

# **WHISTLEBLOWER POLICY**

## **INTRODUCTION**

This Policy Regarding Complaints to the Audit Committee Regarding Accounting and Auditing Matters (this "Policy") has been adopted by the Audit Committee (the "Committee") of the Board of Directors of Elandia, Inc., a Delaware corporation (the "Company"), effective as of the above date. The Policy governs the manner in which the Committee will receive complaints and concerns from the Company's employees or others regarding accounting and auditing matters. A complaint or concern about an accounting, internal control, or auditing matter is hereafter referred to as a "Complaint," and shall include any recording or documentation of the Complaint.

## **BACKGROUND**

In 2002, the Congress of the United States adopted the Sarbanes-Oxley Act of 2002 (the "Act"). Section 301 of the Act added new Section 10A(m)(4) to the Securities Exchange Act of 1934 (the "Exchange Act"), that is applicable to the Company and similar companies that are required to file reports regularly with the U.S. Securities and Exchange Commission (the "SEC"). That section required the SEC to adopt rules directing public company audit committees to establish procedures for (i) the receipt, retention, and treatment of complaints that are received by the company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by the company's employees of concerns regarding questionable accounting and auditing matters. The SEC, acting upon this mandate, adopted Rule 10A-3 (the "Rule") and directed that "[e]ach audit committee must establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters." The SEC has intentionally refrained from providing detailed instructions or guidelines for the implementation of this Rule.

## **IMPLEMENTATION**

In addressing its responsibility under the Rule, the Committee has adopted this Policy intending to satisfy the requirements of Section 10A(m)(4) of the Exchange Act and Section 301 of the Act.

## **RECEIPT OF COMPLAINTS**

In accordance with the requirements of the Exchange Act, this Policy establishes a system whereby the employees of the Company may submit confidential and/or anonymous Complaints to the Committee. The Committee and/or management of the Company shall regularly inform and remind employees of this Policy. Only members of the Committee and counsel selected by the Committee shall have access to the Complaints. Separately, if any director, officer, or employee of the Company shall receive a Complaint from any of the Company's employees or from a third party, that person shall promptly communicate the

Complaint to the Committee. All Complaints, Information, questions, or concerns about the Company's accounting, internal accounting controls or auditing matters may be submitted to the Committee in the following manner:

By mailing a written description of the Complaint to the following mailing address or e-mail address:

Charles J. Fernandez  
Chairperson of the Audit Committee  
Elandia International, Inc.  
P O Box 490053  
Key Biscayne, FL 33149  
Email:cjfernandez@cjfcpa.net

All Complaints that are received by the Committee shall be sent to and considered first by the Chairperson of the Committee (the "Chairperson").

### **TREATMENT OF COMPLAINTS**

The Chairperson shall promptly review all Complaints and determine, in his or her discretion, whether the Complaint should be submitted to the Committee as a whole for review. If the Chairperson determines, in his or her discretion, that the Complaint is not worthy of the attention of the entire Committee, then the Chairperson shall not be required to take further action with respect to that Complaint. If the Chairperson determines that the Complaint should be submitted to the Committee as a whole for their consideration, then the Complaint shall be submitted and distributed to all members of the Committee for their consideration within a reasonable time. The Committee may determine that no remedial action is advisable with respect to a Complaint. Alternatively, if the Committee, after consideration of a Complaint, determines that remedial action is advisable, the Committee shall take such action as it deems reasonably necessary and appropriate under the circumstances, including obtaining outside counsel or other advisors to assist the Committee, and shall implement that remedial action within a reasonable period of time. The Chairperson shall be available for follow-up inquiries from persons submitting Complaints. If, after the follow-up discussion, the person submitting the Complaint concludes that appropriate action has not been taken, he or she may report the matter directly to a member of the Committee. The Chairperson shall maintain a record of each Complaint as provided in the Retention of Complaints provisions below.

### **REPORTS TO THE BOARD OF DIRECTORS**

The members of the Committee may consult with and report to the full Board of Directors of the Company (the "Board") concerning any Complaint and the possible remedial action to be taken with regard to a Complaint if and when the Committee determines that such action is worthy of the attention of the Board.

### **INVESTIGATIONS**

In responding to any Complaint, the Committee or the Chairperson may conduct an investigation. The Committee will take the steps it deems appropriate to have Complaints

evaluated, reviewed, and investigated as necessary. In conducting an investigation, the Committee or the Chairperson shall have the authority to retain the services of persons who are not employees of the Company at the expense of the Company. This authority shall include the authority to commit the Company to pay such outside consultants, including legal and accounting professionals or other advisors, a reasonable fee for such service. The Committee or the Chairperson shall also have the authority to incur other reasonable expenses in connection with the conduct of any investigation. The Committee is responsible for the implementation of this Policy. It may interpret this Policy and make judgments about the application of the procedures included in this Policy. It may amend this Policy in its discretion.

### **CONFIDENTIALITY**

Persons submitting Complaints shall remain anonymous unless such persons otherwise consent. The name and identity of persons making Complaints, if known, shall be kept confidential. If any member of the Committee becomes aware of the name of a person who has made a Complaint, he or she shall at all times keep the identity of the complainant confidential unless the complainant first consents in writing to the disclosure of his or her identity.

### **COOPERATION**

The directors, officers, and employees of the Company shall cooperate fully with the Committee and/or the Chairperson in the conduct of any investigation or other action taken in response to a Complaint.

### **RETENTION OF COMPLAINTS**

The Chairperson shall retain in a confidential file every Complaint for a period of five years from the date it is received by the Committee. Upon any change of the Chairperson, the former Chairperson shall deliver all Complaints to his or her successor. Access to the confidential file shall be restricted to the Chairperson, officers designated by the Chairperson and members of the Committee. The Chairperson will maintain a log of all Complaints, tracking their receipt, investigation and resolution and any response to the person making the Complaint, including the date of acknowledgement and any other actions taken. The Chairperson will provide periodic summary reports thereof to the Committee.

### **NO RETALIATION**

Retaliation, in any form, against any person who in good faith submits a Complaint will not be tolerated and will be a cause for discipline, including possible loss of employment. A person may report an instance of retaliation in the same manner as the reporting of a Complaint as provided in this Policy.

### **ACTING IN GOOD FAITH**

Anyone filing a Complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations which prove to not be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.