



ENER-CORE, INC.

DISCLOSURE CONTROLS AND PROCEDURES

Adopted September 24, 2013

I. Policy Regarding Public Disclosures

Ener-Core, Inc., a Nevada corporation (the “Company”), including all subsidiaries, branches and divisions of the Company, is committed to complying fully and timely with all of its disclosure obligations under applicable securities laws and stock exchange requirements. To that end, the Company maintains “disclosure controls and procedures” (as defined in Section III below) that are designed to ensure that all information that may be required to be disclosed is:

- reported to the persons within the Company who are responsible for the preparation of the Company’s SEC reports and other public communications;
- analyzed to determine whether disclosure is appropriate; and
- if appropriate, disclosed in a timely and accurate manner and in compliance with the SEC’s reporting requirements and Regulation FD.

This document summarizes the principal disclosure controls and procedures that the Company has established and maintains. This document does not contain a definitive and comprehensive list of all disclosure controls and procedures that the Company establishes and maintains from time to time.

II. Disclosure Committee

A. Purpose

The Company has a Disclosure Committee, the purpose of which is to (1) consider the materiality of information and assist in the timely determination of the Company’s disclosure obligations, (2) assist the Company in fulfilling its obligation to maintain disclosure controls and procedures and (3) assist the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) in fulfilling their obligations to design, establish, maintain, and evaluate the effectiveness of the Company’s disclosure controls and procedures.

B. Membership

The Disclosure Committee consists of employees of the Company selected from time to time by the Company’s CEO and CFO. Except as otherwise determined by the CEO and CFO, the Disclosure Committee includes:

- the Company’s principal accounting officer or controller;
- the head of the Company’s risk management and/or internal audit functions;

- the heads of the Company's other business functions that are likely to have knowledge of information that may require public disclosure; and
- the Company's senior investor relations officer.

In addition, the Company's Corporate Counsel or senior in-house attorney responsible for disclosure matters participates in Disclosure Committee meetings, receives copies of drafts and other materials distributed to the Disclosure Committee, and provides legal counsel to the Disclosure Committee.

In selecting members of the Disclosure Committee, the CEO and CFO take into account an individual's access to, and knowledge of, information that may require public disclosure. The CEO and CFO periodically report to the Company's Board of Directors (or to a committee thereof designated by the Board of Directors) as to the identity of the members of the Disclosure Committee and the Disclosure Committee's responsibilities.

C. **Responsibilities.**

The responsibilities of the Disclosure Committee include the following:

- Coordinate and oversee the formulation and documentation of the Company's disclosure controls and procedures (including the Company's internal control over financial reporting to the extent they relate to information required to be publicly disclosed by the Company).
- Participate, together with the CEO and CFO, in an evaluation of the effectiveness of the Company's disclosure controls and procedures as of the end of each period to which an Annual Report on Form 10-K or Quarterly Report on Form 10-Q relates, as contemplated by Rules 13a-14 and 13a-15 under the Securities Exchange Act of 1934 (the "Exchange Act").
- Periodically review and assess the adequacy of the Company's disclosure policy and guidelines, including without limitation the Company's policies regarding public disclosure of material nonpublic information.
- Participate in the preparation of the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and annual reports to stockholders (each, an "SEC Document").
- Review drafts of the SEC Documents and of such other disclosure documents (whether in the form of SEC filings, press releases, corporate website postings or other public communications) as the CEO or CFO may from time to time request.

The CEO and CFO assign additional responsibilities to the Disclosure Committee as the CEO and CFO deem appropriate.

D. Procedures and Operation

The Disclosure Committee operates under the supervision of the CEO and CFO.

The members of the Disclosure Committee perform their responsibilities on a continuous basis using such procedures as they deem appropriate, including without limitation holding formal or informal meetings, conducting telephone conferences, or using other communications.

At least once prior to the filing date of an SEC report requiring certification under Rule 13a-14 under the Exchange Act, the Disclosure Committee formally meets with the CEO and CFO to (1) report on the Disclosure Committee's activities since the last formal meeting with the CEO and CFO, (2) review the results of the evaluation of the Company's disclosure controls and procedures as of the last day of the period to which the SEC report relates, and (3) discuss the adequacy and effectiveness of the Company's disclosure controls and procedures and Disclosure Policy.

