

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by Registrant

Filed by Party other than Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

DUOS TECHNOLOGIES GROUP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of transaction:
(5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- (1) Amount previously paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

DUOS TECHNOLOGIES GROUP, INC.
6622 Southpoint Drive S., Suite 310
Jacksonville, Florida 32216
(904) 652-1601

**NOTICE OF ANNUAL
MEETING OF SHAREHOLDERS
TO BE HELD NOVEMBER 19, 2020**

TO OUR SHAREHOLDERS:

You are cordially invited to attend the Annual Meeting of Shareholders (the "Annual Meeting") of Duos Technologies Group, Inc., a Florida corporation (together with its subsidiaries, "Company", "Duos", "we", "us" or "our"), which will be held on November 19, 2020, at 11:00 A.M. ET at 6622 Southpoint Drive S., Suite 310, Jacksonville, Florida 32216, for the following purposes:

1. To elect five (5) directors to hold office for a one year term and until each of their successors are elected and qualified;
2. To ratify the appointment of SALBERG & COMPANY, P.A. as our independent certified public accounting firm for the fiscal year ending December 31, 2020; and
3. To transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

The foregoing items of business are more fully described in the Proxy Statement that is attached and made a part of this Notice. Only stockholders of record of our common stock, par value \$0.001 per share ("Common Stock") and Series B Convertible Preferred Stock, par value \$0.001 per share (the "Series B Preferred") which has the equivalent of 243,572 shares of Common Stock able to vote pursuant to the terms thereof at the close of business on October 9, 2020 (the "Record Date"), will be entitled to notice of, and to vote at, the Annual Meeting or any adjournment thereof.

All shareholders are cordially invited to attend the Annual Meeting in person. Your vote is important regardless of the number of shares you own. Only record or beneficial owners of Duos' Common Stock and Series B Preferred as of the Record Date may attend the Annual Meeting in person. When you arrive at the Annual Meeting, you must present photo identification, such as a driver's license. Beneficial owners also must provide evidence of stockholdings as of the Record Date, such as a recent brokerage account or bank statement.

Whether or not you expect to attend the Annual Meeting, please submit a proxy to vote your shares either via Internet, phone or by mail. If you choose to submit your proxy by mail, please complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope in order to ensure representation of your shares. It will help in our preparations for the meeting if you would check the box on the form of proxy if you plan on attending the Annual Meeting. Your proxy is revocable in accordance with the procedures set forth in the Proxy Statement.

We will be mailing a printed copy of our proxy materials, to each stockholder of record.

Accordingly, on or about October 19, 2020 we will begin mailing the proxy materials to all stockholders of record as of the Record Date.

By Order of the Board of Directors

/s/ Gianni Arcaini
Gianni Arcaini
Chairman

October 13, 2020
Jacksonville, Florida

YOUR VOTE IS IMPORTANT

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING IN PERSON, TO ASSURE THAT YOUR SHARES WILL BE REPRESENTED, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY WITHOUT DELAY IN THE ENCLOSED ENVELOPE, WHICH REQUIRES NO ADDITIONAL POSTAGE IF MAILED IN THE UNITED STATES. IF YOU ATTEND THE ANNUAL MEETING, YOU MAY VOTE IN PERSON IF YOU WISH TO DO SO EVEN IF YOU HAVE PREVIOUSLY SENT IN YOUR PROXY.

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6622 Southpoint Drive S., Suite 310
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(904) 652-1601

PROXY STATEMENT

**ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON NOVEMBER 19, 2020**

**GENERAL INFORMATION ABOUT THE PROXY
STATEMENT AND ANNUAL MEETING**

General

This Proxy Statement is being furnished to the shareholders of Duos Technologies Group, Inc. (together with its subsidiaries, the “Company”, “Duos”, “we”, “us” or “our”) in connection with the solicitation of proxies by our Board of Directors (the “Board of Directors” or the “Board”) for use at the Annual Meeting of Shareholders to be held on November 19, 2020 at 11:00 A.M. ET at 6622 Southpoint Drive S., Suite 310, Jacksonville, Florida 32216, and at any and all adjournments or postponements thereof (the “Annual Meeting”), for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. Accompanying this Proxy Statement is a proxy/voting instruction form (the “Proxy”) for the Annual Meeting, which you may use to indicate your vote as to the proposals described in this Proxy Statement. It is contemplated that this Proxy Statement and the accompanying form of Proxy will be first mailed to the Company’s shareholders on or about October 19, 2020.

The Company will solicit shareholders by mail through its regular employees and will request banks and brokers and other custodians, nominees and fiduciaries, to solicit their customers who have stock of the Company registered in the names of such persons and will reimburse them for reasonable, out-of-pocket costs. In addition, the Company may use the service of its officers and directors to solicit proxies, personally or by telephone, without additional compensation.

Why am I being provided with these proxy materials?

We have delivered printed versions of these proxy materials to you by mail in connection with the solicitation by our Board of proxies for the matters to be voted on at our Annual Meeting and at any adjournment or postponement thereof.

What do I do if my shares are held in “street name”?

If your shares are held in a brokerage account or by a bank or other holder of record, you are considered the “beneficial owner” of shares held in “street name.” As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by following their instructions for voting. Please refer to information from your bank, broker or other nominee on how to submit your voting instructions.

What if other matters come up at the Annual Meeting?

At the date this Proxy Statement went to press, we did not know of any matters to be properly presented at the Annual Meeting other than those referred to in this Proxy Statement. If other matters are properly presented at the meeting or any adjournment or postponement thereof for consideration, and you are a stockholder of record and have submitted a proxy card, the persons named in your proxy card will have the discretion to vote on those matters for you.

Voting Securities

Only shareholders of record as of the close of business on October 9, 2020 (the “Record Date”) will be entitled to vote at the Annual Meeting and any adjournment or postponement thereof. As of the Record Date, there were approximately 3,532,895 shares of Common Stock of the Company issued and outstanding and entitled to vote representing approximately 276 holders of record, 1,705 shares of Series B Preferred of the Company, issued and outstanding and entitled to vote on an as converted basis with the Common Stock, representing one holder of record up to the beneficial ownership limitation described in the Series B Preferred certificate of designation. Shareholders may vote in person or by proxy. Each holder of shares of Common Stock is entitled to one vote for each share of stock held on the proposals presented in this Proxy Statement. The Company’s Bylaws, as amended, provide that at least a majority of the outstanding shares of stock entitled to vote, whether present in person or represented by proxy, shall constitute a quorum for the transaction of business at the Annual Meeting. The enclosed Proxy reflects the number of shares that you are entitled to vote. Shares of Common Stock may not be voted cumulatively.

Voting of Proxies

All valid proxies received prior to the Annual Meeting will be voted. The Board of Directors recommends that you vote by proxy even if you plan to attend the Annual Meeting. You can vote your shares by proxy via Internet or mail. To vote via Internet, go to www.proxyvote.com and follow the instructions. To vote by mail, fill out the enclosed Proxy, sign and date it, and return it in the enclosed postage-paid envelope to Continental Stock Transfer & Trust Co., 1 State Street, Floor 30, New York City, New York 10275-0741. Voting by proxy will not limit your right to vote at the Annual Meeting if you attend the Annual Meeting and vote in person. However, if your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy executed in your favor, from the holder of record to be able to vote at the Annual Meeting.

Revocability of Proxies

All Proxies which are properly completed, signed and returned prior to the Annual Meeting, and which have not been revoked, will be voted in favor of the proposals described in this Proxy Statement unless otherwise directed. A shareholder may revoke his or her Proxy at any time before it is voted either by filing with the Secretary of the Company, at its principal executive offices located at 6622 Southpoint Drive S., Suite 310, Jacksonville, Florida 32216, a written notice of revocation or a duly-executed Proxy bearing a later date or by attending the Annual Meeting and voting in person.

