

LUNA INNOVATIONS INCORPORATED
CODE OF BUSINESS CONDUCT AND ETHICS

As Amended and Restated April 6, 2022

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INTRODUCTION

This Code of Business Conduct and Ethics (this “**Code**”) of Luna Innovations Incorporated (“**we,**” “**our**” or the “**Company**”) is 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;
- Compliance with applicable laws, rules and regulations;
- Full, fair, accurate, timely and understandable disclosure in reports and documents we file with or submit to the U.S. Securities and Exchange Commission (“**SEC**”) and in our other public communications;
- Accountability for adherence to this Code; and
- Prompt internal reporting of violations of this Code.

This Code applies to all directors, officers and employees of the Company and its subsidiaries, who, unless otherwise specified, will be referred to jointly as employees. Agents and independent contractors of the Company are also expected to read, understand and abide by this Code.

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.

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, and revisit and review it regularly and whenever we notify you of any material updates.
- You must uphold these standards in day-to-day activities and comply with all applicable policies and procedures in this Code. Violations of the Code will not be tolerated. Any employee who violates the standards in the Code may be subject to disciplinary action.

- 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 by anyone doing business on behalf of the Company, including the Company's agents and contractors to either your immediate supervisor or our Compliance Officer, who can be reached by telephone at 540.983.7552. A dedicated email address for the Compliance Officer at governance@lunainc.com is available if you wish to seek guidance on specific situations or report violations of the Code, or to ask questions about the Company's policies.
- If your situation requires that your identity be kept secret, your anonymity will be preserved to the greatest extent reasonably possible. If you wish to remain anonymous, you may leave a message with the Company's automated toll-free Corporate Governance Hotline at (800) 503-1833. If you make an anonymous report, please provide as much detail as possible, including reference to any documents that you believe may be relevant to the issue.
- 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 of a potential violation, are strictly prohibited.
- In trying to determine whether any given action is appropriate, obtain all the relevant facts and consider the following questions:
 - Is the action legal?
 - Is the action ethical?
 - Does the action comply with this Code and the other policies and laws applicable to my job and to the Company as a whole?
 - How could my decision affect others, including our investors, employees, customers and the community?
 - How will my decision look to others?
 - How would I feel if my decision were made public?
- **If you are unsure about any situation or any provision of the Code, do not hesitate to discuss the matter with your supervisor or our Compliance Officer.**

GENERAL STANDARDS OF CONDUCT

Overview

Honest and ethical conduct is critical to our business. All employees, agents and independent contractors have a duty to comply with applicable law and to act in an honest and ethical manner. Our commitment to the highest level of ethical conduct should be reflected in all of our business activities, including but not limited to, internal relationships with employees and external relationships with investors, customers, suppliers, competitors, government and the public.

Compliance with law

You are responsible for complying with all laws, rules, regulations and regulatory orders applicable to the conduct of our business including the U.K Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act 1977. If you are located or engaging in business outside of the United States, you must comply with laws, rules, regulations and regulatory orders of the United States, in addition to the applicable laws of other jurisdictions. If compliance with the Code should ever conflict with law, you must comply with the law.

The fact that, in some countries, certain laws are not enforced or that violation of those laws is not subject to public criticism is not an excuse for noncompliance. We expect our personnel to comply with U.S. laws, rules and regulations governing the conduct of business by its citizens and corporations outside the U.S. These U.S. laws, rules and regulations, which extend to all our activities outside the U.S., include:

- 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;
- U.S. Embargoes, which generally prohibit U.S. companies, their subsidiaries and their employees from doing business with, or traveling to, countries subject to sanctions imposed by the U.S. government (currently, Crimea, Cuba, Iran, North Korea and Syria), as well as doing business with specific companies and individuals identified on lists published by the U.S. Treasury Department;
- U.S. Export Controls, which restrict exports from the U.S. and re-exports from other countries of goods, software and technology to many countries, and prohibit transfers of U.S.-origin items to denied persons and entities; and
- Antiboycott Regulations, which prohibit U.S. companies from taking any action that has the effect of furthering or supporting a restrictive trade practice or boycott imposed by a foreign country against a country friendly to the U.S. or against any U.S. person.