The Disclosure Committee may designate one of its members as the primary coordinator of the Disclosure Committee's activities, including scheduling meetings, establishing meeting agendas, and maintaining a record of the Disclosure Committee's activities.

The Disclosure Committee is afforded full access to all of the Company's books, records, facilities, and personnel. In addition, the members of the Disclosure Committee are authorized to consult directly with the Company's outside securities counsel to the extent they deem appropriate. In light of the nature and objectives of the Disclosure Committee, the Disclosure Committee does not vote on the matters it addresses and has no quorum requirements.

III. Disclosure Controls And Procedures

A. Definition

The term "disclosure controls and procedures" is defined by Rule 13a-15 under the Exchange Act and means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its CEO and CFO, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

B. Preparation of SEC Periodic Reports on Forms 10-K and 10-Q

The key elements of the Company's disclosure controls and procedures relating to SEC periodic reports on Forms 10-K and 10-Q are as follows:

- Distribution of a timetable for the preparation of each periodic report and related earnings release, including identification of responsible parties, dates for distribution of drafts and submission of comments, meetings of the Disclosure Committee and Audit Committee and other significant actions.
- Meetings with and/or collection of financial and other material information from business unit heads in order to prepare the periodic report.
- Meetings between representatives of the finance department and the independent auditor to discuss material accounting issues affecting the financial statements and periodic report, including accounting policies, judgments and estimates and any changes to accounting standards.
- Distribution of draft earnings release for review and comment to the Disclosure Committee, all relevant internal department managers, the independent auditor, outside securities counsel and the Audit Committee.
- An Audit Committee meeting, where: (1) management presents results of operations and financial position for the period; (2) the independent auditor reports on the SAS 100 review or year-end audit; (3) participants discuss accounting policies, judgments and estimates; (4) the Audit Committee meets directly with the independent auditor without management present; and (5) the Audit Committee discusses the draft earnings release.
- Performance of technical compliance, check of the draft periodic report, and preparation of responses to any previously received SEC comments.
- Review by the Disclosure Committee of all categories of Form 8-K reportable events in order to identify whether the Company properly identified all Form 8-K reportable events that occurred during the past quarter.
- With respect to Annual Reports on Form 10-K, the holding of at least one "drafting session" to review and discuss the draft report.
- Distribution of the draft periodic report for review and comment to:
 - relevant business unit and functional heads (identifying, where appropriate, particularly relevant sections for review, and obtaining from each reviewing person confirmation that the portions of the report relevant to such person's areas of responsibility are fairly and accurately presented, and do not omit any material information required to be disclosed);

- the Disclosure Committee, CEO, and CFO;
 - the independent auditor and outside securities counsel; and
 - the Audit Committee and, with respect to Forms 10-K, the full Board of Directors.
- Report of the CEO and CFO to the Audit Committee and the independent auditor regarding the evaluation of internal control over financial reporting and disclosure controls and procedures conducted by or with the participation of the CEO and CFO.
 - Final review of periodic report by CEO and CFO, followed by execution and certification thereof.

C. Preparation of Current Reports on Form 8-K

The key elements of the Company’s disclosure controls and procedures relating to Current Reports on Form 8-K are as follows:

- Identification of multiple persons within the Company who are most likely to first become aware of each type of Form 8-K reportable event and the designation of such persons as the “Disclosure Coordinators” with respect to such reportable events. The 8-K reportable events listed on Exhibit A are current as of the date of adoption of this policy. Please confirm with a member of the Disclosure Committee to confirm whether the list of reportable events is still current.
- Training of all Disclosure Coordinators regarding (1) Form 8-K requirements (including the making of materiality assessments), (2) the process for internally communicating information about events that might trigger a Form 8-K reporting requirement, and (3) the specific reportable events for which such person has been identified as a Disclosure Coordinator.
- Review by the Disclosure Committee of all reports from the Disclosure Coordinators of events that might trigger a Form 8-K requirement so that a timely decision may be made regarding whether a Form 8-K should be filed.
- To the extent practicable in light of the filing deadline, distribution of the draft Form 8-K for review and comment to:
 - relevant business unit and functional heads, if any (including obtaining from each reviewing person confirmation that the portions of the report relevant to such person’s areas of responsibility are fairly and accurately presented, and do not omit any material information required to be disclosed);
 - the Disclosure Committee, CEO, and CFO;

- the independent auditor and the Audit Committee (to the extent the Form 8-K relates to financial matters);
 - outside securities counsel; and
 - any other relevant parties, as determined by the Disclosure Committee, the CEO, or the CFO.
- Performance of technical compliance check of the draft Form 8-K.
 - Final review of each Form 8-K by the CEO, CFO or another executive officer of the Company, followed by execution thereof by a duly authorized officer.

