



Sec-Ops, Inc.

Government/Commercial/Industrial Facilities & Security Services
5729 Leopard, Bldg. 8, Corpus Christi, TX. 78408 Off. 361-299-6767 Fax: 361-299-6769

EXECUTIVE SUMMARY

The Sec-Ops, Incorporated (Sec-Ops) Code of Ethics and Business Conduct is intended to inform all employees of the Company's expectations and of employees' legal and ethical responsibilities and obligations. Sec-Ops strives for the highest ethical, moral, and legal principles in every aspect of its business conduct. At its core, the Code of Ethics and Business Conduct expresses the fundamental values that must drive our behavior. Living by a set of core values guides the way we treat each other and how we make business decisions. These shared values are vital to earning and maintaining respect from our co-workers, clients, stakeholders, government officials and our integrity in business dealings among our most valuable assets. Our core values are listed below.

Sec-Ops Core Values

1. Customer Focus: We have close, open relationships with our customers that generate trust and builds connections that last.
2. Expertise: We develop and demonstrate our expertise through identifying, qualifying, and delivering quality services that enhance our customer's bottom line.
3. Performance: We challenge ourselves to improve performance year after year by delivering quality services conforming to industry best practices and continuous process improvement.
4. Best People: We always take care to employ the best people, develop their competence, provide opportunities and inspire them to live our values.
5. Integrity: We can always be trusted to do the right thing.

Our Code of Ethics and Business Conduct was developed as the guiding principles to direct and assist our business decisions and actions. It reflects the challenging nature of Sec-Ops operations throughout the United States and abroad. The differing countries, cultures, environments and circumstances must be taken into account and may not be disregarded. Each of our employees must accept, be familiar with, and apply the relevant obligations in the course of employment with Sec-Ops, Inc. Each member of the organization must emulate our guiding principles listed below.

Sec-Ops Guiding Principles

1. We are committed to treating our employees, clients, and suppliers with fairness and equality. Sec-Ops feels diversity strengthens our company and is an asset to our business.
2. We work to understand our client's vision. Once we understand their vision, we employ all our resources to ensure their vision translates into a successful future.
3. We follow our Standard Operating Procedures when carrying out our business.



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Policy and standards alone cannot define all of the ethical and legal principles that influence and guide human behavior. Our Code of Ethics and Business Conduct sets out principles and goals that must be interpreted and applies within the framework of each contract we are awarded, and its applicable location, culture and customs, jurisdiction, laws, and regulations. Application of reason, judgment and “common sense” will always be integral to success. Specific topics are supported by our Standard Operating Procedures (SOPs).

Our employees are expected to know and adhere to the SOPs that apply to their roles, responsibilities and activities. Specifically, Sec-Ops requires that each of its employees be individually and personally responsible for compliance with its Code of Ethics and Business Conduct. Each employee thus has a direct obligation to avoid any situation in which the potential for private or personal gain or advantage might generate a conflict between self-interest and the interests of the company. Failure in this regard will be cause for disciplinary action up to, and including termination of employment and legal action by the company.

Each employee is required to read the Sec-Ops Code of Ethics and Business Conduct, sign and date the accompanying acknowledgement form, and return it to our Human Resources Department. This is a condition of employment with the company and confirms that each of our employees understands our Code of Ethics and Business Conduct and agrees to abide by its terms. Such individual acknowledgements will help Sec-Ops maintain, and display proudly, its commitment to the highest standards of legal, moral, and ethical behavior.

1.0) PURPOSE and SCOPE

Purpose: Conducting business with integrity, and in an ethical and legal manner, is a primary Sec-Ops goal and requirement. This following Corporate Ethics Policy sets out our code of business conduct, as adopted by the Sec-Ops board of Directors and the management team. It defines our ethical standards of conduct and how our employees relate to each other and to those with whom we do business. Sec-Ops operates in a variety of challenging and sometimes hostile, locations and environments. Our reputation depends on the actions of our employees. By exercising good judgment, and acting ethically in all circumstances, we can ensure that our corporate and individual reputations remain unblemished.

Scope: This policy applies to all Sec-Ops employees, whether full time, part time or contract basis or part time and whether employed/deployed domestically or overseas. Each Sec-Ops employee is responsible for understanding this policy and for conducting him/herself in full accordance with the standard set forth. Our Policies and standards are designed to be crystal clear. If clarifications are required, however, the Sec-Ops Human Resources staff will be pleased to assist.



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2.0) Sec-Ops, Inc. Standard Operating Procedure (SOP) CROSS-REFERENCES

- Sec-Ops Overview and Mission
- Corporate Code of Ethics and Business Conduct
- ITAR and Export Control Administration
- Financial Management
- Risk Management
- Quality Management System
- Human /Resources and Labor Relations
- Individual Reliability Program (IRP)
- Health and Safety
- Project Management
- Training Programs

3.0) RESPONSIBILITIES

The President and CEO lead the development and implementation of this policy and corporate compliance with the Sec-Ops Code of Ethics and Business Conduct. He is directly responsible to our clients and to the Sec-Ops Board of Directors for Sec-Ops business performance and reputation. He delegates and shares these responsibilities down the chain of command, requiring every Sec-Ops employee, at every level of our overall corporate organization, to adhere to the policy and its standards. Vice Presidents represent the second level of this chain of command and are:

- Vice President, Chief Operating Officer
- Director of Administration
- Director of Training and Certification
- Chief Financial Officer
- Business Development Managers

The Director of Administration is the custodian of the Sec-Ops Corporate Code of Ethics and Business Conduct. The Director of Administration is responsible for its maintenance and update, and for obtaining and filing the individual acknowledgment of understanding and obligation for each Sec-Ops employee.

4.0) ATTACHMENTS

Attachment 1: Sec-Ops Corporate Code of Ethics and Business Conduct

Approved by: Robert D. Lott, CEO //Signed//

Date: 09/30/2012

Distribution: All Sec-Ops personnel



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INTRODUCTION

Welcome to the Sec-Ops Code of Ethics and Business Conduct (the "Code") policy. This document is intended to give you an overview and basic understanding of the obligations and responsibilities you have as an employee of the Company. These responsibilities and obligations arise from the Company's legal obligations, as well as the ethical and moral responsibilities that have helped define Sec-Ops as a premier Government/Commercial solutions provider. Sec-Ops Inc. conducts itself according to the highest principles and standards.

Sec-Ops is committed to integrity in its dealings with all stakeholders in the programs and projects we operate. Our Standards of Conduct provide clear guidelines for dealing with all of the constituent groups with whom we come into contact, to whom we are responsible, and whom we serve at their option. These groups and stakeholders include: our own employees, our Government and commercial clients, other contractors with whom we work, our vendors, suppliers and subcontractors, and the countries and communities in which we operate. We communicate openly and honestly, striving for accuracy, timeliness and completeness. Communication channels flow both vertically and laterally within our organization and our "open door" management philosophy promotes and encourages discussion of employee concerns without fear of retaliation

Sec-Ops complies with all applicable employment laws and regulations in the U.S. and wherever else we work. For qualified individuals, we offer competitive compensation packages, and equal opportunity for employment and advancement regardless of race, color, creed, religion, age or sex. Sec-Ops is committed to the health, well-being and safety of its employees and provides them with work places free of, harassment, discrimination and intimidation. In return acknowledgment of, and compliance with, our Code is a condition of employment, and we ask for each employee's undivided loyalty. Section 8.0 of this document discusses the distribution of the Code and the Employee Acknowledgement Form. Company managers and supervisors are required to annually certify that they have discussed the Code with employees during performance evaluations.

