

HALIFAX CORPORATION

WHISTLE-BLOWER POLICY

I. Introduction

Halifax Corporation (the “Company”) has established a whistle-blower policy (the “Policy”) which enables Company employees and others (collectively, “Reporting Persons”) to report to the Company allegations of known or suspected Improper Activities (as defined below).

“Improper Activities” include, but are not limited to, (i) questionable accounting, internal accounting controls or auditing matters; (ii) disclosures in documents filed or submitted by the Company with the Securities and Exchange Commission (the “SEC”) and other public disclosures made by the Company that may not be complete or accurate; (iii) violations of the Company’s Code of Business Conduct and Ethics; (iv) violations of federal or state securities laws or regulations or other laws applicable to the Company; (v) securities fraud, wire fraud, mail fraud, bank fraud, or any other fraud against the Company; (vi) forgery or alteration of documents; (vii) misappropriation or misuse of Company resources, such as funds or other assets; (viii) authorizing the receipt of compensation for goods not received or services not performed; or (ix) any other activity by an employee that is undertaken in the performance of the employee’s official duties, whether or not that action is within the scope of the employee’s employment, and that is in violation of any state or federal law or regulation, or constitutes malfeasance, bribery, misuse of Company property, or willful omission to perform the employee’s duties, or involves gross misconduct.

All Reporting Persons are encouraged to report in writing to the Company Compliance Officer, or the Chairman of the Audit Committee of the Company’s Board of Directors (the “Audit Committee”), as described in Section III below, all evidence of an Improper Activity by a Company employee or others acting on behalf of the Company.

II. No Retaliation for Employees Reporting Improper Activities

No Company employee who in good faith reports any Improper Activity in accordance with the Policy shall suffer, and shall be protected from threats of, harassment, retaliation, discharge, or other types of discrimination, including, but not limited to, discrimination in compensation or other terms and conditions of employment, caused by the employee’s reporting of an Improper Activity. An employee harassing, retaliating against or discriminating, or threatening to harass, retaliate against or discriminate, another Company employee who in good faith reports any Improper Activity is subject to discipline, including, but not limited to, the termination of employment. In addition, no employee may be adversely affected because such employee refused to carry out a directive which, in fact, either constitutes or may lead to an Improper Activity.

However, an employee who files a report of an Improper Activity on the basis of evidence which the employee knows to be false or without a reasonable belief in the truth and accuracy of such evidence will not be protected by the Policy and may be subject to disciplinary action and legal claims.

III. Reporting Improper Activities

If the Reporting Person reasonably believes that any of the Company's employees or others acting on behalf of the Company have engaged in an Improper Activity, the Reporting Person should write a letter describing such Improper Activity to the Company Compliance Officer at: 5250 Cherokee Avenue, Alexandria, VA 22312. If the reported Improper Activity relates to questionable accounting or auditing matters, the Reporting Person may address such report directly to the Chairman of the Audit Committee, Confidential – Accounting and Auditing Matters, at: 5250 Cherokee Avenue, Alexandria, VA 22312.

Generally, reports of Improper Activities relating to questionable accounting or auditing matters may be submitted in an anonymous manner. However, reports of Improper Activities that are not related to questionable accounting or auditing matters must be signed by the Reporting Person. Anonymous reports will not normally be investigated, unless the report concerns questionable accounting or auditing matters.

The Company will not consider or investigate reports containing foul language. The Company will also not investigate reports containing allegations of unspecified wrongdoing without verifiable evidentiary support. The report of an Improper Activity must be factual rather than speculative or conclusory, and must contain the following specific information to justify the commencement of an investigation, as described in Section IV below: (i) the alleged event, including the date and location of such event, or issue that is the subject of the report; (ii) the name of each person involved; and (iii) any additional information, documentation or other evidence available to support the report. However, Reporting Persons should refrain from (i) obtaining evidence to which they do not have a right of access; and (ii) conducting their own investigative activities.

IV. Treatment and Retention of Reports of Improper Activities

The Audit Committee has appointed the Company Compliance Officer to administer the Policy and to report directly to the Audit Committee on matters arising under this Policy. The Company Compliance Officer, or the Secretary of the Audit Committee in case of reports submitted directly to the Chairman of the Audit Committee, will maintain the log of reports submitted pursuant to the Policy, which will track their receipt, investigation, if any, and resolution. The report of an Improper Activity will be treated confidentially unless disclosure is required or deemed advisable by the Company in connection with any actual or potential governmental investigation or unless advised by the Company's outside counsel that disclosure would be in the interest of the Company.

The Company Compliance Officer or, a designated Audit Committee member in case of reports submitted directly to the Audit Committee, will evaluate each report as to whether the investigation should be conducted regarding the Improper Activity so reported. Except in case of anonymous reports, the results of such evaluation will be communicated to the Reporting Person submitting the report. Generally, the investigation of an Improper Activity, other than questionable accounting and auditing matters, shall be supervised by the Company Compliance Officer. However, the investigation of an Improper Activity related to the questionable

accounting and auditing matters shall be supervised by the Audit Committee. Once a violation is found to exist, the Company will take corrective and disciplinary actions, if appropriate.

At each meeting of the Audit Committee, the Company Compliance Officer, or the Secretary of the Audit Committee in case of reports submitted directly to the Audit Committee, will prepare a report to the Audit Committee stating: (i) the nature of each report submitted during the period immediately preceding the meeting of the Audit Committee; (ii) whether or not the report resulted in the commencement of an investigation; and (iii) the status of each investigation or the resolution of each report not subject to the investigation. If there have been no complaints, the report will specifically state that fact.

Copies of reports of Improper Activities, the logs of reports maintained in accordance with the Policy and any documents pertaining to the resolution or investigation of the reports submitted by Reporting Persons will be retained pursuant to the Company's document retention policy.