
CODE OF ETHICS

Code of Ethics for Executive Directors and Senior Officers of Cardiff Lexington Corporation.

The Cardiff/Lexington Code of Ethics has been adopted by all Cardiff/Lexington companies and, amongst other things, provides that all persons must avoid conflicts of interest between their private financial activities and their part in the conduct of company business.

This Code is specifically intended to meet the requirements of **Section 406 of the Sarbanes Oxley Act** and the **listing requirements of OTC Markets Stock Exchange** by providing for a number of implementing requirements in the area of disclosure controls and the avoidance of conflicts of interest by the category of job holders and persons referred to below.

This Code is applicable to the following job holders and persons:

- the Executive Directors of Cardiff/Lexington Corporation;
- the Chief Financial Officer;
- the Secretary/Treasury of Corporate Finance;
- Investor Relations;
- Strategy & Planning;
- Finance Operations;

Key requirements

Each COE Addressee shall:

- a. act in accordance with the highest standards of honesty, integrity and fairness and expect the same in their relationships with others while maintaining a work and business climate fostering such standards; and
- b. adhere to the Cardiff/Lexington standards, any applicable code of conduct on dealing in securities and any provisions for the avoidance of conflicts of interest stipulated in applicable terms and conditions of employment; and
- c. excuse themselves from making any decision about an issue at hand in which a conflict of interests arises or could arise and in such event, disclose in writing the relevant facts and explain the circumstances that create or could create the conflicts of interest to: (a) the chairman of Cardiff/Lexington or (i) the Directors of Cardiff/Lexington, (ii) the Chief Financial Officer (when applicable), (iii) the Chief Executive Officer and (iv) the Chief Operating Officer, and (b) to the acting Secretary/Treasurer, in the case of any other COE Addressee; and
- d. avoid having any financial interest in works of or contracts awarded by a Cardiff/Lexington company or a company associated with a Cardiff/Lexington company, or in supplies effected or services rendered to or by such a company and where this is unavoidable or

immediate family members have such a financial interest, such interest shall be disclosed in writing in the same manner as set out in c. above; and

- e. not seek or accept from third parties to his own advantage any favor in whatsoever form or howsoever described in connection with the business of any Cardiff/Lexington company or his duties (except for the acceptance of such things as gifts of nominal value and working lunches, dinners and entertainment of reasonable value, frequency and duration, appropriate under the circumstances, and subject always to the standards of a. above); and
- f. not hold positions or jobs or engage in outside businesses or other interests that adversely impact the performance of duties owed to any Cardiff/Lexington company or the interests of the same; and
- g. avoid any relationship with a contractor or supplier that could compromise the ability to transact business on a professional, impartial and competitive basis or influence decisions to be made by any Cardiff/Lexington company; and
- h. consistent with the scope of his job responsibilities, ensure full, fair, accurate, timely, and understandable disclosure in regulatory filings and in other public communications made by Cardiff/Lexington Corporation.

Reporting

- Each COE Addressee shall report any breach thereof in writing to: (a) the Chairman of the Company in the case of: (i) the Directors of Cardiff/Lexington, (ii) the Chief Executive Officer, (iii) the Chief Operating Officer and (iv) the Secretary/Treasurer, in the case of any other COE Addressee.
- No person reporting in good faith a suspected breach of conflicts of interest should be concerned about retaliation by Cardiff/Lexington. Any job holder or person involved in retaliation will be subject to the sanctions referred to below.

Accountability

- Each COE Addressee is held accountable for the full compliance with this Code with respect to any issues within his control. Sanctions for a breach of this Code shall be determined by: (i) the Board of Directors of Cardiff/Lexington where it concerns the Directors of Cardiff/Lexington or the Chief Financial Officer (when applicable) where it concerns any other COE Addressee. Sanctions may include serious disciplinary action, removal from office and dismissal as well as other remedies, all to the extent permitted by law and as appropriate under the circumstances.

Miscellaneous and waivers

- No waiver of any provision of this Code shall be valid unless provided in writing by the

Chairman of the Audit Committee and with the prior approval of the Board of Directors.

- In this code words importing the masculine shall include the feminine and words importing the singular shall include the plural or vice versa.
- The provisions of this Code can be amended and supplemented from time to time by resolution of the Board of Directors of Cardiff/Lexington Corporation.
- Acknowledgement for receipt and acceptance:
 - Name:
 - Position:
 - Place and Date: