

Code of Conduct

We have a lot to be proud of at Neonode, including our competent and engaged employees, our many good, long-term relationships with customers, partners, and suppliers, our advanced, flexible technology platforms, our extensive patent portfolio, and our management system. While we appreciate these strong points, we recognize that one of our most valuable assets is our integrity.

We are committed to doing the right thing the right way and following all laws, regulations, and policies applicable to our business. Our Code of Conduct (the “Code”) can help in this. It’s our guide for making good decisions and putting our Core Values – *One Team, With Purpose, Customer Focus, and Make Tomorrow Better* – into action. Read the Code and refer to it often! Think of it as a tool that empowers you to put our values to work and to make good decisions that we can all be proud of, even in tough situations. The Code also contains guidelines and examples that are designed to help you speak up when you have questions or concerns. True to our Core Value *One Team*, we value openness and transparency.

Success requires commitment from all of us. The Code and our Core Values provide guidance for how we should think and act in different situations to maximize our chances of winning. Study them! Live them!

Sincerely,
Pierre Daniel Alexis
President & Chief Executive Officer

1. Policy Statement

Firmly rooted in our Core Values, we are committed to being a good corporate citizen, business partner, and employer. Our policy is to conduct our business affairs honestly and in an ethical manner. That goal cannot be achieved unless each and every employee, director, consultant, and contractor individually accepts his or her responsibility to promote integrity and demonstrate the highest level of ethical conduct in all of his or her activities. Decisions and activities that may call our integrity or reputation into question should be avoided.

The Code provides guidance and examples to help you make the right decisions and encourage you to speak up if you have questions or concerns regarding compliance with the Code.

2. Compliance with Laws, Rules, and Regulations

We seek to comply with both the letter and spirit of the laws and regulations in all jurisdictions in which we operate.

Numerous laws, rules, and regulations define and establish obligations with which Neonode, our employees, directors, consultants, and contractors must comply. Any employee, director, consultant, or contractor who violates these laws or regulations not only risks individual indictment, prosecution and penalties, and civil actions and penalties, but also subjects Neonode to the same risks and penalties. Any employee, director, consultant, or contractor who violates these laws may be subject to immediate disciplinary action, including possible termination of his or her employment or affiliation with Neonode.

When faced with situations that require some knowledge of the applicable laws, rules, and regulations, employees, directors, consultants, and contractors should seek advice from their managers, the Compliance Officer, or the appropriate officer (as described in Section 11 of the Code). If you are uncertain whether a particular action or course of conduct is permissible, you should refrain from engaging in the action or conduct until you have consulted with your manager, the Compliance Officer, or the appropriate officer. Set forth below are some of the major Swedish and U.S. federal, state, and local laws applicable to Neonode and the industries in which we operate. This outline is not intended to identify all applicable laws.

- accounting laws;
- tax laws;
- securities laws and such other laws as are enforced by the U.S. Securities and Exchange Commission (the “SEC”);
- export control and economic sanction laws;
- antitrust laws;
- employment laws;
- work environment laws;

- fraud laws;
- false statements and false claim laws;
- bribery and gratuity laws; and
- conspiracy laws.

As a public company listed on Nasdaq, Neonode must also follow all rules of the Nasdaq Stock Market LLC. And for its business operations in countries other than Sweden and the United States, Neonode must also comply with all applicable laws and regulations of such countries. The Neonode Management System (the “NMS”) and the Neonode Employee Handbook contain additional policies and standards applicable in our day-to-day operations.

Any employee, director, consultant, or contractor who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to their manager, the Compliance Officer, or the appropriate officer (as described in Section 11 of the Code).

3. Maintenance of Corporate Books, Records, Documents and Accounts; Financial Integrity; Public Reporting

The integrity of our records and public disclosure depends on the validity, accuracy, and completeness of the information supporting the entries to our books of account.

