CHARTER OF THE AUDIT COMMITTEE

OF THE BOARD OF DIRECTORS OF

NLIGHT, INC.

PURPOSE

The purpose of the Audit Committee (the "**Audit Committee**") of the Board of Directors (the "**Board**") of nLIGHT, Inc. (the "**Company**") is to assist the Board in fulfilling its responsibilities for generally overseeing:

- The Company's accounting and financial reporting processes and internal controls as well as the audit and integrity of the Company's financial statements.
- The qualifications and independence of the Company's independent auditor.
- The performance of the Company's independent auditor.
- The Company's compliance with applicable law (including U.S. federal securities laws and other legal and regulatory requirements).
- Risk assessment and risk management pertaining to the financial, accounting and tax matters of the Company.
- The implementation and performance of the Company's internal audit function, if applicable.

The Audit Committee has the authority to undertake the specific duties and responsibilities as are enumerated in or consistent with this charter and will have the authority to undertake such other specific duties as the Board from time to time prescribes.

COMPOSITION

1. Membership and Appointment. The Audit Committee shall consist of at least three (3) members of the Board. Members of the Audit Committee shall be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee and shall serve until their successors are duly appointed by the Board or until their earlier resignation or removal. The Board may at any time and in its complete discretion remove any member of the Audit Committee and may fill any vacancy in the Audit Committee.

2. Qualifications. Members of the Audit Committee must generally meet the following criteria (as well as any criteria required by the Securities Exchange Commission ("**SEC**")); provided, however, that the Company may avail itself of any applicable phase-in rules or interpretations:

    - Each member of the Audit Committee shall meet the independence standards established by the SEC and the securities exchange on which the Company's common stock is listed, as determined by the Board after consideration of all factors determined to be relevant under the rules and regulations of the SEC and the securities exchange on which the Company's securities

are listed.

- Each member of the Audit Committee must be able to read and understand fundamental financial statements and otherwise must comply with the financial-literacy requirements of the securities exchange on which the Company's common stock is listed, as determined by the Board.

- At least one member of the Audit Committee must be an "audit committee financial expert" as defined by the rules and regulations of the SEC.

- No member of the Audit Committee shall simultaneously serve on the audit committees of more than three (3) other public companies, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee and the Company discloses such determination in its annual proxy statement.

- No person may serve as a member of the Audit Committee if the person has participated in the preparation of the financial statements of the Company or any of the Company's current subsidiaries at any time during the past three (3) years.

- Each member of the Audit Committee shall have such other qualifications as are established by the Board from time to time, or as required by applicable law or the rules and regulations of the SEC or the securities exchange on which the Company's common stock is listed.

3. Chairperson. The Board may designate a chairperson of the Audit Committee. In the absence of that designation, the Audit Committee may designate a chairperson by majority vote of the Audit Committee members.

RESPONSIBILITIES

The following are the principal recurring responsibilities of the Audit Committee. The Audit Committee may perform such other functions as are consistent with its purpose and applicable law, rules and regulations and as the Board or the Audit Committee deem appropriate. In carrying out its responsibilities, the Audit Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances.

1. Select and Hire the Independent Auditor. The Audit Committee shall be directly responsible for appointing, compensating, retaining and, where appropriate, replacing an independent registered public accounting firm to act as the Company's independent auditor for the purpose of auditing the Company's financial statements, books, records, accounts and internal control over financial reporting. The Audit Committee shall have sole authority to approve the hiring and discharging of the independent auditor, all audit engagement fees, and terms and all permissible non-audit engagements with the independent auditor. At least annually, the Audit Committee shall receive an audit engagement letter and either execute it on behalf of the Company or, if the Audit Committee or its chairperson are not appropriate parties to sign the letter, acknowledge the letter and agree to the terms of engagement. The Audit Committee shall also appoint, retain, compensate, oversee, and, where appropriate, replace any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Each such registered public accounting firm shall report directly to the Audit Committee.

2. Supervise and Evaluate the Independent Auditor. The Audit Committee shall:

- Oversee and evaluate the work and qualifications of the independent auditor and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, which evaluation shall include a review and evaluation of the lead partner of the independent auditor. The Audit Committee shall review, in consultation with the independent auditor, the annual audit plan and scope of audit activities and monitor such plan's progress.

- Review and resolve any disagreements that may arise between management and each registered public accounting firm regarding internal controls, accounting, or financial reporting.

- At least annually, obtain and review a written report by the independent auditor that describes (i) the independent auditor's internal quality control procedures, (ii) any issues raised by the most recent internal quality-control review, or peer review, of the independent auditor or by any inquiry or investigation by governmental or professional authorities, within the preceding five years (or such other period as may be requested by the Audit Committee), regarding any independent audit performed by the independent auditor, and any steps taken to deal with any such issues, and (iii) all relationships between the independent auditor and the Company, in order to assess the independent auditor's independence.

3. Evaluate the Independence of the Independent Auditor. The Audit Committee must ensure the independence of the independent auditor. The Audit Committee shall:

- Review and discuss with the independent auditor the independent auditor's written report referenced above and any other independence disclosures required by the applicable requirements of the Public Company Accounting Oversight Board.

- Review and discuss with the independent auditor on a periodic basis any other relationships or services (including permissible non-audit services) that may affect its objectivity and independence.

- After reviewing the independent auditor's written report referenced above, other written disclosures or relevant relationships or services, and the independent auditor's work throughout the year, evaluate the independent auditor's independence.

- Oversee the rotation of the independent auditor's lead audit and concurring partners and the rotation of other audit partners, with applicable time-out periods, in accordance with applicable law.

- Take, or recommend to the Board that it take, appropriate action to oversee the independence of the Company's outside auditor.

4. Approve Audit and Non-Audit Services and Fees. The Audit Committee shall (i) review and approve, in advance, the scope and plans for the audits and the audit fees, and (ii) approve in advance (or, where permitted under the rules and regulations of the SEC, subsequently) all non-audit services to be performed by the independent auditor that are not otherwise prohibited by law and any associated fees. The Audit Committee chairperson may pre-approve audit and permissible non-audit services and any associated fees, as long as this pre-approval is presented to the full Audit Committee at scheduled meetings. The Audit Committee may, in accordance with applicable law, establish pre-approval policies and procedures for the engagement of independent accountants to

render services to the Company.

5. Review Financial Statements. The Audit Committee shall review and discuss the following with management and the independent auditor, as applicable:

- The scope and timing of the annual audit of the Company's financial statements.
- The Company's annual audited and quarterly financial statements and annual and quarterly reports on Forms 10-K and 10-Q (when the Company is required to comply with such reporting obligations), including the disclosures in "Management's Discussion and Analysis of Financial Condition and Results of Operations", and recommend to the Board whether the audited financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" should be included in the Company's Form 10-K.
- The results of the independent audit and the quarterly reviews, and the independent auditor's opinion on the annual financial statements.
- The reports and certifications regarding internal control over financial reporting and disclosure controls and procedures.
- Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles.
- Analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
- The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.
- Any significant changes required or taken in the audit plan as a result of any significant control deficiency or material weakness.
- Any problems or difficulties the independent auditor encountered in the course of its audit work, including any restrictions on the scope of the auditor's activities or on access to requested information, and management's response.
- Any significant disagreements between management and the independent auditor.

6. Reports and Communications from the Independent Auditor. The Audit Committee shall review and discuss quarterly reports from the independent auditor concerning the following:

- All critical accounting policies and practices to be used by the Company.
- All alternative treatments of financial information within GAAP that the auditor has discussed with management, ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the independent auditor if different from that used by management.
- Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

- Other matters required to be communicated to the Audit Committee under generally accepted auditing standards and other legal or regulatory requirements.

7. Audit Committee Report. The Audit Committee shall prepare the report of the Audit Committee that SEC rules require to be included in the Company's annual proxy statement.

8. Review of Financial Information Presentation, Earnings Press Releases and Earnings Guidance. The Audit Committee shall periodically discuss with management the Company's procedures with respect to the presentation of the Company's financial information (with particular attention to any use of "pro forma" or "adjusted" non-GAAP information) and review and discuss earnings press releases, as well as financial information and earnings guidance provided to the public, analysts and ratings agencies.

9. Internal Controls. The Audit Committee shall review and discuss with management, the internal auditor (or other personnel or service providers responsible for the internal audit function (if any)), and the independent auditor the adequacy and effectiveness of the Company's internal controls over financial reporting, including any changes, significant deficiencies or material weaknesses in those controls reported by the independent auditor, the internal auditors (if any) or management and any special audit steps adopted in light of any such significant control deficiencies or material weaknesses and any fraud, whether or not material, that involves management or other Company employees who have a significant role in the Company's internal controls.

10. Disclosure Controls and Procedures. The Audit Committee shall review and discuss the adequacy and effectiveness of the Company's disclosure controls and procedures.

11. Internal Audit Function. If the Company implements an internal audit function, the Audit Committee shall:

    - review and participate in the selection of the Company's internal auditor and periodically review the activities, organizational structure and qualifications of the internal audit function;

    - review and approve the annual internal audit project plan and any proposed changes and review periodic reports summarizing results of the internal audit projects including any significant findings; and

    - periodically review with the Company's internal auditor any issues encountered in the course of the internal audit function's work.

12. Legal and Regulatory Compliance. The Audit Committee shall review and discuss with management and the independent auditor (i) the overall adequacy and effectiveness of the Company's legal, regulatory, and ethical compliance programs, including the Company's Code of Business Conduct and Ethics, compliance with the Foreign Corrupt Practices Act, and compliance with export control regulations, and (ii) reports regarding compliance with applicable laws, regulations, and internal compliance programs in each case to the extent pertaining to financial, accounting and/or tax matters. The Audit Committee shall discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies. The Audit Committee shall discuss with the Company's Legal Department, or outside legal counsel, as applicable, legal matters that may have a material impact on the financial statements or the Company's compliance procedures that pertain to financial, accounting,

or tax matters of the Company.

