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NORTECH SYSTEMS INCORPORATED

Code of Business Conduct & Ethics

Introduction

Ethics are important to Nortech Systems Incorporated ("**Nortech**") and each of its directors, officers, employees and independent contractors. Nortech is committed to the highest ethical standards and to conducting its business with the highest level of integrity. This commitment is one of the core values that make Nortech the great company that it is.

Adherence to the highest ethical standards is vital to creating and maintaining our culture. It provides the necessary foundation on which Nortech has been built and on which it can continue to grow and prosper. Adherence to this Code of Business Conduct & Ethics ("**Code**") also promotes full, fair, accurate, timely and understandable disclosure in reports and documents that Nortech files with, or submits to, the Securities and Exchange Commission (the "**SEC**") and in other public communications made by Nortech.

Each Nortech director, officer, employee and independent contractor is required to be familiar with the Code, to comply with its provisions, to report suspected violations and to be responsible for the consequences of his or her actions. We must each be the guardians of Nortech's high ethical standards.

The Board of Directors has adopted this Code for its members without exception. In addition, all employees are subject to and must comply with the standards and policies set forth in Nortech's Employee Handbook as it may apply to the various topics contained in this Code.

Leaders at Nortech have the extra responsibility of setting an example by their personal performance and an attitude that conveys our ethical values. That example leads us to treat everyone – directors, officers, employees, independent contractors, customers, partners, vendors and competitors - with honesty and respect.

If you are unsure of the appropriate action, take advantage of our open door, informal environment and raise your concerns with management or, if you are still uncomfortable, follow the processes outlined in this Code.

In any instance, if you are uncomfortable with any observed activities related to this policy, we strongly encourage you to discuss this with your supervisor, Peoples Operations or to anonymously report your concerns to the Whistleblower hotline, which is noted below, and to separately refer to the Nortech Whistleblower Policy.

Honest and Ethical Conduct

Nortech and each of its directors, officers, employees and independent contractors must conduct their affairs with uncompromising honesty and integrity. Business ethics are no different than personal ethics. The same high standard applies to both. As a Nortech director, officer, employee or independent contractor, you are required to adhere to the highest standard.

Each director, officer, employee or independent contractor is expected to be honest and ethical in dealing with each other, with customers, suppliers, partners, vendors, competitors, and anyone else with whom

he or she has contact in the course of performing his or her job.

You must treat people with respect and respect the rights of your fellow directors, officers, employees and independent contractors. Your actions must be free from discrimination, libel, slander or harassment. Each person must be accorded equal opportunity, regardless of age, race, sex, gender identity, sexual preference, color, creed, religion, national origin, marital status, or disability.

Misconduct cannot be excused because it was directed or requested by another. In this regard, you are expected to alert management whenever an illegal, dishonest or unethical act is discovered or suspected. You will never be penalized for reporting your discoveries or good faith suspicions. Reporting of any concerns can be accomplished by reporting to supervisor, People Operations, or anonymously through Nortech's third-party whistleblower hotline which is outlined below.

The following statements concern frequently raised ethical concerns. A violation of the standards contained in this Code will result in corrective action, up to and including dismissal and referral to appropriate authorities.

Conflicts of Interest

A conflict of interest occurs when an individual's private interest (or the interest of a member of his or her family) interferes, or even appears to interfere, with the interests of Nortech as a whole. You must avoid any personal activity, investment or association which could appear to make it difficult to perform your work for Nortech objectively and effectively. You may not exploit your position or relationship with Nortech for personal gain. You should avoid even the appearance of such a conflict. For example, there is a likely conflict of interest if you:

- advance your own personal or business interests, or those of others with whom you have a personal or business relationship, at the expense of Nortech.
- use nonpublic Nortech information for personal gain by you, relatives or friends (including securities transactions based on such information);
- have a significant financial interest in Nortech's suppliers, distributors, sales representatives, vendors or competitors;
- receive a financial benefit (apart from your Nortech compensation), loan, or guarantee of obligations, from Nortech or a third party as a result of your position at Nortech without the express approval of Nortech's Chief Financial Officer; or
- compete with Nortech while still employed by Nortech or still serving as a director or employee of Nortech. You may not work for Nortech and a competitor at the same time.

There are other situations in which a conflict of interest may arise, and situations involving a conflict of interest may not always be obvious or easy to resolve. If you have concerns about any situation, follow the steps outlined in the Section on "Reporting Violations."

Directors and executive officers must seek determinations and prior authorizations or approvals of potential conflicts of interest from the Audit Committee. The Audit Committee has adopted a Related Person Transaction Policy governing the process by which the Audit Committee is required to review, approve, ratify and disclose transactions or arrangements between the Company and its directors, executive officers and other related persons.

