UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
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FORM 10-K

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! ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2016

OR

" TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

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RELM WIRELESS CORPORATION

(Exact name of registrant as specified in its charter)

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Nevada	001-32644	59-3486297
(State or other jurisdiction of incorporation or organization)	(Commission file number)	(I.R.S. Employer Identification No.)

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PART I

Item 1. Business

General

RELM Wireless Corporation (ÒRELM,Ó the ÒCompany,Ó ÒweÓ or ÒusÓ) provides two-way radio communications equipment of high quality and reliability.

In business for 70 years, RELM (NYSs

Reference Room, 100 F Street, N.E., Washington, D.C. 20549, on official business days during the hours of 10 a.m. to 3 p.m., or by calling the SEC at 1-800-SEC-0330.

Significant Events of 2016

The Company received awards under the U.S. Department of Homeland Security ("DHS") Tactical Communications Contract totaling approximately $26.2 million for portable radios, repeaters, accessories and services in September 2015. The awards were comprised of a one-year base term that concluded on September 28, 2016, and four one-year options. The first option year was partially exercised immediately, and the remainder of the first option year was exercised in June 2016. Approximately $15.5 million, or almost 60% of the total amount, was specified in delivery orders. Shipments under the delivery orders were completed in 2016. The contract term has been extended for one additional year to September 27, 2017, but the exercise, if any, of the subsequent option years is not specified or guaranteed.

In February 2016, the Company received an additional order from the TSA totaling $4.2 million for accessories. This order was fulfilled as of September 30, 2016.

In May 2016, the Company announced and began implementing a capital return program that included a stock repurchase program and a quarterly dividend. Under the program, the Company's Board of Directors of tCei5ai8..opnded th

to end-users or through two-way communications dealers. Government and public safety sales represented approximately 97%, 90% and 95% of our total sales for 2016, 2015 and 2014, respectively.

Government and public safety users currently use products that employ either P25 digital or analog technology. However, public safety users in federal, state and local government agencies and certain other countries are migrating to solely using digital P25 products. The evolution of the standard and compliant digital products is explained in the ÒIndustry OverviewÓ section at the beginning of this report.

Business and Industrial Market

This market includes enterprises of all sizes that require fast and affordable push-to-talk communication among a discrete group of users, such as corporate disaster recovery, hotels, construction firms, schools and transportation service providers. Users in this market continue to predominantly utilize analog products. We offer products to this market under the RELM brand name. Our sales in this market may be direct to end-users or to dealers and distributors who then resell the products. Our sales to this market represented approximately 3%, 10% and 5% of our total sales for 2016, 2015 and 2014, respectively.

Engineering, Research and Development

Our engineering and product development activities are conducted by a team of 27 employees combined with contract engineering resources. Their primary development focus has been the design of our line of next-generation P25 digital products, the KNG and KNG2 Series, and related capabilities. The first models in the KNG line were introduced in 2008 and are included on our primary federal contract vehicles. Subsequently, we added UHF and 700/800MHz products, as well as P25 Phase I FDMA (Frequency Division Multiple Access) trunking and P25 Phase II TDMA (Time Division Multiple Access) trunking. The KNG2 Series was introduced in 2016. Our P25 products also provide encrypted operation, GPS location services and network authentication services.

A segment of our engineering team is responsible for product specifications based on customer requirements and supervising quality assurance activities. They also have primary responsibility for applied engineering, production engineering and the specification compliance of contract manufacturers.

For 2016, 2015 and 2014, our engineering and development expenses were approximately $4.1 million, $3.6 and $3.7million, respectively.

Intellectual Property

We presently have no United States patents in force. We hold several trademarks related to the names ÒRELMÓ ÒBK RadioÓ and certain product names. We also rely on trade secret laws and employee and third-party nondisclosure agreements to protect our intellectual property rights.

Manufacturing and Raw Materials

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in some cases, the suppliers. We retain all document control. We also work with our contract manufacturers to improve process control and product design and conduct periodic on-site inspections.

We rely upon a limited number of both domestic and foreign suppliers for several key products and components. Approximately 70% of our material, subassembly and product procurements in 2016 were sourced from three suppliers. We place purchase orders from time to time with these suppliers and have no guaranteed supply arrangements. In addition, adopted from time to time by the FCC or regulatory agencies in other countries. For example, our wireless communications products, including two-way land mobile radios, are subject to FCC regulations related to radio frequency spectrum. As a result of limited spectrum availability, the FCC has mandated that new land mobile radio equipment utilize technology that i more spectrum-efficient, which effectively meant that the industry had to migrate to digital technology. These types of mandates may provide us with new business opportunities or may require us to modify all or some of our products so that they can continue to be manufactur supplier is also the world's largest supplier of P-25 products. Some of our competitors are significantly larger and have longer operating histories, greater name recognition, larger customer bases, significantly greater financial, technical and marketing resources than we have. Some also have established reputations for success in developing and supplying LMR products, including providing complete, integrated, communications systems and infrastructure. We do not provide complete, integrated, communications systems and infrastructure. These advantages may allow them:

- to be more attractive to customers who desire a single-source supplier of LMR products;
- to respond more quickly to new or emerging technologies and changes in customer requirements, which may render our products obsolete or less marketable;
- to engage in more extensive research and development;
- to undertake more far-reaching marketing campaigns;
- to be able to take advantage of acquisitions and other opportunities;
- to adopt more aggressive pricing policies; and
- to be more attractive to potential employees and strategic partners.

Many of our competitors have established extensive networks of sales locations and multiple distribution channels that are more extensive than ours. We may not be able to compete successfully and competitive pressures may materially adversely affect our business, results of operations and financial condition.

