

Forward

The pursuit of technical excellence and the highest standards of professionalism are the hallmarks of Highland Technical Services Inc.(Highland). The Code of Ethics and Code of Integrity, which apply to all members of Management and all employees of Highland, confirm our commitment to ethical behavior in the conduct of all Highland activities. We take pride in our dedication to integrity, fairness, and social responsibility.

Every level of management has the responsibility to monitor and vigorously enforce the Code of Ethics and Code of Integrity. No one at Highland is authorized to engage in or condone unethical or illegal action, or to direct others to do so. We must also be aware of the damage that can result from the appearance of questionable conduct, even if innocent by intent. We are all held accountable for our actions as individuals and as representatives of Highland.

The principles set forth in our Code of Ethics and Code of Integrity reflect the type of behavior that has helped us earn the respect and success that we enjoy today. As we target even higher levels of achievement for Highland, it is imperative that we continue to require ethical conduct in all our business relationships. Anything less is unacceptable.

Mr. Robert M.Carbo

Chairman, President and Chief Executive Officer

Management Principles

The mission of Highland Technology Services is to be a global leader in providing technology enabled government and business solutions and services. This demands that we make an absolute commitment to excellence in our performance. We will achieve our mission by observing these principles:

We commit to client satisfaction as our most important business objective.

We recognize that Highland's accomplishments are the work of the people who comprise Highland. We will encourage initiative, recognize individual contribution, treat each person with respect and fairness, and afford ample opportunity for professional growth.

We require the highest standards of professionalism and technical competence from our people.

We will maintain the highest standards of ethics and business conduct and operate at all times within the laws of all countries in which we do business.

We will proactively pursue new business opportunities, and commit to success in each undertaking. Our success as a company requires that we achieve financial performance consistent with these principles and commensurate with a leadership position in our industry.

Overview

The following is an overview of the Code of Ethics and Integrity to provide a quick view of the policies.

The men and women of Highland Technology Services Inc. (Highland) have created a Company tradition of sound ethical, moral and legal standards and practices. The Board of Directors has incorporated them in the Code of Ethics, Highland.

The Code of Ethics states general guidelines and rules governing employee conduct applicable to business transactions undertaken on the Company's behalf and also to outside activities. Stated also are other rules covering areas that are of such importance in the context of the Company's legal and ethical responsibilities as to justify specific guidelines.

Each employee is responsible for his or her individual conduct and should keep in mind that the code is to be broadly construed and that its spirit as well as its specific provisions are to be adhered to.

In all transactions undertaken on behalf of the Company, and in all personal activities that may affect the Company, employees shall:

- Consider the rights, interests and responsibilities of the Company and their fellow employees;
- Act in accordance with applicable laws, established Company standards and procedures, and applicable moral and ethical standards;
- Avoid transactions or situations in which their personal interests conflict with those of the Company; and
- Ensure that all Company transactions are properly and accurately recorded in the Company's books and records. "Off-the-record" accounts are strictly prohibited.

Because ethical conduct is taken very seriously at Highland, all employees must adhere to the Highland Code of Ethics and Integrity as stated in this Handbook. Highland considers any serious violation of the basic rules that govern employee behavior to be a "cause" for termination of employment. Highland reserves the right to determine what conduct constitutes a cause that will result in immediate discharge. Some examples include but are not limited to:

- Unethical and dishonest behavior,
- Attendance or tardiness problems,
- Job abandonment: unexcused absence for two (2) or more days without notification, unless a reasonable excuse is accepted by his/her Supervisor,
- Theft,
- Safety or security violations,

- Unauthorized discussion of proprietary information (including but not limited to technical, personnel, or financial related information),
- Any conviction for a criminal violation,
- Violence in the workplace,
- Possession of weapons in the workplace,
- Possession, consumption, purchase, or sale of illegal drugs or alcohol in the workplace, except for officially sanctioned use of alcohol at Company functions,
- Harassment of any kind,
- Misuse of electronic systems or information, and/or
- Larceny or the unauthorized use or conversion of Company materials, equipment, or funds.