Gifts and Prizes

Neither you nor your relatives may give gifts to, or receive gifts from, Nortech's suppliers, distributors, sales representatives, or vendors excluding the giving or receipt of minor holiday gifts having less than \$50 in value. However, employees may attend or participate at vendor sponsored events that allow Nortech to maintain an important business relationship. In no event should you put Nortech or yourself in a position that would be embarrassing if the gift was made public.

Bribes and Kickbacks

Any director, officer, employee or independent contractor who offers, pays or receives bribes or kickbacks will be immediately investigated, and subject to disciplinary action, up to and including termination, and reported, as warranted, to the appropriate authorities. A kickback or bribe includes any item intended to improperly obtain favorable treatment.

Protection and Proper Use of Nortech Property

Every director, officer, employee and independent contractor must safeguard Nortech property from loss or theft, must ensure their efficient use and may not take or use such property for personal use. Theft, carelessness and waste have a direct impact on Nortech's profitability and are prohibited. Nortech property includes proprietary information, confidential information, business opportunities that belong to Nortech, software, computers, office equipment, and supplies. You must appropriately secure all Nortech property within your control to prevent its unauthorized use.

The sole purpose of Nortech's property is the conduct of our business. Nortech property may only be used for Nortech business consistent with Nortech guidelines. Unauthorized use or distribution of Nortech property is prohibited, could also be illegal and could result in civil or criminal penalties. Any suspected incident of fraud or theft should be reported for investigation immediately. Reporting of any concerns can be accomplished by reporting to supervisor, People Operations, or anonymously through Nortech's third-party whistleblower hotline which is outlined below.

Failure to Disclose Mistakes; Falsifying Records

Mistakes should never be covered up, but should be immediately fully disclosed and reported to your supervisor, People Operations, or anonymously through Nortech's third-party whistleblower hotline. Falsification of any Nortech, customer or third-party record is prohibited.

Accurate Periodic Reports; Disclosure

As you are aware, full, fair, accurate, timely and understandable disclosures in all material respects in Nortech's periodic reports are legally required and are essential to the success of its business. Each director, officer and employee who contributes to the preparation or verification of Nortech's financial statements and other financial information must exercise the highest standard of care in preparing and maintaining such reports in compliance with applicable federal securities laws, SEC rules, applicable laws in the jurisdictions in which Nortech does business, and in accordance with the following guidelines:

- All records must fairly and accurately reflect the transactions or occurrences to which they relate.
- Nortech's accounting records must not contain any false or intentionally misleading entries.
- No transactions should be intentionally misclassified as to accounts, departments or

accounting periods.

- All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.
- No information should be concealed from the Finance Department, internal auditors or the independent auditors.
- Compliance with Nortech's system of internal accounting controls is required.

Compliance

You are expected to comply with both the letter and spirit of all applicable governmental laws, rules and regulations. Although you are not necessarily expected to know the details of all applicable laws, rules and regulations, it is important to know enough to determine when to seek advice from appropriate personnel. Questions about compliance should be addressed to the personnel and processes identified and outlined in the Section of this Code on "Reporting Violations."

If you fail to comply with this Code and/or with any applicable laws, you will be subject to disciplinary measures, up to and including immediate discharge from Nortech.

Protection of Confidential Information

Directors, officers, employees and independent contractors must maintain the confidentiality of confidential information entrusted to them by Nortech or other companies, including our suppliers and customers, except when disclosure is authorized by a supervisor or legally mandated. Confidential information includes, among other things, any non-public information, financial information, business methods and strategies, pricing and marketing data and strategies, plans, designs, specifications, engineering or manufacturing ideas, databases, reports, computer code, and any information about, or received from, Nortech's current, former and prospective customers, vendors and employees. Unauthorized disclosure of any confidential information is prohibited. Additionally, you should take appropriate precautions to ensure that confidential or sensitive business information, whether it is proprietary to Nortech or another company, is not communicated within Nortech except to employees or independent contractors who have a need to know such information to perform their responsibilities for Nortech. You will not engage in unauthorized use, copying, distribution or alteration of any confidential information or other intellectual property such as trade secrets, patents, trademarks, and copyrights.

Third parties may ask you for information concerning Nortech. Subject to the exceptions noted in the preceding paragraph, directors, officers, employees and independent contractors (other than Nortech's authorized spokespersons) must not discuss internal Nortech matters with, or disseminate internal Nortech information to, anyone outside Nortech, except as required in the performance of their Nortech specific duties and, if appropriate, after a confidentiality agreement is in place. This prohibition applies particularly to inquiries concerning Nortech from the media, market professionals (such as securities analysts, institutional investors, investment advisers, brokers and dealers) and security holders. All responses to inquiries on behalf of Nortech must be made only by Nortech's Chief Executive Officer or Chief Financial Officer. If you receive any inquiries of this nature, you must decline to comment and refer the inquirer to your supervisor or one of Nortech's authorized spokespersons.

