

**NLIGHT, INC.**  
**AMENDED AND RESTATED**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
YOUR RESPONSIBILITIES.....	2
GENERAL STANDARDS OF CONDUCT .....	3
Overview .....	3
Compliance with law .....	3
No discrimination or harassment .....	4
Health and safety.....	4
AVOIDING CONFLICTS OF INTERESTS.....	5
Overview .....	5
Outside employment and directorships .....	5
Financial interests in other companies .....	5
Transactions with the Company .....	5
Corporate opportunities .....	6
Loans by the Company .....	6
Improper benefits .....	6
Election or appointment to public office.....	6
Guidance and approvals.....	6
PUBLIC COMMUNICATIONS.....	7
Public communications and filings.....	7
Communication procedures .....	7
FINANCIAL REPORTING.....	9
Overview .....	9
Compliance with rules, controls and procedures .....	9
Accuracy of records and reports .....	9
Intentional misconduct .....	9
Dealing with auditors .....	10
Obligation to investigate and report potential violations.....	10
Keeping the Audit Committee informed.....	10
SAFEGUARDING COMPANY ASSETS.....	12
Overview .....	12
Protecting the Company’s information .....	12
Prohibition on insider trading.....	13
Maintaining and managing records .....	13
RESPONSIBILITIES TO OUR CUSTOMERS, SUPPLIERS AND COMPETITORS.....	15

**TABLE OF CONTENTS**  
**(continued)**

	<u>Page</u>
Overview .....	15
Improper payments.....	15
Gifts and entertainment .....	15
Selecting suppliers .....	16
Handling the nonpublic information of others.....	16
Improperly obtaining or using assets or information .....	17
Free and fair competition .....	17
<b>WORKING WITH GOVERNMENTS .....</b>	<b>19</b>
Overview .....	19
Government contracts.....	19
Requests by regulatory authorities.....	19
Improper payments to government officials .....	19
Political contributions .....	20
Lobbying .....	20
Charitable Contributions .....	20
Trade Restrictions and Export Compliance .....	20
Immigration laws .....	21
<b>PROCEDURAL MATTERS.....</b>	<b>22</b>
Distribution.....	22
Acknowledgment .....	22
Approvals and waivers .....	22
Reporting violations .....	22
Investigations .....	23
Disciplinary action .....	23
<b>ADDITIONAL INFORMATION.....</b>	<b>25</b>

## INTRODUCTION

This Amended and Restated Code of Business Conduct and Ethics (this “**Code**”) is a statement of the principles and expectations that guide ethical business conduct, designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents we file with or submit to the U.S. Securities and Exchange Commission or other government agencies, as well as in our other public communications;
- protection of our confidential and proprietary information and that of our customers and vendors;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of this Code; and
- accountability for adherence to this Code.

This Code applies to all directors, officers and employees of nLIGHT, Inc. and its subsidiaries (the “**Company**”), who, unless otherwise specified, will be referred to collectively as “employees.” Agents and contractors of the Company are also expected to read, understand and abide by this Code. In some cases, circumstances may excuse contractors, consultants, and/or other agents from strict adherence to every element of this Code, e.g., a supplier to the Company may also be in the business of supplying goods or services to a competitor. Reasonable judgment should be applied in interpreting this Code under such circumstances.

Officers, managers, and other supervisors are expected to develop in employees a sense of commitment to the spirit, as well as the letter, of the Code. Supervisors are also expected to ensure that all agents and contractors conform to Code standards when working for or on behalf of the Company. If you are a supervisor, you have the added responsibility of creating an open and supportive environment where employees feel comfortable asking questions, raising concerns, and reporting misconduct. Nothing in the Code alters the employment at-will policy of the Company.

This Code should help guide your conduct in the course of our business. However, many of the principles described in this Code are general in nature, and the Code does not cover every situation that may arise. Use common sense and good judgment in applying this Code. **If you have any questions about applying the Code, it is your responsibility to seek guidance.**

This Code is not the exclusive source of guidance and information regarding the conduct of our business. You should consult applicable policies and procedures in specific areas as they apply. The Code is intended to supplement, not replace, the employee handbook and the other policies and procedures of the Company. A chart with a list of Company policies and procedures can be found at the end of this Code.

*As used in this Code, “General Counsel” shall refer to the General Counsel of the Company, or person performing a similar function, and in the absence of any such person, the Chief Financial Officer.*

We are committed to continuously reviewing and updating our policies and procedures. The Company therefore reserves the right to amend, alter or terminate this Code at any time and for any reason, subject to applicable law.

### **YOUR RESPONSIBILITIES**

- You are expected to read and understand this Code.
- You must uphold these standards in day-to-day activities and comply with all applicable policies and procedures in this Code.
- Part of your job and ethical responsibility is to help enforce this Code. You should be alert to possible violations and promptly report violations or suspected violations of this Code. Please refer to “Procedural Matters—Reporting Violations” for more information.
- You must cooperate with investigations into possible Code violations and be truthful and forthcoming in the course of these investigations.
- Reprisals, threats, retribution or retaliation against any person who has in good faith reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in good faith in any investigation or process with respect to such a violation, is prohibited.
- In trying to determine whether any given action is appropriate, keep these steps in mind:
  - Obtain all relevant facts.
  - Assess the responsibilities and roles of those involved.
  - Using your judgment and common sense, evaluate whether the action seems unethical or improper.
  - Seek guidance.
- **If you are unsure about any situation or any provision of this Code, discuss the matter with your manager or responsible employees in the Legal or Human Resources Departments.**

## GENERAL STANDARDS OF CONDUCT

### Overview

We believe in long-term, trusting business relationships built on honesty and integrity. All our employees are expected to uphold the highest professional standards in all global business operations. We also expect that those with whom we do business (including suppliers, customers or re-sellers) will adhere to the standards set by this Code.