Our dual purpose in adopting this Code and providing it to all Sec-Ops employees as a condition of employment is:

- 1) To ensure that all Sec-Ops employees understand what is expected of them, and how to identify and resolve any issues that arise that affect the Company or its business activities; and
- 2) As a contractor to the U.S. Government, to institute a Compliance Program that ensures Sec-Ops follows all applicable laws and regulations for its U.S. Government work. By adopting this Code, the Company ensures that, as it grows, it can maintain the legal, ethical, and moral business conduct that has given Sec-Ops its outstanding reputation.

The Code comprises two distinct parts, namely the Sec-Ops Policy of Business Ethics, and the Code of Business Conduct, which is addressed in Sections 2.0 - 7.0. The Sec-Ops Code of Ethics and Business Conduct is made available to all Sec-Ops employees, consultants, and agents; and such consultants and agents are bound by the Code through written agreements.



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Sec-Ops pursues good corporate citizenship in the countries, regions and communities in which it operates; complying with all local laws and regulations, observing good environmental practice and stewardship, and incorporating socio-economic planning for benefit of our host communities that will endure long after our work is complete.

1.0) POLICY OF BUSINESS ETHICS

The Sec-Ops program of Business Ethics defines the basic ethical framework for all of the Company's operations, and it incorporates the cornerstone of Sec-Ops business philosophy: conducting our operations in a legal, ethical, and moral manner. The program is not intended to be a set of specific rules and responsibilities. These are found in corporate policy, employee handbook, and the Code of Conduct. Each employee, however, will be familiar with the program and let it guide them in making decisions that affect the Company, its operations, and its reputation on a daily basis.

Preamble Legal, ethical and moral business practice has been the cornerstone of the Sec-Ops philosophy since the Company's inception. We believe that business is best conducted and society is best served when our business practice is based on the principles of honesty and integrity. This program of Business Ethics provides only the general ethical guidelines. For specific responsibilities and obligations, employees should consult the applicable Sec-Ops governing policy, some of these policies include the Code of Business Conduct, applicable employee policies, or in the absence of policy documents consult with their supervisor and/or the Compliance Officer. Our overarching principle is to conduct our business in a legal, ethical, and moral manner. This basic program consists of three separate obligations:

Conducting Business in a Legal Manner:

- Comply with all laws relevant to companies that contract with the U.S. Government. These laws are far-reaching and complex, and place the responsibility for demonstrating compliance on the corporation.
- Conduct our business in accordance with the letter and spirit of all other applicable national, regional, and local laws and regulations,
- Discrimination is unacceptable in our work place environment. We avoid harassment or discrimination of any kind, especially race, color, religion, gender, age, national origin, sexual orientation, disability, and veteran or marital status.
- Regard proprietary Sec-Ops information as a valuable corporate asset, avoid unauthorized disclosure of Sec-Ops business activities, and respect proprietary information belonging to others.
- Compliance with the law does not comprise our entire ethical responsibility, but it is at a minimum, an essential condition for the performance of our duties.

Conducting Business in an Ethical Manner:

- Maintain the highest standards of professional conduct, both externally and within Sec-Ops, Inc.
- Avoid misrepresentation, false promises, misleading advertising, or any promotion of our work that might lead to misconception on the part of our clients, potential clients or third parties.



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- Conscientiously avoid conflicts of interest and refuse to accept or offer any gift, favor, or service in the performance of our duties.
- Respect our competitors, seeking no unfair advantage by unethical or questionable means.
- Acquire competitive information only by lawful and ethical means.

Conducting Business in a Moral Manner:

- For the communities in which we live and work, act as a concerned and responsible neighbor, and reflect all aspects of good citizenship.
- Remember that, when we perform our jobs, we each are an ambassador of the Company and hold the Company's reputation in our hands. Avoid conduct that places our reputation at risk.
- Use sound judgment and discretion in the performance of job duties, and report any conduct or actions that you feel do not meet the requirements of the Company's policy of Ethics.
- If you believe that someone's conduct violates the spirit of the policy of Business Ethics, report it to your supervisor or the Compliance Officer.

2.0) SEC-OPS COMPLIANCE PROGRAM AND CODE OF BUSINESS CONDUCT

Sec-Ops is committed to maintaining high ethical and legal standards in every aspect of its business conduct and to complying with the letter and spirit of all U.S. federal, state, and local laws and regulations, foreign laws, and contract obligations to which the Company is subject. It is a core objective of Sec-Ops Directors, Executives and line managers that Sec-Ops foster working environments where the "bottom line" is never an excuse for cutting corners or failing to comply with our ethical and legal obligations. Sec-Ops reputation for adherence to laws, regulations and its written Code of Conduct is more important than the position or personal advancement of anyone, officer or employee. Our continued success depends on the strength of the Company's efforts to prevent, detect and promptly remedy any actual or suspected misconduct.

2.1) Overview of Sec-Ops, Inc.'s Compliance Program

Sec-Ops has adopted a company-wide Corporate Compliance Program to coordinate, implement and monitor compliance with: 1) Corporate values; 2) Laws and regulations applicable to Sec-Ops business operations; and 3) Sec-Ops policies and procedures. The program is managed by the Vice President and Chief Operating Officer, who delegates responsibility as appropriate, to the Director of Administration and Compliance Officer. The Company's independent QA/QC function, reporting directly to the Sec-Ops President and CEO, oversees compliance matters, and the maintenance of current SOPs for our contract and business activities. Sec-Ops requires its directors, officers, managers and employees to understand and abide by all legal requirements governing Sec-Ops business, contracting and operations. We provide ongoing education and guidance to our employees concerning laws and regulations applicable to our business operations as complying with laws and regulations is only part of our corporate obligation. We provide mandatory training once a year. Sec-Ops encourages its employees to avoid even the appearance of impropriety in matters involving legal obligations, the Company's Code of Ethics and Business Conduct, or other Company policies and procedures.



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2.2) Sec-Ops Compliance Organization

Sec-Ops, Inc.'s Compliance Program has several components, including a compliance organization as shown below. The Corporate Compliance Committee ensures that our Compliance Program meets the standards for such programs imposed on government contractors, provides feedback on, and assists in the implementation of ethics and compliance-related policies. The Committee also exercises oversight for the Compliance Program.