It is important that you respect the property rights of others. You will not acquire or seek to acquire by improper means a competitor's trade secrets or other proprietary or confidential information.

Data Privacy

Nortech protects personal data through organizational and technical measures including IT security tools, restrictions on access to the data, and physical security measures to help prevent unauthorized or unlawful access, disclosure, loss, destruction, or damage. You will access and use personal data only for legitimate business purposes and maintain appropriate access controls and use limitations. Only those individuals who need the data to accomplish a business objective should have access to personal data and only for as long as they need it to accomplish the objective. You are required to follow all applicable privacy, information security, and data protection laws that govern the handling and use of personal data, which means any information that, standing alone or in connection with other data, could be used to identify the individual to whom the information relates.

Some information is particularly sensitive personal data, such as health information, government identification numbers, and compensation data, and is subject to even further protections. Any collection, storage, processing, transfer, or sharing of personal data may require the written consent of the individual to whom it belongs prior to collection, storage, processing, transfer, or sharing of the personal data, and such collection, storage, processing, transfer, or sharing of personal data must be done in a manner that protects such data from inadvertent or unauthorized access, use, disclosure, loss, destruction, or damage, and any authorized disclosure must be in compliance with local laws.

Communications Systems

Nortech provides or contracts for the communications services necessary to promote the efficient conduct of its business. All communications made using communication services (including but not limited to email, intermail, intramail, text messaging, Whatsapp and similar communication services) and all communications equipment (other than your personal mobile phone) used in the course of performing your duties as an employee of Nortech, are the sole property of Nortech. Accordingly, Nortech may access and monitor any employee communications as it deems appropriate. Improper use of services and equipment used to conduct business communications may result in disciplinary action, up to and including termination. Each employee's use of Nortech's communications systems constitutes his or her consent to this policy.

Nortech's Electronic Mail (E-Mail, intramail or any other electronic services used by employees in connection with performing their duties) systems are Nortech property and are to be used for conducting Nortech's business only. The Nortech reserves and intends to exercise the right to review, audit, intercept, access and disclose all messages created, received or sent over the electronic systems for any purpose. No employee should have an expectation of privacy in any messages sent or received over Nortech electronic or telecommunications systems. Each employee's use of Nortech's electronic systems constitutes his or her consent to this policy. Employees shall not attempt to retrieve or gain access to another person's E-Mail or electronics systems without that person's written consent.

Sales & Marketing

We take pride in the quality of our services and are committed to competing fairly by employing ethical business practices. You must strive to present only accurate and truthful information about Nortech's products and services in presentations, discussions with customers and suppliers, our advertising, promotional literature and public announcements.

Developing Software

Employees or independent contractors involved in the design, development, testing, modification or maintenance of Nortech software must not undermine the legitimacy of Nortech's products by copying or using unauthorized third-party software or confidential information. You may not possess, use or discuss proprietary computer code, output, documentation or trade secrets of a non-Nortech party, unless authorized by such party.

Fair Dealing

No Nortech director, officer, employee or independent contractor should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Corporate Opportunities

All directors, officers and employees owe a duty to Nortech to advance its interests when the opportunity arises. Directors, officers and employees are prohibited from taking for themselves personally (or for the benefit of friends or family members) opportunities that are discovered through the use of Nortech assets, property, information or position. Directors, officers and employees may not use Nortech assets, property, information or position for personal gain (including gain of friends or family members).

Fair Competition and Antitrust Laws

Nortech must comply with all applicable fair competition and antitrust laws. These laws attempt to ensure that businesses compete fairly and honestly and prohibit conduct seeking to reduce or restrain competition.

Securities Trading

It is illegal to buy or sell securities using material information not available to the public. Persons who give such non-public "inside" information to others may be as liable as persons who trade securities while possessing such information. Securities laws may be violated if you, or any relatives or friends trade in securities of Nortech, or any of its customers or vendors, while possessing "inside" information. It is against our policies and illegal for any director, officer, employee or independent contractor to use "inside" information regarding Nortech or any other company to:

- obtain profit for himself or herself; or
- directly or indirectly "tip" others who might make an investment decision on the basis of that information.

Political Contributions

No Nortech funds may be given directly to political candidates. You may, however, engage in political activity with your own resources on your own time. When making a political contribution as an individual, you may not use or reference your Nortech title or position in connection with such contribution.

