

Whistleblower Hotline Information

CTI Industries has established an anonymous reporting hotline through Lighthouse Services. Submitting a report can be done either by the toll free number (800) 398-1496, or by the [Report Incident](#) link found on the [Lighthouse Services home page](#). Please note that you will need to enter the Username: CTI and the Password: balloon to report an incident online. *(The usernames and passwords are case sensitive)*

Our company provides a third party reporting hotline to employees who wish to report any of the following incidents anonymously:

Ethical Violations	Wrongful Discharge
Unsafe Working Conditions	Internal Controls
Quality of Service	Vandalism and Sabotage
Sexual Harassment	Theft
Discrimination	Conduct Violations
Alcohol and Substance Abuse	Threats
Fraud	Bribery and Kickbacks
Conflict of Interest	Improper Conduct
Theft and Embezzlement	Violation of Company Policy
Violation of the Law	Misuse of Company Property
Falsification of Contract, Reports, or Records	

All calls and submissions are confidential and the anonymity of the caller will remain confidential.

Anonymous Reporting Hotline:
800-398-1496

Whistleblower Hotline Policy

Scope:

This policy applies to all CTI Industries employees worldwide, including part time, temporary and contract employees.

Purpose:

CTI Industries Corporation is committed to the highest possible standards of ethical, moral and legal business conduct. In line with this commitment and CTI Industries' commitment to open communication, this policy aims to provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing in good faith. If an employee feels that their anonymity is not required then they should follow our existing grievance procedure.

Policy:

The whistleblowing policy is intended to cover serious concerns that could have a large impact on CTI Industries, such as actions that:

- May lead to incorrect financial reporting;
- Are unlawful;
- Are not in line with company policy, including the Code of Business Conduct; or
- Otherwise amount to serious improper conduct.

Regular business matters that do not require anonymity should be directed to the employee's supervisor and are not addressed by this policy.

Safeguards:

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. Please note that the information provided by you may be the basis of an internal and/or external investigation into the issue you are reporting and your anonymity will be protected to the extent possible. However, your identity may become known during the course of the investigation.

Anonymous Allegations:

The policy allows employees to remain anonymous at their option. 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.

Malicious Allegations:

Malicious allegations may result in disciplinary action.

Procedure:

Reporting

The whistleblowing 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 either of the following ways:

- Through the Toll Free Hotline: 800-398-1496
- E-mail: reports@lighthouse-services.com
- Fax alternative for written documents: 215-689-3885
- Web: www.lighthouse-services.com (click on Report Incident link). Username: CTI and Password: balloon

- **Intranet:** Username: CTI and Password: balloon
(usernames and passwords are case sensitive)

Callers to the Hotline will have the ability to remain anonymous if they choose. Please note that the information provided by you may be the basis of an internal and/or external investigation into the issue you are reporting and your anonymity will be protected to the extent possible by law. However, your identity may become known during the course of the investigation. Complaints are submitted by Lighthouse to CTI Industries or its designee, and may or may not be investigated at the sole discretion of CTI Industries.

Employment-related concerns should continue to be reported through your normal channels such as your supervisor, local HR representative, or to the Vice President and Chief Human Resources Officer.

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, the employee needs to demonstrate to the person contacted that there are sufficient grounds for concern.

How the complaint will be handled:

The action taken will depend on the nature of the concern. The Audit Committee of the CTI Industries Board of Directors receives a report on each complaint and a follow-up report on actions taken.

Initial Inquiries:

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

Report to Complainant:

Whether reported to CTI Industries personnel or through the hotline, the complainant will be given the opportunity to receive follow-up on their concern:

- 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;
- 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, the clarity of information provided, and whether the complainant remains accessible for follow-up. Further information may be sought from the complainant.

Information:

Subject to legal constraints the complainant will receive information about the outcome of any

investigations. CTI Industries Corporation reserves the right to modify or amend this policy at any time as it may deem necessary.

[Click Here to visit the Lighthouse Services home page](#)

[Click Here to Report Incident](#)