. The Company's Board of Directors is responsible for setting the standards of conduct contained in this Code of Ethics and for updating these standards as appropriate to reflect legal and regulatory developments. The Company expects every employee, officer and director to read and understand this Code of Ethics and its application to the performance of his or her business responsibilities. The Company will hold each of its employees, officers and directors accountable for adherence to this Code of Ethics. Those who violate this Code of Ethics will be subject to disciplinary action, up to and including termination.

#### **2. Ethics Compliance Officer**

The Company has designated the Company’s general counsel as our ethics compliance officer (“Ethics Compliance Officer”) to administer this Code of Ethics. Employees, officers or directors, at their discretion, may make any report or complaint provided for in this Code of Ethics to the Ethics Compliance Officer. The Ethics Compliance Officer will refer complaints submitted, as appropriate, to the Board of Directors or an appropriate Committee of the Board.

#### **3. Compliance with Applicable Laws**

All employees, officers and directors of the Company must comply with all of the laws, rules and regulations of the United States and other countries, as well as the states, counties, cities and other jurisdictions, applicable to the Company or its business.

This Code of Ethics does not attempt to summarize all laws, rules and regulations applicable to the Company or its business. You should consult the various guidelines the Company has prepared on specific laws, rules and regulations, which you can find summarized in the Employee Handbook and Employment Manual, including employment laws concerning equal employment and sexual and other types of harassment; environmental laws and occupational health and safety laws. The following additional policies of the Company supplement or amplify this Code of Ethics in certain areas and should be read in conjunction with this Code of Ethics: Insider Trading Policy, Corporate Communications Policy, Foreign Corrupt Practices Act Policy, Employee Handbook and the Employment Manual. Please consult with a supervisor or the Ethics Compliance Officer if you have questions about laws that you think may be applicable to you as it relates to your acts or behavior in connection with your capacity as an officer, director or employee of the Company, or to the Company or its business.

#### **4. Conflicts of Interest**

A “conflict of interest” may exist whenever the private interests of an employee, officer or director conflict in any way (or even appear to conflict) with the interests of the Company. While our employees, officers and directors should be free to make personal investments and enjoy social relations and normal business courtesies, they must not have any personal interests that adversely influence the performance of their responsibilities to the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively. Conflicts of interest may also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company, whether received from the Company or a third party. Gifts to, loans to, or guarantees of obligations of, employees, officers and directors and their respective family members may create conflicts of interest. Federal law prohibits personal loans from the Company to directors and executive officers. In addition, in general, it is a conflict of interest for a Company employee or officer to work simultaneously for a competitor, customer or supplier absent an express written consent or waiver from the Company.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with a supervisor or the Ethics Compliance Officer. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor or the Ethics Compliance Officer. When in doubt, you should consult with and disclose the situation to the Ethics Compliance Officer.

#### **5. Corporate Opportunity**

Except as may be approved or ratified by the Board of Directors or a committee of independent directors, employees, officers and directors are prohibited from (a) taking for themselves personally any opportunities that belong to the Company or are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) competing with the Company.

#### **6. Confidentiality**

All employees, officers and directors must maintain the confidentiality of confidential information entrusted to them by the Company or its suppliers or customers, except when disclosure is authorized by the Company or required by laws, regulations or legal proceedings. The term “confidential information” includes, but is not limited to, non-public information that might be of use to competitors of the Company, or harmful to the Company or its customers if disclosed. Whenever feasible, employees, officers and directors should consult a supervisor or the Ethics Compliance Officer if they believe they have a legal obligation to disclose confidential information. This policy in no way limits the effect of any separate confidentiality or non-disclosure agreement you may have with the Company.

#### **7. Fair Dealing**

Each employee, officer and director should endeavor to deal fairly with the Company’s customers, suppliers, competitors, officers and employees. None of the Company’s

employees, officers or directors should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. Stealing proprietary information, misusing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited.

## **8. Protection and Proper Use of Company Assets**

All employees, officers and directors should protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes. Of course, incidental personal use may be appropriate for certain Company assets, but you should check with a supervisor to determine what may be appropriate.

## **9. Public Company Reporting**

As a public company, it is of critical importance that the Company's filings with the Securities and Exchange Commission and the Company's disclosures to and communications with its shareholders be complete, fair, accurate, timely and understandable. Depending on their respective positions with the Company, employees, officers or directors may be called upon to provide information necessary to assure that the Company's public reports and press releases or other communications meet these requirements. The Company expects employees, officers and directors to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements.

## **10. Accounting Complaints**

The Audit Committee of the Board of Directors is responsible for establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters. Employees, officers or directors who have concerns or complaints regarding such matters are encouraged to promptly submit those concerns or complaints to the Audit Committee which, subject to its duties arising under applicable law, regulations and legal proceedings, will treat such submissions confidentially. Such concerns or complaints may be made anonymously.

The Company has designated the Ethics Compliance Officer to receive such complaints on behalf of the Audit Committee and to bring such complaints to the attention of the Audit Committee, as appropriate. Such submissions should be made to the Ethics Compliance Officer at the principal executive offices of the Company.