Voting Procedures and Vote Required

The presence, in person or by proxy, of at least 50% of the issued and outstanding shares of Common Stock, including those shares representing voting rights of the Series B Preferred, entitled to vote at the Annual Meeting is necessary to establish a quorum for the transaction of business. Shares represented by proxies which contain an abstention, as well as "broker non-vote" shares (described below) are counted as present for purposes of determining the presence or absence of a quorum for the Annual Meeting.

All properly executed proxies delivered pursuant to this solicitation and not revoked will be voted at the Annual Meeting as specified in such proxies.

Vote Required for Election of Directors (Proposal No. 1). Our Articles of Incorporation, as amended, does not authorize cumulative voting. Florida law provides that directors are to be elected by a plurality of the votes of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors. This means that the five (5) candidates receiving the highest number of affirmative votes at the Annual Meeting will be elected as directors. Only shares that are voted in favor of a particular nominee will be counted toward that nominee's achievement of a plurality. Shares present at the Annual Meeting that are not voted for a particular nominee or shares present by proxy where the shareholder properly withheld authority to vote for such nominee will not be counted toward that nominee's achievement of a plurality.

Vote Required for Ratification of Auditors (Proposal No. 2). Florida law and our Bylaws, as amended, provide that, on all matters (other than the election of directors and except to the extent otherwise required by our Articles of Incorporation, as amended, or applicable Florida law), the affirmative vote of a majority of the shares present, in person or by proxy, and voting on the matter, will be required for approval. Accordingly, the affirmative vote of a majority of the shares present at the Annual Meeting, in person or by proxy, and voting on the matter, will be required to ratify the Board's selection of Salberg & Company, P.A as our independent auditors for the fiscal year ending December 31, 2020.

If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute "broker non-votes." Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. Brokers that have not received voting instructions from their clients cannot vote on their clients' behalf on "non-routine" proposals. Broker non-votes are counted for the purposes of obtaining a quorum for the Annual Meeting, and in tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote. The vote on Proposal No. 1 is considered "routine," the vote on Proposal No. 2 is considered "routine". Abstentions are counted as "shares present" at the Annual Meeting for purposes of determining the presence of a quorum but are not counted in the calculation of the vote.

Votes at the Annual Meeting will be tabulated by one or more inspectors of election appointed by the Chairman of the Board or some other member of the Company.

Shareholders will not be entitled to dissenter's rights with respect to any matter to be considered at the Annual Meeting.

Shareholders List

For a period of at least ten days prior to the Annual Meeting, a complete list of shareholders entitled to vote at the Annual Meeting will be available at the principal executive offices of the Company located at 6622 Southpoint Drive S., Suite 310, Jacksonville, Florida 32216 so that shareholders of record may inspect the list only for proper purposes.

Expenses of Solicitation

The Company will pay the cost of preparing, assembling and mailing this proxy-soliciting material, and all costs of solicitation, including certain expenses of brokers and nominees who mail proxy material to their customers or principals.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of October 9, 2020, information regarding beneficial ownership of our capital stock by:

- Each person, or group of affiliated persons, known by us to beneficially own more than 5% of our Common Stock;
- Each of our Named Executive Officers;
- Each of our directors; and
- All of our current executive officers and directors as a group.

Beneficial ownership is determined according to the rules of the Securities and Exchange Commission (the “SEC”) and generally means that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power of that security, including options that are currently exercisable or exercisable within sixty (60) days of the Record Date. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons named in the table below have sole voting and investment power with respect to all shares of Common Stock shown that they beneficially own, subject to community property laws where applicable.

Common Stock subject to stock options currently exercisable or exercisable within sixty (60) days of the Record Date are deemed to be outstanding for computing the percentage ownership of the person holding these options and the percentage ownership of any group of which the holder is a member but are not deemed outstanding for computing the percentage of any other person.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Duos Technologies Group, Inc., 6622 Southpoint Drive S., Suite 310, Jacksonville, Florida 32216.

Name and Address of Beneficial Owner ⁽¹⁾	Outstanding Common Stock ⁽²⁾	Percentage of Ownership of Common Stock ⁽³⁾
5% Beneficial Shareholders		
Bleichroder LP 1345 Avenue of the Americas, 4 th Floor New York, NY 10105 ⁽⁴⁾	542,901	15.35%
Justin W. Keener 111 Lincoln Road, Suite 400 Miami Beach, FL 33139 ⁽⁵⁾	444,038	9.99%
AIGH Capital Management 6006 Berkeley Avenue Baltimore MD 21209 ⁽⁶⁾	296,807	4.99%
Laurence W. Lytton 467 Central Park West New York, NY 10025 ⁽⁷⁾	283,000	8.01%
Pessin Family Holdings c/o Levy Harkins & Co, 388 Madison Ave, 14 th Floor New York, NY 10117 ⁽⁸⁾	491,977	9.99%
5% Beneficial Shareholders as a Group	2,257,533	48.33%
Officers and Directors		
Gianni B. Arcaini ⁽⁹⁾	228,316	6.27%
Adrian G. Goldfarb ⁽¹⁰⁾	39,356	1.10%
Kenneth Ehrman ⁽¹¹⁾	19,955	*%
Blair M. Fonda ⁽¹²⁾	18,735	*%
Ned Mavrommatis ⁽¹³⁾	12,838	*%
Connie L. Weeks ⁽¹⁴⁾	18,929	*%
Charles Ferry ⁽¹⁵⁾	0	*%
Officers and Directors as a Group (7 persons)	338,129	9.36%