An increase in the demand for P-25 products could benefit competitors that are better financed and positioned to meet such demand. P-25 products have been brought to the market by an increasing number of our competitors. Our first P-25 portable radio was brought to market in 2003, and in recent years we introduced two new lines of P-25 products, the KNG and KNG2 Series. Bringing such products to market and achieving a significant market penetration for them will continue to

Our business is heavily dependent on U.S. Government contracts, which are highly regulated and subject to terminations and oversight audits by U.S. Government representatives that could result in adverse findings and negatively impact our business

Our U.S. Government business is subject to specific procurement regulations with numerous compliance requirements. These requirements, although customary in U.S. Government contracting, increase our performance and compliance costs. These costs may increase in the future, thereby reducing our margins, which could have an adverse effe on our financial condition. Failure to comply with these regulations could lead to suspension or debarment from U.S. Government contracting or subcontracting for a period of time. Among the causes for debarment are violations of various laws or policies, including those related to procurement integrity, U.S. Government security regulations, employment practices, protection of criminal justice data, protection of the environment, accuracy of records, proper recording of costs, foreign corruption and the False Claims Act.

Generally, U.S. Government contracts are subject to oversight audits by U.S. Government representatives and could result in adjustments to our contracts. Any costs found to be improperly allocated to a specific contract or grant may not be allowed, and such costs already reimbursed to us may have to be refunded. Future audits and adjustments, if requ(a)5(u)ubjdal8 result in iposicatioeds b10.44c 8.523 0r1( )1 a significant increase in inflation rates or currency fluctuations could have an adverse impact on the profitability of longer term contracts.

Our investment strategy may not be successful, which could adversely impact our financial condition

We may invest part of our cash balances in public companies. For example, as of February 27, 2017, we have invested approximately $32 million to purchase approximately 8.1 million shares of the common stock of Iteris, Inc. (NASDAQ: ITI). These types of investments are more risky than holding our cash balances as bank deposits or, for exampl such conservative investments as treasury bonds or money market funds. There can be no assurance that we will be able to maintain or enhance the value or the performance of the companies in which we have invested or in which we may invest i the future, or that we will be able to achieve returns or benefits from these investments. We may lose all or part of our investment relating to such companies if their value decreases as a result of their financial performance or for any other reason. If our interests differ from those of other investors in companies over which we do not have control, we may be unable to effect any change at those companies. We are not required to meet any diversification standards, and our investments may become concentrated. If our investment strategy is not successful or we achieve less than expected returns from these investments, it could have a material adverse effect on us. The Board of Directors may also change our investment strategy at any time, and such changes could further increase our exposure, which could adversely impact us.

Fundamental Global Investors, LLC, with its affiliates, is our largest stockholder whose interests may differ from the interests of our other stockholders

The interests of Fundamental Global Investors, LLC may differ from the interests of our other stockholders. Fundamental Global and its affiliates, including Ballantyne Strong, Inc., of which Fundamental Global is the largest stockholder, together hold approximately 32.9% of the Company’s outstanding shares of common stock. Kyle Cerminara, Chief Executive Officer, Partner and Manager of Fundamental Global Investors, LLC and Chairman and Chief Executive Officer of Ballantyne Strong, Inc., serves on our Board of Directors and chairs its newly-formed Executive Committee. In addition, Lewis Johnson, President, Partner and Manager of Fundamental Global Investors, LLC and a director of Ballantyr Strong, Inc., serves on our Board of Directors. As a result of its ownership position and Messrs. Cerminara’s and Johnson’s positions with the Company, Fundamental Global has the ability to exert significant influence over our policies and affairs, including the power to impact the election of our directors, and approval of any action requiring a stockholder vote, such as ame our products. Furthermore, uncertainty about current and future economic conditions may cause customers to defer purchases of our products in response to tighter credit and decreased cash availability.

- Negative impact from increased financial pressures on third-party dealers, distributors and suppliers. We make sales to certain of our customers through third-party dealers and distributors. If credit pressures or other financial difficulties result in insolvencies of these third parties and we are unable to successfully transition the end customers to purchase our products from other third parties, or directly from us, it could materially adversely impact our operating results and financial condition. Challenging economic conditions may also impact the financial condition of one or more of our key suppliers, which could negatively affect our ability to secure product to meet our customers' demands.

- Limited access by us to credit and capital. Although we do not anticipate needing additional capital in the near term, the credit markets may limit our access to credit and impair our ability to raise capital, if needed, on acceptable terms or at all.

We depend on a limited number of manufacturers and on a limited number of suppliers of components to produce our products and the inability to obtain adequate and timely delivery of supplies and manufactured products could have a material adverse effect on us

We contract with manufacturers to produce portions of our products, and our dependence on a limited number of contract manufacturers exposes us to certain risks, including shortages of manufacturing capacity, reduced control over delivery schedules, quality assurance, production yield and costs. If any of our manufacturers terminate production or cannot meet our production requirements, we may have to rely on other contract manufacturing sources or identify and qualify new contract manufacturers. The lead-time required to qualify a new manufacturer could range from approximately two to six months. Despite efforts to do so, we may not be able to identify or qualify new contract manufacturers in a timely and cost-effective manner, and these new manufacturers may not allocate sufficient capacity to us in order to meet our requirements. Any significant delay in our ability to obtain adequate quantities of our products from our current or alternative contract manufacturers could have a material adverse effect on our business, financial condition and results of operations.

In addition, our dependence on limited and sole source suppliers of components involves several risks, including a potential inability to obtain an adequate supply of components, price increases, late deliveries and poor component quality. Approximately 70% of our material, subassembly and product procurements in 2016 were sourced from three suppliers. We place purchase orders from time to time with these suppliers and have no guaranteed supply arrangements. Disruption or termination of the supply of these components could delay shipments of our products. The lead time required for orders of some of our components is as much as six months. In addition, the lead time required to qualify new suppliers for our components is as much as six months. If we are unable to accurately predict our component needs, or if our component supply is disrupted, we may miss market opportunities by not being able to meet the demand for our products sure that we will retain their services. The loss of services from any of our executive officers or these other key employees due to any reason whatsoever could have a material adverse effect on our business, financial condition and results of operations.