In addition, federal law imposes criminal liability on any person or company that contaminates the environment with any hazardous substance that could cause injury to the

community or environment. Violation of environmental laws can involve monetary fines and imprisonment. We expect employees to comply with all applicable environmental laws.

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 supervisors or other appropriate personnel. If you have a question about legal compliance, you must seek an answer from your supervisor or the Compliance Officer.

Disregard of the law will not be tolerated. 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. You should be aware that conduct and records, including emails, are subject to internal and external audits and to discovery by third parties in the event of a government investigation or civil litigation. It is in everyone's best interests to know and comply with our legal obligations.

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 race, color, military or veteran status, religion, gender, sex, gender identity or expression, sexual orientation, age, mental or physical disability, medical condition, pregnancy, genetic information, national origin, ancestry, citizenship, marital status or any other characteristics protected under federal or state law or local ordinance. The Company is committed to actions and policies to assure fair employment, including equal treatment in hiring, promotion, training, compensation, termination and corrective action.

Inappropriate workplace behavior, discrimination and unlawful harassment are wholly inconsistent with these commitments. The Company does not tolerate discrimination by any member of its personnel and does not tolerate harassment (including sexual harassment) of its employees, contract workers, customers and vendors in any form. Our work environment must remain free of all forms of discrimination, harassment, bullying and retaliation. No employee, contract worker, customer, vendor or other person who does business with this organization is exempt from the prohibitions within this policy.

Health and safety

You are responsible for using good judgment to help ensure a safe and healthy workplace for all employees.

Human Rights and Dignity

The Company respects the basic human rights and dignity of all those it employs and expects every employee to exhibit courteous, professional behavior in all their interactions with co-workers, supervisors and fellow colleagues. We prohibit all forms of slavery, human trafficking, forced labor and child labor as defined by applicable law. We follow the applicable

legal requirements for minimum working ages in the countries where we work. We comply with national and local laws on working hours, wages and benefits.

AVOIDING CONFLICTS OF INTERESTS

Overview

All of our employees, officers and directors must conduct themselves according to the language and spirit of this Code and seek to avoid even the appearance of improper behavior. Even well intended actions can potentially violate applicable laws or this Code and may result in negative consequences for you or the Company.

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 relative or other persons or entities with which you have a 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 supervisor 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 Company. Non-employee directors of the Company must promptly inform the Compliance Officer and the Nominating and Governance Committee of the Board of Directors of any such service involving an entity that has a business relationship with the Company.

You may not perform services as a director, employee, agent or contractor for any competitor of the Company. In addition, the following types of outside employment are strictly prohibited:

- Employment that conflicts with your work schedule, duties and responsibilities;
- Employment that creates a conflict of interest or is incompatible with your employment with the Company;
- Employment that interferes with the protection of the Company's proprietary or confidential information;
- Employment that impairs or has a detrimental effect on your work performance with the Company;

- Employment that requires you to conduct work or related activities on the Company's property during the Company's working hours or using the Company's facilities or equipment; and
- Employment that directly or indirectly competes with the business or interests 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.

You cannot make a significant investment in one of our competitors, either. A financial interest that exceeds \$50,000 is presumed to be significant.

Transactions with related parties

Related party transactions present potential conflicts of interest and are discouraged. If you have a significant financial or other personal interest in a transaction between the Company and a third party—including an indirect interest through, for example, a relative or significant other—you must disclose that interest to the Compliance Officer and the transaction must be pre-approved by the Board of Directors.

Each employee, officer and director must notify the Compliance Officer if he or she becomes aware of any proposed related party transaction so that the transaction can be brought to the attention of the Nominating and Governance Committee. The Nominating and Governance Committee will then determine whether to recommend to the Board of Directors that the Company be authorized to enter into the transaction.

There is a general presumption that a related party transaction with the Company will not be approved by the Board of Directors. If the Board of Directors does not approve the related party transaction in advance, then the Company will be prohibited from entering into the transaction. Even if approved by the Board of Directors, any dealings with a related party must be on terms and conditions no less favorable than the Company would have received from an unrelated third-party.