*Denotes less than 1%

- (1) Beneficial ownership is determined in accordance with Rule 13D-3(a) of the Exchange Act and generally includes voting or investment power with respect to securities.
- (2) The shares in the table have been listed in accordance with 13-G filings made by the individual investors.
- (3) The percentages in the table have been calculated based on treating as outstanding for a particular person, all shares of our common stock outstanding on that date and all shares of our common stock issuable to that holder in the event of exercise of outstanding options, warrants, rights or conversion privileges owned by that person at that date which are exercisable within 60 days of that date. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our common stock owned by them, except to the extent that power may be shared with a spouse.
- (4) To the best of our knowledge, the organization who hold voting and dispositive control over the shares beneficially owned by Bleichroder LP is 21 April Fund, Ltd and 21 April Fund, LP.
- (5) Mr. Justin Keener beneficially holds 9.99% of the Company's issued and outstanding Common Stock. To the best of our knowledge, Mr. Keener holds 197,810 shares and warrants to purchase 444,038 shares of Common. However, the aggregate number of shares of Common Stock into which the warrants are exercisable and which Mr. Keener has the right to acquire beneficial ownership, is limited to the number of shares of Common Stock that, together with all other shares of Common Stock beneficially owned by Mr. Keener, does not exceed 9.99% of the total outstanding shares of Common Stock.
- (6) AIGH LP's General Partner and president of AIGH LLC is Mr. Orin Hirschman. To the best of our knowledge there are 153,949 shares beneficially owned by Mr. Hirschman excluding warrants to purchase 142,858 shares of common stock not exercisable because the reporting person's beneficial ownership is above 4.99%.
- (7) Mr. Laurance W. Lytton, owns 283,000 common shares. The ownership percentage is based upon the current issued and outstanding shares of 3,523,757.
- (8) Consists of (i) 102,972 shares of Common Stock owned by Norman H. Pessin, (ii) 71,430 shares of Common Stock owned by Sandra F. Pessin, and (iii) 75,002 shares of Common Stock owned by Brian L. Pessin. In addition, Sandra F. Pessin owns 1,705 shares of Series B Preferred which are convertible into 243,572 shares of Common Stock. The total number of shares of Common Stock into which the Preferred Stock is convertible and all other shares held by the Pessin Family to which they have the right to acquire beneficial ownership, is limited to the number of shares of Common Stock that, together with all other shares of Common Stock beneficially owned by the family, does not exceed 9.99% of the total outstanding shares of Common Stock
- (9) Mr. Arcaini has voting and investment control of the following shares: 50,669 shares of Common Stock, 50,039 warrants to purchase shares of Common Stock with an exercise price of \$14.00 per share which are currently exercisable and 50,358 options to purchase Common Stock with an exercise price of \$6.00 per share and 50,358 options to purchase Common Stock with an exercise price of \$4.74 per share all of which are currently exercisable; 18,081 shares of Common Stock held in the name of Robex International, Inc., a Florida corporation in which Mr. Arcaini owns 95% and has sole dispositive voting power over such shares; 8,492 warrants to purchase Common Stock with an exercise price of \$14.00 per share which are currently exercisable;
- (10) Mr. Goldfarb owns 5,198 shares of Common Stock, 12,799 warrants to purchase shares of Common Stock with an exercise price of \$9.10, and 2,430 warrants to purchase shares of Common Stock with an exercise price of \$14.00 per share all of which are currently exercisable. Includes 8,572 options to purchase shares of Common Stock with an exercise price of \$6.00 per share and 8,572 options to purchase common shares with an exercise price of \$4.74. 8,572 of these options are vested and are currently exercisable.
- (11) Kenneth Ehrman is a Director and serves as the Chairman of the Compensation Committee and Nominating Committee. He owns 11,383 shares of Common Stock and was granted 8,572 options to purchase shares of Common Stock with an exercise price of \$6.00 per share and 8,572 options to purchase common shares with an exercise price of \$4.74. 8,572 of these options are vested and are currently exercisable by Mr. Ehrman.
- (12) Blair Fonda is a Director and serves as Audit Committee Co-Chairman. Includes 10,163 shares of Common Stock and was granted 8,572 options to purchase shares of Common Stock with an exercise price of \$6.00 per share and 8,572 options to purchase common shares with an exercise price of \$4.74. 8,572 of these options are vested and are currently exercisable.
- (13) Ned Mavrommatis is a Director and serves as Audit Committee Co-Chairman. He owns 4,266 shares of Common Stock and was granted 8,572 options to purchase shares of Common Stock with an exercise price of \$6.00 per share and 8,572 options to purchase common shares with an exercise price of \$4.74. 8,572 of these options are vested and are currently exercisable.
- (14) Includes 8,572 options to purchase shares of Common Stock with an exercise price of \$6.00 per share and 8,572 options to purchase common shares with an exercise price of \$4.74. 8,572 of these options are vested and are currently exercisable.
- (15) Mr. Ferry was granted 100,000 non-qualified options upon his appointment as Chief Executive Officer. The exercise price is \$4.18 per share and none of these options are currently exercisable.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The Company's Board of Directors is currently comprised of five directors. A total of five directors will be elected at the Annual Meeting to serve until the next annual meeting of shareholders to be held in 2021, or until their successors are duly elected and qualified. Of the Board members whose term expires at the Annual Meeting, Ned Mavrommatis, Blair M. Fonda and Kenneth Ehrman are standing for reelection. In addition the Nominating Committee has nominated Charles P. Ferry, the Company's current Chief Executive Officer and Edmond L. Harris to be elected to the Board. The persons named as "Proxies" in the enclosed Proxy will vote the shares represented by all valid returned proxies in accordance with the specifications of the shareholders returning such proxies. If no choice has been specified by a shareholder, the shares will be voted FOR the nominees. If at the time of the Annual Meeting any of the nominees named below should be unable or unwilling to serve, which event is not expected to occur, the discretionary authority provided in the Proxy will be exercised to vote for such substitute nominee or nominees, if any, as shall be designated by the Board of Directors. If a quorum is present and voting, the nominees for directors receiving the highest number of votes will be elected. Abstentions and broker non-votes will have no effect on the vote.

NOMINEES FOR ELECTION AS DIRECTOR

Nominees

The persons nominated as directors are as follows:

Name	Age	Position
Kenneth Ehrman	51	Chairman
Charles P. Ferry	54	Chief Executive Officer, Director
Ned Mavrommatis	50	Director
Blair M. Fonda	54	Director
Edmond L. Harris	71	Director

Ned Mavrommatis, Blair M. Fonda and Kenneth Ehrman each serves as members of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

The following sets forth certain information about each of the director nominees:

Charles Ferry, Chief Executive Officer

Mr. Ferry combines over three years of experience in the energy industry and seven years in the defense contracting industry following 26 years of active duty service in the United States Army. Mr. Ferry was appointed as the Company's Chief Executive Officer effective as of September 1, 2020. Previously, Mr. Ferry had been involved in two companies in the defense industry holding positions including Director, Business Development and Operations; Vice President of Operations; and General Manager. From 2018 through 2020, Mr. Ferry was the Chief Executive Officer for APR Energy, a global fast-track power company. Prior to this, Mr. Ferry was the President and Chief Operating Officer of APR Energy from 2016 to 2018. From 2014 to 2016, Mr. Ferry was the General Manager for ARMA Global Corporation, a wholly owned subsidiary of General Dynamics, a defense contracting company that delivered Information Technology engineering, services, and logistics. Mr. Ferry was the Vice President of ARMA Global Corporation from 2010 to 2014 before being acquired by General Dynamics. From 2009 to 2010, Mr. Ferry was the Director, Business Development and Operations of Lockheed-Martin. Mr. Ferry has an undergraduate degree from Brigham Young University.

The Board believes that Mr. Ferry's extensive leadership experience in the energy and defense contracting industry as well as 26 years of active duty service in the United States Army makes him ideally qualified to help lead the Company towards continued growth and success.

Edmond L. Harris

From April 2010 until his retirement in April 2011, Mr. Harris served as Executive Vice President and Chief Operating Officer at Canadian Pacific Limited and Canadian Pacific Railway Company. He served as Executive Vice President of Operations at Canadian National Railway Company ("CN") from March 2005 to January 2007, as its Senior Vice President of Operations from July 2003 to March 2005, and as Chief Transportation Officer from January 2001 to June 2003. Mr. Harris also held various key operating positions at Illinois Central Railroad prior to its acquisition by CN. At Illinois Central Railroad and CN, Mr. Harris worked closely with E. Hunter Harrison, the Company's former President and Chief Executive Officer, to implement the Precision Scheduled Railroad model. Mr. Harris has also served as an independent rail operations consultant providing advice to various rail shippers and railroads, including CSX, from June 2007 to March 2010, and again following his retirement from Canadian Pacific Limited and Canadian Pacific Railway Company in April 2011. There is no arrangement or understanding between Mr. Harris and any other person pursuant to which he was nominated as a Director. There are no family relationships between Mr. Harris and any director or executive officer of the Company, and Mr. Harris is not a party to any transaction in which the Company is a participant.

The Board believes that Mr. Harris' extensive leadership experience in the railroad industry as well as 2.5 years of serving as both a Director and senior executive makes him ideally qualified to serve on the Board of Directors as an industry expert.

