

Whistleblower Policy and Procedures

I. Outline

The reporting system is used to create an atmosphere encouraging employees to follow professional ethics and code of conduct, and to eradicate any concerns on retaliation on reporting misconduct in Dalian Dong Tai Industrial Waste Treatment Co., Ltd. (together with its subsidiaries and affiliates, hereinafter collectively referred as “the Company”). As an important component of the Company system, this system is consistent with Company’s professional ethics, code of conduct, and anti-fraud policy.

The reporting system complies with the relevant provisions in Section 301, Chapter 4 of Sarbanes-Oxley Act 2002, relating to reporting accounting and auditing issues to Audit Committee directly, and facilitates internal employees of the Company and other relevant parties to communicate with the Audit Committee of the Company.

II. Scope

The system applies to all the employees of China Industrial Waste Management, Inc., including the Company’s subsidiaries and affiliates), in addition to other third party agencies (including vendors, shareholders)

III. Relevant definition

"In good faith" means a complaint has sustainable and reliable evidence but not based on unfounded and false fact and for self-interest purpose. Complaint must have reasonable evidence to the authenticity of his report.

"Misconducts" include but are not limited to fraud (including financial fraud and questionable accounting), breaching laws and regulations, and violations of professional ethics, code of conduct, rules and internal control policy of the Company and other immoral practice.

IV. Basic principles

The Company encourages all the employees to report misconducts that adversely affect its clients, shareholders, employees, investors, and the public. The Company believes employees will make complaint complying with the principle of “in good faith”, and will not to make false accusations. If an employee makes false complaint intentionally, he/she may receive punishment, including potential termination as according to the rules of the Company.

V. Responsible party

The Company's Audit Committee is responsible for receiving, maintaining, investigating, and concluding of the complaints in connection with violation of accounting rules, the Company's professional ethics, code of conduct and policies and regulations, and other fraud and immoral acts raised by the Company's employees or any third parties.

The Audit Committee will take into consideration of various factors, and based on the different circumstances as below, may delegate a third party, or internal audit department of the Company, or senior management to conduct investigation. Those factors include

- a. The position of the wrongdoer. Such as whether he/she is at executive management position being senior financial officer or taking other important positions.
- b. How severity of the incident being reported? The Audit Committee shall take direct investigation on incidents relate to questionable material accounting misstatement or constitutes serious criminal offence., etc.
- c. How trustworthy is the incident being reported? The Audit Committee shall consider factors including whether or not similar reporting has been reported outside channel to assess the truthfulness.

The Audit Committee shall report at least 1 time a year about the result and progress of the reported incidents to the Board of Directors.

VI. Protection of whistleblower

The identity of the whistleblower is strictly kept confidential. Reports can be made anonymously to the extend that contact information is provided. The Company shall not allow any retaliation against the whistleblower or the investigator. Retaliation includes demotion, suspension, termination, refusal of promotion, refusal of remuneration payment, intimidation and any form of discrimination etc.

The Audit Committee is committed to conceal the identity of the whistleblower and prohibit any individuals or parties inquiring any identify details of the whistleblower.

VII. Procedures of reporting

Employee or the third party can report to the Audit Committee in a disclosed identity requested hidden identity, or anonymous manner. The report must be in written form, either in Chinese or in English. The contacts set forth below

Email: info@chinaciwt.com or mail to
Wu Chunyou
Management School,
Dalian University of Technology
No. 2 Linggong Road,
Ganjingzi District
116024

The complaint will be acknowledged by the Audit Committee or any assigned personnel within 10 working days upon receiving the reported case by the Audit Committee.

VIII. Retention

The Audit Committee shall maintain all the reported documents and relevant investigation recorded for at least 7 years.