Outstanding employees are important to nLIGHT's success. Everyone is part of the company team, and each of us deserves to be treated with dignity and respect. In addition, every employee is responsible for his/her own conduct. No one has the authority to make another employee violate nLIGHT's Code of Business Conduct, and any attempt to direct or otherwise influence someone else to commit a violation is unacceptable. nLIGHT requires all employees, to know, understand and follow the Code of Business Conduct and all other policies set forth by the Company, as it applies personally to each individual.

Managers are expected to set an example for their employees and act on ethical issues that come to their attention.

The fundamental principle that underlies the way we do business at nLIGHT is good judgment. An understanding of our legal and ethical parameters enhances that judgment. nLIGHT has a responsibility to pay constant attention to all legal boundaries and to comply with all applicable laws and regulations in all of its operations worldwide. We have the same obligation to the communities in which we do business and to the customers with whom we do business.

### Compliance with law

You are responsible for complying with all laws, rules, regulations and regulatory orders applicable to the conduct of our business. If compliance with this Code should ever conflict with law, you must comply with the law.

You should undertake to acquire knowledge of the legal requirements relating to your duties sufficient to enable you to recognize potential dangers and to know when to seek advice from managers or other appropriate personnel.

The Company's employees are expected to comply with the applicable laws in all countries to which they travel, in which they operate and where the Company otherwise does business, including laws prohibiting bribery, corruption, or the conduct of business with specified individuals, companies, or countries. The fact that in some countries certain laws are not enforced or that violation of those laws is not subject to public criticism will not be accepted as an excuse for noncompliance. In addition, you are expected to comply with U.S. laws, rules, and regulations governing the conduct of business by its citizens and corporations outside the United States.

These U.S. laws, rules, and regulations, which extend to all Company activities outside the United States, include but are not limited to:

(i) the Foreign Corrupt Practices Act, which prohibits directly or indirectly giving anything of value to a government official to obtain or retain business or favorable treatment, and

requires the maintenance of accurate books of account, with all Company transactions being properly recorded;

(ii) U.S. embargoes, which restrict or, in some cases, prohibit companies, their subsidiaries and their employees from doing business with certain other countries identified on a list that changes periodically or specific companies or individuals;

(iii) export controls, which restrict travel to designated countries or prohibit or restrict the export of goods, services and technology to designated countries, denied persons, or denied entities from the United States, or the re-export of U.S. origin goods from the country of original destination to such designated countries, denied companies, or denied entities; and

(iv) antiboycott compliance, which prohibits U.S. companies from taking any action that has the effect of furthering or supporting a restrictive trade practice or boycott that is fostered or imposed by a foreign country against a country friendly to the United States or against any U.S. person.

If you have a question as to whether an activity is restricted or prohibited, seek assistance before taking any action, including giving any verbal assurances that might be regulated by international laws.

Violations of laws, rules, regulations and orders may subject you to individual criminal or civil liability, in addition to discipline by the Company. Violations may also subject the Company to civil or criminal liability or the loss of business.

### **No discrimination or harassment**

The Company is committed to providing a work environment that is free of discrimination and harassment. The Company is an equal opportunity employer and makes employment decisions on the basis of merit and business needs. In addition, the Company strictly prohibits harassment of any kind, including harassment on the basis of sex (gender), race, color, ancestry, religious creed, national origin, physical disability, mental disability, age, veteran or military status, sexual orientation, gender identity, genetic information, family medical history, pregnancy, childbirth or related medical conditions, or any other consideration made unlawful by federal, state or local laws. For more information, please see our Employee Handbook.

### **Health and safety**

You are responsible for using good judgment to help ensure a safe and healthy workplace for all employees. For more information on the Company's safety and security policies, see our Employee Handbook.

## **AVOIDING CONFLICTS OF INTERESTS**

### **Overview**

Your decisions and actions in the course of your employment with the Company should be based on the best interests of the Company, and not based on personal relationships or benefits. You should seek to avoid situations where your personal activities and relationships conflict, or appear to conflict, with the interests of the Company, except under guidelines approved by the Board of Directors. This includes situations where you may have or appear to have an indirect conflict through, for example, a significant other or a relative or other persons or entities with which you have a business, social, familial, personal or other relationship. A conflict may also arise when you take actions or have interests that make it difficult for you to perform your work for the Company objectively and effectively. You must disclose to your manager any interest that you have that may, or may appear to, conflict with the interests of the Company.

There are a variety of situations in which a conflict of interest may arise. While it would be impractical to attempt to list all possible situations, some common types of conflicts are discussed below.

### **Outside employment and directorships**

Unless you are a non-employee director of the Company, you may not perform services as a director, employee, agent or contractor for a customer, a supplier or any other entity that has a business relationship with the Company without approval from the General Counsel. Non-employee directors of the Company must promptly inform the General Counsel of any such service. You may not perform services as a director, employee, agent or contractor for any competitor of the Company.

### **Financial interests in other companies**

You should not have a financial interest—including an indirect interest through, for example, a relative or significant other—in any organization if that interest would give you or would appear to give you a conflict of interest with the Company. You should be particularly sensitive to financial interests in competitors, suppliers, customers, distributors and strategic partners. Employees shall select and deal with suppliers, customers, and all others seeking to do business with nLIGHT in an impartial manner, without favor or preferences based upon considerations other than the best interests of the Company. Employees shall not accept a management position or serve as an advisor, director, consultant, or employee of a business that does or seeks to do business with, or is a potential competitor with, the Company, without receiving approval from the Chief Executive Officer. For more information, see the Company's Employee Handbook.