Ned Mavrommatis, Director

Mr. Ned Mavrommatis joined the Board on August 13, 2019 and serves as co-Chairman of the Audit Committee and a member of the Nominating and Compensation Committees. Mr. Mavrommatis has served as Chief Financial Officer of PowerFleet, Inc. ("PowerFleet") since October 2019. PowerFleet is a global leader and provider of subscription-based wireless IoT and M2M solutions for securing, controlling, tracking, and managing high-value enterprise assets such as industrial trucks, tractor trailers, containers, cargo, and vehicles and truck fleets. From August 1999 until October 2019 he served as Chief Financial Officer of I.D. Systems, Inc. Mr. Mavrommatis serves on the Board of PowerFleets' wholly owned subsidiary PowerFleet Israel and is also the Managing Director of PowerFleets' wholly owned subsidiaries, PowerFleet GmbH and PowerFleet Systems Ltd.

Mr. Mavrommatis received a Master of Business Administration in finance from New York University's Leonard Stern School of Business and a Bachelor of Business Administration in accounting from Bernard M. Baruch College, The City University of New York. Mr. Mavrommatis is also a Certified Public Accountant.

The Board believes that Mr. Mavrommatis' management experience, accounting expertise and long history and familiarity with industries the Company currently operates in, makes him ideally qualified to help lead the Company towards continued growth.

Blair M. Fonda, Director

Mr. Fonda was appointed as a Director on May 3, 2017 and serves as co-Chairman of the Audit Committee and a member of the Nominating and Compensation Committees. Since 2013, Mr. Blair Fonda has served as the Chief Financial Officer of Emergent Financial Partners ("EFP"). EFP is an accounting and consulting services firm which offers financial consulting services to businesses and organizations throughout the United States and the Caribbean Islands. From 2013 to 2016, Mr. Fonda was contracted through EFP to serve as the outside Chief Financial Officer of Mountainstar Capital Engagement, a private equity and commercial real estate company. From 2007 to 2013, Mr. Fonda served as the Vice President and Controller of the Hospitality Division of Gate Petroleum, an owner and operator of convenience stores, resorts, construction and real estate operations throughout the United States. Mr. Fonda has previously served as Controller for Enterprise Rent-a-Car. Mr. Fonda is a Certified Public Accountant (CPA).

The Board believes that Mr. Fonda's education and background qualify him as a financial expert. He has extensive and directly applicable accounting experience qualifying him to serve as Chairman of the Audit Committee.

Kenneth Ehrman, Director

Mr. Kenneth Ehrman joined the Board on January 31, 2019 and serves as Chairman of the Nominating and Compensation Committees and is a member of the Audit Compensation Committees. He currently serves as an independent consultant to several high-technology companies in supply chain/logistics and transportation. Mr. Ehrman advises technology companies focused on solutions for these industries and joins the Company with a strong background in technology. As an innovator in intelligent machine-to-machine (“M2M”) wireless technology and industrial applications of the Internet of Things (“IoT”), Mr. Ehrman has been awarded more than 20 patents in wireless communications, mobile data, asset tracking, power management, cargo and impact sensing, and connected car technology. Mr. Ehrman previously served as Chief Executive Officer of I.D. Systems, Inc. (“IDS”), a company he founded in 1993 as a Stanford University engineering student, pioneering the commercial use of radio frequency identification (“RFID”) technology for industrial asset management. Under Mr. Ehrman’s leadership, IDS began trading on the NASDAQ in 1999 and was named one of North America’s fastest growing technology companies by Deloitte in 2005, 2006, and 2012. During his tenure at IDS, Mr. Ehrman received multiple awards, including Deloitte Entrepreneur of the Year and Ground Support Worldwide Engineer/Innovator Leader. He also served on the Board of Financial Services, Inc. from 2012-2016 before it was successfully sold to a large financial software company.

The Board believes that Mr. Ehrman’s management experience, engineering expertise and long history and familiarity with industries the Company currently operates in, makes him ideally qualified to help lead the Company towards continued growth.

Required Vote

Our Articles of Incorporation, as amended, does not authorize cumulative voting. Florida law provides that directors are to be elected by a plurality of the votes of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors. This means that the five (5) candidates receiving the highest number of affirmative votes at the Annual Meeting will be elected as directors. Only shares that are voted in favor of a particular nominee will be counted toward that nominee’s achievement of a plurality. Shares present at the Annual Meeting that are not voted for a particular nominee or shares present by proxy where the shareholder properly withheld authority to vote for such nominee will not be counted toward that nominee’s achievement of a plurality.

At the Annual Meeting a vote will be taken on a proposal to approve the election of the five (5) director nominees.

RECOMMENDATION OF THE BOARD OF DIRECTORS:

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE ELECTION OF (I) CHARLES P. FERRY, (II) EDMOND L. HARRIS, (III) NED MAVROMMATIS, (IV) BLAIR M. FONDA, AND (V) KENNETH EHRMAN AS DIRECTORS.

CORPORATE GOVERNANCE

Board of Directors

The Board oversees our business affairs and monitors the performance of our management. In accordance with our corporate governance principles, the Board does not involve itself in day-to-day operations. The directors keep themselves informed through discussions with the Chief Executive Officer, other key executives, and by reading the reports and other materials sent to them and by participating in Board and committee meetings. Our directors hold office until the next annual meeting of shareholders and until their successors are elected and qualified or until their earlier resignation or removal, or if for some other reason they are unable to serve in the capacity of director.

Board Composition and Director Independence

Our board of directors currently consists of five members: Mr. Gianni B. Arcaini, Mr. Adrian G. Goldfarb, Mr. Ned Mavrommatis, Mr. Blair M. Fonda and Mr. Kenneth Ehrman. The directors will serve until the election of the nominees for director at the Annual Meeting and until their successors are duly elected and qualified. The Company defines “independent” as that term is defined in Rule 5605(a)(2) of the NASDAQ listing standards.

In making the determination of whether a member of the board is independent, our board considers, among other things, transactions and relationships between each director and his immediate family and the Company, including those reported under the caption “Related Party Transactions”. The purpose of this review is to determine whether any such relationships or transactions are material and, therefore, inconsistent with a determination that the directors are independent. Based on such review and its understanding of such relationships and transactions, our board affirmatively determined that Mr. Ned Mavrommatis, Blair M. Fonda and Mr. Kenneth Ehrman are qualified as independent and do not have any material relationship with us that might interfere with his exercise of independent judgment. Upon his election, the Board has determined that Mr. Harris qualifies “independent” as that term is defined in Rule 5605(a)(2) of the NASDAQ listing standards.

Board Meetings and Attendance

The Board held 4 in person meetings in 2019. All Board actions, not taken at a meeting, were taken via a unanimous written consent as permitted by Florida Law.

Stockholder Communications with the Board

Shareholders wishing to communicate with the Board, the non-management directors, or with an individual Board member may do so by writing to the Board, to the non-management directors, or to the particular Board member, and mailing the correspondence to: c/o Blair Fonda, 6622 Southpoint Drive S., Suite 310, Jacksonville, Florida 32216. The envelope should indicate that it contains a shareholder communication. All such shareholder communications will be forwarded to the director or directors to whom the communications are addressed.

Board Committees

Our Board of Directors has three (3) standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each committee has a charter, which is available on our website at <http://www.duostechologies.com/> Information contained on our website is not incorporated herein by reference. Each of the board committees has the composition and responsibilities described below. The members of these committees are:

Current Committee Composition

<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Nominating and Corporate Governance Committee</u>
Blair M. Fonda*	Blair M. Fonda	Blair M. Fonda
Ned Mavrommatis*	Ned Mavrommatis	Ned Mavrommatis
Kenneth Ehrman	Kenneth Ehrman*	Kenneth Ehrman*

* Denotes Chairman of committee.

