



Code of Business Conduct and Ethics

**With Special Message for
Senior Business and Finance Leaders**

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Letter from our Chairman and our President and Chief Executive Officer

Annual Letter to Senior Leaders

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February 10, 2017

Dear II-VI Colleague:

II-VI Incorporated's Code of Business Conduct and Ethics (the Code) sets forth the combined values and standards of behavior that make II-VI a trusted and respected company. We are involved in competitive industries and our customers, suppliers, communities and shareholders are expecting and demanding more of us. These demands affect all of our employees. We are all challenged to find creative and innovative ways to get the job done. We applaud your efforts and we thank you for the contributions you have made to II-VI's success.

It is each employee's responsibility to exercise sound business judgment and to act honestly, professionally and ethically. We are required to not only "do the right things", but to also "do things right". Doing it the right way goes beyond complying with laws and regulations. It means conducting ourselves in a manner that reflects these values and standards.

As your employer, II-VI's obligation and commitment goes beyond simply stating that you should always conduct yourself professionally and ethically at work. This Code formalizes the values that have made us the company we are and which will carry us forward into the future. It describes the fundamental ethics policies that govern all of the work that we do, and sets forth the duties and obligations of all of our employees under those policies.

Our Worldwide Values act as a foundation of this Code – Customers First, Honesty and Integrity, Open Communications, Teamwork, Continuous Improvement and Learning, Manage by the Facts and A Safe, Clean, and Orderly Workplace.

We ask that you please take the time to read this Code, and again, we thank you for continuing the II-VI tradition.

Very truly yours,



Francis J. Kramer
Chairman of the Board



Vincent D. (Chuck) Mattera, Jr.
President and Chief Executive Officer

Special Message for II-VI Senior Leader **Annual Code of Conduct Certification**

II-VI Incorporated (the Company) has a Code of Business Conduct and Ethics applicable to all directors, officers, and employees of the Company and subsidiaries. All new people sign this Code when they join II-VI. To assist leaders with their significant decision making responsibility, Senior Leaders as defined below are asked to acknowledge and certify to their review and compliance with the Code annually.

General Philosophy:

It is the policy of the Company that its Senior Leaders adhere to and advocate the provisions of this Code governing their professional conduct in the fulfillment of their responsibilities, including financial reporting and transactions in which they represent the Company. Any breach of this Code could materially compromise the Company's market position. As such, any such breaches are subject to disciplinary action, may require the notification of appropriate enforcement authorities, and may be subject to legal actions and penalties.

Senior Leaders Defined:

For the purposes of this Code, Senior Leaders (hereafter "Leaders") shall include, but not necessarily be limited to, the individuals currently holding such positions as detailed below:

- All Corporate Officers
- All members of the Executive Leadership Team (ELT)
- All leaders the Corporate Accounting Group of SG 7 or higher
- All Division, Group and Segment Controllers
- All General Managers and site leaders

Should any irregularities or breaches of this Code be observed by any Senior Leader, they are duty bound to report such irregularities or breaches to their leadership and, if necessary, the Chair of Audit Committee of the Board of Directors of the Company (the "Audit Committee") as further described later in this document.

Summary:

Senior Leaders shall maintain the highest standards of integrity, both in the workplace and outside the workplace, fully observing all laws and applicable regulations and protecting and fostering shareholder value through fair dealings, complete honesty and full disclosure in all manners of business. Senior Leaders are expected to conduct their

personal lives in a manner in which their actions do not reflect unfavorably on the Company or on its directors, officers or employees.

Senior Leaders shall ensure full compliance with the Sarbanes-Oxley Act of 2002 and all applicable securities legislation, as well as full compliance with corporate governance requirements of the NASDAQ Stock Exchange (NASDAQ) or any other such exchange upon which the Company may trade its stock.

Senior Leaders shall in all cases ensure full and honest disclosure of the Company's financial and operating conditions as required by law and NASDAQ mandate. They shall be responsible for and ensure the security of Company confidential information.

Conflicts of Interest:

Senior Leaders owe a duty of loyalty to the Company and must act in the best interests of the Company. Therefore, such Leaders shall not engage in activities that give rise to a conflict of interest or even the appearance of a conflict of interest, without the written approval of the Chair of the Audit Committee. A "conflict of interest" exists when a person's obligations to the Company would reasonably be expected to compete with or be prejudiced by his or her own personal interests or financial affairs.

For the protection of both the Company and these Leaders, Senior Leaders must fully disclose the nature of any proposed conduct or transaction that involves or could involve a conflict of interest and obtain written approval *before* any action is undertaken. It is the responsibility of each such Leader to disclose to the Chair of the Audit Committee all personal interests or circumstances that might constitute a conflict of interest as soon as the circumstances arise.

Some conflicts of interest may arise innocently because of circumstances alone, without deliberate action on the part of an individual. If one finds himself or herself in such a position, each Leader shall immediately notify the Chair of the Audit Committee for guidance.

Review and Approval:

The content of this Code shall be reviewed not less frequently than annually by the Audit Committee. Any necessary changes shall be made periodically by the Audit Committee and shall require the approval of the same.

Code of Business Conduct and Ethics

Introduction

The directors, officers and employees of II-VI Incorporated and its subsidiaries and those acting on its behalf (the Company) are expected to conduct themselves in an ethical and fair manner that generates returns and rewards for the Company's customers, vendors, employees, communities and shareholders.

The Company will identify the best business opportunities for its existing and continuously improving competencies and capabilities. The Company will set goals and targets relative to these best opportunities, and establish and execute well-conceived plans to increase our likelihood of success.

The Company will accurately track, recognize and reward teamwork, individual contributions and success at all levels within the organization.

The directors, officers and all employees are expected to obey all laws and regulations that apply to our business around the world.

The Company will respect and work to enhance the contributions of every stakeholder in the success of our enterprise.

Our shared values and standards inspire trust and confidence and have always formed the basis of our success. More importantly, these values inspire the trust and confidence of our employees. They create a sense of pride and a desire in each of us to achieve and grow. We not only care about the results we achieve, we equally care about how we achieve them.

This Code reflects how our values are applied when dealing with each of our key stakeholders – customers, vendors, employees, communities and shareholders.

No matter how detailed, no set of guidelines can possibly anticipate all of the challenges we may face on the job. Additional resources are identified for us when we have questions about business conduct.

This Code serves as a guide for some frequently asked questions and sets out basic guiding principles. It is not intended to be an exhaustive description of the Company's policies and standards.

If your questions are not fully addressed by these resources, your next step should be to discuss your questions with your manager, the Human Resources Department, or the Director, Internal Audit. You can use any of these resources when you need clarification of policies, assistance in dealing with "gray areas," or when you are concerned about possible violations of our standards.

I. General Philosophy:

At II-VI Incorporated (the Company), we collectively pledge to behave in accordance with following principles governing honest, professional and ethical conduct in the fulfillment of our responsibilities and ensure the continuing integrity of the Company to protect the interests of the Company's shareholders, customers and employees. Breaches of the Code of Business Conduct and Ethics (the Code) could result in disciplinary action, up to and including dismissal. In rare cases, the Company may have a legal obligation to bring violations to the immediate attention of appropriate enforcement authorities. In such cases, civil or criminal penalties may be imposed.

II. Guiding Principles:

All Employees must at all times in performing their duties:

1. Act in the interest of the Company with the highest integrity, honesty, fairness, objectivity. In cases of actual or apparent conflicts between personal interests and the interests of the Company including receiving personal benefits as a result of his or her position, maintaining objectivity and integrity is essential.
2. Comply with all applicable local and government laws, rules and regulations and the rules and regulations of private and public regulatory agencies having jurisdiction over the Company worldwide.
3. Act in good faith, with due care, factual understanding and diligence.
4. Protect and respect the confidentiality of information acquired in the course of the performance of responsibilities except when authorized by the Company or otherwise legally obligated to disclose.
5. Use corporate assets and resources wisely.
6. Never use corporate information, corporate assets, corporate opportunities or one's position within the Company for personal gain, and do not compete directly or indirectly with the Company.

III. Duty to Report Violations; How To Report Violations; Anonymous Reporting:

Executive Management and the Human Resources Department with consultation from legal counsel as needed are responsible for developing and implementing these

Company policies. They have the responsibility and authority to interpret these policies. Any questions related to these policies should be addressed to the Human Resources Department.

Any employee who becomes aware of any existing or potential violation of laws, rules, regulations or this Code must report it to the Human Resources Department, Internal Audit or Executive Management promptly. Failure to do so is itself a violation of this Code. No one shall be subject to any disciplinary action solely for reporting any activity or violation of this Code of Ethics, absent a knowingly false report, and the ability to help the company understand the situation is in everyone's best interest. Contact the Human Resources Department or the Internal Audit Department for instructions concerning how to submit reports. Reports of violations may be submitted anonymously to the Audit Committee of the II-VI Board of Directors through a confidential and anonymous communication channel administered by a third party:

COMPLIANCE HOTLINE: 1-866-829-3062 (United States)
Website for reporting and non-U.S. Hotline numbers: www.ii-vi.ethicspoint.com

For international dialing or web based reporting instructions, consult your manager, Human Resources, Internal Audit or Compliance Hotline materials that are posted throughout the company and on our Intranet.

The anonymous reports will be forwarded to the Chair of the Audit Committee of the II-VI Board of Directors. The Chair of the Audit Committee will then contact others as appropriate, and investigate reports as needed.