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. Even opportunities that are acquired privately by you may be questionable if they are related to our existing or proposed lines of business. You may not use your position with us or corporate property or information for improper personal gain, nor should you compete with us in any way.

Loans by the Company

Loans from the Company to directors, executive officers and employees are prohibited unless approved in advance by the Board of Directors. Note that loans to directors and executive officers are also prohibited by the Sarbanes-Oxley Act of 2002.

Improper benefits

You may not receive any improper benefit as a result of your position with the Company. An improper benefit is any gift, payment or favor that would likely result in a feeling or expectation of personal obligation to the party bestowing such benefit. Examples include, but are not limited to, gifts of money (regardless of amount), non-business related travel expenses, or entertainment which is not customary in the business.

Election or appointment to public office

You may serve in an elected or appointed public office 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 from the Compliance Officer and approval from the Board of Directors 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 SEC 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.

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. In order to ensure that material information is presented to the public on a timely basis, the Company has designated the Chief Financial Officer as the person primarily responsible for considering the materiality of financial-related information.

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 Compliance Officer or Chief Financial Officer. Concerns or complaints may also be submitted anonymously and confidentially to the Audit Committee of our Board of Directors (the "**Audit Committee**") via the Luna Innovations Corporate Governance Hotline at (800) 503-1833.

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 on behalf of the Company to the public, the press, market professionals (such as securities analysts, institutional investors, investment advisors, brokers and dealers) and securities holders. *It is critical that you do not respond to inquiries from the public, press, market professionals or securities holders unless you are explicitly authorized to do so.* An inaccurate or incomplete response, even a denial or disclaimer of information, may result in adverse publicity or could otherwise seriously affect the Company's legal position.

Our Chief Executive Officer and Chief Financial Officer, and their authorized designees, are our official spokespeople for financial matters. You should refer all calls or other inquiries from the financial press, market professionals or security holders to the Chief Financial Officer or our designated investor relations contact. All other calls or inquiries from the press or other third parties, including requests for interviews, should be referred to the appropriate public relations personnel.

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 (including, but not limited to, our investors, analysts, management 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, such as a voucher, time sheet, invoice or expense report. In addition, most employees have involvement with product, marketing or administrative activities 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 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 outside auditors to perform any audit, audit-related, tax or other services, including consulting, without prior written approval from the Audit Committee.

Obligation to report potential violations

Dishonest or inaccurate reporting can lead to civil or even criminal liability for you and the Company. You are required to promptly report any case of suspected financial or operational misrepresentation or impropriety to the Compliance Officer or Chief Financial Officer as appropriate. Concerns or complaints may also be submitted anonymously and confidentially to the Audit Committee via the Luna Innovations Corporate Governance Hotline at (800) 503-1833.

The types of matters that should be reported include, 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.

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 Compliance Officer or the Chief Financial Officer. Concerns or complaints may also be submitted anonymously and confidentially to the Audit Committee of our Board of Directors via the Luna Innovations Corporate Governance Hotline at (800) 503-1833.

The Compliance Officer and Chief Financial Officer should promptly bring to the attention of the Audit Committee any material information of which he or she may become aware concerning, for example:

- The accuracy of material disclosures made by the Company in its public filings;
- Significant deficiencies in the design or operation of internal controls or procedures that could adversely affect the Company's ability to record, process, summarize or report financial data;
- 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 AND PROPER USE OF COMPANY ASSETS

Overview

All employees, agents and independent 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 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 our Compliance Officer.

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 law requires disclosure or when disclosure is required for business purposes and appropriate steps have been taken to prevent misuse of that information.

You should also take care not to inadvertently disclose confidential information. Materials that contain confidential information, such as memos, notebooks, computer disks, memory sticks, laptop computers, tablets and mobile devices, should be stored securely. Unauthorized posting or discussion of any information concerning our business, information or prospects on the Internet is prohibited. You may not discuss our business, information or prospects on blog posts or social media (including but not limited to sites such as Facebook and Twitter), or in response to news reports or articles, regardless of whether you use your own name or a pseudonym. All Company emails, voicemails and other communications are presumed confidential and should not be forwarded or otherwise disseminated outside of the Company, except when required for legitimate business purposes. Be cautious when discussing sensitive information in public places like elevators, airports, restaurants and "quasi-public" areas within the Company, such as cafeterias. Please take special care when talking to your friends, family, or others about the Company or our industry.

