

Corporate Governance Guidelines

The Board of Directors of Blue Water Technologies, Inc. (“Company”) has adopted the following guidelines in furtherance of its continuing efforts to enhance its corporate governance. The Board will review and amend these guidelines as it deems necessary and appropriate.

1. Board Mission and Director Responsibilities.

The Board is elected by the shareholders to oversee their interest in the long-term health and the overall success of the business and its financial strength. The Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the shareholders. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Company.

The core responsibility of the Directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. Directors must fulfill their responsibilities consistent with their fiduciary duty to the shareholders, in compliance with all applicable laws and regulations. Directors will also, as appropriate, take into consideration the interests of other stakeholders, including employees and the members of communities in which the Company operates.

The Board provides advice and counsel to the Chief Executive Officer and other senior officers of the Company. The Board oversees that the assets of the Company are properly safeguarded, that appropriate financial and other controls are maintained, and that the Company's business is conducted wisely and in compliance with applicable laws and regulations and proper governance.

In discharging their duties, Directors may rely on the Company's senior executives and outside advisors and auditors. Accordingly, skill and integrity will be important factors in selection of the Company's senior executives and other advisors. The Board has the authority to hire independent legal, financial or other advisors as they may deem necessary.

Directors are expected to attend all meetings of the Board and of the Committees on which they serve. Directors should devote the time and effort necessary to fulfill their responsibilities. Information important to Directors' understanding of issues to come before the Board or a Committee will be provided sufficiently in advance of meetings to permit Directors to inform themselves. Directors are expected to review these materials before meetings.

The Board will hold regularly scheduled meetings at least four times a year. The Chairman of the Board will set the agenda for Board meetings. Any Director may suggest items for inclusion on the agenda. Any Director may raise a subject that is not on the agenda at any meeting. Certain items pertinent to the oversight and monitoring function

of the Board will be brought to the Board regularly. The Board will review the Company's long-term strategic plans and the most significant financial, accounting and risk management issues facing the Company at least one Board meeting each year.

Non-management Directors will meet in regular executive sessions. Normally, such meetings will occur during regularly scheduled Board meetings. Meetings of the non-management Directors will be chaired by the Chairman of the Audit Committee, who will at all times be an independent Director.

The Board believes that whether to have the same person occupy the offices of Chairman of the Board and Chief Executive Officer should be decided by the Board, from time to time, in its business judgment after considering relevant circumstances.

2. Director Qualifications.

Directors may be nominated by the Board or by shareholders in accordance with the By Laws. The Audit reviews all nominees for the Board, including proposed nominees of shareholders, in accordance with its charter. The assessment will include a review of the nominee's judgment, experience, independence, understanding of the Company's or other related industries, and such other factors as the Committee concludes are pertinent in light of the current needs of the Board. The Board believes that its membership should reflect a diversity of experience, gender, race, ethnicity and age. The Committee will select qualified nominees and review its recommendations with the Board, which will decide whether to invite the nominee to join the Board. The Chairman of the Board should extend the Board's invitation to join the Board. The Board will require that nominees become shareholders of the Company prior to the solicitation of proxies for their election.

In accordance with the By-Laws, Directors are elected for a term of one year. The Board does not believe that it should establish limits on the number of terms a Director may serve. Term limits may cause the loss of experience and expertise important to the optimal operation of the Board. However, to ensure that the Board remains composed of high functioning members able to keep their commitments to Board service, the Audit Committee will evaluate the qualifications and performance of each incumbent Director before recommending the nomination of that Director for an additional term.

The Board expects that when an executive who serves on the Board resigns from his or her executive position, he or she will also simultaneously submit his or her resignation from the Board. Whether the individual continues to serve on the Board is a matter for discussion at that time with the Board.

3. Determination of Independence.

The Board shall consist of a majority of independent Directors. In making independence determinations, the Board will observe all applicable requirements, including the corporate governance listing standards established by the New York Stock Exchange ("NYSE"). The Board will carefully consider all relevant facts and circumstances in making an independence determination.

To be considered "independent" for purposes of the Director qualification standards, (1) the Director must meet the bright-line independence standards under the NYSE listing standards Section 303(a) of the NYSE Manual, and (2) the Board must affirmatively determine that the Director otherwise has no material relationship with the Company, directly or as an officer, shareholder or partner of an organization that has a relationship with the Company. In each case, the Board shall broadly consider all relevant facts and circumstances.