You may also seek help from or submit information to the Company by writing to the Company at the e-mail address [leds@openboard.info](mailto:leds@openboard.info). You may remain anonymous and will not be required to reveal your identity in your communication to the Company, although providing your identity may assist the Company in addressing your questions or concerns. Such submissions will be automatically directed to the attention of the Ethics Compliance Officer who will be responsible for bringing such submissions to the attention of the Audit Committee, as appropriate.

## **11. Reporting any Illegal or Unethical Behavior**

Employees are encouraged to promptly contact a supervisor, manager, our human resources department, or the Ethics Compliance Officer if the employee believes that the employee has observed a violation of this Code of Ethics or any other illegal or unethical behavior by any officer, director or employee or by anyone purporting to be acting on the Company's behalf and, the employee has any doubt, about the best course of action in a particular situation. Such reports may be made anonymously. Confidentiality will be protected, subject to applicable law, regulation or legal proceeding.

## **12. Reporting by Supervisors**

When a supervisor, manager or other person receives reports of violations or questionable behavior pursuant to this Code of Ethics, that person shall be responsible for bringing such reports to the attention of his or her supervisor, the Ethics Compliance Officer or to the Audit Committee, as appropriate, in accordance with the reporting procedures contained in this Code of Ethics. Persons receiving such reports must endeavor to honor any confidentiality or anonymity requests made by the reporting person, subject to applicable law, regulation or legal proceedings.

## **13. Enforcement**

Any violators of this Code of Ethics will be subject to disciplinary action. The disciplinary actions will be determined by the Board of Directors or its designee. The Company intends such disciplinary action to reflect our belief that all employees, officers and directors should be held accountable to the standards of conduct set forth herein. Accordingly, such disciplinary action may include, without limitation, censure by the Board, demotion, re-assignment, suspension or termination, depending on the nature and the severity of the violation.

## **14. No Retaliation**

The Company complies fully with all applicable whistleblower statutes and will not permit any unlawful retaliation against anyone who makes a report or complaint that a violation of this Code of Ethics or other illegal or unethical conduct has occurred. An excerpt of the relevant whistleblower statute in effect at the date this policy was adopted is attached hereto as Annex A, and any subsequent amendments may be obtained from our human resources department or the Ethics Compliance Officer.

## **15. Amendment, Modification And Waiver**

This Code of Ethics may be amended or modified from time to time by the Board of Directors, subject to the disclosure and other provisions of the Securities Exchange Act of 1934, and the rules thereunder and the applicable rules of each stock exchange on which the Company's securities are listed or quoted. Any amendment, modification or waiver of the provisions of this Code of Ethics for executive officers or directors of the Company may only be made by the Board of Directors and must be promptly disclosed to shareholders as required by the

Securities Exchange Act of 1934, and the rules thereunder and the applicable rules of each stock exchange on which the Company's securities are listed or quoted.

*As adopted on October 2, 2010.*

**ANNEX A**  
**To Code of Ethics**

Excerpt of Chapter 73 of Title 18, United States Code, Section 1514A  
**as Adopted on January 23, 2002**

**§1514A. Civil action to protect against retaliation in fraud cases**

(a) **WHISTLEBLOWER PROTECTION FOR EMPLOYEES OF PUBLICLY TRADED COMPANIES.**—No company with a class of securities registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 781), or that is required to file reports under section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(d)), or any officer, employee, contractor, subcontractor, or agent of such company, may discharge, demote, suspend, threaten, harass, or in any other manner discriminate against an employee in the terms and conditions of employment because of any lawful act done by the employee—

(1) to provide information, cause information to be provided, or otherwise assist in an investigation regarding any conduct which the employee reasonably believes constitutes a violation of section 1341, 1343, 1344, or 1348, any rule or regulation of the Securities and Exchange Commission, or any provision of Federal law relating to fraud against shareholders, when the information or assistance is provided to or the investigation is conducted by—

(A) a Federal regulatory or law enforcement agency;

(B) any Member of Congress or any committee of Congress; or

(C) a person with supervisory authority over the employee (or such other person working for the employer who has the authority to investigate, discover, or terminate misconduct); or

to file, cause to be filed, testify, participate in, or otherwise assist in a proceeding filed or about to be filed (with any knowledge of the employer) relating to an alleged violation of section 1341, 1343, 1344, or 1348, any rule or regulation of the Securities and Exchange Commission, or any provision of Federal law relating to fraud against shareholders.

Excerpt of Chapter 73 of Title 15, United States Code, Section 78a

**§21F. Securities Whistleblower Incentives and Protection**

(h) **PROTECTION OF WHISTLEBLOWERS.**—

(1) **PROHIBITION AGAINST RETALIATION.**—

(A) **IN GENERAL.**—No employer may discharge, demote, suspend, threaten, harass, directly or indirectly, or in any other manner discriminate against, a whistleblower in the terms and conditions of employment because of any lawful act done by the whistleblower—

(i) in providing information to the Commission in accordance with this section;

(ii) in initiating, testifying in, or assisting in any investigation or judicial or administrative action of the Commission based upon or related to such information; or

(iii) in making disclosures that are required or protected under the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7201 et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), including section 10A(m) of such Act (15 U.S.C. 78f(m)), section 1513(e) of title 18, United States Code, and any other law, rule, or regulation subject to the jurisdiction of the Commission.