In cases where disclosing nonpublic information is required or necessary, you should coordinate with the Compliance Officer. The misuse or unauthorized disclosure of nonpublic information is contrary to Company policy and may also be a violation of law.

Employees are reminded that, as a condition to employment, they signed an agreement to maintain the confidentiality of the Company's proprietary information and that of its clients, and to use such information only in the course of employment. These obligations continue even after employees have left the Company.

You may not, while acting on behalf of the Company or while using our computing or communications equipment or facilities, either:

- access the internal computer system (also known as "hacking") or other resource of another entity without express written authorization from the entity responsible for operating that resource; or
- commit any unlawful or illegal act, including harassment, libel, fraud, sending of unsolicited bulk email (also known as "spam") or material of objectionable content in violation of applicable law, trafficking in contraband of any kind or any kind of espionage.

If you receive authorization to access another entity's internal computer system or other resource, you must make a permanent record of that authorization so that it may be retrieved for future reference, and you may not exceed the scope of that authorization. Unsolicited bulk email is regulated by law in a number of jurisdictions. If you intend to send unsolicited bulk email to persons outside of the Company, either while acting on our behalf or using our computing or

communications equipment or facilities, you should contact your supervisor or the Compliance Officer for prior approval. All data residing on or transmitted through our computing and communications facilities, including email and word processing documents, is the property of the Company and subject to inspection, retention and review by the Company, with or without an employee's or third party's knowledge, consent or approval, in accordance with applicable law. Any misuse or suspected misuse of our assets must be immediately reported to your supervisor or the Compliance Officer.

Personal Data

The Company protects personal data, including that of colleagues, third parties and customers. In addition to personal data of our colleagues for employment purposes, the Company is also entrusted with personal data for purposes of conducting research and other business activities. You are accountable for protecting personal data and for only using that data in accordance with the Company's policies and procedures, and applicable laws and regulations.

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 share any other 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.

For further guidance, please refer to the Company's Insider Trading Policy. If you have any questions regarding trading in the Company's securities, contact our Compliance Officer 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. Records include paper documents, email, compact discs, computer hard drives, floppy disks, flash

drives and all other recorded information, regardless of medium or characteristics. 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 Compliance Officer regarding the retention of records in the case of actual or threatened litigation or government investigation. The Compliance Officer 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. 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 Compliance Officer. **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 Compliance Officer. 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 Compliance Officer.

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. Be aware that the Federal Trade Commission Act provides that "unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are declared unlawful." It is a violation of that Act to engage in deceptive, unfair or unethical practices and to make misrepresentations in connection with sales activities.

It is also important to avoid any actual or apparent conflict of interest with our customers, suppliers and business partners. For further guidance on avoiding potential conflicts of interest, please see "Avoiding Conflicts of Interest" in this Code.

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 Compliance Officer 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, for example, gifts, meals, services, entertainment, or other items of value.

Any business amenity, however, should be consistent with customary business practice and 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. Unless express permission is received from a supervisor or the Compliance Officer, gifts and entertainment cannot be offered, provided or accepted by any personnel unless consistent with customary business practices and not (a) of more than U.S. \$250.00 in monetary value, (b) in cash, (c) susceptible of being construed as a bribe or kickback, (d) made or received on a regular or frequent basis or (e) in violation of any laws. We encourage you to contact the Compliance 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. Under some statutes, such as the U.S. Foreign Corrupt

Practices Act, giving anything of value to a government official to obtain or retain business or favorable treatment is a criminal act subject to prosecution and conviction. If you find yourself in such a situation, you must report the gift to the Compliance Officer. 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, please see “Working with Governments” in this Code.

