Code of Business Conduct and Ethics

CyberOptics is committed to the highest standards of legal and ethical business conduct. This Code of Business Conduct and Ethics summarizes the legal, ethical and regulatory standards that CyberOptics must follow and is a reminder to our directors, officers and employees, of the seriousness of that commitment. Compliance with this Code and high standards of business conduct is mandatory for every CyberOptics employee.

INTRODUCTION

This Code of Business Conduct and Ethics applies to CyberOptics Corporation and its wholly-owned subsidiaries worldwide.

Our business is becoming increasingly complex, both in terms of the geographies in which we function and the laws with which we must comply. To help our directors, officers and employees understand what is expected of them and to carry out their responsibilities, we have created this Code of Business Conduct and Ethics. Additionally, we have created a position of CyberOptics Ethics Officer to oversee adherence to the Code.

This Code is not intended to be a comprehensive guide to all of our policies or to all your responsibilities under law or regulation. It provides general parameters to help you resolve the ethical and legal issues you encounter in conducting our business. Think of this Code as a guideline, or a minimum requirement, that must always be followed. If you have any questions about anything in the Code or appropriate actions in light of the Code, you may contact the Ethics Officer or the Chair of the Audit Committee.

We expect each of our directors, officers and employees to read and become familiar with the ethical standards described in this Code and to affirm your agreement to adhere to these standards by signing the Compliance Certificate that appears at the end of this Code. Violations of the law, our corporate policies, or this Code may lead to disciplinary action, including dismissal.

I. WE INSIST ON HONEST AND ETHICAL CONDUCT BY ALL OF OUR DIRECTORS, OFFICERS, EMPLOYEES AND OTHER REPRESENTATIVES

We have built our business based on excellence in products and services: not only quality products that improve the reliability and quality of manufacturing, but quality employees and representatives who adhere to the very highest standards of honesty, ethics and fairness in our dealings with all of our business contacts. We place the highest value on the integrity of our directors, our officers and our employees and demand this level of integrity in all our dealings. We insist on not only ethical dealings with others, but on the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

Fair Dealing

Directors, officers and employees are required to deal honestly and fairly with our customers, suppliers, competitors and other third parties.

Between you and our customers and suppliers. Although sales are the lifeblood of any organization, we market our technologies, products and services fairly and vigorously based on our honesty, creativity and ingenuity and the proven quality and reliability of the products. Serving our clients effectively is our most important goal—in the *eyes of the customer* you are CyberOptics. In our dealings with customers, suppliers and other parties, we:

- prohibit bribes, kickbacks or any other form of improper payment, direct or indirect, to any representative of government, labor union, sales representative, distributor, customer or supplier in order to obtain a contract, some other commercial benefit or government action, or for personal gain;

- prohibit our directors, officers and employees from accepting any bribe, kickback or improper payment from anyone;

- prohibit gifts or favors of more than nominal value to or from our sales representatives, distributors, customers or suppliers, and in no case shall gifts involve cash or its equivalents;

- limit marketing and client entertainment expenditures to those that are necessary, prudent, job-related and consistent with our policies;

- require clear and precise communication in our contracts, our advertising, our literature, and our other public statements and seek to eliminate misstatement of fact or misleading impressions;

- reflect accurately on all invoices to customers the sale price and terms of sales for products sold or services rendered;

- protect all confidential and proprietary data our customers or suppliers provide to us as reflected in our agreements with them;

- prohibit our representatives from otherwise taking unfair advantage of our customers or suppliers, or other third parties, through manipulation, concealment, abuse of privileged information or any other unfair-dealing practice.

