



Whistleblower Policy

I. Purpose and Statement of Policy

Towerstream Corporation ("Towerstream" or "Company") encourages employees and other parties to report complaints or concerns regarding known or suspected violations of laws, rules, regulations or corporate policies to appropriate Towerstream personnel or through the Company's Whistleblower System (such reporting being referred to as "Required Reporting" and the employee referred to as a "Reporting Person"). Towerstream corporate policies subject to this requirement include those found within the Employee Handbook.

Section 301 of Sarbanes-Oxley requires the audit committee of a publicly listed company to establish a complaint notification, or whistleblower, system in order to facilitate the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters (collectively referred to as "Accounting Concerns").

This Complaint Notification Policy extends beyond accounting concerns and applies to any of the Company's business practices.

Section 806 of Sarbanes-Oxley provides protection to employees of public companies who provide information about actual or potential corporate fraud involving the Company. Towerstream strictly prohibits employees from retaliating in any manner against another Towerstream employee or other person for lawfully communicating matters related to:

- a. Accounting Concerns,
- b. Required Reporting,
- c. The violation or possible violation of any state or federal law, rule or regulation,

Prohibited retaliation includes the discharge, suspension, threatening or harassment of an employee (a "Prohibited Retaliation").

This policy assumes good faith in reporting concerns that are believed to be true by the complainant. Anyone making unfounded allegations that are proven to be reckless, malicious or with knowledge that the allegations were false may be subject to disciplinary action.

II. Procedures

The Company has established a variety of methods for a Reporting Person to voice their concerns and present their complaints:

A. Supervisor or Manager

Individuals should discuss their questions, concerns, or complaints with a Company supervisor or other official who can address them properly. In many cases, the individual's supervisor is in the best position to address a concern. If an individual is not comfortable speaking with the supervisor, or is not satisfied with the supervisor's response, individuals should take their concerns to any of the contacts listed below. All concerns or complaints will be confidentially addressed and/or investigated as appropriate.

B. Executive Level

Individuals may also elect to contact any of the executive level personnel set forth below:

1. William Bush, Director and Audit Committee Chairman
Email: wjbush5@gmail.com
Phone 925-980-0450
Cell: 925-980-0450
2. Joseph Herson, Chief Financial Officer
Email: jherson@towerstream.com
Phone: 401-848-5848 ext.220
Cell: 401-648-1839

C. Confidential 24/7 Hotline

Alternatively, individuals may report anonymously through an independent, third-party confidential hotline which is available 24 hours a day, 7 days a week:

1. Online: www.reportit.net
 - Click "Report it Online"
 - Click "report now"
 - Enter Username and Password:
Username: Anonymous
Password: Towerstream
2. Phone (toll-free): 1-877-778-5463
 - Give the operator the Username and Password:
Username: Anonymous
Password: Towerstream

Towerstream encourages employees to identify themselves because appropriate follow-up questions and investigation may not be possible if they don't.

Concerns expressed anonymously will be investigated, however consideration will be given to:

- the seriousness of the issue;
- the credibility of the concern; and
- the likelihood of confirming the allegation from reliable sources.

Employees are prohibited from trying to determine the identity of the individual(s) making an anonymous submission. Employees who know the identity of the individual(s) making an anonymous submission may not divulge such information to any other party.

D. Timing of Communication

Communications regarding Accounting Concerns, Required Reporting and the violation of Prohibited Retaliation should be reported as soon as a serious and credible cause for concern arises. Any notification alleging Prohibited Retaliation should be communicated within 90 days of the alleged Prohibited Retaliation.

E. Handling of Communication

All communications regarding Accounting Concerns, Required Reporting and Prohibited Retaliation shall be promptly forwarded to the Chairman of the Audit Committee. Such communications may be preceded, accompanied or followed by summaries or commentaries prepared by the initial recipient, as directed by the Audit Committee.

F. Response to Communication

All communications will be held in the strictest confidence. Unless anonymity has been requested, a Reporting Person will receive a follow-up communication within two weeks that will include the following:

- acknowledgment of receipt of the communication;
- indication of how the matter will be dealt with;
- an estimate of the time required to investigate;
- an update on the current status and process of the investigation; and
- subject to legal constraints, information about the outcome of the investigation.

G. Investigation

If the Audit Committee determines that further review or investigation is appropriate, it may delegate such matter to the Chief Financial Officer, the Vice President of Human Resources or such other persons as the Audit Committee

determines to be appropriate, including external legal counsel and external auditors. Any officer or agent appointed by the Audit Committee will investigate the matter promptly. In connection with a complaint of Prohibited Retaliation ("Retaliation Complaint"), the person accused of Prohibited Retaliation will be provided a copy of the Retaliation Complaint and any documents which the investigating party intends to use in the investigation.

The person accused of Prohibited Retaliation shall have an opportunity to respond to the Retaliation Complaint and to file a written statement which will be made part of the record submitted to the Audit Committee.

H. Decision

1. Accounting Concerns and Required Reporting

The Audit Committee will determine what remedial, corrective, disciplinary or other action is appropriate. If required, the Audit Committee will recommend a course of action to the Board of Directors.

2. Prohibited Retaliation

The Audit Committee or investigating officer or agent will reach a decision regarding the Retaliation Complaint and will communicate that decision to the complainant and to the person accused of Prohibited Retaliation. Such communication will not describe any disciplinary action which may be taken in connection with the Retaliation Complaint. The Board of Directors will determine what disciplinary action is appropriate.

I. Document Retention

All records and documentation related to any Accounting Concern or Prohibited Retaliation shall be retained by the Audit Committee for a period of five years.

Effective Date: January 17, 2014