The following relationships, as outlined in NYSE Section 303(a), will not be considered to be material relationships that would impair a Director's independence (categorical standards):

(i) the Director is an executive officer or employee or any member of his or her immediate family is an executive officer of any other organization that does business with the Company and the annual sales to, or purchases from, the Company are less than \$1 million or 1% of the consolidated gross revenues of such organization, whichever is more;

(ii) the Director or any member of his or her immediate family is an executive officer of any other organization which is indebted to the Company, or to which the Company is indebted, and the total amount of either company's indebtedness to the other is less than \$1 million or 1% of the total consolidated assets of the organization on which the Director or any member of his or her immediate family serves as an executive officer, whichever is more;

(iii) the Director is a director or trustee but not an executive officer or any member of his or her immediate family is a director, trustee or employee, but not an executive officer, of any other organization (other than the Company's outside auditing firm) that does business with, or receives donations from, the Company;

(iv) the Director or any member of his or her immediate family holds a less than 10% interest in any organization that has a relationship with the Company; or

(v) the Director or any member of his or her immediate family serves as an executive officer of a charitable or educational organization which receives contributions from the Company in a single fiscal year of less than \$1 million or 2% of that organization's consolidated gross revenues, whichever is more.

Annually, the Board will review all relevant relationships of Directors to determine whether Directors meet the categorical standards described above. The Board may determine that a Director who has a relationship that exceeds the limits described in the categorical standards (to the extent that any such relationship would not constitute a bar to independence under the NYSE listing standards), is nonetheless independent. The Company will explain in the next proxy statement the basis for any Board determination that a relationship is immaterial despite the fact that it does not come within the categorical standards set forth above.

In addition to meeting the independence standards for Directors set forth above, Audit Committee members may not receive direct or indirect compensation from the Company

other than as Directors, and may not be affiliated persons of the Company and must otherwise satisfy the independence requirements set forth in Rule 10A-3(b) (1) of the Securities and Exchange Commission. Audit Committee members may receive Directors' fees.

4. Committees of the Board.

The Board has two standing Committees: These include audit and compensation. The Board may establish additional Committees as necessary or appropriate.

Only independent Directors may serve on the Audit Committee and the Compensation Committee. Each of the standing Committees will have its own charter. The charter will set forth the responsibilities of each Committee, the qualifications and procedures of the Committee and how the Committee will report to the Board. Each Committee will conduct a self-evaluation annually.

The Chairman of each Committee will determine the frequency of Committee meetings, consistent with the Committee's charter and the Company's needs.

5. Director Access to Officers, Employees and Information.

Directors have full and free access to officers, employees and the books and records of the Company. Any meetings or contact that a Director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by the Director. The Directors should use their judgment to ensure that any such contact is not disruptive to the business operations of the Company.

The Board welcomes the regular attendance at Board meetings of non-Board members who are in the most senior management positions in the Company. The Chairman of the Board shall extend such invitations.

6. Annual Officer Performance Evaluation.

To ensure that the Officers are providing the best leadership for the Company, the Board will annually evaluate the Officer's performance in an executive session of non-management Directors. The Board, with input from the Audit Committee, shall annually review and ratify corporate goals and objectives relevant to the Officer's compensation.

7. Management Succession.

The Board will determine policies and principles for selection of the Chief Executive Officer and policies regarding succession in the event of an emergency or the retirement of the Chief Executive Officer. The Board, with input from the Compensation Committee, will oversee senior management development and the planning for succession to senior positions.

9. Annual Board Performance Evaluation.

The Board of Directors will conduct an annual self-evaluation to determine whether the Board and its Committees are functioning effectively. During the year, the Audit

Committee shall receive input on the Board's performance from Directors and, through its Chairman, will discuss the input with the full Board and oversee the full Board's review of its performance. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board or any of its Committees could improve.

10. Director Compensation.

The form and amount of Director compensation shall be determined by the Audit Committee and then recommended to the full Board for action in accordance with the Committee charter. Warrants and stock in the Company should be a significant portion of Director compensation. Directors shall be reimbursed for reasonable expenses incurred with their position as director or as incurred when performing duties as requested by the CEO including but not limited to reasonable travel, lodging, etc.

11. Board Interaction with Outside Interested Parties.

The Board believes that management speaks for the Company. From time to time, at the request of management, individual Board members may meet or otherwise communicate with various constituencies that are involved with the Company. Where comments from the Board are appropriate, they will normally come from the Chairman.