Code of Ethics

Stated in their simplest form, Highland's fundamental ethical principles are:

- Each of us is responsible for the propriety and consequences of our actions.
- Each of us must conduct all aspects of Highland business in an ethical and legal manner, and obey the laws of all places where Highland does business or seeks to do business.
- Our conduct on behalf of Highland with customers, suppliers, the public and one another must reflect our high standards of honesty, integrity and fairness.

Adherence by each of us to this Code Ethics and to the Code of Integrity set forth on the following pages is essential to the continued vitality of Highland. Compliance with and effective enforcement of the Codes is one of your key responsibilities, and will be addressed as an element in the regular evaluation of each Manager and employee.

Failure to comply with the Code of Ethics or Code of Integrity will result in appropriate disciplinary action, which may include termination of directorship or employment, reimbursement to Highland for any resulting losses or damages, and referral for civil or criminal prosecution. Principles of fairness will apply. You will be provided an opportunity to explain your actions. The Highland Board of Directors must approve any waiver of a Highland director or management's compliance with the Codes.

Code of Integrity

Conflict of Interest

You must be careful to avoid situations that might involve a conflict of interest or appear questionable to others. In general, there are two major areas of concern:

- Participating in activities that conflict or appear to conflict with Highland responsibilities, and
- Giving or receiving anything that might influence the recipient or cause another person to believe that the recipient may be influenced – this includes offering or accepting bribes, kickbacks, illegal payments, or gratuities.

You must avoid any actions that may appear to involve a conflict of interest with Highland activities. These include any business, financial or other relationships with suppliers, customers or competitors by you, your close family or your close associates outside of Highland. Questionable activities include serving on the board of directors of a competing or supplier company, significant ownership in a competing or supplier company, or consulting with or working for a competing or supplier company.

Highland employees must observe the following Highland ethical standards, as well as applicable laws and regulations, when providing or accepting meals, entertainment or gifts to or from people in business situations.

Government Business — Rules of conduct with respect to government officials are set forth in applicable laws and government regulations. It is the responsibility of Highland employees to seek out these rules of conduct, understand their application in the specific business setting and comply with them.

In many countries, Highland and Highland's employees must not provide meals, entertainment, gifts or anything else of value to government employees; nor may any Highland employee or representative discuss employment opportunities with government employees without the prior approval of the President of Highland. In all countries, Highland employees must not make any attempt to influence any government employee or member of a governmental body with regard to the award of a government contract for which a specific solicitation has been issued, other than through the standard preparation, submission, and discussion of Highland cost and technical proposals in conformance with procurement regulations.

Other Business — Highland employees with direct procurement-related responsibilities, regardless of the business sector in which they work, must not accept any meals, transportation, refreshments, entertainment, gifts (other than token marketing items) or anything else of value from suppliers or their personnel or representatives. Other Highland employees may accept

modest meals, transportation, refreshments, entertainment or gifts but must not accept anything that might be considered excessive or intended to influence the employee.

Highland Opportunities

You must not:

- Take for yourself personally any opportunity that is discovered through the use of Highland property, information or position;
- Use Highland's property, information or position for personal gain; or
- Compete with Highland.

You have a duty to advance Highland's legitimate interests when the opportunity to do so arises.

Protection of Highland and Customer Property

You have an obligation to protect all Highland and customer data, property and funds under your control against loss, theft and misuse. This includes the proprietary information belonging to Highland and its customers. You must keep this information confidential and not make any of it available to unauthorized personnel. Security procedures have been established to protect government classified information and many types of unclassified technical information. By law, Highland employees who handle such data are required to know these procedures and strictly adhere to them at all times. You must use Highland and customer funds, property and data only for their proper and intended purposes. No use of such property or data may be made after termination of your directorship or employment with Highland. It is also imperative to make every effort to prevent the misuse of these assets by any other person. Improper use includes selling, loaning or giving away Highland or customer property and modifying, destroying or disclosing customer or Highland data. Use of customer or company property for personal or non-business purposes, is considered to be improper conduct and is in violation of this Code of Ethics and Code of Integrity.