Our success is also dependent upon our ability to hire and retain qualified operations, development and other personnel. Competition for qualified personnel in our industry is intense, and we may be unable to hire or retain necessary personnel. The inability to attract and retain qualified personnel could have a material adverse effect on our business, financial condition and results of operations.

We rely on a combination of contract, trademark and trade secret laws to protect our intellectual property rights, and failure to effectively utilize or successfully assert these rights could negatively impact us

Currently, we hold no U.S. patents. We hold several trademarks related to the names “RELM” and “BK Radio” and certain product names. As part of our confidentiality procedures, we generally enter into nondisclosure agreements with our employees, distributors and customers and limit access to and distribution of our proprietary information. We also rely on trade secret laws to protect our intellectual property rights. There is a risk that we may be unable to prevent another party from manufacturing and selling competing products or otherwise violating our intellectual property rights. Our intellectual property rights, and any additional rights we may obtain in the future, may be invalidated, circumvented or challenged in the fu[illegible]

We may not be able to maintain our NYSE MKT listing

Our common stock has been listed on the NYSE MKT since 2005. If we are unable to satisfy the continued listing standards of the NYSE MKT, which include, among others, minimum stockholders' equity, market capitalization, pre-tax income and per share sales price, our common stock may be delisted. If our common stock is delisted, we would be forced to list our common stock on the OTC Bulletin Board or some other quotation medium, depending on our ability to meet the specific requirements of those quotation systems. In that case, we may lose some of our institutional investors, and selling our common stock on the OTC Markets would be more difficult because smaller quantities of shares would likely be bought and sold and transactions could be delayed. These factors could result in lower prices and larger spreads in the bid and ask prices for shares of our common stock. If this happens, we will have greater difficulty accessing the capital markets to raise any additional necessary capital.

Any infringement claim against us could have a material adverse effect on our business, results of operations and financial condition

As the number of competing products available in the market increases and the functions of those products further overlap, the potential for infringement claims may increase. Any such claims, with or without merit, may result in costly litigation or require us to redesign the affected product to avoid infringement or require us to obtain a license for future sales of the affected product. Any of the foregoing could damage our reputation and have a material adverse effect upon our business, results of operations and financial condition. Any litigation resulting from any such claim could require us to incur substantial costs and divert significant resources, inclo2(c)-1M2(i)2(n)-g(d)-2( )2(t)h(v)-2(e)-1( )2(e)-1(f)1(f)o(u)-2(r)2(t)2(s)

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We do not own any real estate. We lease approximately 54,000 square feet of industrial spacTj etate0assTj eotof (

PART II

Item 5. Market For RegistrantÕs Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

(a) Market Information.

Our common stock trades on the NYSE MKT under the symbol ÒRWC.Ó The following tables set forth the high an low sales price for our common stock for the quarterly periods for the years ended December 31, 2016 and 2015, as reported by the NYSE MKT.

Common Stock

2016 Quarter Ended	High	Low
First Quarter	$5.48	$3.70
Second Quarter	5.81	4.26
Third Quarter	5.83	4.74
Fourth Quarter	5.55	4.55

2015 Quarter Ended	High	Low
First Quarter	$6.27	$4.24
Second Quarter	6.75	4.51
Third Quarter	5.97	2.97
Fourth Quarter	4.95	3.65

(b) Holders.

On February 24, 2017, there were 857 holders of record of our common stock.

(c) Dividends.

In May 2016, we announced and implemented a capital return program that included a quarterly dividend. Pursuant to the program, our Board of Directors approved two quarterly dividends of $0.09 per share of our common stock, one of which was paid on June 17, 2016 to shareholders of record as of June 1, 2016, and the other of which was paid on September 16, 2016 to shareholders of record as of September 1, 2016. Also, on December 7, 2016, our Board of Directors approved a quarterly dividend of $0.09 per share of our common stock, which was paid on January 13, 2017 to shareholders of record as of January 3, 2017. No dividends were paid in 2015. The declaration and payment of cash dividends, if any, is subject to the discretion of our Board of Directors. The BoardÕs final dete

(d) Issuer Purchases of Equity Securities.

Period	Total Number of Shares Purchased	Average Price Paid Per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares that May Yet Be Purchased Under Publicly Announced Plans or Programs (2)
10/01/16Ð10/31/16	3,700	$ 5.40	3,700	481,200
11/01/16Ð11/30/16	3,800	$ 5.16	3,800	477,400
12/01/16Ð12/31/16	7,822	$ 4.92	7,822	469,578
Total	15,322	$ 5.16	15,322	

(1) Average price paid per share of common stock repurchased is the executed price, including commissions paid to brokers.

(2) On May 19, 2016, the Company announced that on May 18, 2016, its Board of Directors approved a repurchase program of up to 500,000 shares of the CompanyÕs common stock, from time to time, pursuant to a stock repurchase plan in conformity with the provisions of Rule 10b5-1 and Rule 10b-18 promulgated under the Securities Exchange Act of 1934, as amended. The repurchase program has no termination date.

Item 6. Selected Financial Data

Not required for smaller reporting companies.

Item 7. ManagementÕs Discussion and Analysis of Financial Condition and Results of Operations

Executive Summary

Our financial and operating results for 2016 improved significantly from the prior year. Total sales increased over 70% and sales of P25 digital products increased almost 65%, which were the primary factors that contributed to a comparative increase of 208% in pre-tax income and positive cash flow from operations. Also, during the year, we announced and implemented a capital return program. As part of the program, we paid quarterly dividends of $0.09 per share in June 2016 and September 2016 and repurchased 30,422 of our shares. We also paid a dividend of $0.09 per share in January 2017.

Net sales for 2016 increased 57% to approximately $50.7 million, compared with approximately $29.7 million for 2015. Sales of P

$23.9 million at year end 2015, which included $8.8 million of cash and cash equivalents and trade receivables. Also, as of December 31, 2016 and 2015, there were no borrowings outstanding under our revolving credit facility.