An employee who is unsure of whether a situation violates this Code should discuss the situation with Human Resources.

IV. Conflicts of Interest:

The Company trusts our employees to act in the best interests of the Company and to actively avoid activities that may lead to a conflict of interest or even the appearance of a conflict of interest. For example, a "conflict of interest" could arise when a person's obligations to the Company would reasonably be expected to compete with or be influenced by his or her own personal interests or financial affairs.

For the protection of both the Company and the employee, the employee must, in an open and honest manner, fully disclose the nature of any proposed conduct or transaction that involves or could involve an actual, apparent or potential conflict of interest as soon as possible and obtain written approval before any action is undertaken. This will allow the situation to be discussed, better understood by the company and the employee, and the best resolution to be reached.

Employees are not permitted to simultaneously work as an employee or consultant of a competitor, unless at the Company's request, as this represents a conflict of interest and an employee should avoid any direct or indirect business connection other than during the normal course of business with the Company's customers and suppliers as this may be a conflict of interest.

If an employee finds himself/herself in a position that may be a conflict of interest, the employee shall immediately notify the Human Resources Department for guidance.

V. Corporate Opportunities:

By right of accepting employment at II-VI, employees agree to advance the Company's business interests when the opportunity to do so arises. Employees, officers and directors are prohibited from taking (or directing to a third party) a material business opportunity that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and has definitely and finally turned it down. More generally, employees, officers and directors are prohibited from using corporate property, information or position for improper personal gain.

VI. Confidential and Proprietary Information:

Employees must be aware that all information, including electronic information that is created or used in support of Company business activities is the property of the Company. Information is a valuable asset and employees are expected to protect it from unauthorized disclosure. This applies to Company, customer, vendor, business partner and employee privacy information (social security or other taxpayer identification numbers, medical conditions, etc.) of other employees. Laws that protect Company assets and contractual arrangements between the Company and its customers, suppliers or business partners may restrict the use of such confidential and proprietary information.

VII. Fair Dealing:

II-VI has a history of competing successfully through fair and honest business practices. Each employee should conduct themselves honestly and fairly when dealing with the Company's service providers, suppliers, competitors and employees. Please contact the Human Resources Department if you have any questions concerning conduct prior to contacting a service provider.

VIII. Compliance with Laws, Rules and Regulations (Including Insider Trading Laws):

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each employee to adhere to those laws, rules and regulations. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from managers or supervisors.

Employees who have access to confidential information that could influence decisions to buy or sell the Company's stock cannot disclose that information to third parties. Information covered by this restriction includes, but is not limited to, non-public information regarding the Company and its plans, such as trade secrets, financial information, possible acquisitions or divestitures, product changes and operational performance. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. To assist with compliance with laws against insider trading, the Company has adopted the II-VI Incorporated Policy of Insider Trading that has been distributed to every director, officer and deemed insider.

II-VI believes its products and services create sufficient value in themselves. We do not have a practice of making gifts to customers or suppliers. Employees may not receive gifts designed to sway their judgment and carrying more than a modest value. They may receive, and the Company may give, promotional items designed to promote the Company and generally include the Company's or supplier's logo. The value should be within that which is customary within normal business practices. For items not meeting these criteria, when the employee believes the refusal may cause offense, for example at locations outside the United States, or the gift is delivered and cannot be returned, the employee should speak to his/her manager or their Human Resources representative to determine the best use of the gift and it should be communicated to the sender. Under no circumstances should an employee receive or give any items or services to the employee's or customer representative's personal home.

IX. Discrimination and Harassment:

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples include, but are not limited to, derogatory comments based on racial or ethnic characteristics and/or unwelcome sexual advances.

X. Health and Safety:

The Company strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not tolerated or permitted. The use of illegal drugs or alcohol in the workplace will not be tolerated. Employees should report to work free from the influence of illegal drugs or alcohol.

XI. Record-Keeping:

The Company requires accurate recording and reporting of information in order to make responsible business decisions.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is business related, ask your manager or supervisor.

All of the Company's books, records, accounts and financial statements must be maintained in required detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation and with the written approval of the Corporate Controller.

Business records and communications often become public, and we should avoid exaggeration, malicious or harassing remarks, guesswork, or characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to the Company's record retention policies. In the absence of an applicable Company policy, records cannot be destroyed until they have met any corporate or local legal retention requirements.

XII. 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, the U.S. government has a number of laws and regulations regarding business gratuities that may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. 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. State and local governments, as well as foreign governments, may have similar rules that must be complied with.

XIII. Waivers:

Any waiver of this Code for Executive Officers or Directors may be granted only by the Board of Directors and will be publicly disclosed as required by law or regulation.

XV. Effective Date:

This updated Code of Business Conduct and Ethics and the related Special Message for Senior Leaders became effective February 10, 2017 and supersedes any prior versions.