To carry out the day-to-day operation of the Compliance Program, the Sec-Ops Compliance Officer responds to questions raised by our personnel, and investigates and addresses reports of misconduct. Indicating the level of importance placed on this program, we have appointed the Sec-Ops Director of Administration as our Compliance Officer, reporting directly to the President and Chief Operating Officer. Among other duties, the Compliance Officer monitors Compliance Program, and incorporates best industry practice and "Lessons Learned" from internal and external audits of Company operations. Our employees are encouraged to contact the Compliance Officer or their immediate supervisors concerning questions about the Code, the Company's compliance program or specific issues that may arise.

It is each individual employee's responsibility to comply with the Sec-Ops Standards of Conduct and the IRP. Compliance with our Code is a condition of employment, and we ask for each employee's undivided loyalty. Sec-Ops managers and supervisors are required to annually certify that they have discussed the Code with employees during performance evaluations. Violation of the Sec-Ops Code and Standards of Conduct are grounds for immediate disciplinary action up to and including termination of employment. No waiver of any of the provisions in the Code or Standards of Conduct is permissible.

2.3) Sec-Ops Code of Business Conduct

This code applies to all directors, officers, employees, agents, representatives and consultants working for, or on behalf of, the Company, and governs the behavior of our business units involved in government/client contracting. Specific Articles of the Code addressed herein cover compliance with laws and regulations applicable to both Government and non-Government Sec-Ops operations, as well as conduct involving our employees, business partners, business resources, and the communities in which Sec-Ops works. Each employee, depending on his/her job description and responsibilities, may be subject to additional and more specific rules in the Code, which provides guidelines, but cannot cover every situation that might be encountered. Any apparent or definitive questionable practice must be brought to the attention of a supervisor, the Compliance Helpline, or the Company's Compliance Officer at the earliest safe opportunity.

2.4) Reports of Violations of Ethics or Business Conduct or Suspicious Behavior

Sec-Ops is committed to maintaining high standards in conducting its business in an ethical and legal manner and encourages employees to report suspicions of unethical or illegal activity occurring by any person at any Sec-Ops worksite. If possible you should first report these types of matters to your supervisor or manager or the Compliance Officer. If you feel uncomfortable with this direct approach, you may contact the Compliance Office through a specifically dedicated e-mail system at secopsinc@gmail.com.



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This dedicated e-mail hotline (secopsinc@gmail.com) is a confidential way for you to bring such matters to our attention. Write to the Compliance Office to report suspected violations related to:

- Health and safety laws
- Environmental regulations
- Antitrust laws
- Theft, bribery, kickbacks
- Disclosure or theft of confidential or proprietary information
- Copyright, Patent and Trademark laws and software piracy
- Harassment or discriminatory or unlawful employment practices
- Fraudulent transactions
- Improper lobbying and political contributions
- Other instances of behavior that violates or compromises the Sec-Ops Corporate Code of Ethics and Business Conduct

The Compliance E-mail System is designed so that the sender's e-mail address is only seen by the CEO and not included in the communication that is received by the Compliance Office team. If you write to the Compliance Office you may give your name and contact information if you would like to do so, but you do not have to identify yourself.

The Compliance Office will obtain the facts necessary to evaluate and investigate the reported concern. If the investigation indicates unethical or illegal conduct, the Compliance Officer will work with the Sec-Ops management team and the Human Resources Department to determine the appropriate response, which could include a change in policy or procedure, legal action, employee discipline or no additional action.

If you would like to find out the specific disposition of your complaint and desire a direct response regarding the investigation or the resolution, the Sec-Ops Compliance Office will contact you if you have provided your name and contact information.

2.5) Protection from Retaliation

Sec-Ops encourages its employees to be active participants in the process of ensuring that all Sec-Ops operations follow the Ethics and Business Conduct Policy. Sec-Ops strictly prohibits the unlawful retaliation against any employee who reports problems and/or concerns in good faith. Sec-Ops asks employees to both report and to assist in investigations for known or suspected violations of laws, rules, policies, regulations or improper conduct. Any employee who believes that he/she has become the subject of retaliation for reporting improper conduct or who has witnessed retaliation in the workplace should immediately report such activity to the Human Resource Manager or the Sec-Ops Compliance Officer. Matters involving suspected retaliation will be handled in the same manner as reports of non-compliance with the Sec-Ops Code of Ethics and Business Conduct. Persons who are found to be in violation of this policy will be subject to disciplinary actions up to and including termination.



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2.6) Compliance Is Everyone's Responsibility

Every Sec-Ops director, officer, and employee receiving this Code of Conduct must read it and follow its provisions. Managers are responsible for ensuring that the Code of Conduct is understood and followed by each of their subordinates. Compliance with this Code of Conduct will be taken into account in reviewing the performance of all employees.

It is important for every Sec-Ops employee to understand that:

- You are personally responsible for your own conduct in complying with all provisions of this Code of Conduct and for promptly reporting known or suspected violations of this Code of Conduct to the Compliance Helpline, the Compliance Officer or your supervisor.
- If you are a manager or supervisor, you are responsible and accountable for ensuring that your employees understand and comply with this Code of Conduct;
- No one in Sec-Ops has the authority or right to order, request or influence you to violate this Code of Conduct;
- You will not be excused for violating this Code of Conduct for any reason, even at the request of another person, including your supervisor or company officers;
- Any retaliation or threat of retaliation against any person for refusing to violate this Code of Conduct or for reporting in good faith a violation or suspected violation of this Code is itself a violation and may be a violation of law;
- Any reported violation of this Code of Conduct will be investigated, and every actual violation will constitute a basis for disciplinary action involving the person violating this Code of Conduct and may result in civil or criminal action against that person;
- Any employee who acts contrary to this Code of Conduct, or who knowingly gives a false report regarding a violation of this Code of Conduct, may be subject to disciplinary action, up to and including termination of employment.

All Sec-Ops directors, officers and employees have a duty to promptly report their concerns, and/or any actual or suspected misconduct or violation of this Code of Conduct. Failure to fulfill this duty is in itself a violation of this Code of Conduct and may result in disciplinary measures up to and including employment termination. Failure to report actual or suspected misconduct also may expose Sec-Ops to potential criminal and civil penalties and may damage the Company's reputation.

3.0) CONDUCT INVOLVING FELLOW EMPLOYEES

3.1) Respect For Your Fellow Employees

The underlying basis for all professional relationships is respect for others. Employees are expected to treat their peers, superiors, or subordinates, as well as clients, suppliers and others



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with whom Sec-Ops does business, with respect and to not engage in abusive, disrespectful, or insubordinate behavior. Such behavior reflects poorly on the employee and on Sec-Ops, Inc.

3.2) Equality and Fair Treatment

Sec-Ops is firmly committed to the principles of equal opportunity in employment for all individuals. We believe diversity strengthens our work force and enhances its competitiveness. Sec-Ops expects its employees to treat each other with respect and to learn to appreciate other backgrounds and cultures. We are committed to recruiting, hiring, developing and promoting employees without discrimination on the basis of race, color, religion, gender, age, national origin or ancestry, sexual orientation, disability, marital status, veteran status or any other status protected by law not listed here. Fulfillment of our commitment to equal employment opportunity requires action by all employees.