### **Transactions with the Company**

If you have a significant financial interest in a transaction involving the Company—including an indirect interest through, for example, a relative or significant other or a business entity—you must disclose that interest, and that interest must be approved by the Company in a manner specified by this Code and our related person transactions policy (if applicable). We encourage you to seek guidance if you have any questions as to whether an interest in a transaction is significant. If it is determined that the transaction is covered by our Related Person Transactions Policy, the transaction will be subject to review and approval by the Audit Committee of the Board of Directors. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to that business. See the Company's separate Related Person Transactions Policy for more information regarding the Company's policies and procedures for related party transactions.



### **Corporate opportunities**

You may not directly or indirectly exploit for personal gain any opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Board of Directors or its designated committee and the Board of Directors or its designated committee declines to pursue the opportunity.

### **Loans by the Company**

Loans from the Company to directors and all employees are prohibited, other than (a) in accordance with the Company's Expense Reimbursement Guidelines, or (b) payroll advances for hardship (as determined by the Vice President, Human Resources), in an amount not to exceed \$500.

### **Improper benefits**

You may not receive any improper benefit as a result of your position with the Company.

### **Election or appointment to public office; not-for-profit board directorships**

You may serve in an elected or appointed public office, or on the board of directors (or similar function) of a not-for-profit entity, provided that the position does not create or appear to create a conflict of interest.

### **Guidance and approvals**

Evaluating whether a conflict of interest exists, or may appear to exist, requires the consideration of many factors. We encourage you to seek guidance and approval in any case where you have any questions or doubts. The Company may at any time rescind prior approvals to avoid a conflict of interest, or the appearance of a conflict of interest, for any reason deemed to be in the best interest of the Company.

## **PUBLIC COMMUNICATIONS**

### **Public communications and filings**

The Company files reports and other documents with regulatory authorities, including the U.S. Securities and Exchange Commission and The NASDAQ Stock Market. In addition, from time to time the Company makes other public communications, such as issuing press releases.

Depending upon your position with the Company, you may be called upon to provide information to help assure that the Company's public reports and communications are complete, fair, accurate and understandable. You are expected to use all reasonable efforts to provide complete, accurate, objective, relevant, timely and understandable answers to inquiries related to the Company's public disclosures.

Individuals involved in the preparation of public reports and communications must use all reasonable efforts to comply with our disclosure controls and procedures, which are designed to ensure full, fair, accurate, timely and understandable disclosure in our public reports and communications.

If you believe that any disclosure is materially misleading or if you become aware of any material information that you believe should be disclosed to the public, it is your responsibility to bring this information to the attention of the General Counsel. If you believe that questionable accounting or auditing conduct or practices have occurred or are occurring, you should notify the Audit Committee of the Board of Directors. The Company has established an anonymous ethical violation hotline at [nlight.alertline.com](http://nlight.alertline.com), which reports will be communicated to the General Counsel and the Chairman of the Audit Committee. You may also submit complaints by regular mail to the Company's address, by electronic mail to any member of the Audit Committee, or in any other manner specified in our Whistleblower Policy.

### **Communication procedures**

You may not communicate externally on behalf of the Company unless you are authorized to do so. The Company has established specific policies regarding who may communicate information to the public, the press, market professionals (such as securities analysts, institutional investors, investment advisors, brokers and dealers) and security holders on behalf of the Company:

- Our Chief Executive Officer, Chief Financial Officer and the head of Investor Relations, and their authorized designees, are our official spokespeople for financial matters.
- Our Chief Executive Officer, the Head of Investor Relations and their authorized designees, are our official spokespeople for public comment, press, marketing, technical and other such information.

You should refer all calls or other inquiries from market professionals or security holders to the Investor Relations Department, if any, and in the absence of an Investor Relations Department, the Chief Financial Officer, which will see that the inquiry is directed to the appropriate persons within the Company. You should refer all calls from the press to corporate communications personnel.

All non-financial communications made to public audiences on behalf of the Company, including formal communications, industry publications and presentations, require prior approval of the corporate communications department, which will direct such communications to the General Counsel for approval, as appropriate. All financial communications made to public audiences on behalf of the Company require prior

approval of the Chief Financial Officer and the General Counsel. See the Company's separate External Communications (Regulation FD) Policy for more information regarding the Company's policies and procedures for external communications.

## **FINANCIAL REPORTING**

### **Overview**

As a public company, we are required to follow strict accounting principles and standards, to report financial information accurately and completely in accordance with these principles and standards, and to have appropriate internal controls and procedures to ensure that our accounting and financial reporting complies with law. The integrity of our financial transactions and records is critical to the operation of our business and is a key factor in maintaining the confidence and trust of our employees, security holders and other stakeholders.

### **Compliance with rules, controls and procedures**

It is important that all transactions are properly recorded, classified and summarized in our financial statements, books and records in accordance with our policies, controls and procedures, as well as all generally accepted accounting principles, standards, laws, rules and regulations for accounting and financial reporting. If you have responsibility for or any involvement in financial reporting or accounting, you should have an appropriate understanding of, and you should seek in good faith to adhere to, relevant accounting and financial reporting principles, standards, laws, rules and regulations and the Company's financial and accounting policies, controls and procedures. If you are a senior officer, you should seek to ensure that the internal controls and procedures in your business area are in place, understood and followed.

### **Accuracy of records and reports**

It is important that those who rely on records and reports—managers and other decision makers, creditors, customers and auditors—have complete, accurate and timely information. False, misleading or incomplete information undermines the Company's ability to make good decisions about resources, employees and programs and may, in some cases, result in violations of law. Anyone involved in preparing financial or accounting records or reports, including financial statements and schedules, must be diligent in assuring that those records and reports are complete, accurate and timely. Anyone representing or certifying as to the accuracy of such records and reports should make an inquiry or review adequate to establish a good faith belief in their accuracy.

Even if you are not directly involved in financial reporting or accounting, you are likely involved with financial records or reports of some kind—a voucher, time sheet, invoice or expense report. In addition, most employees have involvement with product, marketing or administrative activities, or performance evaluations, which can affect our reported financial condition or results. Therefore, the Company expects you, regardless of whether you are otherwise required to be familiar with finance or accounting matters, to use all reasonable efforts to ensure that every business record or report with which you deal is accurate, complete and reliable.

