



Anti-corruption and bribery policy

(Revised Version as approved by the Board on 02/02/2021)

It is the policy of the Velocys Group to maintain the highest level of ethical standards in the conduct of its business affairs. The actions and conduct of the Group officers, directors, and employees (collectively, the “group personnel”), as well as others acting on the group’s behalf, are essential to maintaining these standards. To that end, all group personnel, agents, consultants, as well as suppliers involved in group international business activities must read, become familiar and comply with this anti-corruption and bribery policy (the “policy”), as well as future updates and other similar materials issued from time to time.

Definitions

Bribery is the giving or receipt of any gift, loan, payment, reward or other advantage to or from any person as an encouragement to do something which is dishonest, illegal or would constitute a breach of trust, in the conduct of the group’s business.

Corruption is the misuse of entrusted power for private gain.

Gratuity is the offer or authorization of an offer or payment, of any money or thing of value.

Hospitality includes invitations to hosted meals, receptions and events for business purposes. Reasonable hospitality to meet customers, network with customers and improve relationships is an ordinary part of business and would not be considered improper.

Compliance with anti-bribery laws

The United Kingdom, the United States and many other countries have adopted and enforced laws prohibiting the offer or payment of bribes for the purpose of conducting business in both the public and private sector. To ensure that financial transactions and other activities undertaken on behalf of the group do not violate these anti-bribery laws, the group personnel must review and understand this policy and comply with the directives listed below.

Compliance by the Group

1. The group personnel must conduct company business in compliance with the highest professional and ethical standards and comply with the laws of all countries in which the company does business.
2. The use of company funds for any unlawful, improper or unethical purpose is prohibited. Group personnel may not authorize, promise or give an advantage, tolerate, encourage or make any prohibited payments (described below), regardless of amount, for any unlawful purpose. This prohibition also applies to indirect contributions, payments or gifts made in any manner, such as through consultants, contractors, sub-contractors, agents, sub-agents, sponsors or sub-sponsors, joint venture partners, advisors, customers, suppliers or other third parties. For purposes of this policy:

- a. Prohibited payments includes any offered gratuity for the purpose of influencing (bribing) the action of a government or corporate official or employee to betray their public or legal duties. Including but not limited to, facilitating payments or “grease payments”, i.e. payments to expedite the performance of routine governmental actions are prohibited.
 - b. Government official or employee includes any official or employee of any government of any country or subdivision thereof, (including state-owned companies such as telecommunications or any other utility company that is either in whole or in part controlled by a government) or any official or employee of a public international organization (i.e. the UN, European Commission, etc.), or any person acting in an official capacity on behalf of such government, state owned company or public international organization, or any political party or official thereof, or any candidate for political office.
 - c. Corporate official, director or employee specifically includes any representative of an actual or potential customer or supplier as well as any representative of any other corporate body.
3. Group personnel may not, either directly or indirectly, give, or agree to give, offer or receive, any gratuity to or from any government/corporate official/director or employee or its representative, or to or from any director or manager or party as an inducement or reward for favourable action or forbearance from action or the exercise of influence. For the purposes of this policy, a representative includes any person employed by or acting for another, and party includes an employer.
 4. All group personnel must report any suspected or actual (whether or not based on personal knowledge) instances of non-compliance with this policy and must provide all pertinent information to assist in any internal investigation of the relevant circumstances. Reports should be made to your manager, or your legal team representative.
 5. Under no circumstances will the reporting of a possible impropriety serve as a basis for retaliatory actions against any employee.

Hospitality

In dealing with the Group’s commercial customers, personnel should exercise care when considering paying for meals or entertainment so as to avoid impropriety and/or even the appearance of impropriety. In general, personnel should limit these expenditures to normal business courtesies.

For some United States (federal, state or local) and UK government customers the rules are much stricter. For example, it is permissible for Group personnel to offer and for United States government personnel to accept:

Modest items of food and refreshments – such as soft drinks, coffee, and doughnuts – other than as part of a meal.

Greeting cards, plaques, or certificates intended solely for presentation purposes which have little or no intrinsic value.

Unsolicited gifts (such as a meal or business-related entertainment – cash or investments are never permitted) up to \$20 in value per occasion. The government employee may accept no more than \$50 worth of such gifts annually from a single source.



However, it is the government employee, not the Group, who must keep track of the US\$50 annual maximum. Unless the gift or gratuity fits within one of the above permitted exceptions, a government employee must pay full market value for anything they accept.

In order to ensure transparency when conducting business hospitality, entertainment or giving or receiving gifts, it is essential that accurate, detailed and up to date records are kept in line with the company's expense policy. The company reserves the right to make adverse inferences from a lack of accurate, detailed or up to date records which cannot be adequately explained and furthermore, these inferences may result in disciplinary action being taken (should it be appropriate) after a full investigation has taken place.

