

CODE OF BUSINESS ETHICS, CONDUCT AND RESPONSIBILITY

1. INTRODUCTION AND EXPLANATION

The purpose of this Code is to state the principles of business ethics and conduct which the Board of Directors expects management, employees and consultants to follow in dealings on behalf of ICx Technologies, Inc. (“the Company”) with government, government officials, officials of international governmental organizations, the general public, customers, suppliers and fellow employees and to avoid personal activities which might conflict with the Company’s interests. These principles relate to compliance with laws and regulations; proper recording of assets, liabilities and transactions; conflicts of interest and outside activities; and use of inside information.

These principals are to be strictly adhered to at all times and are applicable to all operations of the Company, whether domestic or foreign. Their observance is to be considered a condition of employment or engagement. The Board of Directors will maintain continuing supervision of compliance with this Code to assure that the Company conducts itself in a manner consistent with its obligations. This will include the establishment of procedures whereby compliance may be monitored and key employees will periodically affirm in writing that they have adhered to these principles.

It is the responsibility of all officers and managers to make this Code known and regularly stress its importance to employees and consultants over whom they have supervision, and to report any violations or apparent violation to the Chief Executive Officer. Violations of this Code will result in disciplinary action up to and including discharge from employment or a termination of a consultant’s engagement. Similar disciplinary measures will apply to any employee who directs or approves of prohibited activities, or has knowledge of them and does not promptly correct or report them.

2. COMPLIANCE WITH LAWS AND REGULATIONS

All activities of the Company shall be conducted in compliance with all applicable laws, regulations and judicial decrees of the United States (federal, state and local) and foreign countries where the Company transacts business. No officer, director, employee or consultant should take any action on behalf of the Company which they know, or reasonably should be expected to know, would violate any law or regulation. Officers, directors, employees or consultants performing work for the Company in a foreign country, must take steps to familiarize themselves with the requirements of domestic law in that country. All Company officers, directors, employees, consultants and representatives must avoid even the appearance of impropriety.

An employee or consultant having any questions as to the validity of an action proposed to be taken on behalf of the Company is required to submit the same to the Chief Administrative Officer for opinion.

Sections which follow deal with specific laws and regulations and outline the basic requirements for compliance because of their particular importance to the Company's business activities. It should be understood that the special emphasis on these laws and regulations does not limit the general strict requirement that all applicable laws and regulations are to be complied with.

In addition to the strict compliance with legal requirements, each employee and consultant must adhere to and comply with the overriding moral and ethical standards of society in the conduct of business. The Company's interests are not served by unethical practices and activities even though not in technical violation of law.

3. ANTITRUST AND TRADE REGULATION COMPLIANCE

The antitrust laws and regulations shall be observed at all times by all employees and consultants of the Company. Among other things, price-fixing or bid-rigging acts or arrangements with competitors to divide or allocate markets or customers or exclude other companies from the market are prohibited.

It is expected that employees and consultants whose activities are significantly affected by the anti-trust laws will have a working knowledge of the applications of such laws to those Company operations in which the employee or consultant has involvement. The Chief Executive Officer should be called upon for guidance and counsel if any questions arise regarding the policy or concerning any proposed activities that raise any question of possible conflict with the Company's antitrust compliance policy.

4. ELECTION CAMPAIGN LAWS

Section 441c of the Federal Election Campaign Laws prohibits a government contractor who receives funds appropriated by Congress from making a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative to Congress is to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices.

In general, most states of the United States and many foreign countries have similar laws prohibiting corporate political contributions in connection with any election in relation to political office.

It is the policy of the Company that such laws shall be observed by all employees and consultants and that no corporate funds shall be contributed, expended or reimbursed, directly or indirectly, for any purpose contrary to such laws or for any similar unlawful purpose and without obtaining the CFO and CEO's prior written approval. Any violation or apparent violation of this policy and any request for a contribution or expenditure of corporate funds in connection with any political campaign, or for funds to be contributed or expenditures made in such amount or manner that corporate funds would be required to comply, shall promptly be reported to the Chief Executive Officer.

It is emphasized that this policy relates not only to the direct disbursement of Company funds, but also to indirect contributions or payments made in any form or through any means, such as consultants, suppliers, customers or other third parties or by reimbursement to employees or consultants for personal contributions or payments. Engaging in political activities during working hours and use of Company facilities for political purposes is considered a political contribution.