Similarly, business relationships with competitors, suppliers and clients of Sec-Ops must always be conducted free of discrimination based on race, color, religion, gender, age, national origin or ancestry, sexual orientation, disability, marital status, veteran status or any other status protected by law not listed here. All Sec-Ops employees are responsible for implementing and complying with the Company's policy of non-discrimination.

3.3) Harassment

Sec-Ops has zero tolerance for harassment based on any individual's race, color, religion, gender, age, national origin or ancestry, sexual orientation, disability, marital status, veteran status or any other status protected by law not listed here. Sec-Ops will not tolerate any form of harassment - verbal, physical or visual - by other employees, clients, vendors, agents or other third parties. Harassment is personally offensive, lowers morale and interferes with the ability to work cooperatively. Sec-Ops employees must not engage in any sexual or other harassment of co-workers, competitors, suppliers or clients.

Workplace harassment can take many forms, ALL of which are Unacceptable:

- Offensive jokes, cartoons, pictures, posters, insults, threats and other unwelcome actions or comments about a person's race, color, gender, age, religion, sexual orientation, national origin or ancestry, citizenship, disability, medical condition, marital status, veteran status, social or economic status, or educational background.
- Verbal, written, graphic or taped material that demeans or shows hostility or aversion towards an individual or group because of race, color, religion, sexual orientation, gender, national origin, age, disability, medical condition, or veteran status and is displayed on our walls, bulletin boards, e-mails, Intranet or elsewhere in or on Company premises, or circulated in the workplace.
- Taking retaliatory action against an employee for discussing or making a harassment complaint.

Sexual harassment may include unwelcome sexual advances, requests for sexual favors, unwelcome physical contact, or other communications of a sexual nature. Such conduct creates an offensive, hostile and intimidating working environment and prevents an individual from



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effectively performing the duties of his or her position. Sexual harassment also encompasses such conduct when it is made a term or condition of employment or compensation, either implicitly or explicitly, or when an employment or compensation decision or performance evaluation is based on an individual's acceptance or rejection of such conduct. Sexual harassment crosses age and gender boundaries, and cannot be stereotyped.

If you are harassed you are encouraged to complain directly to the alleged harassers (unless it is unsafe to do so), and to make it clear that the harasser's behavior is unacceptable, unwelcome and offensive and must stop immediately. Harassment **MUST** be reported to your supervisor, Human Resources, or the Company's Compliance Officer immediately. Any supervisor or employee witnessing inappropriate behavior or harassment involving other employees also must report such conduct. Failure to report this type of behavior is a violation of the policy.

3.4) Employee Privacy

Sec-Ops respects the privacy of all employees and will only use employee records as necessary for business needs, sharing employee information only for business reasons consistent with applicable laws. Some personal employee information is very sensitive and cannot be made public under many laws. This includes certain payroll records and medical history records.

3.5) Workplace Safety

Sec-Ops is committed to providing a safe and healthy work environment free from illegal intimidation, violence, threats of violence, and the influence of drugs or alcohol. Sec-Ops prohibits the illegal use, sale, purchase, transfer, or possession of any controlled substances while on Sec-Ops or client premises, or while conducting Sec-Ops business or on assignment.

3.6) Drug Free Workplace

We have implemented a Drug Free Workplace Policy covering all Sec-Ops employees. This provides our employees with a drug free work place, and restricts prescription drugs to those pre-authorized by Sec-Ops and the issuing physician as not impairing the involved employee's ability to conduct his assigned duties. Drug and narcotics use before, during or after periods of duty is strictly prohibited. Employees are required, as a condition of employment, to random and scheduled testing; and are subject to disciplinary action, up to and including termination, for violations of this policy.

3.7) Alcohol in the Workplace

Alcoholic beverages are prohibited, except as specifically authorized by Company management. (Note: Moderate use of alcohol at Company-approved meetings, or in an appropriate social setting, is not prohibited by this Policy.) Consuming alcoholic beverages while driving or driving any vehicle for Company business while intoxicated is prohibited. The consumption of alcohol on Company time or on Company property is prohibited unless specifically approved by the CEO. At no time will alcohol be used on a client premises.



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4.0) CONDUCT INVOLVING OUR BUSINESS PARTNERS

Sec-Ops professional values and principles of legal, ethical, and moral conduct are extended to our expectations of our vendors, suppliers, clients, representatives, and others with whom we do business.

4.1) Fair Competition and Antitrust Requirements

Sec-Ops believes that a free market is important to its success. All of Sec-Ops business activities are highly competitive, and it is the Company's policy to compete aggressively, but ethically and legally; treating all clients, subcontractors, vendor and suppliers fairly and with integrity. We honor the commitments we make and provide high quality products and services in return for equitable and timely compensation.

A major part of Sec-Ops, Inc.'s commitment to compete fairly is a commitment to comply with the antitrust laws which protect free trade. These complex laws prohibit any form of agreement or understanding, whether formal or informal, written or oral, expressed or implied, made between competitors or others in the supply chain to unreasonably limit or restrict competition in their favor. Collusion, that is breaking or intending to break these laws, brings severe penalties to both the offending company and the involved individual(s).

Sec-Ops, Inc.'s Compliance with Antitrust Law Includes the Following Guidelines:

- Sec-Ops employees may not discuss, or enter into a formal or informal agreement with competitors about:
 - Prices, or matters affecting price
 - Production levels or inventory levels
 - Bids and alternate bids
 - Dividing production, or products
 - Dividing sales territories
 - Terms and Conditions of sale of products or services
 - On an agreement to buy other Sec-Ops products or services.
- We prohibit agreements with clients or suppliers that:
 - Establish the resale price of a product or service
 - Limit a client's right to sell its products or services
 - Condition our sales on an agreement to buy other Sec-Ops products or services
- We prohibit unfair or untrue disparagement of a Sec-Ops competitor
- Absent compelling special circumstances, Sec-Ops selects its subcontractors and vendors through a formal, written competitive bidding process and without favoritism (See also "Conflict of Interest").

4.2) Gathering and Using Competitive Information

To compete in the marketplace it is necessary and legal to gather competitive information. Sec-Ops employees may only gather information through lawful means. Our employees must maintain the confidentiality of information entrusted to them by Sec-Ops and its clients, except when disclosure is authorized or legally mandated. Sec-Ops employees must never use any illegal



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or unethical means to obtain information about other companies. We deal fairly with clients and subcontractors and vendors and do not manipulate, conceal or abuse privileged information or misrepresent material facts.

Sec-Ops employees do not share confidential information from suppliers or clients with anyone outside Sec-Ops without written permission. Such confidential information includes all non-public information that might be of use to competitors or harmful to Sec-Ops or its clients if disclosed. If agreements are signed to protect information we follow the terms and conditions. We do not steal trade secret information and do not suggest or ask others to disclose trade secrets. For example, Sec-Ops employees who previously worked for a competitor are hired fairly and may not bring any proprietary information or records from prior employers.

4.3) Dealing with Vendors and Suppliers

The relationships we establish with our vendors and suppliers are important to us. Sec-Ops values apply to all of our dealings with vendors and suppliers including our commitment to achieving the right results in the right way. Sec-Ops, Inc.'s policy is to base all procurement decisions on the best value received by Sec-Ops, Inc. Sec-Ops will not knowingly use vendors or suppliers who: 1) supply unsafe products or services; 2) violate laws or regulations; 3) use child labor or forced labor; or 4) engage in human trafficking.

Sec-Ops Good Procurement Conduct Includes:

- We establish corporate or regional supply (leveraged) agreements and Master Service Agreements (MSAs)
- Competitive bids are obtained when leveraged agreements do not exist
- Vendors are prequalified for performance quality, delivery, and financial capability
- Purchase agreements are used with standard terms and conditions which clearly state:
 - The services or products to be provided
 - The basis for earning payment
 - The applicable rates or fees
- The Sec-Ops price paid for goods and services must reflect the value of the goods or services provided
- We avoid reciprocal agreements
- We support small, minority, veteran, or women-owned businesses that meet specification requirements
- Wherever possible purchasing of environmentally benign and safe products.

4.4) Relationships and Conflicts of Interest

Fair Dealing: Each Sec-Ops employee should endeavor, at all times, to deal fairly with our clients, vendors, suppliers, competitors and other employees. No Sec-Ops director, officer or employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.



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Conflicts of Interest: A "conflict of interest" occurs when an individual's private interest interferes, or appears to interfere, with the interests of Sec-Ops, Inc. This occurs when outside activities and personal or financial interests influence (or appear to influence) the ability to make objective decisions in the course of job responsibilities and performance. Sec-Ops employees are obligated to ensure that they remain free of conflicts of interest in the performance of their workplace duties and responsibilities. If any question arises as to whether an outside activity or personal interest might constitute a conflict of interest, the immediate supervisor and/or the Compliance Officer must be contacted for clarification before further related activity is undertaken.

Marketing and Selling. It is the responsibility of those marketing and selling Sec-Ops products and services to understand the client, the client's needs, and to meet those needs through the offering of fairly-priced, high-quality products and services. Sec-Ops is committed to selling its products and services honestly and without any unlawful or non-compliant act or omission. We charge our sales and marketing employees with avoidance of any semblance of restraint of trade or the perception of favoritism or unfair advantage.

4.5) Gifts and Entertainment

Making Gifts as a general rule, business courtesies such as gifts, entertainment, services, or favors offered or provided to commercial, non-governmental clients or other business associates should be infrequent, reasonable, legal, documented, and offered in a way that does not create the appearance of impropriety. The offer or provision of cash or cash equivalents is not permitted outside the spot bonus provision.

Offering or Providing Gifts Sec-Ops, Inc.'s position on acceptance of gifts is equally clear: no gift, favor or entertainment should be accepted if it will obligate or appear to create any obligation, either stated or implied, to a competitor, supplier or client. Typically gifts should not be accepted from such companies or their agents unless the following criteria listed below are met.

Sec-Ops employees may accept or give gifts and/or entertainment only when each of the following criteria apply:

- They are not unlawful or a violation of policies of the other party's company
- They are consistent with customary business practices in the industry
- They are reasonably related to business relationships
- They are of nominal value, and are consistent with any existing business unit guidelines
- They cannot be construed as a bribe, payoff, or improper influence
- Public disclosure of the facts would not embarrass or obligate Sec-Ops or the employee
- They do not violate our business values or ethics in any other manner
- The value, or estimated value of such gifts is recorded and declared
- The gift is not cash or a cash equivalent.

Similarly, Sec-Ops employees may not offer any gift or favor to any other employee, or a member of the immediate family of that employee, of a competitor, supplier or client if the gift or favor might place the recipient under any obligation to either the employee making the gift or to Sec-Ops. Kickbacks, bribes, rebates or other forms of illegal consideration are never acceptable



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and should never be given or accepted by anyone acting on behalf of Sec-Ops, Inc.. (Please also see U.S. Foreign Corrupt Practices Act.)

Charitable Gifts and Donations Sec-Ops employees are encouraged to support the legitimate charitable efforts of the communities in which they live and work and in which the Company does business. Any such support is an individual choice. Sec-Ops employees will not, directly or indirectly, be subject to pressure from Sec-Ops or other Sec-Ops employees to support or donate to such charitable efforts, nor will any Sec-Ops employee have opportunity for advancement within the company conditioned on such charitable support.

5.0) CONDUCT INVOLVING DOING BUSINESS WITH THE U.S. GOVERNMENT

Introduction: Sec-Ops employees dealing with U.S. Government clients and foreign government clients should be particularly alert to the special rules that prohibit giving gifts, gratuities, entertainment or other favors to these types of Government employees. The additional constraints on Sec-Ops, Inc.'s ability to offer or accept business courtesies in connection with potential U.S. or foreign government clients/representatives are discussed separately in this Article 5.0 of the Sec-Ops Code of Conduct. Special, well-defined rules apply when the U.S. Government is our client. These rules are different from, and more restrictive than, those that apply to purely commercial client transactions. As a Government contractor, Sec-Ops is committed to complying with all of these special requirements.

Violations of Government contracting laws and regulations have the potential for severe adverse impact on Sec-Ops and its employees. Violations can result in any or all of: 1) criminal and civil convictions and penalties; 2) loss of Government contracts; 3) ineligibility ("barring") from doing further business with the U.S. Government, either as a prime contractor or as a subcontractor; and 4) collateral consequences including barring from bidding on state and local government contracts.

These penalties and sanctions apply with equal force to Sec-Ops and to those Sec-Ops employees, agents and representatives involved in the improper activity.

Under the civil False Claims Act, the Government can impose liability on a contractor for the submission of false claims to the Government, or a false statement in support of a claim, including the costs of the lawsuit; triple the amount of its actual damages, and a civil penalty of between \$5,000 and \$10,000 for each false claim. A "claim" is a request or demand for money or property submitted by a contractor to the Government, such as an invoice or contract billing. For this reason, it is important that all invoices or billings submitted by Sec-Ops to a Government prime contractor or to the Government be accurate and complete and reviewed by an authorized manager prior to submission. The Sec-Ops Director of Administration and the assigned Program and/or Project Manager(s) have the primary responsibility for accurate invoicing and billing (to both Government and commercial clients).

5.1) When These Special Rules Apply:

Sec-Ops prefers, wherever possible, to contract directly with agencies or departments of the U.S. Government as a "Prime Contractor". The special rules for doing business with the U.S. Government apply with equal force, however, when Sec-Ops does business indirectly with the



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Government as a subcontractor to another firm. In such cases where Sec-Ops does not hold a contract directly with the Government, the special rules still apply to Sec-Ops because the U.S. Government pays for Sec-Ops services through the prime contractor. In addition, there are rules that apply to the Company's relationships with third parties, such as teaming partners, vendors, and suppliers, who Sec-Ops is working with to meet the U.S. Government's needs and requirements.

