



CODE OF CONDUCT

February 16, 2017

Governing Principles

Orion Energy Systems, Inc. (the "Company") operates in an honest and ethical manner for the benefit of its shareholders by maintaining a workforce and work environment that is focused on producing quality products and providing quality service for its customers.

To foster mutually beneficial relationships with customers that, of necessity, rely on trust and loyalty, the Company strives to maintain long-term relationships with its employees, customers, suppliers and other business partners based on:

Fairness in all dealings through consistent and careful adherence to all Company policies and all applicable laws and regulations and consideration for the general good of all parties in instances where policy or other guidance is not clearly defined.

Integrity in all actions and communications, including protecting the Company's and other business partners' confidential information and trade secrets.

Quality in the Company's products and services.

Responsibility for words and actions.

Respect and Compassion, so all are motivated to work enthusiastically.

Implementing Regulations

Introduction. This Code of Conduct sets forth principles to guide the operation of the Company's business, to deter wrongdoing and to promote honest and ethical conduct, full, fair, accurate, timely and understandable disclosure in any reports filed by the Company with the Securities and Exchange Commission, compliance with applicable laws, the prompt internal reporting of violations of this Code of Conduct and accountability for adherence to this Code of Conduct. This Code of Conduct is applicable to the Directors and all employees of the Company and its subsidiaries, including without limitation the Company's Chief Executive Officer and other executive officers. The Company also expects its business partners, service providers and vendors to comply with the spirit of this Code of Conduct in all their dealings with the Company. Operating a corporation in an honest, ethical and legal manner requires the constant effort and vigilance of all members of the organization under the leadership of the Board of Directors and the Chief Executive Officer.

The Role of the Board. The Company's Board of Directors represents the shareholders' interest in perpetuating a successful business, including optimizing long-term financial returns. The Nominating and Corporate Governance Committee is ultimately responsible for implementing and ensuring compliance with the Company's Corporate Governance Guidelines and the interpretation and enforcement of this Code of Conduct.

Compliance with Laws and Regulations Generally. The Company will conduct its business in compliance in all material respects with all applicable laws and regulations. In fact, the Company strives to avoid even the appearance of impropriety or illegal or unethical behavior. Any illegal action will be dealt with swiftly and violations will be reported to the proper authorities. Failure to comply fully with all laws and regulations violates this Code of Conduct and may expose both the violator and the Company to criminal or civil prosecution. Any Director, officer or employee with questions on specific laws, regulations or other legal issues should contact the Company's Chief Financial Officer.

Fair Dealing with Others. Each Director, officer and employee will endeavor to deal fairly and equitably with the Company's customers, suppliers, competitors, external advisers and employees. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other practice.

Conflicts of Interest. Directors, officers and employees should not place themselves in a position where their actions, personal interests, or the actions and/or interests of those for whom they act are, or are likely to be, in actual or apparent conflict with personal and professional relationships involving the Company. Directors, officers and employees may not have any direct or indirect interest in any enterprise doing business with or competing with the Company, except when the interest has been fully disclosed to and approved by the Company prior to any such interested activity. Each Director, officer or employee of the Company has an affirmative duty to report, in writing, any possible conflict of interest or any action that may create the appearance of a conflict of interest to the Company's Chief Financial Officer.

Confidentiality and Protecting the Company's Confidential and Proprietary Information. Subject to compliance with applicable laws, all Directors, officers and employees will observe strict confidentiality with regard to all information they obtain in connection with their service as a Director, officer or employee regarding the financial condition and operating results, accounts, transactions, trade secrets or other business affairs of the Company or its suppliers and customers. All Directors, officers and employees have an ethical and legal responsibility to protect the Company's and the Company's business partners' confidential and proprietary non-public information.

Financial Integrity. All of the Company's financial personnel must record and report accurately, completely and in a timely manner all financial transactions involving the Company. Adherence to this policy is a matter of mutual trust engaged in by all employees of the Company. A failure anywhere within the Company to do so is a breach of that trust not only to the Company's shareholders who rely on the integrity of the Company's financial statements but also to all employees of the Company who are equally reliant upon the fundamental integrity of the Company and its processes.

Conduct in the Workplace. The Company seeks to maintain a workplace that respects the rights of all employees to succeed to their maximum potential. The Company does not discriminate on the grounds of race, sex, religion, national background or otherwise in hiring, rewarding or promoting employees.

Conduct in the Marketplace. All marketing and sales material developed and used by the Company in the marketplace must accurately and fairly describe the Company's products and services, their features, functionality and capabilities. In making sales presentations, responding to questions or otherwise in the sales process, Company representatives are not to spread negative, unfounded, unsubstantiated, rumored or otherwise unreliable or hostile information about a competitor. If asked a direct question about a competitor, responses should be limited only to known facts about a competitor, not speculation or rumor or, indefensibly, falsehood.

Data Privacy. The Company's personnel have access to personally identifiable information concerning the Company's employees, business partners and customers. The Company is committed to carefully protecting this information and only using it for legitimate business purposes. Employees who do not have a business reason to access this information must never seek to do so, and those who have legitimate access must make sure that no unauthorized release or use of this information occurs.