### **Intentional misconduct**

You may not intentionally misrepresent the Company's financial performance or otherwise intentionally compromise the integrity of the Company's reports, records, policies and procedures. For example, you may not:

- report information or enter information in the Company's books, records or reports that fraudulently or intentionally hides, misrepresents or disguises the true nature of any financial or non-financial transaction or result;

- establish any undisclosed or unrecorded fund, account, asset or liability for any improper purpose;
- enter into any transaction or agreement that accelerates, postpones or otherwise manipulates the accurate and timely recording of revenues or expenses;
- intentionally misclassify transactions as to accounts, business units or accounting periods; or
- knowingly assist others in any of the above.

### **Dealing with auditors**

Our auditors have a duty to review our records in a fair and accurate manner. You are expected to cooperate with independent and internal auditors (if any) and the finance department in good faith and in accordance with law. In addition, you must not fraudulently induce or influence, coerce, manipulate or mislead our independent or internal auditors regarding financial records, processes, controls or procedures or other matters relevant to their engagement. You may not engage, directly or indirectly, any registered public accounting firm for the purpose of preparing or issuing an audit report or performing other audit, review or attest services (including for the resolution of disagreements between management and the auditor regarding financial reporting) without written approval from the Chief Financial Officer and the Audit Committee of the Board of Directors. You may not engage, directly or indirectly, the Company's current independent registered public accounting firm to perform any audit, audit-related, tax or other services, including consulting, without written approval from the Chief Financial Officer and the Audit Committee of the Board of Directors.

### **Obligation to investigate and report potential violations**

You should make appropriate inquiries in the event you may see, for example:

- financial results that seem inconsistent with underlying business performance;
- inaccurate financial records, including travel and expense reports, time sheets or invoices;
- the circumventing of mandated review and approval procedures;
- transactions that appear inconsistent with good business economics;
- the absence or weakness of processes or controls; or
- persons within the Company seeking to improperly influence the work of our financial or accounting personnel, or our external or internal auditors.

Dishonest or inaccurate reporting can lead to civil or even criminal liability for you and the Company and can lead to a loss of public faith in the Company. You are required to promptly report any case of suspected financial or operational misrepresentation or impropriety.

### **Keeping the Audit Committee informed**

The Audit Committee plays an important role in ensuring the integrity of our public reports. If you believe that questionable accounting or auditing conduct or practices have occurred or are occurring, you

should notify the General Counsel and the Audit Committee of the Board of Directors which report will be treated in accordance with the Company's Whistleblower Policy under the oversight of the Audit Committee. In particular, you should promptly bring to the attention of the General Counsel and the Audit Committee any information of which you may become aware concerning, for example:

- the accuracy of material disclosures made by the Company in its public filings;
- a material violation of the securities laws or other laws, rules or regulations of the Company;
- material weaknesses or significant deficiencies in internal control over financial reporting;
- any evidence of fraud that involves an employee who has a significant role in the Company's financial reporting, disclosures or internal controls or procedures; or
- any evidence of a material violation of the policies in this Code regarding financial reporting.

## **SAFEGUARDING COMPANY ASSETS**

### **Overview**

All employees, agents and contractors are responsible for the proper use of Company assets. This responsibility applies to all of the Company's assets, including your time, work and work product; cash and accounts; physical assets such as inventory, equipment, vehicles, computers, systems, facilities and supplies; intellectual property, such as patents, copyrights, trademarks, inventions, technology and trade secrets; and other proprietary or nonpublic information.

- You should use all reasonable efforts to safeguard Company assets against loss, damage, misuse or theft.
- You should be alert to situations that could lead to loss, damage, misuse or theft of Company assets, and should report any loss, damage, misuse or theft as soon as it comes to your attention.
- You should not use, transfer, misappropriate, loan, sell or donate Company assets without appropriate authorization.
- You must take reasonable steps to ensure that the Company receives good value for Company funds spent.
- You may not use Company assets in a manner that would result in or facilitate the violation of law.
- You should use and safeguard assets entrusted to the Company's custody by customers, suppliers and others in the same manner as Company assets.

### **Protecting the Company's information**

In the course of your involvement with the Company, you may come into possession of information that has not been disclosed or made available to the general public. This nonpublic information may include, among other things:

- financial data and projections;
- proprietary and technical information, such as trade secrets, patents, inventions, product plans and customer lists;
- information regarding corporate developments, such as business strategies, plans for acquisitions or other business combinations, divestitures, major contracts, expansion plans, financing transactions and management changes;
- personal information about employees; and
- nonpublic information of customers, suppliers and others.

If you have any questions as to what constitutes nonpublic information, please consult the General Counsel.

All nonpublic information must only be used for Company business purposes. You have an obligation to use all reasonable efforts to safeguard the Company's nonpublic information. You may not disclose nonpublic information to anyone outside of the Company, except when disclosure is required by law or when disclosure is required for business purposes and appropriate steps have been taken to prevent misuse of that information. This responsibility includes not disclosing nonpublic information in Internet discussion groups, chat rooms, bulletin boards or other electronic media. In cases where disclosing nonpublic information is required or necessary, you should coordinate with the General Counsel. The misuse of nonpublic information is contrary to Company policy and may also be a violation of law.

Each employee is required to sign an agreement that addresses the use and disclosure of confidential information of the Company.

### **Prohibition on insider trading**

You may not directly or indirectly—through, for example, significant others, family members or controlled entities—buy or sell stocks or other securities of the Company or any other company based on nonpublic information obtained from your work at the Company. In addition, you may not “tip” others by providing them nonpublic information under circumstances that suggest that you were trying to help them make an investment decision. These obligations are in addition to your obligations with respect to nonpublic information generally, as discussed above.