Neither you nor any Highland representative may solicit, obtain or utilize Source Selection information relating to government procurement. In addition to materials so marked by the government, Source Selection information includes bid prices and proposed costs or prices submitted in response to a solicitation, source selection plans, technical evaluation plans, technical evaluations of competing proposals, cost or price evaluations of competing proposals, competitive range determinations, rankings of competitors, reports and evaluations of source selection boards, and government agency planning, programming, and budgeting system information. Similarly, neither you nor any Highland representative may solicit, receive, or utilize any other company's proprietary material other than as authorized by that company.

Data, Records and Reports

All Highland employees are responsible for preparing all Highland business documents as completely, honestly and accurately as possible. These records include timekeeping records, expense reports, accounting records, test and progress reports, cost estimates, contract proposals, and presentations to clients, the public or Highland management, and any

representation, either written or oral, made by any Highland employee or representative in the conduct of Highland business shall be factual, fully substantiated, and verifiable. It is essential to maintain accurate timekeeping and expense records, making sure to:

- Record and allocate charges for time, materials and other business-related expenses to the proper charge number.
- Check all invoices and payments to customers, consultants and suppliers to confirm the accuracy of information relating to products, services, prices and terms of sale.
- Submit complete, accurate and current cost or pricing data in all contract proposals.

Providing a Proper and Professional Work Environment

You must use fairness, honesty, and comply with the law in all business relationships with Highland, customers, suppliers, employees, and applicants, as well as with local, national and international communities and governments.

You must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

Highland employees must observe Human Resources management practices including, but not limited to, those regarding recruitment, selection, job assignment, transfer, promotion/demotion, layoff, return from layoff, discipline (including termination), training, education, tuition, social and recreational programs, compensation and benefits.

Supervisors and managers must understand and abide by the laws and regulations that limit the work that can be done by former government civilian employees and military personnel now working at Highland. Former government employees or members of the armed forces must also be aware of and adhere to these laws and regulations.

You must neither engage in nor permit harassment of Highland employees for any reason by other employees, vendors, clients or anyone else with whom Highland employees come into contact in the course of their Highland business activities.

Highland employees are prohibited from possessing, using, distributing, manufacturing, purchasing, dispensing or selling illegal substances. Because these actions are illegal and counterproductive to our business interests, they will not be tolerated on Highland premises either during scheduled work periods or at any time while conducting company business. Alcohol abuse by Highland employees is an equally serious problem and will not be tolerated by the company, either on Highland premises during their scheduled work period or at any time while conducting Company business.

Communicating With Highland

You are responsible for obtaining the information necessary to follow the directives in this Code of Ethics and Code of Integrity, and for reporting any observed deviations from policies. The Highland policies and government rules and regulations referred to in these Codes are available

through local management. If you are unsuccessful in getting the information needed from local sources, you should contact Human Resources organization.

Highland fosters a free interchange between employees and all levels of management through its Open Door Policy. Highland employees are encouraged to contact their immediate supervisor to report or resolve a problem, but are free to contact higher levels of management if necessary.

If Highland employees have reason to believe that a violation of this Code of Ethics and Code of Integrity of Conduct, or any other company policy, has occurred or is likely to occur, it is their obligation to report such violation or potential violation to at least one of the following:

- Their supervisor,
- Their Human Resources organization

Highland employees with questions or complaints regarding accounting, internal accounting controls or auditing matters should follow the same procedure.

If Highland employees choose to identify themselves in the course of reporting a violation or potential violation, or communicating a question or complaint:

- Highland will not allow any retaliation against them for reports or communications made in good faith; and
- Highland will keep their identity confidential to the maximum extent possible, consistent with Highland's obligation to fully and fairly investigate all matters raised.

If Highland Senior Management has reason to believe that a violation of this Code of Ethics and Code of Integrity, or any other company policy, has occurred or is likely to occur, it is their obligation to inform the Vice President of operations or President/CEO.