Committee Composition after the Annual Meeting[†]

<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Nominating and Corporate Governance Committee</u>
Blair M. Fonda*	Blair M. Fonda	Blair M. Fonda
Ned Mavrommatis	Ned Mavrommatis*	Ned Mavrommatis
Kenneth Ehrman	Kenneth Ehrman	Kenneth Ehrman*

[†] Assumes the election of Blair M. Fonda, Ned Mavrommatis and Kenneth Ehrman, who have each been appointed to committees by resolution of the Board effective upon their election to the Board.

* Denotes Chairman of committee subject to election to the Board at the Annual Meeting.

Audit Committee

Our Audit Committee was established in accordance with Section 3(a)(58)(A) of the Exchange Act of 1934, as amended (the “Exchange Act”). Blair M. Fonda is a member of the Audit Committee and serves as its Chairman. Ned Mavrommatis and Kenneth Ehrman are members of the Audit Committee. Messrs. Fonda, Ehrman and Mavrommatis are “independent” within the meaning of Rule 10A-3 under the Exchange Act and the NASDAQ Stock Market Rules. Our Board has determined Mr. Fonda is an “audit committee financial expert”, as such term is defined in Item 407(d)(5) of Regulation S-K.

The Audit Committee oversees our accounting and financial reporting processes and oversee the audit of our financial statements and the effectiveness of our internal control over financial reporting. The specific functions of this Committee include, but are not limited to:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of reports from such firm;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures;
- monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;
- discussing our risk management policies;
- establishing policies regarding hiring employees from the independent registered public accounting firm and procedures for the receipt and retention of accounting related complaints and concerns;
- meeting independently with our independent registered public accounting firm and management;
- reviewing and approving or ratifying any related person transactions; and
- preparing the audit committee report required by SEC rules.

In 2019, Blair M. Fonda, the current Chairman of the Company’s Audit Committee, held approximately 4 telephonic meeting(s) with the Company’s Auditors. The Company’s Board of Directors were involved in reviewing the Company’s financial statements and auditor’s comments as well.

Compensation Committee

Blair Fonda, Kenneth Ehrman and Ned Mavrommatis are members of the Compensation Committee. Mr. Ehrman serves as Chairman. Messrs. Fonda, Ehrman and Mavrommatis are “independent” within the meaning of the NASDAQ Stock Market Rules. Messrs. Mavrommatis and Ehrman each qualify as a “non-employee director” under Rule 16b-3 of the Exchange Act. Our Compensation Committee assists the Board of Directors in the discharge of its responsibilities relating to the compensation of the Board of Directors and our executive officers.

The Committee's compensation-related responsibilities include, but are not limited to:

- reviewing and approving on an annual basis the corporate goals and objectives with respect to compensation for our Chief Executive Officer;
- reviewing, approving and recommending to our board of directors on an annual basis the evaluation process and compensation structure for our other executive officers;
- determining the need for and the appropriateness of employment agreements and change in control agreements for each of our executive officers and any other officers recommended by the Chief Executive Officer or board of directors;
- providing oversight of management's decisions concerning the performance and compensation of other company officers, employees, consultants and advisors;
- reviewing our incentive compensation and other equity-based plans and recommending changes in such plans to our board of directors as needed, and exercising all the authority of our board of directors with respect to the administration of such plans;
- reviewing and recommending to our board of directors the compensation of independent directors, including incentive and equity-based compensation; and
- selecting, retaining and terminating such compensation consultants, outside counsel or other advisors as it deems necessary or appropriate.

Nominating and Corporate Governance Committee

Blair Fonda, Kenneth Ehrman and Ned Mavrommatis are members of the Nominating and Corporate Governance Committee. Mr. Ehrman serves as Chairman. Messrs. Fonda, Ehrman and Mavrommatis are "independent" within the meaning of the NASDAQ Stock Market Rules. The purpose of the Nominating and Corporate Governance Committee is to recommend to the Board nominees for election as directors and persons to be elected to fill any vacancies on the Board, develop and recommend a set of corporate governance principles and oversee the performance of the Board.

It is anticipated that the Committee's responsibilities include:

- recommending to the board of director's nominees for election as directors at any meeting of stockholders and nominees to fill vacancies on the board;
- considering candidates proposed by stockholders in accordance with the requirements in the Committee charter;
- overseeing the administration of the Company's Code of Ethics;
- reviewing with the entire board of directors, on an annual basis, the requisite skills and criteria for board candidates and the composition of the board as a whole;
- the authority to retain search firms to assist in identifying board candidates, approve the terms of the search firm's engagement, and cause the Company to pay the engaged search firm's engagement fee;
- recommending to the board of directors on an annual basis the directors to be appointed to each committee of the board of directors;
- overseeing an annual self-evaluation of the board of directors and its committees to determine whether it and its committees are functioning effectively; and
- developing and recommending to the board a set of corporate governance guidelines applicable to the Company.

Family Relationships

There are no family relationships among any of our directors, director candidates or executive officers.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten (10) years:

- Been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- Had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;

- Been subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan or insurance activities, or to be associated with persons engaged in any such activity;
- Been found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated;
- Been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- Been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Except as set forth in our discussion below in “Certain Relationships and Related Transactions,” none of our directors or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the Commission.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires the Company’s directors, executive officers and persons who beneficially own 10% or more of a class of securities registered under Section 12 of the Exchange Act to file reports of beneficial ownership and changes in beneficial ownership with the SEC. Directors, executive officers and greater than 10% stockholders are required by the rules and regulations of the SEC to furnish the Company with copies of all reports filed by them in compliance with Section 16(a).

Based solely on our review of certain reports filed with the SEC pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended, the reports required to be filed with respect to transactions in our Common Stock during the fiscal year ended December 31, 2019, were timely.

Code of Ethics

The Company has adopted a Code of Ethics for adherence by its Chief Executive Officer and Chief Financial Officer, to ensure honest and ethical conduct; full, fair and proper disclosure of financial information in the Company’s periodic reports filed pursuant to the Securities Exchange Act of 1934; and compliance with applicable laws, rules, and regulations. Any person may obtain a copy of our Code of Ethics by mailing a request to the Company at 6622 Southpoint Drive S., Suite 310, Jacksonville, Florida 32216.

Director Compensation

Each independent director is entitled to receive \$15,000 per annum for service on our Board in 2019. In addition, Chairmen of committees are awarded an additional \$5,000 per annum in compensation in connection with their service in such capacity.

The following table summarizes data concerning the compensation of our non-employee directors for the year ended December 31, 2019.

	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)(5)	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Blair Fonda (1)	10,000	10,000	—	—	—	—	20,000
Alfred J. (Fred) Mulder (2)	9,792	—	—	—	—	—	9,792
Kenneth Ehrman (3)	9,167	9,167	13,768	—	—	—	32,102
Ned Mavrommatis (4)	3,750	3,750	9,096	—	—	—	16,596

(1) Blair Fonda was appointed to the board on May 3, 2017 and currently serves as Co-Chairman of the Audit Committee.

(2) Fred Mulder resigned as of July 1, 2019.

(3) Kenneth Ehrman was appointed to the board in January 2019 and assumed responsibility of Chairman of the Compensation Committee and was not awarded any compensation in 2018.

(4) Ned Mavrommatis was appointed to the board on August 13, 2019 and assumed the responsibility of Co-Chairman of the Audit Committee.

(5) The Company estimates the fair value of stock options granted using the Black-Scholes option-pricing formula. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period. The Company's determination of fair value using an option-pricing model is affected by the stock price as well as assumptions regarding the number of highly subjective variables. The Company estimates volatility based upon the historical stock price of the Company and estimates the expected term for employee stock options using the simplified method for employees and directors and the contractual term for non-employees. The risk-free rate is determined based upon the prevailing rate of United States Treasury securities with similar maturities.

