

Environmental Tectonics Corporation Whistleblower Policy

Environmental Tectonics Corporation (“ETC”) does not shirk its responsibility from wanting to know if any employee has information or suspicion of financial or ethical wrongdoing within the Company.

Federal law requires publicly traded companies to have a formal policy and procedures in place to receive information, methods of dealing with the information, and protections for employees who report their suspicions.

ETC’s Audit Committee – which is composed of independent directors of ETC’s Board of Directors – is charged with that responsibility.

THE ETC WHISTLEBLOWER POLICY

1. ***Filing a Complaint.*** Any employee of ETC may submit, on a confidential, anonymous basis if the employee desires, any concerns regarding financial or ethical conduct. Such concerns may include the following:

- Financial statement disclosures
- Accounting practices
- Internal accounting controls
- Auditing matters
- Violations of ETC’s Code of Ethics for Senior Management
- Violations of ETC’s Code of Business Conduct
- Failure to comply with applicable rules, regulations and agreements

Submit in Writing. All such concerns may be sent in writing and forwarded in a sealed envelope to the chairman of the Audit Committee. The sealed information may be submitted for forwarding to the Audit Committee Chairman by ETC’s Ethics Advisor or it may be sent directly to the Audit Committee Chairman. Any such envelopes received by ETC’s Ethics Advisor shall be forwarded promptly and unopened to the Audit Committee Chairman.

Submit to Hotline. Complaints may also be submitted to ETC’s Whistleblower Hotline using the toll-free telephone number below. Any message received via the ETC Whistleblower Hotline will be transcribed and delivered promptly to the Audit Committee Chairman by the Ethics Advisor.

Discussing the Complaint. If an employee wishes to discuss any matter with the Audit Committee, the employee should indicate this in the submission and include a telephone number at which he or she might be contacted if the Audit Committee deems it appropriate.

2. ***Company Response.*** ETC shall promptly forward to the Audit Committee any complaints that it has received regarding financial statement disclosures, accounting, internal accounting controls or auditing matters.
3. ***Investigation.*** Following the receipt of any complaints, the Audit Committee will investigate each reported matter and take corrective and disciplinary actions, if appropriate. Actions by the Audit Committee may include, alone or in combination, a warning or letter of reprimand, demotion, loss of merit increase, bonus or stock options, suspension without pay or termination of employment.

Investigative Assistance. The Audit Committee may enlist employees of ETC and/or outside legal counsel, accounting or other advisors, as appropriate, to conduct any investigation of complaints submitted under this policy.

Confidentiality. In conducting any investigation, the Audit Committee shall use reasonable efforts to protect the confidentiality and anonymity of the complainant.
4. ***Retaliation.*** ETC does not permit retaliation or retribution of any kind against employees for complaints submitted under this policy that are made in good faith.
5. ***Reports to the Board.*** The Audit Committee shall report to the full Board of Directors at least on a quarterly basis the number and nature of any complaints and the status of determination.
6. ***Record Retention.*** The Audit Committee shall retain as a part of the records of the Audit Committee any such complaints or concerns for a period of no less than seven (7) years.

To report information under this policy address all correspondence to:

Environmental Tectonics Corporation
Audit Committee Chairman (CONFIDENTIAL)
125 James Way
Southampton, PA 18966

Complaints may be sent directly to the Audit Committee Chairman or delivered to the ETC Ethics Advisor, James D. Cashel, in a sealed envelope addressed to the Audit Committee Chairman. Complaints received by the Ethics Advisor will be forwarded promptly and unopened to the Audit Committee Chairman.

Complaints may also be submitted via the ETC Whistleblower Hotline (1-888-569-0551). Any message received via the ETC Whistleblower Hotline will be transcribed and delivered promptly to the Audit Committee Chairman by the Ethics Advisor.

Revised: August 5, 2009