Retention of Business Records

Nortech business records must be maintained for the periods specified in the Nortech record retention policies. Records may be destroyed only at the expiration of the pertinent period. In no case may documents involved in a pending or threatened litigation, government inquiry or under subpoena or other information request, be discarded or destroyed, regardless of the periods specified in the record retention policies. In addition, you may never destroy, alter, or conceal, with an improper purpose, any record or otherwise impede any official proceeding, either personally, in conjunction with, or by attempting to influence, another person.

Waivers

This Code of Business Conduct & Ethics applies to all Nortech directors, officers, employees and independent contractors. There shall be no waiver of any part of the Code, except by a vote of the Board of Directors or a designated committee, which will ascertain whether a waiver is appropriate and ensure that the waiver is accompanied by appropriate controls designed to protect Nortech. In the event that any waiver is granted, the waiver will be posted on the Nortech website, thereby allowing the Nortech shareholders to evaluate the merits of the particular waiver.

Reporting Violations and Enforcement

If you are ever unsure about the right thing to do in a business situation, you should seek guidance from your supervisor or someone in the Human Resources department. In addition, you have a responsibility to alert your supervisor or any of the resources listed below if you know of or suspect misconduct. Reporting your concerns contributes to our ethical culture and helps Nortech promptly address situations that left unaddressed could adversely impact employees, other stakeholders, and Nortech and its reputation. Your supervisor is often the person best suited to help. If you are concerned after speaking with your supervisor or feel uncomfortable speaking with them (for whatever reason), then you should speak with a Human Resources representative.

If you are still concerned after speaking with your supervisor or Human Resources representative or feel uncomfortable speaking with them (for whatever reason), you must (anonymously, if you wish) either (i) send a detailed note, with relevant documents, to Nortech's Chief Executive Officer or General Counsel, or (ii) you may also utilize Nortech's independent third party 'whistleblower' service or contact the Chair of the Board's Audit Committee to ensure anonymity via:

1. **Toll Free Telephone** hotline at:
 - i. English speaking USA and Canada: **833-570-0007**
 - ii. Spanish speaking USA and Canada: **800-216-1288**
 - iii. French speaking Canada: **855-725-0002**
 - iv. Spanish speaking Mexico: **01-800-681-5340**
 - v. Mandarin Chinese speaking China: **400-120-1853**
 - vi. All other countries: **800-603-2869** (must dial country access code – open this hotlink on your web browser to access codes and dialing instructions
<https://www.business.att.com/collateral/access.html>)
2. **Primary Website:** **www.lighthouse-services.com/nortechsys**

<u>Language Name</u>	<u>Direct URL</u>
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English	www.lighthousegoto.com/nortechsys/eng
Spanish	www.lighthousegoto.com/nortechsys/spa
Chinese, Simplified	www.lighthousegoto.com/nortechsys/csm

3. **E-mail:** reports@lighthouse-services.com (must include company name with report)
4. **Fax:** (215) 689-3885 (must include company name with report)
5. **Chair, Audit Committee**
 - i. By email at: auditchair@nortechsys.com; or
 - ii. Contact directly by mail (Nortech Systems Incorporated 7550 Meridian Circle North, Suite 150, Maple Grove, MN 55369), setting such concerns in writing and submitting them in a sealed envelope labeled “To be opened only by Chair of the Audit Committee pursuant to the Company’s Whistleblower Policy”, or words to such effect. Such submissions may be made anonymously, but employees are encouraged to include contact information.

Your calls, detailed notes and/or emails will be dealt with confidentially.

Nortech will conduct a prompt and appropriate evaluation and investigation of all reported instances of questionable or unethical behavior. In every instance where improper behavior is found to have occurred, Nortech will take prompt, appropriate and consistent action. Nortech will take such preventative or disciplinary action for violations as it deems appropriate, which can include, but is not limited to, reassignment, demotion, dismissal and, in the event of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities.

- We will not tolerate acts of retaliation against directors, officers, employees or independent contractors who make good faith reports of known or suspected acts of misconduct or other violations of this Code or who raise genuine ethics concerns in good faith.

As part of its commitment to ethical and lawful conduct, Nortech strongly encourages each director, officer, employee and independent contractor to follow the directions set forth above to promptly report any suspected misconduct, even if you are powerless to stop suspected misconduct or discover it after it has occurred.

Interpretation

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. Any interpretation made by the Board shall be final, conclusive and binding.

Conclusion

Any director, officer, employee or independent contractor who ignores or violates any of Nortech’s ethical standards, and any manager who penalizes a subordinate for trying to follow these ethical standards, will be subject to investigation, as well as corrective action, up to and including immediate dismissal and referral to appropriate authorities. However, it is not the threat of discipline that should govern your actions. We hope you share our belief that a dedicated commitment to ethical behavior is

the right thing to do, is good business, and is the surest way for Nortech to remain an outstanding company. The Company will provide periodic training on compliance with applicable anti-corruption, anti-bribery laws and regulations.