

CREE, INC.

Code of Ethics for Executive Officers and Other Senior Financial Personnel

Introduction

Cree, Inc. has a Code of Conduct that applies to all directors and employees of the Company and its subsidiaries (collectively, the "Company"), including the Company's senior financial officers. The Company's executive officers and other senior financial personnel are also subject to the additional policies stated in this Code of Ethics. For purposes of this Code of Ethics, the term "senior financial personnel" means the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and Corporate Controller of Cree, Inc., all director level positions reporting to the Chief Financial Officer, and those designated in writing by the Chief Executive Officer or Chief Financial Officer.

Honest and Ethical Conduct

The Company expects all directors and employees, including the senior financial personnel, to act with integrity and in accordance with sound business ethics in performing their duties and to avoid actual and apparent conflicts of interest between personal and professional relationships. The senior financial personnel are also expected to serve as leaders in fostering a culture of honesty and ethical conduct throughout the organization.

Senior financial personnel who become aware of a violation or suspected violation of the Company's Code of Conduct, including any actual or apparent conflict of interest between personal and professional relationships, involving any management or other employee who has a significant role in the Company's financial reporting, disclosure or internal controls, shall promptly report the violation to the General Counsel and to the Audit Committee.

Full and Fair Disclosure

The senior financial personnel are responsible for full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications of the Company. Accordingly, the senior financial personnel must be familiar with the general disclosure requirements applicable to the Company and are responsible for establishing and maintaining effective disclosure controls and procedures and internal controls for financial reporting and other Company communications.

Senior financial personnel are prohibited from knowingly: (a) making or permitting or directing another to make materially false or misleading entries in the financial statements or records of the Company or any of its subsidiaries; (b) failing to correct materially false or misleading financial statements or records of the Company or any of its subsidiaries; (c) signing or permitting another to sign a document containing materially false or misleading information; or (d) responding falsely and materially, or materially failing to respond, to specific inquiries of the Company's independent auditors.

Senior financial personnel who become aware of (a) any significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data, or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls, shall promptly report the deficiencies or fraud to the Audit Committee and the General Counsel.

Compliance with Law

The Company expects all directors and employees, including the senior financial personnel, to comply with applicable governmental laws, rules and regulations in conducting the business of the Company and its subsidiaries.

Senior financial personnel who become aware of evidence of a material violation, by the Company or its subsidiaries or any agent thereof, of any securities laws or other governmental laws, rules or regulations shall promptly report to the General Counsel and Chairman of the Audit Committee all information he or she has concerning the violation.

Accountability and Enforcement

The Audit Committee of the Board of Directors is charged with oversight of the Code of Conduct and this Code of Ethics and is authorized to act on behalf of the Board of Directors in that regard. The Code may be amended at any time by the Board of Directors or the Audit Committee acting on its behalf.

Waiver of any provision of this Code of Ethics for senior financial personnel may be approved only by the Board of Directors or by the Audit Committee acting on its behalf. Any such waiver shall be publicly disclosed promptly in accordance with applicable law and any listing standards applicable to the Company.

The Board of Directors, or the Audit Committee acting on its behalf, shall determine appropriate actions to be taken in the event senior financial personnel violate the Code of Conduct or this Code of Ethics. The actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code of Conduct and to this Code of Ethics. Such actions shall include written notice to the individual involved that the Board of Directors, or the Audit Committee acting on its behalf, has determined that there has been a violation. The actions may include censure, demotion or re-assignment, suspension with or without pay or benefits, or termination of the individual's employment, as may be determined by the Board of Directors or the Audit Committee acting on its behalf. In determining what action is appropriate in a particular case, the Board of Directors or Audit Committee shall take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or involved repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.

Questions or Reporting of Violations

Questions or reports of violations concerning this Code of Ethics should be directed to the General Counsel. Reports may also be submitted through the Company's Compliance Hotline by calling +1 (800) 453-3918 from anywhere in the world, through the "Hotline" link available on the Company's CreeNet intranet, or through the internet at www.mycompliance.com by entering "Cree" as the Access ID. Employees may submit reports anonymously through the Compliance Hotline. Such anonymous reports will be handled as confidentially as possible. While total anonymity cannot be guaranteed during the investigation process, the Company will preserve confidentiality whenever possible. It is the Company's policy not to discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of the employee with respect to good faith reporting of violations or suspected violations of the Code of Ethics. If an employee believes that he or she has been the subject of retaliatory action for having reported a matter under the Code, the employee should promptly report the matter following the procedures in this Code so that it can be investigated and addressed promptly and appropriately. Submitting reports that the employee knows to be false or to lack any basis is improper conduct, not in good faith, and is not protected by this policy.

Legal Consequences

This Code of Ethics is not intended to create or result in the imposition of any civil or criminal liability that would not exist if the Company had not adopted this Code.