

Brekford Corp. Code of Business Ethics and Conduct

The successful business operation and reputation of Brekford is built on the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of Brekford Corp. depends in large part on our customers' trust and we are dedicated to preserving that trust. Employees owe a duty to Brekford, its customers, and shareholders to act in a way that will merit the continued trust and confidence of the public.

Brekford will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter and spirit, of all relevant laws and regulations as well as to refrain from any dishonest or unethical conduct.

The Brekford Code of Business Ethics and Conduct sets forth a summary of the common standards established for the Company, its executives, managers, and employees. We also expect its agents, contractors, consultants and others who may be temporarily assigned to perform work or services for Brekford to follow the Code in connection with their work for us. The Code is designed to promote Brekford values and to deter any wrongdoing. The Code is crucial to ensure that our employees—as well as the public at large—are aware of the standards we have set for ourselves. All employees, agents, contractors, and consultants are personally responsible for compliance with the Code, and failure to comply with its provisions is grounds for disciplinary action or assignment termination.

Regarding any course of conduct not specifically addressed in the Code, employees, agents, contractors, and consultants are instructed to consult with their managers, Legal, or Human Resources, but ultimately, they are responsible for using good judgment and acting in a manner consistent with the spirit, principles and values embodied in the Code.

Build Trust and Credibility

The success of our business is dependent on the trust and confidence we earn from our employees, agents, contractors, consultants, customers and shareholders. We gain credibility by adhering to our commitments, displaying honesty, integrity and reaching company goals solely through honorable conduct. It is easy to say what we must do, but the proof is in our actions. Ultimately, we will be judged on what we do.

When considering any action, it is wise to ask: Will this build trust and credibility for Brekford? Will it help create a working environment in which Brekford can succeed over the long term? Is the commitment I am making one upon which I can follow through? The only way we will maximize trust and credibility is by answering “yes” to these questions and by working every day to build our trust and credibility.

Respect for the Individual

We all deserve to work in an environment where we are treated with dignity and respect. Brekford is committed to creating such an environment because it brings out the full potential in each of us, which, in turn, contributes directly to our business success. We cannot afford to let anyone's talents go to waste. Brekford is an equal employment/affirmative action employer and is committed to providing a workplace that is free of discrimination of all types from abusive, offensive or harassing behavior. Any employee, agent, contractor, consultant who feels harassed or discriminated against should report the incident to his or her manager or Human Resources.

Create a Culture of Open and Honest Communication

At Brekford, everyone should feel comfortable to speak his or her mind, particularly with respect to ethics concerns. Managers have a responsibility to create an open and supportive environment where

employees feel comfortable raising such questions. We all benefit tremendously when employees exercise their power to prevent mistakes or wrongdoing by asking the right questions at the right times. Brekford will investigate all reported instances of questionable or unethical behavior. In every instance where improper behavior is found to have occurred, the company will take appropriate action. We will not tolerate retaliation against employees who raise good faith ethics concerns.

Brekford's whistleblower policy is as follows: Employees, agents, contractors, and consultants are encouraged, in the first instance, to address such issues with their managers or Human Resources, as most problems can be resolved swiftly. If for any reason that is not possible or if he/she is not comfortable raising the issue with his or her manager or Human Resources, Brekford's General Counsel and/or Chief Executive Officer have an open-door policy.

In addition, in order to further promote Brekford Code of Business Ethics and Conduct, there is an alternative way to report incidents which provides the option to do so anonymously. The tool called MySafeWorkplace enables employees to report incidents via the web at www.mysafeworkplace.com.

Tone at the Top

Management has the added responsibility for demonstrating, through their actions, the importance of this Code. In any business, ethical behavior does not simply happen; it is the product of clear and direct communication of behavioral expectations, modeled from the top and demonstrated by example. Again, ultimately, our actions are what matters. To make our Code work, managers must be responsible for promptly addressing ethical questions or concerns and for taking appropriate steps to deal with such issues. Managers should not consider ethics concerns as threats or challenges to their authority, but rather as another encouraged form of business communication. At Brekford, we want the ethics dialogue to become a natural part of daily work.