Conflicts of Interest:

Our directors, officers and employees should not be involved in any activity that creates or gives the appearance of a conflict of interest between their personal interests and the interests of CyberOptics. In particular, without the specific permission of our Ethics Officer, no director, officer or employee shall:

- be a consultant to, or a director, officer or employee of, or otherwise operate an outside business that:

  – markets products or services in competition with our current or potential products and services;

  – supplies products or services to CyberOptics; or

  – purchases products or services from CyberOptics;

- have any financial interest, including significant stock ownership, in any entity with which we do business that might create or give the appearance of a conflict of interest;

- seek or accept any personal loan or services from any entity with which we do business, except from financial institutions or service providers offering similar loans or services to third parties under similar terms in the ordinary course of their respective businesses;

- be a consultant to, or a director, officer or employee of, or otherwise operate an outside business if the demands of the outside business would interfere with the director's, officer's or employee's responsibilities to us, (if in doubt, consult your supervisor or the Ethics Officer);

- accept any personal loan or guarantee of obligations from CyberOptics, except to the extent such arrangements are legally permissible; or

- conduct business on behalf of CyberOptics with immediate family members, which include spouses, children, parents, siblings and persons sharing the same home whether or not legal relatives.

Directors, officers, and employees must notify the Ethics Officer or the Chair of our Audit Committee of the existence of any actual or potential conflict of interest.

Confidentiality and Corporate Assets:

Our directors, officers and employees are entrusted with our confidential information and with the confidential information of our suppliers, customers or other business partners. This information may include (1) technical or scientific information about current and future products, services or research, (2) business or marketing plans or projections, (3) earnings and other internal financial data, (4) personnel information, (5) supply and customer lists and (6) other non-public information that, if disclosed, might be of use to our competitors, or harmful to our suppliers, customers or other business partners. This information is our property, or the property of our suppliers, customers or business partners and in many cases was developed at great expense. Our directors, officers and employees shall:

- not discuss confidential information with or in the presence of any unauthorized persons, including family members and friends;
- use confidential information only for our legitimate business purposes and not for personal gain;
- not disclose confidential information to third parties.
- Not use CyberOptics property or resources for any personal benefit or the personal benefit of anyone else. CyberOptics property includes the CyberOptics internet, email, and voicemail services, which should be used only for business related activities except to the limited extent approved by CyberOptics Electronic Data Systems Use and Communication Policy, and which may be monitored by CyberOptics at any time without notice.

Please see your individual CyberOptics employee confidential information and invention agreement to review all your responsibilities in this area.

Nothing in the Code of Conduct and Ethics is intended to improperly limit or interfere with employees discussing the terms, conditions, policies and practices of their own employment as permitted by applicable law.

II. WE PROVIDE FULL, FAIR, ACCURATE, TIMELY AND UNDERSTANDABLE DISCLOSURE

We are committed to providing our shareholders and investors with full, fair, accurate, timely and understandable disclosure in the reports that we file with the Securities and Exchange Commission. To this end, our directors, officers and employees shall:

- not make false or misleading entries in our books and records for any reason;
- not condone any undisclosed or unrecorded bank accounts or assets established for any purpose;
- comply with generally accepted accounting principles at all times;
- notify our Chief Financial Officer if there is an unreported transaction;
- maintain a system of internal accounting controls that will provide reasonable assurances to management that all transactions are properly recorded;
- maintain books and records that accurately and fairly reflect our transactions;
- prohibit the establishment of any undisclosed or unrecorded funds or assets;
- maintain a system of internal controls that will provide reasonable assurances to our management that material information about CyberOptics is made known to management, particularly during the periods in which our periodic reports are being prepared;
- present information in a clear and orderly manner and avoid the use of unnecessary legal and financial language in our periodic reports; and
- not communicate to the public any nonpublic information except through our Chief Financial Officer or Chief Executive Officer.

III. WE COMPLY WITH ALL LAWS, RULES AND REGULATIONS

We will comply with all laws and governmental regulations that are applicable to our activities, and expect all our directors, officers and employees to obey the law. Specifically, we are committed to:

- maintaining a safe and healthy work environment;
- promoting a workplace that is free from discrimination or harassment based on race, color, religion, sex, age, national origin, disability, or other protected status or factors that are unrelated to the Company's business interests;
- supporting fair competition and laws prohibiting restraints of trade and other unfair trade practices;
- conducting our activities in full compliance with all applicable environmental laws;
- keeping the political activities of our directors, officers and employees separate from our business;
- prohibiting any illegal payments, gifts, or gratuities to any government officials or political party, or to any other parties in violation of local laws;
- prohibiting the unauthorized use, reproduction, or distribution of any third party's trade secrets, copyrighted information or confidential information;
- prohibiting the sale or export, either directly or through our representatives, of our products to countries or prohibited end-users or end-uses where technology related goods such as ours may not be exported (see CyberOptics Export Policy for specific requirements); and
- complying with all applicable state and federal securities laws.