We may experience seasonality in our quarterly results, in part, due to governmental customer spending patterns t are influenced by government fiscal year and budgets and appropriations. We may also experience seasonality in our quarterly results, in part, due to our concentration of sales to federal and state agencies that participate in wildland fire suppression efforts, which are typically the greatest during the summer season when forest fire activity is heightened. In some years, these factors may cause an increase in sales for the second and third quarters compared with the first and fou quarters of the same fiscal year. Such increases in sales may cause quarterly variances in our cash flow from operations and overall financial condition.

Results of Operations

As an aid to understanding our operating results, the following table shows items from our consolidated statements of income expressed as a percentage of sales:

	Percent of Sales for Years Ended December 31	
	2016	2015

anticipate that our current contract manufacturing relationships or comparable alternatives will be available to us in the future. We believe gross margin improvements can be realized by leveraging increased sales volumes and manufacturing efficiencies. We may encounter product cost and competitive pricing pressures in the future. However, the extent of their impact on gross margins, if any, is uncertain.

Selling, General and Administrative Expenses

SG&A expenses consist of marketing, sales, commissions, engineering, product development, management information systems, accounting, headquarters expenses and non-cash, share-based employee compensation expense.

For 2016, SG&A expenses totaled approximately $12.8 million, or 25.3% of sales, compared with approximately $10.9 million, or 36.5% of sales, for 2015.

Engineering and product development expenses for 2016 totaled approximately $4.1 million (8.1% of total sales), compared with approximately $3.6 million (12.2% of total sales) for the previous year. Additional staff-related expenses and new product development projects were partially offset by decreases in amortization of capitalized software.

Marketing and selling expenses for 2016 totaled approximately $5.4 million (10.6% of sales), compared with $4.2 million (14.1% of sales) for the prior year. The increase for 2016 was attributed primarily to sales incentive compensation, which correlates to sales performance, combined with initiatives to capture more new opportunities and drive sales growth.

General and administrative expenses for 2016 totaled approximately $3.3 million (6.5% of total sales), compared with approximately $3.0 million (10.2% of total sales) for 2015. The increase for the year was related primarily to incentive compensation and other headquarters expenses.

Operating Income

Operating income for 2016 increased 199.7% to approximately $4.3 million (8.5% of sales), compared with approximately $1.4 million (4.8% of sales) for 2015. Increased operating income for the year was primarily the product of sales growth, as offset by reduced gross profit margins for the TSA delivery orders.

Interest Income/Expense, net

For 2016, we realized interest income of approximately $9,000 on our cash balances, compared with approximately $1,000 for the prior year.

We incurred no interest expense in 2016 or 2015. Interest expense may be incurred from time to time on outstanding borrowings under our revolving credit facility. The interest rate on such revolving credit facility as of December

Interest Income/Expense, net

For both 2015 and 2014, we earned approximately $1,000 in interest income and incurred no interest expense. Th interest rate on our revolving credit facility as of December 31, 2015 was 4.00% per annum. Effective on December 29, 2015, we entered into a fifth amendment to our Loan and Security Agreement with Silicon Valley Bank to, among other things, reduce the variable interest rate on the revolving credit facility from the lenderÕs prime rate plus 50 basis points to the lenderÕs prime rate. Our revolving credit facility was not utilized during 2015 or 2014.

Income Tax Expense

We recorded income tax expense for 2015 of approximately $45,000, compared with $900,000 for 2014. Our income tax expense is primarily non-cash.

As of December 31, 2015, our net deferred tax assets totaled approximately $5.5 million, and were primarily composed of NOLs. These NOLs totaled $4.9 million for federal and the0.8detal oiaop-3(e)-3(e)5(iat. -1)-4(4.26Tc657.254 0 Td [(th) [(Va)5(1(g580.8(e9 -2ta)-3Ou3(y)-4(4(f)c

- the Company is permitted to pay cash dividends, the total of which may not exceed $5.0 million in the aggregate during any twelve-month period, so long as an event of default does not exist at the time of such dividend and would not exist after giving effect to such dividend;

- the variable rate at which borrowings under the credit facility bear interest was modified from the Silicon

allowance based upon several factors, including, but not limited to, business forecasts, inventories on hand and historical usage profile.

Supplemental to the aforementioned analysis, specific inventory items are reviewed individually by management. Based on the review, considering business levels, future prospects, new products and technology changes, management using its business judgment, may adjust the valuation of specific inventory items to reflect an accurate valuation. Management also performs a determination of net realizable value for all finished goods with a selling price below cost. Fo all such items, the inventory is valued at not more than the selling price less cost, if any, to sell.

Allowance for Product Warranty

We offer two-year warranties to our customers depending on the specific product and terms of the customer purchase agreement. Our typical warranties require us to repair and replace defective products during the warranty period at

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
RELM Wireless Corporation
West Melbourne, Florida

We have audited the accompanying consolidated balance sheets of RELM Wireless Corporation (the ÒCompanyÓ of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, changes in stockholdersÕ equity, and cash flows for the years then ended. These financial statements are the responsibility of the CompanyÕs management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about wheth the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control ov financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CompanyÕs internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as w as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of RELM Wireless Corporation at December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Moore Stephens Lovelace, P.A.