Neonode’s corporate and business records should be completed accurately and honestly. The making of false or misleading entries, whether such entries relate to financial results or test results, is strictly prohibited. Neonode’s records serve as a basis for managing its business and are important in meeting its obligations to customers, suppliers, creditors, employees, and others with whom Neonode does business. As a result, it is imperative that Neonode’s books, records and accounts accurately and fairly reflect, in reasonable detail, its assets, liabilities, revenues, costs and expenses, as well as all transactions and changes in assets and liabilities.

Neonode requires that:

- no entry be made in its books and records that intentionally hides or disguises the nature of any transaction or of any of its liabilities, or misclassifies any transactions as to accounts or accounting periods;
- transactions be supported by appropriate documentation;
- the terms of sales and other commercial transactions be reflected accurately in the documentation for those transactions and all such documentation be reflected accurately in Neonode’s books and records;
- employees, consultants, and contractors comply with Neonode’s system of internal controls; and
- no cash or other assets be maintained for any purpose in any unrecorded or “off-the-books” fund.

Neonode's accounting records are also relied upon to produce reports for its management, stockholders and creditors, as well as for governmental agencies. In particular, Neonode relies upon its accounting and other business and corporate records in preparing the periodic and current reports that it files with the SEC. Securities law requires that these reports provide full, fair, accurate, timely and understandable disclosure and fairly present Neonode's financial condition and results of operations. Employees, consultants, and contractors who collect, provide or analyze information for or otherwise contribute in any way in preparing or verifying these reports should strive to ensure that Neonode's financial disclosure is accurate and transparent and that Neonode's reports contain all of the information about Neonode that would be important to enable stockholders and potential investors to assess the soundness and risks of Neonode's business and finances and the quality and integrity of Neonode's disclosures. In addition:

- no employee, director, consultant, or contractor may take or authorize any action that would cause Neonode's financial records or financial disclosure to fail to comply with generally accepted accounting principles, the rules and regulations of the SEC or other applicable laws, rules and regulations;
- all employees, director, consultants, and contractors must cooperate fully with Neonode's accounting and internal auditing departments and personnel, as well as its independent public accountants and counsel, respond to their questions with candor and provide them with complete and accurate information to help ensure that Neonode's books and records, as well as Neonode's reports filed with the SEC, are accurate and complete; and
- no employee, director, consultant, or contractor should knowingly make (or cause or encourage any other person to make) any false or misleading statement in any of the Neonode's reports filed with the SEC or knowingly omit (or cause or encourage any other person to omit) any information necessary to make the disclosure in any of Neonode's reports accurate in all material respects.

Any employee, director, consultant, or contractor who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to their manager, the Compliance Officer, or the appropriate officer (as described in Section 11 of the Code).

4. Fair Dealing

Our goal is to be regarded as a company that does business with integrity.

Each employee, director, consultant, and contractor should endeavor to deal fairly with Neonode's strategic partners, competitors, customers, suppliers, employees, and anyone else that he or she has contact with in the course of performing his or her job. Under Swedish and U.S. federal and state laws, Neonode is prohibited from engaging in unfair methods of competition, and unfair or deceptive acts and practices. It is illegal to engage in deceptive, unfair or unethical practices and to make misrepresentations in connection with sales activities. No employee, director, consultant, or contractor should take unfair

advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Examples of prohibited conduct include, but are not limited to:

- dealing with and utilization of counterfeit goods;
- making affirmative claims about Neonode's products without having a reasonable basis for doing so;
- bribery or payoffs to induce business or breaches of contracts by others;
- inducing improper disclosure of confidential information from past or present employees of other companies;
- acquiring a competitor's trade secrets through bribery or theft; or
- making false, deceptive or disparaging claims or comparisons about competitors or their products.

In addition, public statements by or on behalf of Neonode should always be accurate, have a reasonable basis in fact, and should not be misleading. Public statements may include such things as publicity, investor or other presentations, and interviews.

5. Insider Trading

Employees, directors, consultants, and contractors should never trade securities on the basis of confidential information acquired through their relationship with Neonode.

