

Rekor Systems, Inc.

Governance Committee Charter

Purpose

The purpose of the Governance Committee is to ensure proper governance of Rekor Systems, Inc. (the "Corporation") by (1) reviewing and recommending improvements to the Corporation's governance guidelines and corporate policies; (2) monitoring compliance with the Corporation's Code of Conduct; (3) evaluating and making recommendations as to changes in the charters of the various Committees of the Board of Directors, and (4) such other matters as may be required to ensure compliance with the provisions of the Delaware General Corporation Law ("DGCL"), the requirements of any other federal or state laws or regulations applicable to the Corporation or the requirements of any exchange on which the Corporation shall maintain a listing for its securities.

Membership

The Governance Committee shall consist of three or more independent directors. To the extent necessary or deemed appropriate by the Board of Directors (the "Board"), additional directors may be appointed by the Board. All members of the Governance Committee shall be independent, as determined by the Board in accordance with these guidelines and as required by applicable laws and regulations and the requirements of any exchange on which the Corporation maintains a listing for any of its securities.

Authority and Responsibilities

The following are the duties and responsibilities of the Governance Committee:

1. Prepare and/or Review and Approve all corporate policies and policies of any subsidiary companies
2. Review the Corporation's committee charters, governance guidelines, and corporate policies at least once per year and recommend any changes that the Governance Committee believes are appropriate. The Governance Committee shall coordinate with the Nominations Committee in reviewing any new policies or suggested changes to existing policies affecting the Corporation's human resources. Likewise, the Governance Committee shall coordinate with the Audit Committee in reviewing and recommending changes in policies concerning investments, cash management, insider trading and whistleblowers.
3. Make recommendations to the Board from time to time as to changes that the Governance Committee in collaboration with the Nominations Committee believe to be desirable with respect to the size and composition of the Board, and the structure or function of any committee thereof.
4. Assist management in the preparation of any required proxy statement disclosure regarding director independence and the operations of the Governance Committee.

5. Develop, and review at least annually, standards to be applied in making determinations as to the existence of material relationships between the Corporation and its directors and provide the Board with its assessment of which directors should be deemed “independent directors” under the then-current standards applicable to the Board or any committee thereof.

6. Review and either disapprove or grant approval or ratification of those transactions between the Corporation and the Corporation’s directors, executive officers, significant stockholders and their respective immediate family members (each a “Related Person”) that are required to be disclosed pursuant to Item 404(a) of Securities and Exchange Commission Regulation S-K, and administer that policy unless otherwise directed by the Board.

7. Manage the whistleblower process and adjudicate all claims with the exception of those under the jurisdiction of the Audit Committee

8. Perform such other reviews and assessments and make such other recommendations as the Governance Committee deems appropriate to carry out its duties and discharge its responsibilities.

Unless otherwise specifically permitted by the Board or otherwise approved in the manner set forth in the Corporation’s Code of Conduct, any transaction not in the ordinary course of business between the Corporation and any person, business entity or other organization (or any subsidiary, division or affiliate thereof) directly or indirectly owned or controlled by any director or officer of the Corporation or person related to such director or officer, shall be reviewed and approved in advance by a subcommittee composed of members of the Governance Committee with no personal interest in such transaction. In connection with the discharge of its responsibilities, any such subcommittee may select, retain, terminate, and approve the fees and other retention terms of special counsel, financial consultants or other experts or consultants, as it deems appropriate in connection with any review and approval described above, without seeking approval of the Board or management of the Corporation.

The Governance Committee shall have the resources and authority appropriate to discharge its duties and responsibilities. In connection with the discharge of its responsibilities, the Governance Committee shall have sole authority, at the Corporation’s expense, to select, retain, terminate and approve the fees and other retention terms of such independent legal, financial or other advisors as it may deem necessary, without consulting or obtaining expressed approval of management or the Board in advance of doing so.

Meetings and Procedures.

The Governance Committee shall establish a schedule for at least four regular meetings each fiscal year. Special meetings may be called by the Chair of the Governance Committee in such manner as the Chair shall determine to be appropriate to give the members of the Governance Committee reasonable opportunity to participate in the meeting. A majority of the members of the Governance Committee shall constitute a quorum. A majority vote at a meeting at which a quorum is present is sufficient for the approval of all actions taken by the Governance Committee and any subcommittee thereof. The Governance Committee and any such subcommittee may meet in person or telephonically as frequently as required. However, if unanimous written consent of the members is

obtained, an in-person or telephonic meeting shall not be required for the Governance Committee or any such subcommittee to take any action that the Governance Committee or such subcommittee is authorized to take.

The Chair of the Governance Committee shall be nominated by the Lead Director, if there is one, or otherwise by the Chair of the Board, and approved by the Board and may designate a person to serve as Secretary of the Governance Committee who is not required to be a member of the Governance Committee. The Governance Committee may form and delegate authority to subcommittees and provide for the structure and procedures to be followed by such subcommittees, when appropriate.

The Governance Committee shall make prompt written or oral reports of its activities to the Board, which shall include appropriate details of any approvals which are or may be binding on the Corporation. In the event of any dissenting votes, the report shall contain an explanation of the reason for the dissenting vote.

Self-Assessments and Charter Review

The Governance Committee shall annually conduct a confidential review of its own performance which shall compare the performance of the Governance Committee with the requirements of this charter. No report of its annual assessment shall be required. The Governance Committee shall also periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

Approved by the Board of Directors on May 7, 2021