Miami, Florida

March 1, 2017

RELM WIRELESS CORPORATION
CONSOLIDATED BALANCE SHEETS
(in Thousands, except share data)

	December 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10,910	$ 4,669
Trade accounts receivable (net of allowance for doubtful accounts of $50 and $49 in 2016 and 2015, respectively)	3,448	4,122
Inventories, net	13,999	16,282
Prepaid expenses and other current assets	1,410	3,081
Total current assets	29,767	28,154
Property, plant and equipment, net	2,486	1,840
Available-for-sale securities	6,472	3,402
Deferred tax assets, net	3,418	5,461
Capitalized software, net	176	370
Other assets	225	222
Total assets	$ 42,54	$ 39,449
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Current liabilities:		
Accounts payable	$ 1,973	$ 2,285
Accrued compensation and related taxes	2,193	1,136
Accrued warranty expense	650	538
Accrued other expenses and other current liabilities	169	168
Dividends payable	1,235	—
Deferred revenue	142	136
Total current liabilities	6,362	4,263
Deferred revenue	408	366
Total liabilities	6,770	4,62
Commitments and contingencies		
Stockholders’ equity:		
Preferred stock; $1.00 par value; 1,000,000 authorized shares none issued or outstanding	—	—
Common stock; $.60 par value; 20,000,000 authorized shares: 13,754,749 and 13,730,562 issued and outstanding shares at December 31, 2016 and 2015, respectively	8,253	8,238
Additional paid-in capital	25,382	24,926
Retained earnings	240	1,259
Accumulated other comprehensive income	2,061	397
Treasury stock, at cost, 30,422 shares	(162)	—
Total stockholders’ equity	35,774	34,820
Total liabilities and stockholders’ equity	$ 42,54	$ 39,449

See notes to consolidated financial statements.

RELM WIRELESS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in Thousands, except share data)

	Years Ended December 31, 2016	Years Ended December 31, 2015
Operating activities		
Net income	$ 2,689	$ 1,041
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Allowance for doubtful accounts	17	Ñ
Inventory reserve	180	54
Deferred tax expense	1,118	328
Depreciation and amortization	942	914
Share-based compensation expense	49	57
Realized tax benefit from stock option exercise	392	Ñ
Changes in operating assets and liabilities:		
Trade accounts receivable	657	(856)
Inventories	2,103	(4,224)
Prepaid expenses and other current assets	1,671	(1,160)
Other assets	(3)	34
Accounts payable	(312)	882
Accrued compensation and related taxes	1,057	(110)
Accrued warranty expense	112	154
Deferred revenue	48	(1)
Accrued other expenses and other current liabilities	1	(49)
Net cash provided by (used in) operating activities	10,721	(2,936)
Investing activities		
Purchases of property, plant and equipment	(1,394)	(1,089)
Purchase of available-for-sale securities	(481)	(2,761)
Net cash used in investing activities	(1,875)	(3,850)
Financing activities		
Dividends paid	(2,473)	Ñ
Repurchase of common stock	(162)	Ñ
Proceeds from issuance of common stock	30	92
Net cash (used in) provided by financing activities	(2,605)	92
Increase (decrease) in cash	6,241	(6,694)
Cash and cash equivalents, beginning of year	4,669	11,363
Cash and cash equivalents, end of year	$ 10,910	$ 4,669
Supplemental disclosure		
Cash paid for interest	$ Ñ	$ Ñ

See notes to consolidated financial statements.

1. Summary of Significant Accounting Policies

Description of Business

The primary business of RELM Wireless Corporation and its subsidiaries (collectively, the "Company") is the designing, manufacturing and marketing of wireless communications equipment consisting primarily of two-way land mobile radios and related products, which are sold in two primary markets: (1) the government and public safety market and (2) the business and industrial market. The Company has only one reportable business segment.

Principles of Consolidation

The accounts of the Company have been included in the accompanying consolidated financial statements. All significant intercompany balances and transactions have been eliminated in consolidation.

Inventories

Inventories are stated at the lower of cost (determined by the average cost method) or market. Freight costs are classified as a component of cost of products in the accompanying consolidated statements of income.

The allowance for slow-moving, excess, or obsolete inventory is used to state the Company's inventories at the lower of cost or market. Because the amount of inventory that will actually be recouped through sales cannot be known with certainty at any particular time, the Company relies on past sales experience, future sales forecasts, and its strategic business plans. Generally, in analyzing inventory levels, inventory is classified as having been used or unused during the past year. The Company then establishes a reserve based upon several factors, including, but not limited to, business forecasts, inventory quantities and historic usage profile.

Supplemental to the aforementioned analysis, specific inventory items are reviewed individually by management. Based on the review, considering business levels, future prospects, new products and technology, management, using its business judgment, may adjust the valuation of specific inventory items to reflect an accurate valuation. Management also performs a determination of net realizable value for all finished goods with a selling price below cost. For all such items, the inventory is valued at not more than the selling price less cost, if any, to sell.

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1. Summary of Significant Accounting Policies (Continued)

In November 2015, the FASB released ASU 2015-17, “Balance Sheet Classification of Deferred Taxes,” which will require that deferred tax liabilities and assets be classified as non-current in a classified statement of financial position. This is part of the FASB’s Simplification Initiative. For public business entities, the amendments in this update are effective for financial statements issued for annual periods after December 15, 2016, and interim periods within those annual periods. Earlier application is permitted for all entities as of the beginning of an interim or annual reporting period. The Company early adopted this standard as of December 31, 2015.

In January 2016, the FASB issued ASU 2016-01, “Financial Instruments,” which amends the guidance in U.S. GAAP on the classification and measurement of financial instruments. Changes to the current guidance primarily affect the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. In addition, the ASU clarifies guidance related to the valuation allowance assessme when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The new standard is effective for fiscal years and interim periods beginning after December 15, 2017, and upon adoption, an entity should app the amendments by means of a cumulative-effect adjustment to the balance sheet at the beginning of the first reporting period in which the guidance is effective. Early adoption is not permitted except for the provision to record fair value changes for financial liabilities under the fair value option resulting from instrument-specific credit risk in other comprehensive income. The Company has not yet determined the potential effects of the adoption of ASU 2016-01 on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, “Leases,” which amends leasing guidance by requiring companies to recognize a right-of-use asset and a lease liability for all operating and capital (finance) leases with lease terms of greater than twelve months. The lease liability will be equal to the present value of lease payments. The lease asset will be based on the lease liability, subject to adjustment, such as for initial direct costs. For income statement purposes, leases will continue to be classified as operating or capital (finance), with lease expense in both cases calculated substantially the same as under the prior leasing guidance. The updated guidance is effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted. The Company expects this will result in the recognition of right-of-use assets and lease liabilities not currently recorded on our consolidated financial statements under existing accounting guidance, but the Company is still evaluating all of the Company’s contractual arrangements and the impact that adoption of