Federal law and Neonode policy prohibit employees, directors and other individuals with access to confidential or material non-public information about the company from, directly or indirectly, trading Neonode stock. This same prohibition applies to trading in the stock of other publicly held companies, such as existing or potential strategic partners, on the basis of confidential or material non-public information about such company as a result of his or her position with Neonode. The "tipping" of others who might make an investment decision on the basis of this information is also illegal. If you have a question concerning the appropriateness or legality of a particular securities transaction, it is imperative that you consult with the Compliance Officer or the appropriate officer (as described in Section 11 of the Code). See also Neonode's Policy Against Insider Trading and Securities Fraud.

6. Conflicts of Interest and Corporate Opportunities

Employees, directors, consultants, and contractors must avoid any situation in which his or her personal interests conflict or even appear to conflict with Neonode's interests. Employees, directors, consultants, and contractors owe a duty to Neonode not to compromise Neonode's legitimate interests and to advance such interests when the opportunity to do so arises in the course of the his or her relationship with Neonode.

Employees, directors, consultants, and contractors should avoid entering into situations in which their personal, family or financial interests or loyalties may conflict with those of Neonode. Employees, directors, consultants, and contractors may not engage in activities that compete with Neonode or compromise its interests. Employees, directors, consultants, and contractors should not take for their own benefit opportunities discovered in the course of their relationship with Neonode that he or she has reason to know would benefit Neonode. A conflict situation can arise:

- when an employee or a director, or a member of his or her family, or an affiliate of any of such parties, receives improper personal benefits as a result of his or her position in Neonode;
- when an employee, director, consultant, or contractor takes actions or has interests that make it difficult to perform his or her Neonode work objectively and effectively;
- where a Neonode employee, director, consultant, or contractor works simultaneously for a competitor;
- where an employee, director, consultant, or contractor has a financial interest in a competitor that may cause divided loyalty with Neonode or the appearance of divided loyalty;
- if an employee, director, consultant, or contractor acquires an interest in property (such as real estate, patent rights or securities) where Neonode has, or might have, an interest;
- through the making of loans to, or guarantees of obligations of, employees or directors and their family members; or
- if any employee, director, consultant, or contractor divulges or uses Neonode's confidential information for his or her own personal or business purposes.

Conflicts are not always clear-cut. If you become aware of a conflict, potential conflict, or have a question as to a potential conflict, you should consult with your manager or the Compliance Officer and/or follow the procedures described in Section 11 of the Code. If you become involved in a situation that gives rise to an actual conflict, you **must** inform your manager, the Compliance Officer, or the appropriate officer (as described in Section 11 of the Code).

Please be aware that a member of management may not authorize conflict of interest matters without first seeking the approval of the Compliance Officer and filing with the Compliance Officer a written description of the activity. If a member of management is involved in a potential or an actual conflict, that member of management should discuss the matter directly with the Compliance Officer or the appropriate officer. Officers and directors may seek authorization from the Audit Committee.

7. Confidentiality

All confidential information concerning Neonode obtained by employees, directors, consultants, and contractors is the property of Neonode and must be protected.

Confidential information includes all non-public information that might be of use to competitors, or harmful to Neonode, if disclosed. Employees, directors, consultants, and contractors must maintain the confidentiality of such information entrusted to them by Neonode, except when disclosure is authorized by Neonode or required by law. The obligation to keep this information confidential applies even to communications with family members.

In addition, because Neonode interacts with other companies and organizations, there may be times when an employee, director, consultant, or contractor will learn confidential information about other companies before that information has been made available to the public. Employees, directors, consultants, and contractors must treat this information in the same manner as they are required to treat Neonode's confidential and proprietary information. There may even be times when the fact that Neonode has an interest in, or is involved with, another company must be treated as confidential.

Examples of confidential information include, but are not limited to: Neonode's trade secrets and proprietary know-how; business trends and projections; information about financial performance; source codes; new product or marketing plans; pricing strategies; personnel data; information about potential acquisitions, divestitures and investments; stock splits, public or private securities offerings or changes in dividend policies or amounts; and information regarding existing or potential major design wins, contracts, orders or finance sources or the loss thereof.