Executive Compensation

The compensation provided to our Named Executive Officers for 2019 and 2018 is set forth in detail in the Summary Compensation Table and other tables and the accompanying footnotes and narrative that follow this section. This section explains our executive compensation philosophy, objectives and design, our compensation-setting process, our executive compensation program components and the decisions made for compensation in respect of 2016 for each of our Named Executive Officers.

Compensation-Setting Process/Role of Our Compensation Committee

The Compensation Committee has responsibility for the Company's compensation practices with appropriate approval and general oversight from the Board. This responsibility includes the determination of compensation levels and awards provided to the Named Executive Officers. The Compensation Committee provides a recommendation for the performance review and any compensation adjustments to the Board for approval. Grants of equity-based compensation are approved by the Compensation Committee in accordance with the Company's stock incentive and award plan established by the Compensation Committee.

Base Salary

We provide base salary as a fixed source of compensation for our executive officers, allowing them a degree of certainty when having a meaningful portion of their compensation "at risk" in the form of equity awards covering the shares of a Company for whose shares there has been limited liquidity to date. The Board recognizes the importance of base salaries as an element of compensation that helps to attract highly qualified executive talent.

Base salaries for our executive officers were established primarily based on individual negotiations with the executive officers when they joined us and reflect the scope of their anticipated responsibilities, the individual experience they bring, the Board members' experiences and knowledge in compensating similarly situated individuals at other companies, our then-current cash constraints and a general sense of internal pay equity among our executive officers and key personnel.

The Compensation Committee does not apply specific formulas in determining base salary increases. Actual base salaries may differ from the competitive market rates target as a result of various other factors including relative depth of experience, prior individual performance and expected future contributions, internal pay equity considerations within our Company and the degree of difficulty in replacing the individual.

Summary Compensation Table

The compensation provided to our Named Executive Officers for 2019 and 2018 is set forth in detail in the Summary Compensation Table and other tables and the accompanying footnotes and narrative that follow this section. This section explains our executive compensation philosophy, objectives and design, our compensation-setting process, our executive compensation program components and the decisions made for compensation in respect of 2016 for each of our Named Executive Officers.

Our Named Executive Officers who appear in the 2019 and 2018 Summary Compensation Table are:

Gianni B. Arcaini	Former Chief Executive Officer; President
Adrian G. Goldfarb	Chief Financial Officer, EVP
Connie L. Weeks	Chief Accounting Officer, EVP

Summary Compensation Table

The following table sets forth the total compensation received for services rendered in all capacities to our Company for the fiscal years ended December 31, 2019 and 2018, which was awarded to, earned by, or paid to our Named Executive Officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock (\$)	Options (\$)	Other Comp. (\$)	Total (\$)
Charles Ferry, Chief Executive Officer ⁽¹⁾	2019	—	—	—	—	—	—
	2018	—	—	—	—	—	—
Gianni B. Arcaini, Chairman of the Board, Former Chief Executive Officer, President, Director (PEO)	2019	249,260	143,411 ⁽²⁾	—	—	25,382 ⁽³⁾	418,053
	2018	249,260	183,386 ⁽²⁾	—	144,384 ⁽⁴⁾	27,116 ⁽⁵⁾	604,146
Adrian G. Goldfarb, Chief Financial Officer, EVP, Director (PFO)	2019	180,250	—	—	—	7,500 ⁽⁶⁾	187,750
	2018	175,000	5,000	—	54,272 ⁽⁷⁾	5,625 ⁽⁶⁾	240,397
Connie L. Weeks, Chief Accounting Officer, EVP	2019	150,000	—	—	—	—	150,000
	2018	148,338	14,451	—	54,272 ⁽⁸⁾	—	217,061

(1) Mr. Ferry was appointed as Chief Executive Officer of the Company on September 1, 2020.

(2) Represents an amount equal to 1% of annual revenues to which Mr. Arcaini is entitled under the terms of his employment and taxes paid on the behalf of Mr. Arcaini for conversion of previously deferred compensation into common stock.

(3) Comprised of \$18,000 annual car allowance, and \$7,382 in Company paid membership dues and subscriptions, respectively.

- (4) During the second quarter of 2018, 160,152 incentive stock options were issued to staff and Directors under the 2016 Equity Compensation plan. All the options have a \$14.00 strike price. Option compensation is the fair market value of 50,358 options granted to Mr. Arcaini which are fully vested. The fair value of the incentive stock option grants for the year ended December 31, 2018 estimated using the following weighted- average assumptions:

	For the Years Ended December 31,	
	2019	2018
Risk free interest rate	1.40% - 2.44%	2.59%
Expected term in years	2.76 – 3.25	2.5 – 2.76
Dividend yield	—	—
Volatility of common stock	117.18% - 151.43%	197.13% - 207.27%
Estimated annual forfeitures	—	—

The Company estimates the fair value of stock options granted using the Black-Scholes option-pricing formula. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period. The Company's determination of fair value using an option-pricing model is affected by the stock price as well as assumptions regarding the number of highly subjective variables.

The Company estimates volatility based upon the historical stock price of the Company and estimates the expected term for employee stock options using the simplified method for employees and directors and the contractual term for non-employees. The risk-free rate is determined based upon the prevailing rate of United States Treasury securities with similar maturities.

- (5) Comprised of \$18,000 annual car allowance, \$2,741 and \$6,154 in Company paid membership dues and subscriptions, respectively.
(6) Comprised of \$5,625 annual car allowance in 2018 and \$7,500 annual car allowance in 2019.
(7) Option compensation is the fair market value of 18,929 options granted to Mr. Goldfarb which are fully vested.
(8) Option compensation is the fair market value of 18,929 options granted to Ms. Weeks which are fully vested.

Employment Agreements

Charles Ferry

On September 1, 2020, the Company entered into an employment agreement (the "Ferry Employment Agreement") with Charles Ferry pursuant to which Mr. Ferry serves as Chief Executive Officer of the Company. The Ferry Employment Agreement is for a term of one year (the "Initial Term") and shall be automatically extended for additional terms of successive one-year periods (the "Additional Term") unless the Company or Mr. Ferry gives at least 60 days written notice of non-renewal prior to the expiration of the Initial Term or each Additional Term. Mr. Ferry is to receive a base salary at the annual rate of Two Hundred Fifty Thousand Dollars (\$250,000). Mr. Ferry is eligible for a one-time cash incentive bonus in the amount of up to Fifty Thousand Dollars (\$50,000) in accordance with criteria determined by the Board and based on the review and recommendation of the Compensation Committee. Mr. Ferry is also eligible for an annual performance bonus in an amount up to One Hundred Fifty Thousand Dollars (\$150,000) per year in accordance with criteria, including but not limited to revenue targets, profitability and other key performance indicators. The Ferry Employment Agreement can be terminated with or without cause at any time during the Initial Term or during an Additional Term of the Ferry Employment Agreement. If Mr. Ferry is terminated by the company without cause, he is entitled to his base salary for a period of six months. If Mr. Ferry terminates for "Good Reason" (as defined in the Ferry Employment Agreement), he shall continue to receive his base salary, awarded bonus amounts and all benefits owed to the end of the term. As a full-time employee of the Company, Mr. Ferry is eligible to participate in all the Company's benefit programs.

Gianni B. Arcaini

On April 1, 2018, the Company entered into an employment agreement (the "Arcaini Employment Agreement") with Gianni B. Arcaini, pursuant to which Mr. Arcaini served as Chief Executive Officer and Chairman of the Board of Directors of Duos Technologies Group, Inc. Under the Arcaini Employment Agreement, Mr. Arcaini is paid an annual salary of \$249,260 and an annual car allowance of \$18,000. In addition, as incentive-based compensation, Mr. Arcaini is entitled to 1% of annual gross revenues of the Company and its subsidiaries.

