



Whistleblower Policy

POLICY

This Whistleblower Policy is intended to cover serious concerns that could have a significant impact on Clean Diesel Technologies, Inc. (“CDTi” or the “Company”), such as actions that:

- may lead to incorrect or misleading financial reporting;
- are unlawful;
- are in violation of the letter or spirit of Company policy, including but not limited to the Code of Ethics and Business Conduct; or
- otherwise amount to serious improper conduct.

Items of Reference: “CDTi Code of Ethics and Business Conduct”

PURPOSE

CDTi is committed to the highest possible standards of ethical, moral and legal business conduct. In line with this commitment and our commitment to open communication, the Company has instituted this policy to provide both an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimization for “whistleblowing” or disclosing information regarding wrongdoing, in good faith.

RESPONSIBILITY

This policy applies to all CDTi employees and its subsidiaries worldwide, including part time, temporary and contract employees.

POLICY DETAILS

SAFEGUARDS: If you provide information of wrongdoing to the Company, you will not be retaliated against. CDTi does not tolerate retaliation, ever. Even if the information you brought forth turns out to be wrong or different than what you perceived, if you told us in good faith you will not be retaliated against.

Harassment or victimization

Harassment or victimization of the complainant will not be tolerated.

Confidentiality

Every effort will be made to protect the complainant’s identity. Sometimes this is not possible and the Company cannot guarantee your identity will remain a secret. However, we will try to protect your identity and if we cannot provide full identity protection, we will seek to limit the disclosure of your identity only to those who need that information to follow up on your complaint and take appropriate action.

Anonymous allegations

The policy encourages employees to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. The more the Company knows, the more it can do to fix the problems alleged. Concerns expressed anonymously will be investigated, but consideration will be given to:

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



Whistleblower Policy

Malicious allegations

Malicious allegations, including those not made in good faith, may result in disciplinary action. However, just because the allegation cannot be proven or verified, the Company will not assume it has been made in bad faith or was malicious.

PROCEDURE:

Reporting process for raising a concern

The whistleblower procedure is intended to be used for serious and sensitive issues. Serious concerns relating to financial reporting, unethical or illegal conduct should be reported in any of the following ways:

- Speak with your manager. If you do not feel comfortable speaking to your manager, you can call the General Counsel at 805-639-9462 or email rridley@cdti.com;
- Call Values Line, a third-party which is available around the clock and completely anonymous with no call-tracing or recording. Just call:

1-888-475-8376 (from the United States and Canada)
0808-234-7051 (from United Kingdom)
0044-22-11-2563 (from Japan)
0800-90-1633 (from France)
020-79-0631 (from Sweden)

- Individuals in the United States, Canada, Japan, United Kingdom and Sweden may also report concerns via the internet at <https://www.integrity-helpline.com/CSI.jsp>
- Send a letter to the Audit Committee of the Board of Directors. Letters can be sent to the Company's Corporate Headquarters at 4567 Telephone Road, Suite 100, Ventura, CA 93003. Note on the envelope "To be opened by the Audit Committee only." The General Counsel will ensure the envelope remains unopened and delivered to the Audit Committee.

The person submitting a complaint should provide a telephone number at which he or she may be contacted if requesting a response or if the Audit Committee determines that contact is appropriate. Any employee of the Company may submit a concern or complaint regarding accounting matters to the management of the Company without fear of dismissal or retaliation of any kind. The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of said employee with respect to good faith reporting of concerns or complaints regarding accounting matters or otherwise as specified in Section 806 of the Sarbanes-Oxley Act of 2002.

Reporting persons will have the ability to remain anonymous if they choose.

Employment-related concerns should continue to be reported through normal channels, such as to your supervisor or human resources.

Timing

The earlier a concern is expressed, the easier it is to take action.

Evidence

Although the employee is not expected to prove the truth of an allegation, in order for an allegation to be investigated fully, there should be enough information provided to demonstrate to the person contacted that there are sufficient grounds for concern.



Whistleblower Policy

How the complaint will be handled

The action taken will depend on the nature of the concern. A designated Audit Committee Member of the CDTi Board of Directors, the Chief Financial Officer and the General Counsel all receive a report on each complaint submitted through Values Line or the internet and receive a follow-up report on all actions taken.

Initial inquiries

Initial inquiries will be made to determine whether an investigation is appropriate, and the form that the investigation should take. Some concerns may be resolved by agreed action without the need for investigation.

Report to complainant

Regardless of how the complaint is reported, the complainant will be given the opportunity to receive follow-up on their concern within two weeks:

- acknowledging that the concern was received;
- indicating how the matter will be dealt with;
- giving an estimate of the time that it will take for a final response;
- telling them whether initial inquiries have been made; and
- telling them whether further investigations will follow, and if not, why not.

Further information

The amount of contact between the complainant and the body investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from the complainant.

Information

Subject to legal constraints, the Company will provide complainant with information about the outcome of any investigations.

Retention of complaints and investigations

The Corporate Secretary will maintain a log of all concerns or complaints, tracking their receipt, investigation and resolution and provide a periodic summary report to the Audit Committee.

QUESTIONS

Any questions regarding this policy should be addressed to the Chief Financial Officer or General Counsel.

CDTi reserves the right to modify or amend this policy at any time as it may deem necessary.