2. Inventories, net (Continued)

Changes in the allowance for obsolete and slow-moving inventory are as follows:

	Years Ended December 31,	
	2016	2015

6. Debt

The Company has a revolving credit facility with Silicon Valley Bank (ÒSVBÓ). Effective as of December 28, 2016, the Company, RELM Communications, Inc., the CompanyÕs wholly-owned subsidiary, and SVB entered into a Sixth Amendment to the Loan and Security Agreement dated as of October 23, 2008, as amended by the First Amendment thereto dated as of October 20, 2010, the Second Amendment thereto dated as of June 22, 2011, the Third Amendment thereto dated as of December 18, 2012, the Fourth Amendment thereto dated as of January 28, 2015 (effective as of December 31, 2014) (as amended, the ÒLoan and Security AgreementÓ), and the Fifth Amendment thereto dated as of December 29, 2015. The Loan and Security Agreement, as amended, governing the revolving credit facility contains customary borrowing terms and conditions, including the accuracy of representations and warranties, compliance with financial maintenance and restrictive covenants and the absence of events of default. Under the Sixth Amendment, the existing collateralized revolving credit facility was amended as follows:

- maximum borrowing availability was reduced from $2.0 million to $1.0 million;
- the Company is permitted to pay cash dividends, the total of which may not exceed $5.0 million in the aggregate during any twelve-month period, so long as an event of default does not exist at the time of such dividend and would not exist after giving effect to such dividend;
- the variable rate at which borrowings under the credit facility bear interest has been changed from the Silicon Valley Bank prime rate (4.00% as of December 31, 2015) to the Wall Street Journal prime rate plus 25 basis points (4.00% as of December 31, 2016); and
- the maturity date was extended to December 27, 2017.

The financial maintenance covenants, required to be maintained at all times and tested quarterly (or, for the Òquick ratioÓ covenant, monthly, if any obligations are outstanding), include (1) a ratio of Òquick assets to current liabilitiesÓ minus Òdeferred revenueÓ (all as defined in the Loan and Security Agreement) of at least 1.25:1.00 and (2) Òmaximum total leverageÓ (as defined in the Loan and Security Agreement) of no greater total indebtedness than 3 times adjusted EBITDA. The CompanyÕs obligations are collateralized by substantially all of the CompanyÕs assets, principally accounts receivable and inventory.

The Company was in compliance with all covenants under the Loan and Security Agreement, as amended, as of December 31, 2016. The Company had no borrowings outstanding under the credit facility as of December 31, 2016, and $1.0 million was availa1.339if aralcÔ7ck assetp8 in

8. Leases

9.

(in Thousands, except share data and percentages)

9. Income Taxes (Continued)

Should the factors underlying managementÕs analysis change, future valuation adjustments to the CompanyÕs ne deferred tax asset may be necessary. If future losses are incurred, it may be necessary to record an additional valuation allowance related to the CompanyÕs net deferred tax asset recorded as of December 31, 2016. It cannot presently be estima what, if any, changes to the valuation of our deferred tax asset may be deemed appropriate in the future. The 2016 federal and state NOL and tax credit carryforwards could be subject to limitation if, within any three-year period prior to the expiration of the applicable carryforward period, there is a greater than 50% change in ownership of the Company.

For the years ended December 31, 2016 and 2015, the Company incurred $61 and $36, respectively, in alternative minimum tax expense in connection with the federal limitation on alternative NOLs.

As a result of the implementation of FIN 48, the Company performed a comprehensive review of its portfolio of uncertain tax positions in accordance with recognition standards established by FIN 48. In this regard, an uncertain tax position represents the CompanyÕs expected treatment of a tax position taken in a filed tax return or planned to be taken in a future tax return that has not been reflected in measuring income tax expense for financial reporting purposes. As a result of this review on January 1, 2017, the Company is not aware of any uncertain tax positions that would require additional liabilities or which sub classification would be required. The amount of unrecognized tax positions did not change as of December 31, 2016, and the Company does not believe there will be any material changes in its unrecognized tax positions over the next twelve months.

There were no material amounts of penalties and related tax interest expenses for the year ended December 31, 2016.

The Company files federal income tax returns, as well as multiple state and local jurisdiction tax returns. A number of years may elapse before an uncertain tax position is audited and finally resolved. While it is often difficult to predict the final outcome or the timing of resolution on any particular uncertain tax position, the Company believes that its allowances for income taxes reflect the most probable outcome. The Company adjusts these allowances, as well as the related interest, in light of changing facts and circumstances. The resolution of a matter would be recognized as an adjustment to the provisio for income taxes and the effective tax rate in the period of resolution. The calendar years 2013, 2014 and 2015 are still open to Internal Revenue Service examination under the statute of limitations. The last Internal Revenue Service examination of the CompanyÕs 2007 calendar year was closed with no change.

10. Income Per Share

The following table sets forth the computation of basic and diluted income per share:

	Years Ended December 31,	
	2016	2015
Numerator:		
Net income from cont i 9 Tc re9p		

(in Thousands, except share data and percentages)

11. Share-Based Employee Compensation

The Company has employee and non-employee director stock option programs. Related to these programs, the Company recorded $49 and $57 of share-based employee compensation expense during the years ended December 31, 2016 and 2015, respectively, which is included as a component of cost of products and SG&A expenses in the accompanying consolidated statements of income. No amount of share-based employee compensation expense was capitalized as part of capital expenditures or inventory for the years presented.

The Company uses the Black-Scholes-Merton option valuation model to calculate the fair value of a stock option grant. The share-based employee compensation expense recorded in the years ended December 31, 2016 and 2015 was calculated using the assumptions noted in the following table. Expected volatilities are based on historical volatility of the CompanyÕs common stock over the period of time commensurate with the expected life of the stock options. The dividend yield assumption is based on the CompanyÕs expectations of dividend payouts at the grant date. In 2016, the Company paid dividends on June 17th and September 16th. The Company has estimated its future stock option exercises. The expected term of option grants is based upon the observed and expected time to the date of post vesting exercises and forfeitures of options by the CompanyÕs employees. The risk-free interest rate is derived from the average U.S. Treasury rate for the period, which approximates the rate at the time of the stock option grant.

	FY 2016	FY 2015
Expected Volatility	60.7%	52.7%
Expected Dividends	2.0%	0.0%
Expected Term (in years)	3.0-6.5	3.0
Risk-Free Rate	1.35%	0.98%
Estimated forfeitures	0.0%	0.0%

A summary of stock option activity under the CompanyÕs stock option plans as of December 31, 2016, and changes during the year ended December 31, 2016, are presented below:

As of January 1, 2016	Stock Options	Wgt. Avg. Exercise Price ($) Per Share	Wgt. Avg. Remaining Contractual Life (Years)	Wgt Avg. Grant Date Fair Value ($) Per Share	Aggregate Intrinsic Value ($)
Outstanding	291,936	4.07	Ñ	2.68	Ñ
Vested	276,936	4.00	Ñ	2.72	Ñ
Nonvested	15,000	5.35	Ñ	1.93	Ñ
Period activity					
Issued	80,000	4.01	Ñ	1.93	Ñ
Exercised	28,000	1.81	Ñ	0.99	Ñ
Forfeited	Ñ	Ñ	Ñ	Ñ	Ñ
Expired	32,936	11.40	Ñ	9.16	Ñ
As of December 31, 2016					
Outstanding	311,000	3.48	4.20	1.96	403,610
Vested	231,000	3.30	2.89	1.97	344,410
Nonvested	80,000	4.01	7.96	1.93	59,200

(in Thousands, except share data and percentages)

11. Share-Based Employee Compensation (Continued)

Outstanding:

Range of Exercise Prices ($) Per Share		Stock Options Outstanding	Wgt. Avg. Exercise Price ($) Per Share	Wgt. Avg. Remaining Contractual Life (Years)
1.75	2.23	86,000	1.92	2.68
3.44	5.70	225,000	4.08	4.78
		311,000	3.48	4.20

Exercisable:

Range of Exercise Prices ($) Per Share		Stock Options Exercisable	Wgt. Avg. Exercise Price ($)
1.75	2.23	86,000	1.92
3.44	5.70	145,000	4.12
		231,000	3.30

The weighted-average grant-date fair value per option granted during the years ended December 31, 2016 and 2015 was $1.93 and $5.53, respectively. The aggregate intrinsic value of stock options exercised during the years ended December 31, 2016 and 2015 was approximately $82 and $105, respectively.

12. Significant Customers

Sales to the U.S. Government represented approximately 58% and 36% of the Company's total sales for the years ended December 31, 2016 and 2015, respectively. These sales were primarily to the various government agencies, including those within the United States Department of Defense, the United States Forest Service, the United States Department of Interior, and the United States Department of Homeland Security.

13. Retirement Plans

The Company sponsors a participant contributory retirement (401(k)) plan, which is available to all employees. The Company's contribution to the plan is either a percentage of the participant's contribution (50% of the participant's contribution up to a maximum of 6%) or a discretionary amount. For the years ended December 31, 2016 and 2015, total contributions made by the Company were $121 and $104, respectively.

14. Commitments and Contingencies

Royalty Commitment

In 2002, the Company entered into a technology license related to its development of digital products. Under this agreement, the Company is obligated to pay a royalty for each product sold that utilizes the technology covered by this agreement. The Company paid $243 and $109 for the years ended December 31, 2016 and 2015, respectively. The agreement has an indefinite term, and can be terminated by either party under certain conditions.

Purchase Commitments

14. Commitments and Contingencies (Continued)

Self-Insured Health Benefits

The Company maintains a self-insured health benefit plan for its employees. This plan is administered by a third party. As of December 31, 2016, the plan had a stop-loss provision insuring losses beyond $80 per employee per year and an aggregate stop-loss of $1,810. As of December 31, 2016 and 2015 258.649 -1.951 Td [(Th)2(e9 0)Tj 0. [(Se)2(l)58 13.829 0

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information about our Directors and Executive Officers will be contained in the "Proposal 1: Election of Directors" section of RELM's definitive proxy statement, to be filed in connection with RELM's 2017 annual meeting of stockholders, and is incorporated herein by reference.

The disclosure of delinquent filers under Section 16(a) of the Exchange Act will be contained in the "Miscellaneous – Section 16(a) Beneficial Ownership Reporting Compliance" section of RELM's definitive proxy statement, to be filed in connection with RELM's 2017 annual meeting of stockholders, and is incorporated herein by reference.

We have a separately-designated standing audit committee. Information about our audit committee and the audit committee financial expert will be contained in the "Corporate Governance – Meetings and Committees of the Board of Directors" section of RELM's definitive proxy statement, to be filed in connection with RELM's 2017 annual meeting of stockholders, and is incorporated herein by reference.

We have adopted the Code of Business Conduct and Ethics (the "Code of Conduct") that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer, and the Code of Ethics for the CEO and Senior Financial Officers (the "Code of Ethics") containing additional specific policies. The Code of Conduct and the Code of Ethics are [illegible]

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as a part of this report:

(b) Exhibits: Exhibits required to be filed by Item 601 of Regulation S-K are listed in the Exhibit Index attached hereto, which is incorporated herein by this reference.