Many state and local government entities also have restrictions on the offer or acceptance of gratuities. Some are stricter than the federal rules. Therefore, no gratuities should be offered to any public official or employee unless it has been confirmed to be permitted by applicable law.

In addition, sometimes foreign representatives from a company visiting the Group will be presented with or present small token gifts from their country. These are not considered bribes or improper gifts.

If there is any doubt, consult Andrew Morris, Chief Financial Officer for clarification of any questions in advance.

Employee compliance

All managers must ensure that all employees are aware of and comply with this policy. Failure to comply with the principles and steps set out in this policy may result in disciplinary action. Examples of actions or omissions that may subject an employee to disciplinary action include, but are not limited to:

1. Failure to implement the principles and steps set forth in this policy;
2. Failure to report a suspected or actual instance of non-compliance with the principles and steps set forth in this policy;
3. Lack of attention or diligence on the part of supervisory personnel that directly or indirectly leads to a violation of law; or
4. Direct or indirect retaliation against an employee who reports an actual or suspected violation of the principles and steps set forth in this policy.

If you become aware of any conduct which you believe may be in breach of this policy and/or the associated policies and procedures you should raise your concerns immediately with your manager under the whistleblowing procedure. Whilst you should report any concerns, in particular the following should be reported:

Any suspected or actual attempts to bribe or provide backhanders, including facilitation payments;

Any requests for unusual payments and/or cash payments;

Unusual or unsubstantiated expenses;

Failure to follow normal financial practices, such as a lack of appropriate invoices; Business relationships with close family members, personal friends, etc. Business activity in countries or with individuals who have a history of corruption.



In line with the whistleblowing procedure, if you report your concerns in good faith, you will be supported and will not be subjected to any detriment as a result of raising your concerns.

Failure to raise your concerns will be considered a breach of trust and dealt with under the disciplinary procedure. Should any employee raise concerns which are subsequently found to be in any way malicious, this will be dealt with under the company's disciplinary process and may be treated as an act of gross misconduct.

The disciplinary actions that may be imposed include, but are not limited to, termination, suspension, demotion, reduction in pay and reprimand/warning. Managers are also subject to sanction for supervisory failures. Employee participation in, and adherence to, the principles and steps set forth in this policy will be elements of each employee's annual personnel evaluation.

To place this in context, you should be aware that if you engage in activities which are contrary to UK anti-bribery and corruption legislation, you could face up to 10 years in prison and/or unlimited fine, and the company could also be liable to an unlimited fine and government sanction. Comparable US law includes the Foreign Corrupt Practices Act. The UK and US laws apply to all activities of the Group no matter where they are carried out in the world. This policy therefore applies to all activities worldwide, whatever the local law, practice or custom may be. There may be additional anti-corruption laws in specific jurisdictions.

If you are at any time uncertain as to whether your actions will comply with this policy, please seek guidance from Andrew Morris, Chief Financial Officer, reachable at +44 1235 838621 or andrew.morris@velocys.com

By complying with this policy document we aim to ensure that you and the Group will not at any time knowingly breach any relevant anti-bribery and anti-corruption legislation and also that by adhering to the policy, the Group can demonstrate that it has adequate procedures in place to prevent such activity. You have an independent obligation to prevent bribery and corruption in the

conduct of Group business and to ensure that any interaction with public officials complies with this policy document and relevant laws.

Please confirm you have read and understood this policy document by signing and dating below.

Signature: _____

Print name: _____

Date: _____

Special note: references may be found on the next page.

As amended by the Velocys plc Audit Committee 02/02/21



References

The policy is to be read in conjunction with the TriNets “Code of Ethics and Conduct & Conflict of Interest” policy which supports the guidance and rules defined in this policy. These policies can be found at:

<https://www.hrpassport.com/Customfolders/objects/company/DEFAULT/EMPEHNDBK/default.asp#>.

United Kingdom Bribery Act 2010 located at:

<https://www.legislation.gov.uk/ukpga/2010/23/contents>

Foreign Corrupt Practices Act (FCPA) located at:

<http://www.justice.gov/criminal/fraud/fcpa/>.

Federal Acquisition Regulations (FAR) located at: <https://www.acquisition.gov/far>

The Uniform Commercial Code (UCC or the Code), “The offer or acceptance of a bribe or gratuity is prohibited by **18 U.S.C. 201** and **10 U.S.C. 2207**. The acceptance of a gift, under certain circumstances, is prohibited by **5 U.S.C. 7353** and 5 CFR Part 2635.