In those cases where political contributions are permitted by law, no Company funds or facilities shall be used for such purposes without appropriate authorization.

Nothing contained herein shall be deemed to prohibit engagement in political activities by an employee in his/her individual capacity on the employee's own time and at the employee's own expense or from making political contributions or expenditures from personal funds or from expressing views and taking appropriate action as a Company employee or consultant with respect to legislative or regulatory matters affecting the Company.

5. RELATIONSHIP WITH GOVERNMENT OFFICIALS

Except with the prior written approval of CFO and CEO, no offer, promise, or payment of anything of value may be made, directly or indirectly, to or for the benefit of a public official, that is or may appear to be related to obtaining, retaining or directing business or any other improper advantage. In addition to a government official, a "public official" includes a candidate or prospective candidate for political office, or anyone acting on their behalf, and an official, employee, or agent of a political party, an international governmental organization, a state-owned enterprise, or any entity owned or controlled by a unit of government

"Facilitating payments" are small amounts made to a public official necessary to expedite or secure performance of a routine governmental action. Facilitating payments can never be made to assist in obtaining or retaining business, to influence a particular decision or transaction, or for any other improper purpose. Although strongly discouraged, facilitating payments may be made in limited circumstances, but only with the prior written approval of CFO.

Gifts to or entertainment of government officials and other government personnel of the United States and other domestic jurisdictions, or to any foreign government or agency official or an official of an international governmental organization must be reasonable and not exceed customary courtesies extended in accordance with accepted ethical business practices, and must be properly documented.. It is important that all Company personnel realize that our relationship with public officials should in all respects be of such a nature that the integrity and reputation of the officials and the Company will not be impugned in the event the full details of the relationship, including any gifts or entertainment become a matter of public discussion.

6. PROPER RECORDING OF ASSETS LIABILITIES AND TRANSACTIONS

All assets, liabilities and transactions of the Company shall be properly recorded on the appropriate books and records. To assure that such is done, the following policies are specifically adopted:

- (a) No secret or unrecorded fund of corporate monies or other assets of the Company shall be established or maintained.
- (b) All Company transactions shall be properly recorded on the books and records of the Company.
- (c) The making of false or fictitious entries on the books and records of the Company or its subsidiaries and the issuance of false or misleading reports pertaining to the Company and its operations are prohibited, and no employee or consultant shall engage in any transaction that requires or contemplates such prohibited activities on the part of the company or any of its subsidiaries or affiliates.
- (d) Any employee or consultant having knowledge of any act or circumstance which is prohibited under paragraphs (a), (b) and (c) above shall immediately report the matter to the Chief Executive Officer.
- (e) Any commitment on behalf of the Company for the payment of finders', promoters' or consultants' fees or any similar fees shall not be made without approval of a Company Officer.

7. TRANSACTIONS WITH BUSINESS ASSOCIATES

Employees, the family members and consultants must not profit, directly or indirectly, due to their position in the Company, to the detriment or at the expense of the Company. This does not prohibit the receipt of gifts of a nominal amount (i.e., less than \$100). No employee, family member or consultant shall take for his or her own advantage any corporate opportunity for profit, which he or she learns about in his or her position with the company, unless such Person first presents the opportunity to the Company and is given consent by the Board of Directors to the taking of such corporate opportunity.

No employee, family member or consultant shall borrow money or other property from a person or entity that such person knows or reasonably should know is a Business Associate, unless that Business Associate is regularly engaged in the business of lending money or such other property, and the loan and the terms thereof are in the ordinary course of the Business Associate's business.

8. GOVERNMENT, ANALYST AND MEDIA INQUIRIES

The Company must be made aware of any inquiries from the government, the financial/analyst community or the media so that it can properly and thoroughly respond. If an employee or consultant is contacted by a representative of a governmental agency seeking an interview or making a non-routine request for documents, that employee should immediately contact the Company's legal counsel so that appropriate arrangements can be made to fully comply with the Company's legal obligations. All inquiries from the financial/analyst community and media should be referred to the Company's corporate headquarters or authorized person.

9. USE OF CORPORATE ASSETS

All employees, consultants, officer, and directors should protect the Company's assets and ensure their efficient use. All ICx assets should be used only for legitimate business purposes.