Uphold the Law

Brekford's commitment to integrity begins with complying with laws, rules and regulations where we do business. Further, each of us must have an understanding of the company policies, laws, rules and regulations that apply to our specific roles. If we are unsure of whether a contemplated action is permitted by law or Brekford policy, we should seek the advice from the resource expert. We are responsible for speaking up if we see possible violations.

Competition

Brekford is dedicated to ethical, fair and vigorous competition. We will sell Brekford products and services based on their merit, superior quality, functionality and competitive pricing. We will make independent pricing and marketing decisions and will not improperly cooperate or coordinate our activities with our competitors. We will not offer nor solicit improper payments or gratuities in connection with the purchase of goods or services for Brekford or the sales of its products or services. We will not engage or assist in unlawful boycotts of particular customers.

Proprietary Information

It is important that we respect the property rights of others. We will not seek to acquire a competitor's trade secrets by improper means and other proprietary or confidential information. We will not engage in unauthorized use, copying, distribution or alteration of software or other intellectual property.

Selective Disclosure

We will not improperly disclose (whether in one-on-one or small discussions, meetings, presentations, proposals or otherwise) any confidential information with respect to Brekford, its securities, business operations, plans, financial condition, results of operations or development plans. We should be particularly vigilant when making presentations or proposals to customers to ensure that our presentations do not contain confidential information with respect to Brekford.

Health and Safety

Brekford is dedicated to maintaining a safe and healthy environment. All employees, agents, contractors, and consultants are required to follow all applicable safety precautions at all times and must immediately report any unsafe condition to the appropriate manager. Everyone is expected to obey safety rules and to exercise caution in all work activities. Employees, agents, contractors, and consultants must comply with all occupational safety and health standards and regulations established by the Occupational Safety and Health Act and state and local regulations, and they must immediately report any unsafe condition to the appropriate manager and/or Human Resources. Anyone who violates safety standards, causes hazardous or dangerous situations, or fails to report or, where appropriate, remedy such situations, may be subject to disciplinary action or assignment termination.

Driving Record

As a traffic safety company, Brekford has an expectation of employees to follow through on any civilian driving citations they may receive. Brekford expects employees to pay their citations, and/or follow through on the appropriate options available to them in regards to disputing the violation.

Consumption of Alcohol at Company or Business Functions

Brekford acknowledges that alcohol may be consumed at some activities involving employees, including Brekford initiated activities. When attending a function as a representative of Brekford, employees are expected to conduct themselves responsibly within the bounds of Brekford policies. Whether or not to drink alcoholic beverages is entirely a personal decision. In all situations, an employee's conduct when consuming alcohol beverages is solely his/her responsibility. The Company is not in a position to alter the consequences, legal or otherwise, of irresponsible alcohol consumption. If employees choose to consume alcohol they must do so responsibly and arrange for safe transportation to their place of residence. Alternative transportation (taxis, etc.) should always be arranged for anyone whose driving ability is in question.

Conflicts of Interest

We must avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. At times, we may be faced with situations where the business actions we take on behalf of Brekford may conflict with our own personal or family interests because the course of action that is best for us personally may not be the best course of action for Brekford. We must never use Brekford property or information for personal gain or personally take for ourselves any opportunity that is discovered through our position with Brekford.

Examples of Conflicts of Interest

- Being employed by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, client or customer, regardless of the nature of the employment, while also being employed or consulted by Brekford.
- Hiring, supervising, or indirectly influencing Brekford personnel decisions impacting family members or close personal friends.
- Serving as a board member for an outside commercial company or organization without disclosure to Brekford where a potential conflict of interest may arise.
- Owning or having a significant financial interest in a competitor, supplier, or contractor. A significant financial interest is any financial interest that: (a) is more than 1/10 of one percent of a company's publically traded securities or other financial instruments and (b) exceeds 25 percent of an employee's Brekford Corp. annual base salary and bonuses.
- Placing Company business with a firm owned or controlled by an employee or his/her family.
- Accepting gifts, discounts, favors or services from a customer, potential customer, competitor, or supplier unless equally available to all Brekford employees.

Determining whether a conflict of interest exists is not always easy to do. Employees with a conflict of interest questions should seek advice from their managers, Legal, or Human Resources. Before engaging

in any activity, transaction or relationship that might give rise to or appear to be a conflict of interest, employees must seek review from their managers, Legal, or Human Resources.