5.2) Discussion of the Special Rules Applicable To U.S. Government Contracts:

Sec-Ops employees involved in bidding for or providing products or services to the Government pursuant to a contract award to the Company (directly or indirectly) must learn, understand and comply with the special rules that apply to U.S. Government contracts and subcontracts. Sec-Ops has established the Vice President, Risk and Administration, the Compliance Officer, the Compliance Committee, and the QA/QC Manager as having responsibility for Sec-Ops in this regard. This section of the Sec-Ops Code of Business Conduct highlights some of predominant legal framework and requirements that apply when Sec-Ops performs work on a Government contract or subcontract. These special rules include, but are not limited to, the following:

5.2.1) Representations and Certifications to the Government:

The Government requires that each contractor providing products or services in exchange for reimbursement by the Government provide a set of representations and certifications to the Government in each proposal that it makes in response to a Government solicitation. Sec-Ops has established these "reps and certs" and updates them annually, filing electronically with the Government for reference on all of the proposals we submit. This allows the Government to verify Sec-Ops compliance and commitment to continued compliance with its legal requirements. In the case of international contracts where the place of performance is in a foreign country, these "reps and certs" may include socioeconomic and permanent infrastructure building requirements, hiring of host nation local nationals, and equal employment opportunity hiring provisions. It is Sec-Ops, Inc.'s policy that all representations and certifications made to Government agencies be truthful, accurate, current and complete.

5.2.2) Contract Pricing, Including "Most Favored Client" Pricing:

There are detailed rules governing pricing and disclosure requirements under the Company's Government contracts, with which Sec-Ops must comply. In particular, any General Services Administration (GSA) Schedule contract awarded to Sec-Ops will be based on "most favored client" pricing, which imposes compliance obligations on Sec-Ops relating to disclosure, and prices and discounts that can be offered by Sec-Ops under its other contracts. In addition, charging and allocation of costs and the provision of cost or pricing data and billings to the government must always be accurate, complete and in full compliance with applicable procurement laws and regulations. These cost categories are generally: 1) Direct Productive Labor Hours (DPLH) including regular and overtime; 2) Other Direct Costs (ODCs) such as material, supplies, and subcontracts; 3) overhead; and 4) capital costs charged to Government projects, such as vehicles, and communications systems.

5.2.3) Prohibition on Accepting Kickbacks:

Two basic rules govern gifts and favors offered to Sec-Ops personnel by vendors, suppliers, and subcontractors who seek to do business with the Company under U.S. Government contracts:



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- a) Never solicit anything of value
- b) Never accept cash

An occasional meal or gifts of nominal value, such as advertising items of nominal value offered during the course of a business meeting and approved by management, is permitted.

5.2.4) Offering Gifts and Gratuities:

Sec-Ops does not permit its employees to offer to U.S. Government employees any gifts or business courtesies, except for:

- a) Sec-Ops, Inc.- approved advertising items of nominal value (such as pens, caps, T-shirts, mouse pads, etc.)
- b) Plaques and certificates of recognition
- c) Coffee, sodas, and other non-alcoholic beverages offered during a business meeting

In no event should the value of these courtesies exceed \$20 per person per occasion or \$50 per person annually. Employees also should be aware that Government employees often prefer or are instructed to refuse any gift or business courtesy, even when they have nominal value or are permitted under federal law.

Sec-Ops and its employees may not use Sec-Ops funds or assets to contribute to or support any political party or committee of the in the United States or to any candidate for, or holder of, any national, state, or local government office. The Company, however, encourages its employees to personally support the political party, officers and candidates of their choice at their sole discretion and option. Good judgment should be exercised to ensure clear separation of any such support from any association with Sec-Ops, Inc.

5.2.5) Hiring Current or Former U.S. Government Employees:

Government procurement laws and regulations restrict Sec-Ops, Inc.'s conduct of employment discussions with, and offers of employment to, current and former U.S. Government employees. There also are post-employment, or "revolving door," restrictions that can limit the types of activities in which former Government employees can participate as private sector employees. It is Sec-Ops policy that approval must be obtained from Legal Council before any employment discussion with any current or former U.S. Government employee may be initiated.

5.2.6) Procurement Integrity:

Procurement integrity laws and regulations make it illegal for Sec-Ops to use or have in its possession certain types of procurement-related information. During the competitive procurement process, certain types of Government agency information, designated or marked as "source selection information," may not be requested or obtained by Sec-Ops unless such information is released to all competitors. Under the procurement integrity rules, source selection information includes the Government's source selection plans; technical, cost or price evaluations of proposals; competitive range determinations; rankings of bids, proposals or competitors; source selection reports or evaluations; and any other information marked as "Source Selection



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Information – See FAR 3.104." Furthermore, during any competitive procurement process for Government work in which Sec-Ops is participating, Sec-Ops will designate a single Sec-Ops point of contact (POC) through which any formal contact with the Government must be made. Informal contact of any sort is prohibited.

In addition, access to or use of other types of "contractor bid or proposal information" submitted by our competitors to a federal agency as part of, or in connection with, a bid or proposal to enter into a Government contract is strictly prohibited regardless of legend or other marking. This prohibition includes information such as cost or pricing data: indirect costs and labor rates: proprietary information about a competitor's business processes, operations or techniques, or trade secrets; and information marked by a competitor as "contractor bid or proposal information." Sec-Ops employees may not seek or accept from any federal agency, or other source, a competitor's confidential bid or proposal information. Access to publicly available information about competitors, such as information on a competitor's website, is permitted.

If a Sec-Ops employee is offered or receives information that should not be available to Sec-Ops or that employee, or about which such concern is raised regarding a federal agency procurement or to a competitor, the employee must immediately contact the Legal Department before reviewing or sharing the information with anyone, whether inside or external to Sec-Ops, Inc.

5.2.7) Use of Consultants:

Sec-Ops employees must comply with corporate rules and restrictions governing the use of, and agreement with, independent consultants. Sec-Ops can be held accountable for the acts of its consultants and agents and thus has potential liability exposure to penalties and sanctions for illegal acts of consultants used to provide services to, or on behalf of, Sec-Ops, Inc. Our consulting agreements use standard terms and conditions defining consultants as independent contractors and not employees of Sec-Ops, Inc., defining consultant roles, responsibilities, and obligations, and setting limits of Sec-Ops limits of liability for acts and omissions by consultants. Each individual agreement and working arrangement with a consultant to be used by Sec-Ops must be approved in advance by the company's Legal Department, with review at his discretion, by the Vice President Risk and Administration.

5.2.8) Lobbying:

Generally, only Sec-Ops executive-level personnel will have any interface with lobbyists. Any such interface or involvement by Sec-Ops employees is subject to a requirement which they: 1) Recognize what constitutes lobbying activity under Government procurement laws and regulations; 2) Comply with the requirements governing such activities. These include registration of lobbyists, and reporting and disclosure requirements.