The obligations of employees, directors, consultants, and contractors with respect to confidential information of Neonode continue even after their relationship with Neonode terminates. Each employee's, director's, consultant's, and contractor's confidentiality obligations, and express agreement to abide by such obligations, is set forth in each individual's confidentiality, non-disclosure and assignment agreement.

8. Protection and Proper Use of Company Assets

All employees, directors, consultants, and contractors should endeavor to protect Neonode's assets and ensure their proper use.

Neonode assets are to be used only for legitimate business purposes of Neonode and only by authorized employees, directors, consultants, contractors, or other designees. This includes both tangible and intangible assets. Intangible assets include, but are not limited to: intellectual property such as: trade secrets and proprietary know-how; patents, trademarks and copyrights; business, marketing and service plans; research, engineering and manufacturing ideas; databases; Neonode records; salary information; and any unpublished financial data and reports. Unauthorized alteration, destruction, use, disclosure or distribution of these assets violates Neonode policy and this Code. Any such

action, as well as theft or waste of, or carelessness in using, these assets have a direct adverse impact on Neonode's operations and profitability and will not be tolerated. Neonode provides computers, voice mail, electronic mail (e-mail), and internet access to certain employees, directors, consultants, and contractors for the purpose of achieving Neonode's business objectives. As a result, Neonode has the right to access, reprint, publish, or retain any information created, sent or contained in any of Neonode's computers or e-mail systems of any Neonode machine. Employees, directors, consultants, and contractors may not use e-mail, the internet or voice mail for any illegal purpose or in any manner that is contrary to Neonode's policies or the standards embodied in this Code. No employee, director, consultant, or contractor should make copies of, or resell or transfer (externally or internally), copyrighted publications, including software, manuals, articles, books, and databases being used in Neonode that were created by another entity and licensed to Neonode unless he or she is authorized to do so under the applicable license agreement or by the "fair use" doctrine, such as for "backup" purposes.

9. Work Environment

We strive to be a good and attractive employer that caters to each employee's needs to maximize our employees' job satisfaction and our overall competitiveness.

Neonode aims to create a creative and challenging workplace, where all employees have the possibility to grow in their profession, to influence their work situation and to participate in the development of their working environment. Continuous learning and competence development are crucial elements to be able to lead the development in the industries where we are active and to meet customers' needs. We strive to make the best use of everyone's skills and to evenly distribute the work tasks to avoid negative work pressure. All employees should be able to balance their work life with their private life and recreation.

As an employer, Neonode works in a focused way with the organizational and social work environment. We aim to create a work environment that is characterized by job satisfaction and pride. We do this by, among other things, conducting annual employee surveys that are designed to identify and verify areas of improvement based on priorities that have been identified by our management together with our employees. All employees also have individual annual meetings with their immediate superior, which focus on the employee's personal development within the company.

Managers have an explicit responsibility for employee competence development and for implementing processes to support a good working environment. We train and develop our managers to better meet each employee's individual needs.

In accordance with current work environment legislation, Neonode's management works in a systematic way with questions related thereto.

10. Abusive Discrimination

We do not accept any form of abusive discrimination.

According to the Swedish regulation AFS 2015:4, “Organizational and social work environment”, abusive discrimination is: “Acts which are directed against one or more workers in an offensive manner and which may lead to ill health or being excluded from the workplace community.”

No form of abusive discrimination is accepted at Neonode. Abusive discrimination is in direct conflict with our Core Value *One Team*. Abusive discrimination is a serious threat to a person’s job satisfaction, health, economy, and development and is therefore a threat to Neonode’s business.

As representatives of the company, managers are responsible for planning and organizing the work to prevent abusive discrimination as much as possible.

Fully in line with the letter and spirit of our Core Values and this Code, all employees, consultants, and contractors have an obligation to work together to create and maintain an open and friendly environment and to be responsible for their own attitudes, values, and actions. As a colleague and co-worker, you also have a responsibility to be alert to and call attention to any situation where it appears that someone may be at risk of abusive discrimination.