Personal Relationships in the Workplace

Brekford strongly prohibits romantic or sexual relationships between management or other supervisory employees and their staff (an employee who reports directly or indirectly to them) as well as contractors, temporary employees and customers. The employment of relatives or individuals involved in a dating relationship in the same organization may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried over into day-to-day working relationships. For purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage. A dating relationship is defined as a relationship that may be reasonably expected to lead to the formation of a consensual "romantic" or sexual relationship. This policy applies to all employees without regard to the gender or sexual orientation of the individuals involved. Relatives of current employees may not occupy a position that will be working directly for or supervising their relatives. Individuals involved in a dating relationship with a current employee may also not occupy a position that will be working directly for or supervising the employee with whom they are involved in a dating relationship. Brekford reserves the right to take prompt action if an actual or potential conflict of interest arises involving relatives or individuals involved in a dating relationship who occupy positions at any level in the same line of authority or organization. When this type of relationship exists, it is the responsibility and obligation of the manager involved in the relationship to disclose the existence of the relationship to management. Management will decide what action will be taken. In cases where a relationship between employees results in performance issues because of the relationship, the employees may be separated by reassignment or terminated from employment. Employees in a close personal relationship will refrain from any public workplace displays of affection or excessive personal conversation.

Gifts, Gratuities and Business Courtesies

Brekford is committed to competing solely on the merit of our products and services. We must avoid any actions that create a perception that favorable treatment of outside entities by Brekford was sought, received, or given in exchange for business courtesies. Business courtesies include gifts, gratuities, meals, refreshments, entertainment or other benefits from persons or companies with whom Brekford does or may do business. We will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or policies of Brekford or its customers, or would cause embarrassment or reflect negatively on Brekford's reputation.

Accepting Business Courtesies

Most business courtesies offered to us in the course of our employment are offered because of our positions at Brekford. We should not feel any entitlement to accept a business courtesy. Although we may not use our positions at Brekford to obtain business courtesies, and we must never ask for them, we may accept unsolicited business courtesies that promote successful working relationships and good will with the firms with which Brekford maintains or may establish business relationships. Employees who award contracts, who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the company's reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy when Brekford is involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain Brekford's business.

Meals, Refreshments and Entertainment

We may accept occasional meals, refreshments, entertainment and similar business courtesies provided that:

- They are not inappropriately lavish or excessive.
- The courtesies are not frequent and do not reflect a pattern of frequent acceptance of courtesies from the same person or entity.
- The courtesy does not create the appearance of an attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future.
- The employee accepting the business courtesy would not feel uncomfortable discussing the courtesy with his or her manager or co-worker or having the courtesies known by the public.

Gifts

Employees may accept unsolicited gifts, other than money, that conform to the reasonable ethical practices of the marketplace, including:

- Flowers, fruit baskets and other modest presents that commemorate a special occasion.
- Gifts of nominal value, such as calendars, pens, mugs, caps and t-shirts (or other novelty, advertising or promotional items).

Generally, employees may not accept compensation, honoraria or money of any amount from entities with whom Brekford does or may do business. Tangible gifts (including tickets to a sporting or entertainment event) may not be accepted unless approval is obtained from management. Employees with questions about accepting business courtesies should talk to their managers, Legal, or Human Resources.

Offering Business Courtesies

Employees may not offer business courtesies over the amount of \$250 (hundred fifty dollars) unless approved by their managers and they cannot be reasonably interpreted as attempts to gain unfair business advantage or otherwise reflect negatively upon Brekford. Accounting for business courtesies must be done in accordance with approved company procedures.

Other than to our government customers, for whom special rules apply, we may provide nonmonetary gifts (i.e., company logo apparel or similar promotional items) to our customers. Further, management may approve other courtesies, including meals, refreshments, or entertainment of reasonable value provided that:

- The practice does not violate any law or regulation or the standards of conduct of the recipient's organization.
- The business courtesy is consistent with industry practice, is infrequent in nature, and is not lavish or excessive.
- The business courtesy is properly reported and accounted for internally at Brekford.