5.2.9) Purchasing and Subcontracting:

The nature, type, scope of work, location and value of contracts and purchase orders that the Government awards vary substantially. Larger contracts may involve a requirement for the awardee (the prime contractor) to subcontract one or more portions of the prime contract. In such cases, the Government requires assurance that any second and third tier subcontractor adhere to the relevant applicable laws, rules and regulations of the prime contract. Sec-Ops uses formal standard subcontract agreements that clearly define subcontract scope, cost and schedule for the subcontracted work. Our subcontract agreements contain clear "flow down" provisions for the



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terms and conditions of our prime contract with the awarding Government agency or department, thus providing the required compliance assurance. The assigned Sec-Ops Regional and/or Project Managers are held responsible for the performance and compliance of any subcontractors approved on the contract(s) of the project(s) they manage.

5.2.10) Government Furnished Property (GFP):

Most Government contracts that Sec-Ops is awarded involve the receipt, use, control, maintenance and accountability for GFP. Such GFP may include weapons and other sensitive equipment and Sec-Ops applies formal Standard Operating Procedures for all GFP receipt, inventory, management and accountability. These procedures track issuance, use, return, condition, repair, replacement and loss control of all GFP that comes under Sec-Ops control. The assigned Sec-Ops Program and/or Project Manager have primary responsibility for management of GFP on the contracts they control, and for the maintenance of the associated records.

6.0) CONDUCT INVOLVING OUR BUSINESS RESOURCES

6.1) Accuracy of Books, Records and Financial Reporting:

Sec-Ops maintain formal, auditable and transparent books, records and financial reports, in both hard copy and electronic formats, for all of its contract activities. These records include, for example, personnel records, incident and accident reports, Post Logs, surveillance detection reports, formal contract deliverable, and contract financial records and reports. It is the responsibility of each Sec-Ops employee to comply with the records and reporting requirements associated with his specific job functions. The assigned Sec-Ops Regional and/or Project Managers are responsible for ensuring that these records and reports are available to the Government at its convenience. They are supported in this by Sec-Ops QA/QC and Compliance functions and by senior corporate management.

6.2) Intellectual Property:

Sec-Ops respects the Intellectual Property of all those with whom we interface. We are prepared to offer and to execute Confidentiality and Non-Disclosure agreements with our clients, partners, and subcontractors. Sec-Ops requires each of its employees, as a condition of employment, to execute a confidentiality and non-disclosure agreement with the Company, the terms and conditions of which are designed to mirror those which the Company routinely accepts in the course of its business and operations.

6.3) Responsible Use of Company Resources and Assets:

Our employees, at all levels of the organization, are stewards of Sec-Ops assets and, as such, have the obligation to protect and preserve the Company's property and assets; and to ensure their proper and effective use and maintenance. Theft, carelessness and waste have an immediate and direct adverse impact on Sec-Ops profitability, and accordingly, are not tolerated.

Sec-Ops assets, including but not limited to, Information Technology equipment (i.e., computers and cell phones), may be used only for legitimate Sec-Ops business purposes. This includes the use of Sec-Ops assets for abusive and inappropriate Internet surfing. Viewing pornography on a company provided computer is strictly prohibited at any time. The misappropriation, conversion to personal use, or theft of Sec-Ops property or assets, including confidential or Intellectual



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Property owned by the company, is grounds for termination; and may be grounds for legal action and possible criminal prosecution. Sec-Ops reserves the right to take any action it deems necessary to recover its property, assets and damages for losses sustained at any time. A zero tolerance policy also applies to theft, misuse or misappropriation by a Sec-Ops employee of another employee's property.

6.4) Quality Assurance and Control (QA/QC):

Sec-Ops maintains formal quality assurance and quality control functions at both corporate and project levels. These QA/QC functions report directly to the Sec-Ops President and CEO and Project Manager respectively to provide clear, timely and unfiltered information regarding our performance. We strive to deliver quality products and services that meet all applicable contract requirements and are fully fit for its purpose. These products and services are delivered with the environmental safety and health with whom, and for whom, we work. Each Sec-Ops employee is responsible for the quality of his/her performance and work product. Sec-Ops will ensure that all required inspection and testing is completed in a manner satisfactory to our clients. In case of any quality variance, the assigned Program and/or Project Manager will take prompt, documented and reported corrective action and manner.

6.5) Documents and Records Management:

Sec-Ops operates and maintains formal document and records management and filing and retrieval systems at both corporate and individual project levels. We use industry standard software packages and systems tailored to the specific requirements of the locations, laws and contracts for which document and records management is required. Wherever possible, these documents and records are maintained in both hard copy and electronic formats, each with the appropriate access authorization and security. Corporate and contract documents and records are maintained for periods prescribed by contract requirements or applicable law, whichever is longer. The assigned Sec-Ops Regional and/or Project Managers are responsible for ensuring that these records and reports are available to the Government at its convenience. They are supported in this by Sec-Ops QA/QC and Compliance functions and by senior corporate management. Each Sec-Ops employee is required to comply with our corporate policies and practices to ensure and maintain the integrity of documents and records he/she generates, uses, or references.

6.6) Insider Trading:

Sec-Ops is a private, closely-held Corporation, and its shares of stock are not traded on any exchange or in any market. Should the company ever be subject of an initial public offering (IPO) with shares subsequently and generally available for purchase and sale, the Sec-Ops Board of Directors will institute rules of corporate governance that prohibit the sale, trade or exchange of its shares by Sec-Ops, Inc. employees based on their internal knowledge of current or future events impacting or influencing the Company's business activities, prospects or profitability.

6.7) Marketing and Advertising Materials:

Sec-Ops marketing and advertizing materials contain neither confidential nor proprietary information. We avoid any comments or claims on performance that are exaggerated or untrue and obtain written client permission for any specific work reference. Our materials are freely available upon request and are generated with multiple levels of content and compliance review prior to issue. Due to the variety of geographical locations in which we work, Sec-Ops is careful to observe local culture and customs with respect to the format and content of printed materials.



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Our corporate web site www.secopsinc.com has been developed in accordance with these same principles and is designed solely to inform interested parties in Sec-Ops and its people, capabilities, services and experience.

7.0) CONDUCT INVOLVING OUR BUSINESS COMMUNITIES

7.1) Environmental and Workplace Safety:

Sec-Ops accepts its responsibility to deliver quality products and services to its clients in a manner that safeguards the health and welfare of our employees, subcontractors, our clients and the public amongst whom and with whom we work. Sec-Ops products and services are managed and delivered with safety and health as a primary objective. We place the responsibility of safety and health on the assigned Sec-Ops Regional and/or Project Manager and our corporate and project safety and health staff. All Sec-Ops employees on all projects and at all levels of our organization, have the authority to stop work if they believe an unsafe condition exists.

Sec-Ops respects the environments in which it conducts its operations by complying with all applicable environmental laws and regulations. We focus on avoiding, reducing and eliminating the use of toxic and hazardous materials, and on the safe and compliant transportation, storage and disposal of any such toxic or hazardous materials encountered during the delivery of our products and services. We require our employees to behave as conscientious stewards of our working environments and provide the relevant training in the recognition and handling of such materials on any contracts where they may reasonably be expected to arise.