13. Complaints. The Audit Committee shall establish and oversee procedures for the receipt, retention, and treatment of complaints on accounting, internal accounting controls, or audit matters, as well as for confidential and anonymous submissions by the Company's employees concerning questionable accounting or auditing matters.

14. Risks. The Audit Committee shall review and discuss with management and the independent auditor the Company's major financial risk exposures and the steps management has taken to monitor and control those exposures, including the Company's guidelines and policies with respect to risk assessment and risk management pertaining to financial, accounting and tax matters.

15. Related Party Transactions. The Audit Committee shall develop, maintain and review the Company's related party transaction policy and review, approve, monitor and oversee related party transactions in accordance with the Company's related party transaction policy.

16. Conflicts of Interest. The Audit Committee shall:

- review and monitor compliance with the Company's Code of Business Conduct and Ethics;
- consider questions of possible conflicts of interest of Board members and of corporate officers; and
- review actual and potential conflicts of interest of Board members and corporate officers and approve or prohibit any involvement of such persons in matters that may involve a conflict of interest or the taking of a corporate opportunity.

17. Hiring of Auditor Personnel. The Audit Committee shall set hiring policies for the Company with regard to employees and former employees of the Company's independent auditor.

The function of the Audit Committee is primarily one of oversight. The Company's management is responsible for preparing the Company's financial statements, and the independent auditor is responsible for auditing and reviewing those financial statements. The Audit Committee is responsible for assisting the Board in overseeing the conduct of these activities by management and the independent auditor. The Audit Committee is not responsible for providing any expert or special assurance as to the financial statements or the independent auditor's work. It is recognized that the members of the Audit Committee are not full-time employees of the Company, that it is not the duty or responsibility of the Audit Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures, or to set auditor independence standards, and that each member of the Audit Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which the Audit Committee receives information and (ii) the accuracy of the financial and other information provided to the Audit Committee, in either instance absent actual knowledge to the contrary.

MEETINGS AND PROCEDURES

1. Meetings.

- The Audit Committee will meet at least four (4) times each year (with additional meetings as it deems necessary or appropriate) at such times and places as the Audit Committee determines. The chairperson of the Audit Committee shall preside at each meeting. If a chairperson is not designated or present, an acting chair may be designated by the Audit Committee members

present. The Audit Committee may act by written consent (which may include electronic consent), which shall constitute a valid action of the Audit Committee if it has been approved by each Audit Committee member and shows the date of approval. Any written consent will be effective on the date of the last signature and will be filed with the minutes of the meetings of the Board.

- The Audit Committee shall cause to be kept written minutes of its proceedings, which minutes will be filed with the minutes of the meeting of the Board.

- The Audit Committee shall meet periodically with members of management as deemed appropriate and the independent auditor in separate executive sessions.

- The Audit Committee may invite to its meetings any director, officer, or employee of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Audit Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities, including non-management directors who are not members of the Audit Committee.

2. Reporting to the Board of Directors. The Audit Committee shall report regularly to the Board with respect to the Audit Committee's activities, including any significant issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, or the performance and independence of the Company's independent auditor, the performance of the internal audit function, as applicable.

3. Authority to Retain Advisors. The Audit Committee shall have the authority to engage independent counsel or other advisors as it deems necessary or appropriate to carry out its duties. The Company will provide appropriate funding, as determined by the Audit Committee, to pay any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, any outside advisors hired by the Audit Committee, and any administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its activities.

4. Subcommittees. The Audit Committee may form subcommittees for any purpose that the Audit Committee deems appropriate and may delegate to such subcommittees such power and authority as the Audit Committee deems appropriate. If designated, each such subcommittee will establish its own schedule and maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Audit Committee shall not delegate to a subcommittee any power or authority required by law, regulation or listing standard to be exercised by the Audit Committee as a whole.

5. Committee Charter Review. The Audit Committee shall review and reassess the adequacy of this charter annually and shall submit any recommended changes to the charter to the Board for approval.

6. Performance Review. The Audit Committee shall review and assess the performance of the Audit Committee on an annual basis.

7. Authority to Investigate. In the course of its duties, the Audit Committee shall have authority, at the Company's expense, to investigate any matter brought to its attention.

8. Attorney's Reports. The Audit Committee shall receive and, if appropriate, respond to attorneys'

reports of evidence of material violations of securities laws and breaches of fiduciary duty and similar violations of foreign, U.S., state. or local law. The Audit Committee shall establish procedures for the confidential receipt, retention, and consideration of any attorney report.

9. Access. The Audit Committee shall be given full access to the chairperson of the Board, management, and the independent auditor, and, if applicable, the internal auditor, as well as the Company's books, records, facilities and other personnel.

10. Compensation. Members of the Audit Committee shall receive such fees, if any for their service as Audit Committee members as may be determined by the Board in its sole discretion. Members of the Audit Committee may not receive any compensation from the Company except the fees that they receive for service as a member of the Board or any committee thereof.