Our directors, officers and employees are prohibited from trading our securities while in possession of material, nonpublic ("*inside*") information about CyberOptics. Our Insider Trading Policy describes the nature of inside information and the related restrictions on trading.

REPORTING AND EFFECT OF VIOLATIONS

Compliance with this code of conduct is, first and foremost, the individual responsibility of every director, officer and employee. We will foster a work environment in which ethical issues and concerns may be raised and discussed with supervisors or with others without the fear of retribution. It is our responsibility to provide a system of reporting and access when you wish to report a suspected violation, or to seek counseling, and the normal chain of command cannot, for whatever reason, be used.

Administration

Our Board of Directors and Audit Committee have established the standards of business conduct contained in this Code and oversees compliance with this Code. They have also created the position of Ethics Officer to ensure adherence to the Code. While serving in this capacity, the Ethics Officer reports directly to the Board of Directors.

Training on this code will be included in the orientation of new employees and provided to existing directors, officers, and employees on an on-going basis. To ensure familiarity with the Code, directors, officers, and employees will be asked to read the Code and sign a Compliance Certificate annually.

Reporting Violations and Questions

Directors, officers, and employees must report, in person or in writing, any known or suspected violations of laws, governmental regulations or this Code to either the Ethics Officer or the Chair of the Audit Committee of our Board of Directors. Additionally, directors, officers, and employees may contact the Ethics Officer or the Chair of the Audit Committee with a question or concern about this Code or a business practice. Any questions or violation reports will be addressed immediately and seriously, and can be made anonymously. If you feel uncomfortable reporting suspected violations to these individuals, you may report matters to our outside counsel. The address and telephone number of these individuals are listed in the attachment to this Code.

We will not allow any retaliation against a director, officer or employee who acts in good faith in reporting any violation.

Our Ethics Officer will investigate any reported violations and will determine an appropriate response, including corrective action and preventative measures, involving the Chair of the Audit Committee or Chief Executive Officer when required. All reports will be treated confidentially to every extent possible.

Consequences of a Violation.

Directors, officers and employees that violate any laws, governmental regulations or this Code will face appropriate, case specific disciplinary action, which may include demotion or immediate discharge, as well as liability for any resulting damages or losses.

Names and Addresses (as of 04/28/2016)

Reporting Contacts:

Ethics Officer:

David Hatteberg
Corporate Counsel
CyberOptics Corporation
5900 Golden Hills Drive
Golden Valley, MN 55416
(763) 542-5836
dhatteberg@cyberoptics.com

The Chair of our Audit Committee:

Alex B. Cimochowski
5900 Golden Hills Drive
Golden Valley, MN 55416
(480) 502-8276
AlCimo@aol.com
(480) 502-8276

Additional Reporting Contact:

Our Outside Counsel:

Jay Swanson, Esq.
Dorsey & Whitney LLP
50 South Sixth Street
Minneapolis, MN 55402
(612) 340-2763
Swanson.Jay@dorseylaw.com

COMPLIANCE CERTIFICATE

I have read and understand the CyberOptics Code of Business Conduct and Ethics (the "*Code*"). I will adhere in all respects to the ethical standards described in the Code. I further confirm my understanding that any violation of the Code will subject me to appropriate disciplinary action, which may include demotion or discharge, as well as liability for any resulting damages or losses.

I certify to CyberOptics that I am not in violation of the Code, unless I have noted such violation in a signed Statement of Exceptions attached to this Compliance Certificate.

Date: _____

Print Name:_____
Signature: _____
Title/Position: _____

Check one of the following:

☐ A Statement of Exceptions is attached.

☐ No Statement of Exceptions is attached.