7.2) Political Contributions and Public Service Announcements:

As explained in Section 5.2.5 above, Sec-Ops, Inc.'s Code of Business Ethics applies domestically and in all other countries where Sec-Ops operates. Sec-Ops employees are prohibited from offering, authorizing, allowing, or having direct knowledge of the payment, or promise of payment, of any monetary, or transfer of tangible or intangible value to any official, candidate or agent of a US or foreign political party for the purpose of influencing or inducing favorable treatment for Sec-Ops, Inc.. Extreme care is taken in this regard when dealing with foreign transactions. Sec-Ops and its employees must comply with applicable US and foreign laws if such compliance places the Company at a competitive disadvantage. Sec-Ops and its employees may not use Sec-Ops funds or assets to contribute to or support any political party or committee in the United States or to any candidate for, or holder of, any national, state, or local government office. The Company, however, encourages its employees to personally support the political party, officers and candidates of their choice at their discretion and option. Good judgment should be exercised to ensure clear separation of any such support from any association with Sec-Ops, Inc.

7.3) U.S Foreign Corrupt Practices Act (FCPA):

Bribes, kick-backs and other improper payments made to influence the decisions of Government officials or their agents or representatives are prohibited by law and by Sec-Ops, Inc.'s Code of Business Ethics. This applies domestically and in all other countries where Sec-Ops operates worldwide. In other countries these limitations are specifically addressed by Foreign



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Corrupt Practices Act (FCPA). Amounts paid as tips or gratuities for services received must be reasonable and consistent with local culture and practice. Excessive fees, commissions and payment are prohibited in order to avoid the semblance of a bribe or other improper payment.

Under FCPA (as well as certain other U.S. and foreign laws) it is unlawful for Sec-Ops or its employees to offer, authorize, allow, or have direct knowledge of the payment, or promise of payment, of any monetary, or transfer of tangible or intangible value to any foreign official, foreign political party or candidate for political office for the purpose of influencing or inducing that official to seek or grant favorable treatment for Sec-Ops, Inc.. Extreme care must be taken in this regard when dealing with foreign transactions, as some countries regard such payments, bribes and kickbacks as acceptable. Sec-Ops and its employees must comply with applicable US and foreign laws even if such compliance places the Company at a competitive disadvantage.

7.4) ITAR and Export Controls:

The International Traffic in Arms Regulations (ITAR) is a set of US Government regulations promulgated, interpreted, and enforced by the United States Department of State (USDoS). ITAR is administered by the Office of Trade Controls Compliance, Directorate of Defense Trade Controls, and Bureau of Political-Military Affairs. Once required Sec-Ops will contact The Compliance and Registration Division of the Office of Trade Controls Compliance and request a Registrant Code. ITAR requirements include that any US person or entity that engages in the business of either manufacturing or exporting defense articles, or furnishing defense services, covered by the United States Munitions List, register and keep their registration current with this Office pursuant to: 1) the Arms Export Controls Act (AECA: 22U.S.C. 2778-2708 Sections 38-40); and 2) the International Traffic in Arms Regulations (ITAR: 22 CFR 120 – 130). This registration will be a precondition to Sec-Ops, Inc.'s application for an export license, or other approval, from the Directorate of Defense Trade Controls (DDTC), or to Sec-Ops, Inc.'s use of export exemptions. Special ITAR country requirements apply, for example to Afghanistan, Libya and others; and embargos may be placed or lifted by the USDoS at its sole discretion.

The Sec-Ops President/CEO has primary authority for maintaining Sec-Ops compliance with ITAR. He will sign the Sec-Ops registration statement and transmittal letters, and delegate's responsibility of Sec-Ops compliance management and assurance to a key senior officer to oversee the export compliance program.

The Director of Administration is the Sec-Ops senior officer with the responsibility for oversight of the Sec-Ops export compliance program. She designates one or more full-time Sec-Ops employees, led by the Chief Operating Officer, as empowered officials to implement and maintain this program. In coordination with the Sec-Ops QA/QC Manager, he establishes controls on export shipment processes to ensure compliance with the relevant USDoS License requirements.

The QA/QC Manager and Compliance Officer are responsible for maintaining auditable records for ITAR compliance purposes. They work with our Project Management and Logistics personnel in this regard. These records are maintained in both electronic and hard copy versions at Sec-Ops headquarters in Corpus Christi, Texas. Hard copies are kept for at least five (5) years from the expiration of the USDoS export license (or other approval). Electronic copies are retained permanently. The QA/QC Manager and Compliance Officer will ensure completion of an internal



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review and audit of Sec-Ops, Inc.'s ITAR records no less than once per year to verify the integrity of the Sec-Ops ITAR compliance program, and to validate Sec-Ops full compliance with the applicable export regulations. The findings of this review and audit are communicated in writing to: 1) the President and CEO, for direction of any corrective action needed; 2) the Director of Administration; the Director of Operations; and 4) the Logistics Manager. They also conduct "spot" checks of individual project records to measure, and if necessary advise corrective action on, the effectiveness of our office and field personnel in maintaining Sec-Ops day-to-day ITAR compliance such as record-keeping and training.

7.5) International Business:

A small proportion of Sec-Ops, Inc.'s business activities are conducted in foreign countries. Sec-Ops policy and Code of Business Conduct requires that we recognize and abide by the laws, regulations, culture, customs and practices of the host nations in which we are active, subject only to any countervailing and overriding U.S. law. Sec-Ops Executive management must approve any deviation from Sec-Ops Standards of Conduct in cases where the assigned Regional and/or Project Manager believes, in their professional judgment, that such deviation would be in the best interests of the Government, Sec-Ops and the host nation community.

8.0) DISTRIBUTION OF THE SEC-OPS CODE OF ETHICS AND BUSINESS CONDUCT

This Code of Ethics and Business Conduct is issued to, and acknowledged in writing by, each newly hired Sec-Ops employee. Current employees are reminded of this policy no less than annually of their obligations with respect to this core Sec-Ops policy.

8.1) Ethics Training:

Annual Business Ethics Training will be conducted for all employees. The training will cover all aspects of this policy to ensure the understanding with regard to the expectations of the company, and of employees' legal and ethical responsibilities and obligations. The training will be reviewed by the QA/QC Manager and a certificate of completion will be placed in the employees file.



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Corporate Business Ethics Policy Acknowledgement Form

I hereby acknowledge and certify that I have received and read a copy of Sec-Ops Policy SO12001, Corporate Code of Ethics and Business Conduct. I understand and agree to abide by the terms of Ethics Policy as a condition of my employment with Sec-Ops, Inc. I will direct any and all questions regarding the Policy or any other work-related ethical issues to the Compliance Officer.

Employee Name (please print)

Employee Signature

Date

(This Completed form will remain in the employee file)

(ATTACHMENT 1)