SET METRICS AND REPORT RESULTS ACCURATELY

Accurate Disclosures

We will ensure that all disclosures made in financial reports and documents are full, fair, accurate, timely and understandable. This obligation applies to all employees, including all financial executives, with any responsibility for the preparation for such reports, including drafting, reviewing and signing or certifying the information contained therein. No business goal is ever an excuse for misrepresenting facts or falsifying records. We must not improperly influence, manipulate or mislead any authorized audit, nor interfere with any auditor engaged to perform an internal independent audit of Brekford's books, records, processes or internal controls. Employees should inform Executive Management and the HR department if they learn that information in any filing or communication was untrue or misleading at the time it was made or if subsequent information would affect a similar future filing or communication.

Corporate Recordkeeping

We create, retain and dispose of our company records as part of our normal course of business in compliance with all Brekford policies and guidelines, as well as all regulatory and legal requirements. It is the responsibility of Brekford employees to preserve confidentiality of on-site, hard-copy and electronic records. Similar caution should be exercised when selecting a vendor to store documents offsite.

Employees can obtain more information about the Brekford records retention policy by contacting Brekford's General Counsel. In the event of litigation, all relevant hard-copy and electronics records must be retained regardless of any applicable records retention/destruction schedule. Employees should dispose of sensitive, confidential or restricted printed information appropriately. An approved vendor has been contracted to dispose of all such records. Scheduled service by the vendor is specifically designed to manage the destruction of regularly generated confidential information. Locked security consoles are placed at the worksite and employees are instructed to deposit sensitive documents into the consoles at times when disposal is appropriate or warranted.

Promote Substance Over Form

At times, we are all faced with decisions we would rather not have to make and issues we would prefer to avoid. Sometimes, we hope that if we avoid confronting a problem, it will simply go away.

At Brekford, we must have the courage to tackle the tough decisions and make difficult choices; secure in the knowledge that Brekford is committed to doing the right thing. At times this will mean doing more than simply what the law requires. Merely because we can pursue a course of action does not mean we should. Although Brekford's guiding principles cannot address every issue or provide answers to every dilemma, they can define the spirit in which we intend to do business and should guide us in our daily conduct. Each of us is responsible for knowing and adhering to the values and standards set forth in this Code and for raising questions if we are uncertain about company policy. If we are concerned whether the standards are being met or are aware of violations of the Code, we must contact our managers or Human Resources. Brekford takes seriously the standards set forth in the Code, and violations are cause for disciplinary action up to and including termination of employment or assignment termination.

Use of Company Resources

Company resources, including time, material, equipment and information, are provided for company business use. Nonetheless, limited personal use, with prior management approval, is permissible as long as it does not affect job performance or cause a disruption to the workplace. Employees and those who represent Brekford Corp. are trusted to behave responsibly and use good judgment to conserve company resources. Managers are responsible for the resources assigned to their departments and are empowered to resolve issues concerning their proper use. Generally, we will not use company equipment such as computers, copiers and fax machines in the conduct of an outside business or in support of any religious, political or other outside daily activity, except for company-requested support to nonprofit organizations. We will not solicit contributions nor distribute non-work related materials during an employee's scheduled work hours. In order to protect the interests of Brekford's network and our fellow employees, Brekford reserves the right to monitor or review all data and information contained on an employee's company-issued computer or electronic device. We will not tolerate the use of company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate. Questions about the proper use of company resources should be directed to your manager.

Media Inquiries

Brekford Corp. is a high-profile company, and from time to time, employees may be approached by reporters and other members of the media. In order to ensure that we speak with one voice and provide accurate information about the company, we should direct all media inquiries to the Chief Executive Officer, President, or General Counsel. No one may issue a press release without first consulting.

Do the Right Thing

Several key questions can help identify situations that may be unethical, inappropriate or illegal. Ask yourself:

- Is it Legal?
- Does this comply with Brekford Policy?
- Does this reflect Brekford Core Values?
- Could this negatively affect Brekford's reputation?
- Would you feel concerned to see this broadcast to the general public?
- Could this negatively affect Brekford if all employees did it?

Outside Employment

Employees may hold outside jobs as long as they meet the performance standards of their jobs with Brekford and will be subject to Brekford's scheduling demands, regardless of any existing outside work requirements. Outside employment that constitutes a conflict of interest or an adverse impact on Brekford is prohibited. Employees may not receive any income or material gain from individuals outside Brekford for materials produced or services rendered while performing their jobs.

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