Gifts and Entertainment. Accepting any gift of more than nominal value or entertainment that is more than a routine social amenity can appear to be an attempt to gain favorable treatment from the recipient. You are urged to give careful consideration to the acceptance of any gift of more than nominal value (i.e. in excess of \$25). Gifts of any amount may never be solicited, and gifts of cash, cash equivalents (i.e. gift cards or gift certificates) or securities may never be accepted. In the case of entertainment, it must be of a reasonable nature and in the course of a meeting or another occasion for the purpose of bona fide business discussions or to foster better business relations. In cases where the gift is of more than nominal value, you should consult with the Company's Chief Financial Officer.

Payments to Government Personnel. The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country. In addition, there are a number of federal and state laws and regulations regarding business gratuities, which may be accepted by U.S. or state government personnel. The promise, offer, or delivery to an official or employee of the U.S. government or a state government of a gift, favor, or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. Local governments, as well as foreign governments, may have similar rules. Any person working with any governmental entity in the U.S. or in a foreign country has an obligation to know, understand and abide by the laws and regulations that apply to conducting business with such governmental entity. Any questions regarding the laws and regulations that apply to conducting business with governmental entities shall be directed to the Company's Chief Financial Officer.

Corporate Opportunities. Directors, officers and employees are prohibited from taking personal advantage of certain business opportunities in which the Company may be interested. This so-called "corporate opportunity doctrine" is

complicated and it is not possible to clearly define all of the business opportunities which belong or could be of interest to the Company and what business opportunities may be taken advantage of personally by Directors, officers or employees. The most common types of situations falling within this corporate opportunity doctrine prohibit Directors, officers and employees from: (i) personally taking advantage of any business opportunity that typically would be pursued by, or would be of interest to, the Company; (ii) personally taking advantage of any other business opportunity that the Company may want to take advantage of if the opportunity is discovered using Company property, business contacts or information, or that an officer or employee becomes aware of because he or she works for the Company (or that a Director becomes aware of in his or her capacity as a director of the Company); or (iii) competing with or otherwise disadvantaging the Company. Each Director, officer or employee of the Company has an affirmative duty to report, in writing, any possible violation of the corporate opportunity doctrine or any action that may create the appearance of a violation of the corporate opportunity doctrine to the Company's Chief Financial Officer.

Securities Trading. Directors, officers and employees are subject to laws and Company policies that limit their ability to trade in securities at certain times and under certain circumstances. Limitations on trading include buying or selling the securities of the Company or any other company while in possession of material non-public information and/or giving inside information to anyone else who might base financial decisions or trades on that information. To do so is a violation of Company policy and may also be a violation of federal securities law. In addition, Directors, executive officers and selected other officers are subject to Company policies governing transactions during certain blackout periods.

Protect and Properly Use Company Property. Directors, officers and employees should protect the Company's assets and ensure their efficient use. The Company's assets should be used only for legitimate business purposes. In that regard, it is the policy of the Company that Company funds should not be used for political contributions to support any candidate or party.

Corrective Action. As a means to enforce this Code of Conduct, all employees who are found in violation of any aspect of the Code of Conduct are subject to discipline, up to and including discharge or termination of service.

Accountability / Compliance

All Directors, officers and employees of the Company are charged with the responsibility to comply with this Code of Conduct. This Code of Conduct must of necessity be self-enforcing. Nevertheless, violations of this Code of Conduct should be reported promptly pursuant to the Company's Whistleblower Policy, a copy of which can be obtained at www.oesx.com. Anyone who does not choose to adhere to this Code of Conduct or who impedes adherence by others should remove herself or himself from the Company voluntarily or he or she will be subject to discipline, up to and including discharge, as mentioned above.

No retribution will be taken against anyone for providing information or assisting in an investigation that person reasonably believed constituted a violation of this Code of Conduct. In addition, each Director, officer or employee has a duty to cooperate with any Company investigation and an obligation to maintain such investigation confidentially if requested. Any Director, officer or employee threatening, harassing, or in any way discriminating against another person for reporting such a matter in good faith will be disciplined.

To assure ongoing adherence to this Code of Conduct, the Board of Directors, pursuant to the Company's Whistleblower Policy, has designated the Chief Financial Officer and, depending on the subject matter of the complaint or concern, either the Chair of the Audit Committee or the Chair of the Nominating and Corporate Governance Committee, as recipients of information concerning violations or alleged violations of this Code of Conduct and interpreters and enforcers of this Code of Conduct, and has charged the Nominating and Corporate Governance Committee with assisting employees in learning, understanding and accepting this Code of Conduct so that it is applied in the daily conduct of their duties.

The Company employs both proactive and remedial measures to attempt to ensure compliance with the Code of Conduct by all members of the organization under the leadership of the Board of Directors and the President.

Annually, each appropriate officer or Director of the Company is required to disclose any potential conflicts of interest. For the protection of its information regarding the accounts, transactions, trade secrets or other business affairs of the company or its customers, each new employee of the Company is required to enter into a confidentiality agreement.

Waiver /Changes to Provisions

Only the Board of Directors of the Company may waive provisions of this Code of Conduct with respect to Directors and executive officers of the Company and only the Board of Directors may change any provision of this Code of Conduct. All waivers of this Code of Conduct for Directors and executive officers, or changes to this Code of Conduct, must be publicly disclosed (to the extent required) in a manner that complies with the requirements of the Securities and Exchange Commission, the listing standards of the Nasdaq Capital Market and other applicable laws and regulations. The Company's Board of Directors must similarly adopt any amendments to this Code of Conduct.