Under U.S. securities laws, it is unlawful for any person who has “material” nonpublic information about a company to trade in the stock or other securities of that company or to disclose such information to others who may trade. Material nonpublic information is information about a company that is not known to the general public and that a typical investor would consider important in making a decision to buy, sell or hold securities. Violations of U.S. securities laws may result in civil and criminal penalties, including disgorgement of profits, civil judgments, fines and jail sentences.

You should be aware that stock market surveillance techniques are becoming increasingly sophisticated, and the probability that U.S. federal or other regulatory authorities will detect and prosecute even small-level trading is significant. Insider trading rules are strictly enforced, even in instances when the financial transactions seem small.

If you have any questions at all regarding trading in the Company's securities, see the Insider Trading Policy or contact the General Counsel for guidance.

### **Maintaining and managing records**

The Company is required by local, state, federal, foreign and other applicable laws, rules and regulations to retain certain records and to follow specific guidelines in managing its records. Our books and records must accurately and fairly reflect our transactions in sufficient detail and in accordance with our accounting practices and policies. All directors, officers and employees should create business records that accurately reflect the truth of the underlying event or transaction. All Company funds must be properly accounted for and no side, off-the-books, or “slush funds” may be maintained by the Company or its employees. Civil and criminal penalties for failure to comply with such guidelines can be severe for employees, agents, contractors and the Company.

You should consult with the General Counsel regarding the retention of records in the case of actual or threatened litigation or government investigation. The General Counsel will notify you if a legal hold is placed on records for which you are responsible. A legal hold suspends all document destruction procedures



in order to preserve appropriate records under special circumstances, such as litigation or government investigations. The General Counsel determines and identifies what types of records or documents are required to be placed under a legal hold. If a legal hold is placed on records for which you are responsible, you must preserve and protect the necessary records in accordance with instructions from the General Counsel. **Records or supporting documents that are subject to a legal hold must not be destroyed, altered or modified under any circumstance.** A legal hold remains effective until it is officially released in writing by the General Counsel. If you are unsure whether a document has been placed under a legal hold, you should preserve and protect that document while you check with the General Counsel.

Business records and communications often become public, and you should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports.

## **RESPONSIBILITIES TO OUR CUSTOMERS, SUPPLIERS AND COMPETITORS**

### **Overview**

You should respect the rights of, and deal fairly with, the Company's customers, suppliers, business partners and competitors in compliance with law. You should not take unfair advantage of anyone through deception, misrepresentation, manipulation, coercion, abuse of privileged information or any intentional unfair business practice.

### **Improper payments**

You should not authorize, offer, promise or give, or solicit or accept, money, gifts, entertainment, privileges, gratuities, benefits or other items of value intended to improperly influence, directly or indirectly, any business decision or that otherwise violate law or create the appearance of impropriety. You should contact the General Counsel if you have any questions as to whether a payment is proper.

### **Gifts and entertainment**

You may, from time to time, provide or accept business amenities to aid in building legitimate business relationships. Business amenities may include gifts, meals, services, entertainment, reimbursements, favors, privileges or other items of value.

Any business amenity should be consistent with customary business practice and should be reasonable and appropriate for the circumstance. Business amenities should not be lavish or excessive. Business amenities should not violate law or create an appearance of impropriety. You, and your immediate family members, should avoid providing or accepting any cash payment, or other business amenity that can be construed as a bribe or payoff. All company funds expended for business amenities must be accurately recorded in the company's books and records. You must obtain prior approval from the General Counsel before providing or accepting any business amenities, unless within the following guidelines which describe business amenities that are generally acceptable and do not require prior approval:

- *Favors or gifts* with a combined market value of US\$200 or less, to or from a single source per year;
- *Occasional meals* with a business associate should follow the Expense Reimbursement Guidelines; and
- *Occasional entertainment* (for example, attendance at sports, theatre or other cultural or entertainment events) valued at less than US\$250 per person, per source, per year.

Some types of favors, gifts, or entertainment are simply wrong, either in fact or in appearance, and are never permissible. Employees and members of their immediate family may never:

- Offer or accept favors, gifts, or entertainment that would be illegal;
- Offer or accept cash or cash equivalent (including loans, stock, stock options, bank checks, travelers' checks, Visa or other type of check or cash cards, money orders, investments securities, or negotiable instruments);

- Offer or accept gifts or entertainment during a tender or competitive bidding process;
- Incur an expense on behalf of a customer that is not recorded properly on company books;
- Offer, accept, or request anything (regardless of value) as part of an agreement to do anything in return for favors, gifts, or entertainment;
- Use their own money or resources to pay for favors, gifts, or entertainment for a customer, vendor, or supplier;
- Participate in an activity that would cause the person giving or receiving favors, gifts, or entertainment to violate his or her own employer's standards; and
- Offer, accept, or participate in favors, gifts, or entertainment that are unsavory or otherwise violate our commitment to diversity and mutual respect. Any situation that would cause a customer or employee to feel uncomfortable or that would embarrass nLIGHT by its public disclosure (for example, adult entertainment) is inappropriate.

Any business amenity should be consistent with customary business practice and should be reasonable and appropriate for the circumstance. Business amenities should not be lavish or excessive. Business amenities should not violate law or create an appearance of impropriety. You should avoid providing or accepting any cash payment, or other business amenity that can be construed as a bribe or payoff. All Company funds expended for business amenities must be accurately recorded in the Company's books and records. We encourage you to contact the General Counsel or the Chief Financial Officer if you have any questions as to whether a business amenity is permissible.

In some business situations outside of the United States, it is customary and lawful for business executives to present gifts to representatives of their business partners. These gifts may be of more than a nominal value, and under the circumstances, returning the gifts or paying for them may be an affront to the giver. If you find yourself in such a situation, you must report the gift to the General Counsel. In some cases, you may be required to turn the gift over to the Company.