If you are exposed to abusive discrimination, you also have a responsibility to report it to your manager or to the Compliance Officer.

11. Reporting Violations of Company Policies and Receipt of Complaints Regarding Financial Reporting or Accounting Issues

All employees, directors, consultants, and contractors should report any violation or suspected violation of this Code. No retaliation shall be taken against any person for reporting alleged violations while acting in good faith.

Neonode’s efforts to ensure observance of, and adherence to, the goals and policies outlined in this Code mandate that employees, directors, consultants, and contractors bring any instance, occurrence or practice that they, in good faith, believe is inconsistent with or in violation of this Code to the attention of their managers or other appropriate personnel. Employees, directors, consultants, and contractors should keep in mind the following guidelines when dealing with potential problem situations.

* Discuss possible problems with your manager or other member of Neonode management. In the event you believe a violation of the Code has occurred or you have observed or become aware of conduct that appears to be contrary to the Code, immediately discuss the situation with your manager. If you receive a complaint or concern, or notice of a complaint or concern, regarding Neonode’s financial disclosure, accounting, internal controls or audits, you must immediately advise your manager. If you feel it would be

inappropriate to discuss the issue with your manager, you should contact the Compliance Officer. If you feel it would be inappropriate to discuss the issue with the Compliance Officer, please send an e-mail with your concerns to the confidential e-mail address auditcommittee@neonode.com. These e-mail accounts are monitored by a member of Neonode's Audit Committee and the only employee of Neonode that has access to it is the network administrator. If you want absolute certainty that your concern is only known to the Audit Committee, or that your submission is completely anonymous, please mail a letter (anonymous if desired) describing the circumstances surrounding the matter to the following address:

Chairman of the Audit Committee
Neonode Inc.
BOX 24071
104 50 Stockholm
Sweden

These resources will promptly listen to your concerns and assess the situation.

* Use common sense and good judgment; Act in good faith. Every employee, director, consultant, and contractor is expected to become familiar with and to understand the requirements of the Code. If you become aware of a suspected violation, don't try to investigate it or resolve it on your own. Prompt disclosure to the appropriate parties is vital to ensuring a thorough and timely investigation and resolution. A violation of the Code is a serious matter and could have legal implications. Allegations of such behavior are not taken lightly and should not be made to embarrass someone or put him or her in a false light. Reports of suspected violations should always be made in good faith.

* Internal investigation. When an alleged violation of the Code is reported, Neonode or the Audit Committee, as appropriate, shall take appropriate action in accordance with the compliance procedures outlined in Section 14 of the Code. Employees, directors, consultants, and contractors are expected to cooperate in internal investigations of misconduct.

* No fear of retaliation. It is a federal crime for anyone to intentionally retaliate against any person who provides truthful information to a law enforcement official concerning a possible violation of any federal law. In cases in which a person reports a suspected violation in good faith and is not engaged in the questionable conduct, Neonode will attempt to keep its discussions and actions confidential to the greatest extent possible. In the course of its investigation, Neonode may find it necessary to share information with others on a "need to know" basis. No retaliation shall be taken against any person for reporting alleged violations while acting in good faith.

12. Publication of the Code of Conduct

The most current version of the Code will be posted and maintained on the company's website and in NMS and will be made publicly available in such manner as may be required by the rules and regulations of the SEC and the listing standards of the Nasdaq Stock Market.

13. Waivers of the Code of Conduct

Any waiver of this Code for directors, executive officers, and principal officers (including the principal executive officer, principal financial officer, principal accounting officer or controller (or persons performing similar functions)) may be made only by the Audit Committee and will be disclosed to stockholders to the extent required by applicable laws, rules and regulations of the SEC and the listing standards of the Nasdaq Stock Market.