Handling confidential or nonpublic information of others

You must handle the confidential or nonpublic information of others responsibly and in accordance with our agreements with them. Confidential or 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 confidential or nonpublic, or that appears from the context or circumstances to be confidential or nonpublic, unless an appropriate nondisclosure agreement has been signed with the party offering the information. You should contact the Compliance Officer 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. 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 Compliance Officer for appropriate disposition.

Once you or the Company has received confidential or 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.

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.

Fair Dealing

We strive to outperform our competition fairly and honestly. Advantages over our competitors are to be obtained through superior performance of our products and services, not through unethical or illegal business practices. Acquiring proprietary information from others through improper means, possessing trade secret information that was improperly obtained, or inducing improper disclosure of confidential information from past or present employees of other companies is prohibited, even if motivated by an intention to advance our interests. If information is obtained by mistake that may constitute a trade secret or other confidential information of another business, or if you have any questions about the legality of proposed information gathering, you must consult your supervisor or the Compliance Officer.

You are expected to deal fairly with our customers, suppliers, partners, employees and anyone else with whom you have contact in the course of performing your job. Be aware that the Federal Trade Commission Act provides that “unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are declared unlawful.” It is a violation of the Federal Trade Commission Act to engage in deceptive, unfair or unethical practices and to make misrepresentations in connection with sales activities.

Employees involved in procurement have a special responsibility to adhere to principles of fair competition in the purchase of products and services by selecting suppliers based exclusively on normal commercial considerations, such as quality, cost, availability, service and reputation, and not on the receipt of special favors.

Antitrust

Antitrust laws are designed to protect the competitive process. These laws are based on the premise that the public interest is best served by vigorous competition and will suffer from illegal agreements or collusion among competitors. Antitrust laws generally prohibit:

- agreements, formal or informal, with competitors that harm competition or customers,
- including price fixing and allocations of customers, territories or contracts;
- agreements, formal or informal, that establish or fix the price at which a customer
- may resell a product; and
- the acquisition or maintenance of a monopoly or attempted monopoly through anticompetitive conduct.

Certain kinds of information, such as pricing, production, inventory, business plans, strategies, budgets, projections, forecasts, financial and operating information, methods and development plans, should not be exchanged with competitors, regardless of how innocent or casual the exchange may be and regardless of the setting, whether business or social.

Antitrust laws impose severe penalties for certain types of violations, including criminal penalties and potential fines and damages of millions of dollars, which may be tripled under certain circumstances. Understanding the requirements of antitrust and unfair competition laws of the various jurisdictions where we do business can be difficult, and you are urged to seek assistance from your supervisor or the Compliance Officer whenever you have a question relating to these laws.

WORKING WITH GOVERNMENTS

Overview

Special rules govern our business and other dealings with governments. Practices that are acceptable in commercial business environments may be against the law or the policies governing federal, state or local government employees. Therefore, no gifts or business entertainment of any kind may be given to any government employee without the prior approval of the Compliance Officer.

Employees, agents and independent contractors of the Company must 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. If you have any questions concerning government relations, you should contact the Compliance Officer.

Government contracts

You must comply with all relevant laws and regulations that apply to government contracting. You should refer all contracts with any governmental entity to the appropriate Contract Administrator for review and approval.

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 Compliance Officer. You should work with the Compliance Officer in responding to requests by regulatory authorities to ensure adequate and complete responses and to avoid improper 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 dealings that may be permissible in the context of commercial businesses may, in contrast, be deemed illegal and possibly criminal in dealings with the government.

Whether you are located in the United States or abroad, you are also responsible for fully complying with the Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act makes it illegal to offer, 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. All supervisors and supervisory personnel are expected to monitor continued compliance with the Foreign Corrupt Practices Act.

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. To ensure such compliance, the Company's assets—including Company funds, employees' work time and Company premises and equipment—must not be used for, or be contributed to, political campaigns or political activities under any circumstances without prior written approval from the Compliance Officer.