Special restrictions apply when dealing with government employees. For more information, see the Company's Global Anti-Corruption Policy and the next section on "Working with Governments".

### **Selecting suppliers**

The Company's policy is to select suppliers based on the merits of their products, services and business practices and to purchase supplies based on need, quality, service, price and other terms and conditions of sale. You may not establish a business relationship with any supplier if you know that its business practices violate applicable laws.

### **Handling the nonpublic information of others**

You must handle the nonpublic information of others responsibly and in accordance with our agreements with them. Nonpublic information of others includes notes, reports, conclusions and other materials prepared by a Company employee based on the nonpublic information of others.

You should not knowingly accept information offered by a third party, including a customer, supplier or business partner, that is represented as nonpublic, or that appears from the context or circumstances to be

nonpublic, unless an appropriate nondisclosure agreement has been signed with the party offering the information. You should contact the General Counsel to coordinate the appropriate execution of nondisclosure agreements on behalf of the Company.

Even after a nondisclosure agreement is in place, you should accept only the information that is necessary or appropriate to accomplish the purpose of receiving it, such as a decision on whether to proceed to negotiate a deal. If more detailed or extensive information is offered and it is not necessary or appropriate for your immediate purposes, it should be refused. If any such information is inadvertently received, it should be transferred to the General Counsel for appropriate disposition.

Once the Company has received nonpublic information, you should use all reasonable efforts to:

- abide by the terms of the relevant nondisclosure agreement, including any obligations with respect to the return or destruction of the nonpublic information;
- limit the use of the nonpublic information to the purpose for which it was disclosed; and
- disseminate the nonpublic information only to those other Company employees, agents or contractors with a need to know the information to perform their jobs for the Company, as may be set forth in the relevant nondisclosure agreement.

### **Improperly obtaining or using assets or information**

You may not unlawfully obtain or use the materials, products, intellectual property, proprietary or nonpublic information or other assets of anyone, including suppliers, customers, business partners and competitors. You may not coerce or improperly induce past or present employees of other companies to disclose proprietary or nonpublic information of their former or other employers.

### **Free and fair competition**

It is our policy to lawfully compete in the marketplace. Our commitment to fairness includes respecting the rights of our competitors to compete lawfully in the marketplace and abiding by all applicable laws in the course of competing.

Most countries have well-developed bodies of law designed to encourage and protect free and fair competition. These laws are broad and far-reaching and regulate the Company's relationships with its distributors, resellers, suppliers and customers. Competition laws generally address the following areas: pricing practices (including predatory pricing, price fixing and price discrimination), discounting, terms of sale, credit terms, promotional allowances, secret rebates, exclusive dealerships or distributorships, product bundling, restrictions on carrying competing products, termination and many other practices.

Competition laws also govern, usually quite strictly, relationships between the Company and its competitors. Collusion among competitors is illegal, and the consequences of a violation are severe. You must not enter into an agreement or understanding, written or oral, express or implied, with any competitor concerning prices, discounts or other terms or conditions of sale; profits or profit margins; costs; allocation of product, customers, markets or territories; limitations on production or supply; boycotts of customers or suppliers; or bids or the intent to bid, or even discuss or exchange information on these subjects.

The Company is committed to obeying both the letter and spirit of these laws, which are often referred to as antitrust, consumer protection, competition or unfair competition laws. Although the spirit of these laws is straightforward, their application to particular situations can be quite complex. To ensure that the Company complies fully with these laws, you should have a basic knowledge of them and should promptly involve our General Counsel when questionable situations arise.

## **WORKING WITH GOVERNMENTS**

### **Overview**

Special rules govern our business and other dealings with governments. Employees, agents and contractors of the Company should use all reasonable efforts to comply with all applicable laws and regulations governing contact and dealings with governments, government employees and public officials. If you deal with governments, government employees or public officials, you should undertake to understand the special rules that apply. As is outlined in the Company's Global Anti-Corruption Policy, you must obtain prior approval from the General Counsel prior to providing anything of value to a government employee/official. If you have any questions concerning government relations, you should contact the General Counsel.

### **Government contracts**

You should use all reasonable efforts to comply with all relevant laws and regulations that apply to government contracting. You should refer any contract with any governmental entity to the General Counsel for review and approval. Suspected or actual violations of law must be reported to the General Counsel as soon as known. In addition to your duty to investigate and report suspected violations of law or this Code of Conduct, described elsewhere herein, the Company may have an affirmative duty to report violations to the Government. Failure to report such conduct to the Company could materially harm the Company.

### **Requests by regulatory authorities**

You must cooperate with appropriate government inquiries and investigations in accordance with law. It is important, however, to protect the legal rights of the Company with respect to its nonpublic information. All government requests for Company information, documents or investigative interviews should be referred to the General Counsel. You should work with the General Counsel in responding to requests by regulatory authorities to ensure appropriate responses and to avoid inappropriate disclosure of attorney-client privileged materials, trade secret information or other nonpublic information. This policy should not be construed to prevent an employee from disclosing information to a government or law enforcement agency where the employee has reasonable cause to believe that the information discloses a violation of, or noncompliance with, a state or federal statute or regulation.

### **Improper payments to government officials**

You may not offer any payment or business amenity to a public official or a government employee if doing so could reasonably be construed as having any connection with the Company's business, even if it has a nominal value or no value at all. You should be aware that what may be permissible in dealings with commercial businesses may be deemed illegal and possibly criminal in dealings with the government. You should contact the General Counsel for guidance.