Effective July 17, 2020, the Company and Mr. Arcaini entered into a separation agreement (the "Separation Agreement"), pursuant to which the Arcaini Employment Agreement was terminated, effective on September 1, 2020.

Adrian G. Goldfarb

On April 1, 2018, the Company entered into an employment agreement (the "Goldfarb Employment Agreement") with Adrian G. Goldfarb, pursuant to which Mr. Goldfarb serves as Chief Financial Officer, Executive Vice President and Director of Duos Technologies Group, Inc. During 2019, Mr. Goldfarb was paid an annual salary of \$180,250 and an annual car allowance of \$7,500. The Goldfarb Employment Agreement had an initial term through March 31, 2019, subject to renewal for successive one-year terms unless either party gives the other notice of that party's election to not renew at least 60 days prior to the expiration of the then-current term. The Goldfarb Employment Agreement remains in effect through March 31, 2020. The Goldfarb Employment Agreement was approved by the Compensation Committee and it is anticipated that Mr. Goldfarb's compensation terms will be revisited in the future by the Compensation Committee of the Company's Board.

Potential Payments upon Change of Control or Termination following a Change of Control and Severance

The Goldfarb Employment Agreement contains certain provisions for early termination, which may result in a severance payment equal to one year of base salary then in effect. Generally, we do not provide any severance specifically upon a change in control, nor do we provide for accelerated vesting upon change in control.

Connie L. Weeks

On April 1, 2018, the Company entered into an employment agreement (the "Weeks Employment Agreement") with Connie L. Weeks, pursuant to which Ms. Weeks serves as Chief Accounting Officer, and Executive Vice President of Duos Technologies Group, Inc. During 2019, Ms. Weeks was paid an annual salary of \$150,000. The Weeks Employment Agreement had an initial term that extended through March 31, 2019, subject to renewal for successive one-year terms unless either party gives notice of that party's election to not renew to the other party at least 60 days prior to the expiration of the then-current term. The Weeks Employment Agreement remains in effect through March 31, 2020. The Weeks Employment Agreement was approved by the Compensation Committee and it is anticipated that Ms. Weeks's compensation terms will be revisited in the future by the Compensation Committee of the Company's Board.

Potential Payments upon Change of Control or Termination following a Change of Control and Severance

The Weeks Employment Agreement contains certain provisions for early termination, which may result in a severance payment equal to two-years of base salary then in effect. Generally, we do not provide any severance specifically upon a change in control, nor do we provide for accelerated vesting upon change in control.

Outstanding Equity Awards at Fiscal Year-End 2019

There were no outstanding equity awards at December 31, 2019.

Certain Relationships and Related Transactions, and Director Independence.

On August 1, 2012, the Company entered into independent contractor master services agreement (the "Services Agreement") with Luceon, LLC, a Florida company, owned by our Chief Technology Officer, David Ponevac. The Services Agreement provides that Luceon will provide support services including management, coordination or software development services and related services to Duos. In January 2019, additional services were contracted with Luceon for TrueVue360 primarily for software development through the provision of 7 additional full-time contractors located in Slovakia at a cost of \$16,250 for January initially, rising to \$25,583 after fully staffed, per month starting February 2019. This is in addition to the existing contract of \$7,480 per month for Duos Technologies, Inc for 4 full-time contractors which increased to \$8,231 per month in June of 2019. The total amount expensed to Luceon for 2019 is \$392,680.

Policy on Future Related Party Transactions

The Company requires that any related party transactions must be approved by a majority of the Company's independent directors.

COMPENSATION COMMITTEE REPORT

Recommendations of the Compensation Committee. The Compensation Committee of the Board is currently comprised of Ned Mavrommatis, Kenneth Ehrman and Blair M. Fonda, each of whom the Board has determined to be independent. This report shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”) or the Securities Exchange Act of 1934, as amended (the “Exchange Act”) by virtue of any general statement in such filing incorporating the Annual Report by reference, except to the extent that the Company specifically incorporates the information contained in this section by reference and shall not otherwise be deemed filed under either the Securities Act or the Exchange Act.

The Compensation Committee has reviewed and discussed with management the disclosure regarding Executive Compensation contained in this proxy statement for the Annual Meeting. Based on the review and discussions, the Compensation Committee recommended to the Board that such disclosure be included in this proxy statement.

This Compensation Report has been furnished by the Compensation Committee of the Board.

Ned Mavrommatis
Blair M. Fonda
Kenneth Ehrman, Chairman

AUDIT COMMITTEE REPORT

The following Report of the Audit Committee (the "Audit Report") does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates this Audit Report by reference therein.

Role of the Audit Committee

The Audit Committee oversees our accounting and financial reporting processes and oversee the audit of our financial statements and the effectiveness of our internal control over financial reporting. The specific functions of this Committee include, but are not limited to:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of reports from such firm;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures;
- monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;
- discussing our risk management policies;
- establishing policies regarding hiring employees from the independent registered public accounting firm and procedures for the receipt and retention of accounting related complaints and concerns;
- meeting independently with our independent registered public accounting firm and management;
- reviewing and approving or ratifying any related person transactions; and
- preparing the audit committee report required by SEC rules.

With respect to the Company's outside auditors, the Audit Committee, among other things, discussed with Salberg & Company, P.A. matters relating to its independence, including the disclosures made to the Audit Committee as required by the Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees).

Recommendations of the Audit Committee. In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board that the Board approve the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, for filing with the SEC.

This report has been furnished by the Audit Committee of the Board.

Blair M. Fonda, co-Chairman
Ned Mavrommatis, co-Chairman
Kenneth Ehrman

PROPOSAL NO. 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board has appointed Salberg & Company, P.A. (“Salberg”), as our independent registered public accounting firm to examine the consolidated financial statements of the Company for fiscal year ending December 31, 2020. The Board seeks an indication from shareholders of their approval or disapproval of the appointment.

Salberg will audit our consolidated financial statements for the fiscal year ended December 31, 2020. We anticipate that a representative of Salberg will be present by telephone at the Annual Meeting, will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions.

Our consolidated financial statements for the fiscal year ended December 31, 2019 were audited by Salberg.

In the event shareholders fail to ratify the appointment of Salberg, the Board of Directors will reconsider this appointment. Even if the appointment is ratified, the Board of Directors, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Board of Directors determines that such a change would be in the interests of the Company and its shareholders.

The following table presents for each of the last two fiscal years the aggregate fees billed in connection with the audits of our financial statements and other professional services rendered by our independent registered public accounting firm Salberg & Company, P.A.

	<u>2019</u>	<u>2018</u>
Audit Fees (1)	\$ 94,906	\$ 97,065
Audit-Related Fees (2)	27,412	9,927
Tax Fees (3)	—	—
All Other Fees (4)	—	—
Total Accounting fees and Services	<u>\$ 122,318</u>	<u>\$ 106,992</u>

(1) *Audit Fees*. These are fees for professional services for the audit of our annual financial statements, and for the review of the financial statements included in our filings on Form 10-K and Form 10-Q, and for services that are normally provided in connection with statutory and regulatory filings or engagements.

(2) *Audit-Related Fees*. These are fees for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the registrant’s financial statements.

(3) *Tax Fees*. These are fees for professional services rendered by the principal accountant with respect to tax compliance, tax advice, and tax planning.

(4) *All Other Fees*. These are fees for products and services provided by the principal accountant, other than the services reported above.

Audit Committee Pre-Approval Policies and Procedures

The Company’s Audit Committee has adopted policies and procedures that shall require the pre-approval by the Audit Committee of all fees paid to, and all services performed by, the Company’s independent accounting firms. At the beginning of each year, the Audit Committee shall approve the proposed services, including the nature, type and scope of services contemplated and the related fees, to be rendered by these firms during the year. In addition, Audit Committee pre-approval is also required for those engagements that may arise during the course of the year that are outside the scope of the initial services and fees pre-approved by the Audit Committee.