14. Compliance Procedures

Neonode has established this Code as part of its overall policies and procedures. The Code applies to all Neonode employees, directors, consultants, and contractors in all locations. The Code is based on Neonode's Core Values, good business practices, and applicable law. The existence of a Code, however, does not ensure that employees, directors, consultants, and contractors will comply with it or act in a legal and ethical manner. To achieve optimal legal and ethical behavior, the individuals subject to the Code must know and understand the Code as it applies to them and as it applies to others. All employees, directors, consultants, and contractors must champion the Code and assist others in knowing and understanding it.

- * Compliance. Every employee, director, consultant, and contractor is expected to become familiar with and understand the requirements of the Code. Most important, each of those persons must comply with it.

- * Management Responsibility. Neonode's CEO shall be responsible for ensuring that the Code is established and effectively communicated to all employees, directors, consultants, and contractors. Although the day-to-day compliance issues will be the responsibility of Neonode's managers, the CEO has ultimate accountability with respect to the overall implementation of and successful compliance with the Code.

- * Compliance Officer. The Audit Committee shall select an employee to act as the Compliance Officer. The Compliance Officer is currently Mehrdad Fahami, Information Security & Quality Manager. The Compliance Officer will, with the assistance and cooperation of Neonode's officers and managers, foster an atmosphere where employees, consultants, and contractors are comfortable in communicating and/or reporting concerns and possible Code violations.

* Screening and Retention of Employees. Neonode shall exercise due diligence when hiring and promoting employees and, in particular, when conducting an employment search for a position involving the exercise of substantial discretionary authority, such as a member of the executive team, a senior management position, or an employee with financial management responsibilities. Neonode shall make reasonable inquiries into the background of each individual who is a candidate for such a position. All such inquiries shall be made in accordance with applicable law and good business practice. In addition, in the event an employee in a position that exercises substantial discretionary authority engages in illegal or unethical behavior in connection with his/her services to Neonode or is convicted of, or pleads guilty or no contest to allegations that he/she committed a crime involving moral turpitude, that individual shall be removed from his/her position and not assigned to any other position involving the exercise of substantial discretionary authority, and may be subject to disciplinary action, up to and including termination of employment.

* Access to the Code. All employees, directors, consultants, and contractors may access the Code on the company's website and in NMS. From time to time, Neonode will sponsor employee training programs in which the Code and other Neonode policies and procedures will be discussed.

* Monitoring. The officers of Neonode shall be responsible for reviewing the Code with all of Neonode's managers. In turn, Neonode's managers with supervisory responsibilities should review the Code with his/her direct reports. The manager is the "go to" person for employee questions and concerns, especially in the event of a potential violation. The manager will immediately report any known violations or allegations to the Compliance Officer. The managers will work with the Compliance Officer in assessing areas of concern, potential problems and overall compliance with the Code and other related policies.

* Internal Investigation. When an alleged violation of the Code is reported, Neonode or the Audit Committee, as appropriate, shall take prompt and appropriate action in accordance with the law and regulations and otherwise consistent with good business practice. The Compliance Officer or Chairman of the Audit Committee, as applicable, shall assess the situation and determine the appropriate course of investigation. Investigations shall be documented, as appropriate.

* Disciplinary Actions. A manager, after consultation with the Compliance Officer, shall be responsible for implementing the appropriate disciplinary action in accordance with Neonode's policies and procedures for any employee who is found to have violated the Code. In addition to imposing discipline upon persons involved in non-compliant conduct, Neonode also may impose discipline, as appropriate, upon individuals who fail to detect non-compliant conduct and upon individuals who fail to report known non-compliant conduct. If a violation has been reported to the Audit Committee, that committee shall be responsible for determining appropriate disciplinary action. Such disciplinary action may include the termination of the employment or services to the company. Disciplinary action shall be documented, as appropriate.

* Corrective Actions. In the event of a breach of the Code, the manager and the Compliance Officer should assess the situation to determine whether the breach is a problem that can be resolved by corrective action. If a violation has been reported to the Audit Committee, that committee shall be responsible for determining appropriate corrective actions. Such corrective action may include retraining Neonode employees, adjusting Neonode policies and procedures, and other action necessary to prevent similar non-compliant conduct from occurring in the future. Such corrective action shall be documented, as appropriate.