Lobbying

The U.S. federal government, each state and certain local jurisdictions have their own separate lobby registration and reporting laws. Depending on the jurisdiction, the applicable lobbying law may require the Company or its employees to register and report as a lobbyist if an employee communicates with (i) a legislative member or employee, or (ii) an executive branch official for the purpose of influencing legislation, formal rulemaking by an executive agency, or any other official decision by such agency, including decisions to enter into financial arrangements. So that the Company may comply with these laws, employees and directors must consult with the Compliance Officer before making any communication described above.

Trade restrictions

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 against countries that the U.S. government considers unfriendly or as supporting international terrorism. The U.S. regulations are complex and apply to both exports of products from the United States and exports of products from other countries when those products contain components or technology of U.S.-origin.

In some circumstances an oral or visual presentation containing technical data that is made to foreign nationals in the United States, or allowing foreign nationals access to certain technology, may constitute a deemed export of such information to the country of origin of the foreign national. The Company's export compliance officer can provide you with guidance on which countries are prohibited destinations for Company products and technical information, and whether a proposed technical presentation or giving access to a particular technology to a foreign national may require a U.S. government license.

For further guidance on the Company's export and deemed export policies, please refer to the Company's Export Compliance Manual and its Technology Control Plan. A copy of both documents can be obtained from the Compliance Officer or the Company's export compliance officer.

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 independent contractors should also be provided with a copy of the Code before providing services to the Company.

Acknowledgment

All 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

Any waiver of any provision of the Code with respect to a member of the Board of Directors or an executive officer (including, where required by applicable laws, our principal executive officer, principal financial officer, principal accounting officer or controller (or persons performing similar functions)) must be approved in writing by the Board of Directors and promptly disclosed to stockholders, along with the reasons for the waiver, to the extent required by law or regulation.

Except as otherwise provided in the Code, the Compliance Officer must be notified of any matter requiring special permission under the Code involving a non-executive employee, agent or independent contractor. Any waiver of any provision of this Code with respect to any non-executive employee, agent or independent contractor must be approved in writing by the Board of Directors.

Copies of approvals and waivers will be retained by the Company.

Reporting violations

You should promptly report violations or suspected violations of the law, this Code or other Company policies to your immediate supervisor or the Compliance Officer as appropriate. A dedicated email address for the Compliance Officer is governance@lunainc.com. If your situation requires that your identity be kept secret, your anonymity will be preserved to the greatest extent reasonably possible. In addition to fielding questions or concerns with respect to potential violations of the Code, the Compliance Officer is responsible for:

- investigating possible violations of the Code;
- training new personnel in the Code policies;
- conducting annual training sessions to refresh personnel's familiarity with the Code;

- distributing copies of the Code annually via email to all personnel with a reminder that each person is responsible for reading, understanding and complying with the Code;
- updating the Code as needed and alerting personnel to any updates, with appropriate approval of the Audit Committee, to reflect changes in the law, Company operations and in recognized best practices, and to reflect the Company experience; and
- otherwise promoting an atmosphere of responsible and ethical conduct.

If you wish to remain anonymous, you may leave a message with the Company's automated toll-free Corporate Governance Hotline at (800) 503-1833. If you make an anonymous report, please provide as much detail as possible, including reference to any documents that you believe may be relevant to the issue.

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, are prohibited.

Investigations

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, the Compliance Officer will be jointly responsible for investigating violations and determining appropriate disciplinary action for other employees, agents and independent contractors. The Compliance Officer may designate others to conduct or manage investigations on his or her behalf and recommend disciplinary action. The Compliance Officer 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 or to designate others to do so in place of, or in addition to, the Compliance Officer.

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.

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 appear to have been violated, the Company may report violators to the appropriate authorities.

ADDITIONAL INFORMATION

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. Nothing in this Code creates or implies an employment contract or term of employment. Employment at the Company is employment at-will and may be terminated with or without cause and with or without notice at any time by the employee or the Company.

ACKNOWLEDGMENT

LUNA INNOVATIONS INCORPORATED

CODE OF BUSINESS CONDUCT AND ETHICS

- I acknowledge that I have received and read the Luna Innovations Incorporated (the “**Company**”) 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 supervisor, the Company’s Compliance Officer, or other relevant individuals or departments.

Print name

Signature

Date

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