Whether you are located in the United States or abroad, you are also responsible for fully complying with the Foreign Corrupt Practices Act of 1977, as amended, the U.S. Travel Act, the OECD Anti-Bribery Convention, and the United Kingdom Bribery Act of 2010. The anticorruption laws make it illegal to offer or receive any pay, promise to pay, or authorize to pay any money, gift, or other item of value to any foreign official, political party or candidate to assist the Company or another to obtain or retain business. In addition, the anticorruption laws also forbid doing indirectly, such as through an agent, reseller, or consultant, what it would be illegal to do directly. You should carefully review the Company's Global

Anti-Corruption Policy for additional information and guidance regarding compliance with the Foreign Corrupt Practices Act and similar anti-bribery and anti-corruption laws.

### **Political contributions**

The Company reserves the right to communicate its position on important issues to elected representatives and other government officials. It is the Company's policy to comply fully with all local, state, federal, foreign and other applicable laws, rules and regulations regarding political contributions. The Company's assets—including Company funds, employees' work time and Company premises and equipment—must not be used for, or be contributed to, U.S. or foreign political campaigns or political activities under any circumstances without prior written approval of the Board of Directors.

### **Lobbying**

You must obtain approval from the Chief Executive Officer for any work activity that requires lobbying communication with any member or employee of a legislative body or with any U.S. or foreign government official or employee in the formulation of legislation. Work activity covered by this policy includes meetings with legislators or members of their staffs or with senior executive branch officials on behalf of the Company. Preparation, research and other background activities that are done in support of such lobbying communication are also covered by this policy even if the communication ultimately is not made.

### **Charitable Contributions**

The Company is committed to improving and promoting the interests of the communities in which it conducts business operations. Those working on the Company's behalf may provide charitable donations only to not-for-profit *bona fide* charitable organizations. However, no charitable donation may be made for the purpose of inducing any individual or entity to purchase, lease, recommend, use, or arrange for the purchase or lease of a Company product or service. Prior approval of the Chief Financial Officer must be obtained before any charitable donation on behalf of the Company is made.

### **Trade Restrictions and Export Compliance**

The Company is committed to conducting its business with honesty and integrity, and in full compliance with U.S. laws and regulations that restrict exports and govern international business activities. The management of the Company directs every officer, director, agent, and employee of the Company involved in international business transactions to understand the basic elements of such laws and to comply with them at all times. The Company's compliance with these laws is a critical component of the Company's reputation and success.

A number of countries maintain controls on the destinations to which products or software may be exported. Some of the strictest export controls are maintained by the United States. The U.S. Government has in place export control laws and regulations designed to ensure that transfers of products, services and technology are accomplished in a manner that is consistent with national security and foreign policy goals. These laws apply to transfers of goods and technology to foreign companies and foreign persons, whether in the United States or abroad. In some situations, the controls can also govern the export, re-export, transfer or sale of goods located or manufactured overseas. The United States also has promulgated sanctions that restrict trade, investment, and financial transactions with certain countries, organizations, and individuals, as well as prohibitions on complying with unsanctioned foreign boycotts. nLIGHT supports the purpose of these laws — to ensure that sensitive products and technology do not fall into the hands of those who may misuse them.

It is the Company's corporate policy to comply with not only the letter, but also the spirit and intent of all export control, sanctions, and antiboycott laws and regulations of the United States and the countries where we do business. Under no circumstances may an export, reexport or import (whether of a service, a commodity, technical data, or technology) or any other transaction be made contrary to these laws and regulations or to the Company's policies and procedures governing international transactions. To ensure the Company's compliance, all international transactions must be properly screened and licensed before they occur. Failure to comply with U.S. export control laws and trade sanctions can result in criminal sanctions, civil fines, debarment from government contracting, the loss of U.S. export/import privileges, and imprisonment. These penalties can be levied against the corporation and against individuals. Noncompliance by the Company's personnel will be met with appropriate disciplinary action, including the possibility of termination.

The Company's expects every one of its employees, officers, agents, and directors, wherever located, to adhere to the Company's commitment to compliance. It your responsibility to have a basic understanding of export control, sanctions, and antiboycott laws; know the requirements of the Company's compliance procedures where applicable to your duties; and seek appropriate guidance in a timely manner. Personnel are encouraged to discuss any questions they have concerning these laws and regulations and the Company's compliance policy with the General Counsel.

The U.S. regulations are complex and apply both to deemed exports from the United States and to deemed exports of products from other countries when those products contain U.S. -origin components or technology. For example, software created in the United States is subject to these regulations even if duplicated and packaged abroad. In some circumstances, an oral presentation containing technical data made to foreign nationals in the United States or access by foreign nationals to certain technology may constitute a controlled export. We are committed to complying with all applicable U.S. and foreign export laws and regulations. The General Counsel can provide you with guidance on which countries are prohibited destinations for company products or whether a proposed technical presentation or the provision of controlled technology to foreign nationals may require a U.S. government license.

### **Immigration laws**

The United States and other countries impose restrictions on non-citizens visiting or working in the country. In many instances visas or work permits must be obtained from the government. You are responsible for complying with all applicable immigration laws. If you have any uncertainty concerning the requirements of the law, you should consult with the Human Resources Department before working in, or travelling to, a country of which you are not a citizen, or authorizing any person to do so.



## PROCEDURAL MATTERS

### **Distribution**

All employees will receive a copy of this Code at the time they join the Company and will receive periodic updates. Agents and contractors should also be provided with a copy of the Code.

### **Acknowledgment**

All new employees must sign an acknowledgment form confirming that they have read the Code and that they understand and agree to comply with its provisions. Signed acknowledgment forms will be kept in your personnel file. Failure to read the Code or to sign an acknowledgement form does not excuse any person from the terms of the Code.

### **Approvals and waivers**

Except as otherwise provided in the Code, the Board of Directors or its designated committee must review and approve any matters requiring special permission under the Code for a member of the Board of Directors or an executive officer. Except as otherwise provided in the Code, the Chief Financial Officer and the General Counsel must review and approve any matters requiring special permission under the Code for any other employee, agent or contractor.

Any waiver of any provision of this Code for a member of the Board of Directors or an executive officer must be approved in writing by the Board of Directors or its designated committee and promptly disclosed, along with the reasons for the waiver, to the extent required by law or regulation. Any waiver of any provision of this Code with respect to any other employee, agent or contractor must be approved in writing by the Chief Financial Officer and the General Counsel.

Copies of approvals and waivers will be retained by the General Counsel.

### **Reporting violations**

You should promptly report violations or suspected violations of this Code (a) via electronic mail to the Company's General Counsel, [legal@nlight.net](mailto:legal@nlight.net); (b) via Internet or electronic mail to the Company's third party service provider, Navex Global, an anonymous ethical violation hotline, at [nlight.alertline.com](http://nlight.alertline.com), which reports will be communicated to the and the General Counsel and the Chairman of the Audit Committee; (c) via electronic mail directly to any member of the Audit Committee; or (d) via regular mail by writing: 5408 NE 88th Street, Building E, Vancouver, Washington 98665.

If you make an anonymous report, please provide as much detail as possible, including copies of any documents that you believe may be relevant to the issue.

When reports are not made anonymously, reasonable efforts will be made to keep your identity confidential. In certain circumstances, however, your identity may become apparent during an investigation or may need to be disclosed (*e.g.*, in regulatory proceedings). Accordingly, it is not possible for the Company to give a blanket guarantee of confidentiality.

Reprisals, threats, retribution or retaliation against any person who has in good faith reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited.

If you encounter a situation or are considering a course of action and its appropriateness is unclear, discuss the matter promptly with your supervisor or the General Counsel; even the appearance of impropriety can be very damaging and should be avoided. For more information see our Whistleblower Policy.

## **Investigations**

The Audit Committee will be responsible for investigating violations and determining appropriate disciplinary action for matters involving members of the Board or executive officers. The Board of Directors or its designated committee will be responsible for investigating violations and determining appropriate disciplinary action for matters involving members of the Board of Directors or executive officers. The Board of Directors or its designated committee may designate others to conduct or manage investigations on its behalf and recommend disciplinary action.

Subject to the general authority of the Board of Directors to administer this Code and the Audit Committee's general oversight under the Whistleblower Policy, the Chief Financial Officer and the General Counsel will be jointly responsible for investigating violations and determining appropriate disciplinary action for other employees, agents and contractors. The Chief Financial Officer and the General Counsel may designate others to conduct or manage investigations on their behalf and recommend disciplinary action. The Chief Financial Officer and the General Counsel will periodically report Code violations and the corrective actions taken to the Board of Directors or its designated committee. The Board of Directors reserves the right to investigate violations and determine appropriate disciplinary action on its own and to designate others to do so in place of, or in addition to, the Chief Financial Officer and the General Counsel.

The Company will promptly investigate any suspected violations. If it is determined that evidence of a violation exists, the individual subject to investigation will be notified. The subject of an investigation will have an opportunity to respond to any allegations made against that person. A person suspected of violating the Code may be suspended with or without pay while an investigation is conducted. The Company will follow local grievance procedures in jurisdictions where such procedures apply.

## **Disciplinary action**

The Company will take appropriate action against any employee, agent or contractor whose actions are found to violate the Code. Disciplinary actions may include, at the Company's sole discretion, oral or written reprimand, suspension or immediate termination of employment or business relationship, or any other disciplinary action or combination of disciplinary actions as deemed appropriate to the circumstances. A record of the disciplinary action will be retained in the employee's personnel file.

In determining what disciplinary action is appropriate in a particular case, the Company will take into account all relevant information, including the nature and severity of the violation, any history of warnings and violations, whether the violation appears to have been intentional or inadvertent and whether the violator reported his or her own misconduct. The Company will strive to enforce the Code in a consistent manner while accounting for all relevant information. An alleged violator may make a written request for reconsideration within 14 days of notification of the final disciplinary decision.

Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Certain violations of this Code may also be subject to civil or criminal prosecution by

governmental authorities and others. Where laws have been violated, the Company will report violators to the appropriate authorities.

### **ADDITIONAL INFORMATION**

Nothing in this Code of Business Conduct and Ethics creates or implies an employment contract or term of employment. Employment at the Company is employment at-will for US employees. Employment at-will may be terminated with or without cause and with or without notice at any time by the employee or the Company. Nothing in this Code shall limit the right to terminate employment at-will. The policies in this Code do not constitute a complete list of Company policies or a complete list of the types of conduct that can result in discipline, up to and including discharge.

**ACKNOWLEDGMENT  
CODE OF BUSINESS CONDUCT AND ETHICS**

- I acknowledge that I have received and read the Company's Code of Business Conduct and Ethics.
- I acknowledge that I understand the standards, policies and procedures contained in the Code of Business Conduct and Ethics and understand that there may be additional standards, policies, procedures and laws relevant to my position.
- I agree to comply with the Code of Business Conduct and Ethics.
- I acknowledge that if I have questions concerning the meaning or application of the Code of Business Conduct and Ethics, any Company policies, or the legal or regulatory requirements applicable to my position, it is my responsibility to seek guidance from my manager, the Human Resources Department, the General Counsel or other relevant individuals or departments.
- I acknowledge that neither this Acknowledgement nor the Code of Business Conduct and Ethics is meant to vary or supersede the regular terms and conditions of my employment by the Company or to constitute an employment contract.

---

*(print name)*

---

*(signature)*

---

*(date)*

Please review and sign, and return this form to the Human Resources Department.

## **NLIGHT POLICIES**

nLIGHT Employee Handbook

Expense Reimbursement Guidelines

Export Compliance Manual

External Communications (Regulation FD) Policy

Global Anti-Corruption Policy

Insider Trading Policy

Related Person Transactions Policy

Travel Policy

Whistleblower Policy