(c) Consolidated Financial Statement Schedules:

All schedules have been omitted because they are inapplicable or not material, or the information called for thereby is included in the Consolidated Financial Statements and notes thereto.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized in the City of West Melbourne, Florida, on the 1st day of March 2017.

RELM WIRELESS CORPORATION

By: /s/ Timothy A. Vitou
Timothy A. Vitou
President

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Timothy A. Vitou and William P. Kelly and each of them, his attorneys-in-fact, each with the power of substitution, for him and in his name, place and stead, in any and all capacities, to sign this annual report on Form 10-K and any and all amendments to this report on Form 10-K, and to file the same, with all exhibits thereto and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and all intents and purposes as he might or could do in person, hereby ratifying and confirming all that such attorneys-in-fact and agents or any of them or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

INDEX TO EXHIBITS

Number	Exhibit
	RELM Wireless Corporation and William P. Kelly (incorporated by reference from Exhibit 10.2 to the CompanyÕs Current Report on Form 8-K filed February 25, 2016)
+10.17	Executive Change of Control Agreement, dated and effective as of February 24, 2016, by and betw RELM Wireless Corporation and James E. Gilley (incorporated by reference from Exhibit 10.3 to th CompanyÕs Current Report on Form 8-K filed February 25, 2016)
+10.18	2015 Executive Incentive Bonus Plan (incorporated by reference to the Current Report on Form 8-K filed February 27, 2015)
+10.19	Separation and Release Agreement, executed February 3, 2017, by and between RELM Wireless Corporation and David P. Storey (incorporated by reference from Exhibit 10.1 to the CompanyÕs C Report on Form 8-K filed February 6, 2017)
21	Subsidiaries of the Company*
23.1	Consent of Moore Stephens Lovelace, P.A. (relating to RELM Wireless CorporationÕs Registration Statements on Form S-8) (Registration No. 333-112446 and Registration No. 333-147354)*
24	Power of Attorney (included on signature page)
31.1	Certification Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished pursuant to Item 601(b)(32) of Regulation S-K)**
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarban-Oxley Act of 2002 (furnished pursuant to Item 601(b)(32) of Regulation S-K)**
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension (en)-1(s)1(i)3-1(o)-1(n)-5 (en)-1(s)1(i)3-1(o)-1(n)-5 (en)-1(s)1(i)3-1(o)-

EXHIBIT 21

Subsidiaries of the Registrant

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

RELM Wireless Corporation
West Melbourne, Florida

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Registration No. 333-147354) of RELM Wireless Corporation of our report dated March 1, 2017, relating to the consolidated financial statements, which appear in this Form 10-K

/s/ Moore Stephens Lovelace, P.A.

Miami, Florida
March 1, 2017

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Timothy A. Vitou, President of RELM Wireless Corporation, certify that:

1. I have reviewed this annual report on Form 10-K of RELM Wireless Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrantÕs other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) evaluated the effectiveness of the registrantÕs disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrantÕs internal control over financial reporting that occurred during the registrantÕs most recent fiscal quarter (the registrantÕs fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantÕs internal control over financial reporting; and

5. The registrantÕs other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantÕs auditors and the audit committee of the registrantÕs board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantÕs ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantÕs internal control over financial reporting.

Date:

EXHIBIT 31.2

CERTIFICATION PURSUA NT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, William P. Kelly, Executive Vice President and Chief Financial Officer of RELM Wireless Corporation, certify that:

1. I have reviewed this annual report on Form 10

EXHIBIT 32.1

RELM WIRELESS CORPOR

EXHIBIT 32.2

RELM WIRELESS CORPORATION

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of RELM Wireless Corporation (the ÒCompanyÓ) on Form 10-K for the year ended December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the ÒReportÓ), I, William P. Kelly, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William P. Kelly
William P. Kelly
ExecutiveVice President and
Chief Financial Officer

Date: March 1, 2017

Executive Officers and Directors

Timothy A. Vitou

President

William P. Kelly

Executive Vice President and Chief Financial Officer; Secretary

James E. Gilley

Chief Technology Officer and Vice President

D. Kyle Cerminara

Chairman and Director; CEO, Partner and Co-Founder, Fundamental Global Investors, LLC; Chairman & CEO, Ballantyne Strong, Inc.; Co-Chief Investment Officer, Capital Wealth Advisors

Michael R. Dill

Director; Vice President & General Manager GKN Aerospace Engine Systems North America

Lewis M. Johnson

Director; President, Partner & Co-Founder, Fundamental Global Investors, LLC; Co-Chief Investment Officer, Capital Wealth Advisors

Charles T. Lanktree

Director; President and CEO, EgglandÕs Best, LLC; President and CEO, EgglandÕs Best, Inc.

General Eugene Gray Payne, Major General USMC (Ret)

Director; Senior Vice President, The Columbia Group; Chairman, Marine Corps. Association & Foundation; Advisory Council, Marstel-Day, LLC

John W. Struble

Director; Chief Financial Officer, Intra-Pac International Corporation

Ryan R. K. Turner

Director; Vice President of Strategic Investments, Ballantyne Strong, Inc

Stockholder Information

Corporate Offices

RELM Wireless Corporation
7100 Technology Drive
West Melbourne, FL 32904
Phone: (321) 984-1414

Common Stock

RELM Common Stock is traded on the NYSE MKT under the symbol ÒRWCÓ

Transfer Agent

American Stock Transfer & Trust Company LLC
40 Wall Street, 46th Floor
New York, NY 10005
Phone: (718) 921-8208

Independent Accountants

Moore Stephens Lovelace, P.A.
701 Brickell Avenue, Suite 550
Miami, FL 33131
Phone: (305) 819-9555

Legal Counsel

Thompson Hine LLP
127 Public Square; 3900 Key Center
Cleveland, OH 44114
Phone: (216) 566-5500