D. Preparation of Proxy Statements and Annual Report to Stockholders

The key elements of the Company’s disclosure controls and procedures relating to proxy statements and those portions of the annual report to stockholders that are not a part of the Annual Report on Form 10-K (the “Proxy Documents”) are as follows:

- Distribution of a timetable for the preparation of the Proxy Documents, including identification of responsible parties, dates for distribution of drafts and submission of comments, meetings of the Disclosure Committee and other significant aspects of the preparation process.
- Distribution and collection of Directors’, Officers’, and 5% Stockholders’ Questionnaires (“D&O Questionnaires”).
- Collection of information from Board of Director minutes, Compensation Committee and Audit Committee minutes, corporate compensation and equity incentive records, D&O Questionnaires, Schedules 13D and 13G, department managers, and other resources, as necessary.
- Communication with members of Compensation Committee and Audit Committee to discuss information to be included in their respective committee reports. Distribution of draft Compensation Committee Report to Compensation Committee members and distribution of draft Audit Committee Report to Audit Committee members, for review and comment.
- Communication with members of Compensation Committee and management to discuss information to be included in Compensation Discussion and Analysis (the “CD&A”). Distribution of draft CD&A to Compensation Committee members for review and comment.
- Performance of technical compliance check of draft Proxy Documents, and preparation of responses to any previously received SEC comments.
- Distribution of draft Proxy Documents for review and comment to:

- relevant business unit and functional heads (identifying, where appropriate, particularly relevant sections for review, and obtaining from each reviewing person confirmation that the portions of Proxy Documents relevant to such person’s areas of responsibility are fairly and accurately presented, and do not omit any material information required to be disclosed);
 - the Disclosure Committee, CEO, and CFO;
 - the independent auditor and outside securities counsel; and
 - the full Board of Directors.
- Final review of Proxy Documents by CEO and CFO.

IV. Internal Controls

A. Definition

The term “internal control over financial reporting” is defined by Rule 13a-15 under the Exchange Act and means a process designed by, or under the supervision of, the Company’s CEO and CFO and effected by the Company’s Board of Directors, management or other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

B. Description of the Company’s Internal Control over Financial Reporting

The Company’s internal control over financial reporting is documented more fully in the documentation regarding internal control over financial reporting as prepared in connection with Section 404 of the Sarbanes-Oxley Act. The key elements of the Company’s internal control over financial reporting that relate to the Company’s disclosure controls and procedures include the following:

- the capture of financial information in a Company-wide reporting system that generates financial reports that are regularly reviewed by various members of management;
- corporate policies limiting signing authority for significant transactions and contracts to a selected group of Company employees and requiring legal review of significant contracts prior to their execution;
- the periodic review and comparison of actual results to internal budgets and plans; and
- the various activities conducted by the Company's internal auditors.

Form 8-K Disclosure Events

The following table sets forth each Form 8-K reportable event:

Item No.	Item Description
1.01	Entry into a Material Definitive Agreement
1.02	Termination of a Material Definitive Agreement
1.03	Bankruptcy or Receivership
2.01	Completion of Acquisition or Disposition of Assets
2.02	Results of Operations and Financial Condition
2.03	Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant
2.04	Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement
2.05	Costs Associated with Exit or Disposal Activities
2.06	Material Impairments
3.01	Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing
3.02	Unregistered Sales of Equity Securities
3.03	Material Modification to Rights of Security Holders
4.01	Changes in Registrant's Certifying Accountant
4.02	Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review
5.01	Changes in Control of Registrant
5.02	Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers
5.03	Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year
5.04	Temporary Suspension of Trading Under Registrant's Employee Benefit Plans
5.05	Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics
5.06	Change in Shell Company Status (customarily

Item No.	Item Description
	inapplicable to operating companies)
5.07	Submission of Matters to a Vote of Security Holders
6.01 – 6.05	Items related to Asset-Backed Securities (generally inapplicable to operating companies)
7.01	Regulation FD Disclosure
8.01	Other Events
9.01	Financial Statements and Exhibits