The affirmative vote of the holders of a majority of the Company’s Common Stock represented and voting at the Annual Meeting either in person or by proxy will be required for approval of this proposal. Neither abstentions nor broker non-votes shall have any effect on the outcome of this vote.

RECOMMENDATION OF THE BOARD OF DIRECTORS:

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE RATIFICATION OF SALBERG AS THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

FUTURE SHAREHOLDER PROPOSALS

The Board has not yet determined the date on which the next Annual Meeting of shareholders will be held. Shareholders may submit proposals on matters appropriate for shareholder action at annual meetings in accordance with the rules and regulations adopted by the Securities and Exchange Commission and the Company's Bylaws. Any proposal which an eligible shareholder desires to have included in our Proxy Statement and presented at the next Annual Meeting of Shareholders will be included in our Proxy Statement and related proxy card if it is received by us a reasonable time before we begin to print and send our proxy materials and if it complies with Securities and Exchange Commission rules regarding inclusion of proposals in proxy statements. In order to avoid controversy as to the date on which we receive a proposal, it is suggested that any shareholder who wishes to submit a proposal submit such proposal by certified mail, return receipt requested. Notices should be directed to: Duos Technology Group, Inc., at 6622 Southpoint Drive S., Suite 310, Jacksonville, Florida 32216, Attention: Secretary.

Other deadlines apply to the submission of shareholder proposals for the next Annual Meeting that are not required to be included in our proxy statement under Securities and Exchange Commission rules. With respect to these shareholder proposals for the next Annual Meeting, a shareholder's notice must be received by us a reasonable time before we begin to print and send our proxy materials. The form of proxy distributed by the Board of Directors for such meeting will confer discretionary authority to vote on any such proposal not received by such date. If any such proposal is received by such date, the proxy statement for the meeting will provide advice on the nature of the matter and how we intend to exercise our discretion to vote on each such matter if it is presented at that meeting.

AVAILABILITY OF ANNUAL REPORT ON FORM 10-K AND HOUSEHOLDING

A copy of the Company's Annual Report on Form 10-K as filed with the SEC is available upon written request and without charge to shareholders by writing to the Company at Duos Technology Group, Inc., at 6622 Southpoint Drive S., Suite 310, Jacksonville, Florida 32216 or by calling telephone number (904) 652-1616. Additionally, a copy of the Company's Annual Report on Form 10-K as filed with the SEC is available on the Company's website at <https://ir.duostechologies.com/>

In certain cases, only one Proxy Statement may be delivered to multiple shareholders sharing an address unless the Company has received contrary instructions from one or more of the shareholders at that address. The Company will undertake to deliver promptly upon written or oral request a separate copy of the Proxy Statement, as applicable, to a shareholder at a shared address to which a single copy of such documents was delivered. Such request should also be directed to Chief Executive Officer, Duos Technology Group, Inc., at the address or telephone number indicated in the previous paragraph. In addition, shareholders sharing an address can request delivery of a single copy of Proxy Statements if they are receiving multiple copies of Proxy Statements by directing such request to the same mailing address.

OTHER BUSINESS

We have not received notice of and do not expect any matters to be presented for vote at the Annual Meeting, other than the proposals described in this Proxy Statement. If you grant a proxy, the person named as proxy holder, Charles Ferry, or their nominees or substitutes, will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting. If for any unforeseen reason, any of our nominees are not available as a candidate for director, the proxy holder will vote your proxy for such other candidate or candidates nominated by our Board.

ADDITIONAL INFORMATION

We are subject to the information and reporting requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith, we file periodic reports, documents and other information with the SEC relating to our business, financial statements and other matters. Such reports and other information may be inspected and are available for copying at the offices of the SEC, 100 F Street, N.E., Washington, D.C. 20549 or may be accessed at www.sec.gov. Information regarding the operation of the public reference rooms may be obtained by calling the SEC at 1-800-SEC-0330. You are encouraged to review our Annual Report on Form 10-K, together with any subsequent information we filed or will file with the SEC and other publicly available information.

OTHER MATTERS

We have not received notice of and do not expect any matters to be presented for vote at the Annual Meeting, other than the proposals described in this Proxy Statement. If you grant a proxy, the person named as proxy holder, Charles Ferry, or their nominees or substitutes, will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting. If for any unforeseen reason, any of our nominees are not available as a candidate for director, the proxy holder will vote your proxy for such other candidate or candidates nominated by our Board.

It is important that the proxies be returned promptly and that your shares be represented. Stockholders are urged to mark, date, execute and promptly return the accompanying proxy card.

October 13, 2020

By Order of the Board of Directors,

/s/ Adrian G. Goldfarb

Adrian G. Goldfarb

Director

YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.

Vote by Internet – QUICK *** EASY
IMMEDIATE – 24 Hours a Day, 7 Days a Week or by Mail

**DUOS TECHNOLOGIES
GROUP, INC.**

Your Internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card. Votes submitted electronically over the Internet must be received by 11:59 p.m., Eastern Time, on November 18, 2020.



INTERNET/MOBILE —

www.cstproxyvote.com

Use the Internet to vote your proxy. Have your proxy card available when you access the above website. Follow the prompts to vote your shares.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**PLEASE DO NOT RETURN THE PROXY CARD
IF YOU ARE VOTING ELECTRONICALLY.**



MAIL – Mark, sign and date your proxy card and return it in the postage-paid envelope provided.

▲ FOLD HERE • DO NOT SEPARATE • INSERT IN ENVELOPE PROVIDED ▲

PROXY

Please mark
your vote
here



The Board of Directors recommends you vote FOR the following:

1. Election of Directors Nominees:

- (1) Charles P. Ferry
- (2) Edmond L. Harris
- (3) Ned Mayrommatis
- (4) Blair M. Fonda
- (5) Kenneth Ehman

	For All	Withhold All	For All Except
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. To ratify the appointment of SALBERG & COMPANY, P.A. as the independent registered public accounting firm of the Company.
- | | | |
|--------------------------|--------------------------|--------------------------|
| FOR | AGAINST | ABSTAIN |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Board of Directors recommends you vote FOR proposal 2.

To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

CONTROL NUMBER

Signature _____ Signature, if held jointly _____ Date _____, 2020

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

**Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting:**

**The Notice and Proxy Statement and Form 10-K are available at
<https://www.cstproxy.com/duostechologies/2020>**

▲ FOLD HERE - DO NOT SEPARATE - INSERT IN ENVELOPE PROVIDED ▲

PROXY

DUOS TECHNOLOGIES GROUP, INC.

Annual Meeting of Shareholders

November 19, 2020 11:00 AM, ET

This proxy is solicited by the Board of Directors

The shareholder(s) hereby appoint(s) Charles Ferry, Chief Executive Officer of Duos Technology Group, Inc., as Proxy with full power of substitution to vote all the shares of Common Stock which the undersigned would be entitled to vote if personally present at the Annual Meeting of Shareholders to be held on November 19, 2020, at 11:00 AM, ET, at 8822 Southpoint Drive S., Suite 310, Jacksonville, Florida 32216 or at any postponement or adjournment thereof, and upon any and all matters which may properly be brought before the Annual Meeting or any postponement or adjournments thereof, hereby revoking all former proxies.

**THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN.
IF NO SUCH DIRECTION IS MADE, THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE
BOARD OF DIRECTORS' RECOMMENDATIONS.**

(Continued and to be marked, dated and signed, on the other side)