

Whistle-blowing policy

Introduction

This policy explains the procedures you must follow if you have any concerns in relation to any alleged wrongdoing, breach of legal obligation or improper conduct on the part of Velocys plc, or Velocys Technologies Limited or any of the officers, directors, employees, consultants or advisers of Velocys.

You must follow and exhaust the procedures stated in this policy before you will be entitled to “blow the whistle” on Velocys to any third party.

Does this policy apply to me?

This policy applies to all employees and workers of Velocys, whether full time, part time, permanent, fixed term or temporary.

Should I report my concerns to Velocys?

Velocys seeks at all times to conduct its business with the highest standards of professionalism, integrity and honesty and in compliance with all applicable laws. Velocys expects all employees and other workers who work for Velocys to maintain the same standards in everything they do in relation to the business and general affairs of Velocys.

Members of staff are therefore encouraged to report to a non-executive director of Velocys (via this policy) any alleged or suspected wrongdoing, breach of legal obligation or improper conduct by or on the part of Velocys or any of the officers, directors, employees, consultants or advisers of Velocys.

Velocys recognises that members of staff may not always feel comfortable about discussing their concerns internally, especially if they believe that Velocys itself or any of its senior executives is responsible for the wrongdoing. The aim of this procedure is to ensure that members of staff are confident that they can raise any matters of concern with Velocys in the knowledge that they will be taken seriously, investigated properly and confidentially (as far as is reasonably practicable) and that action will be taken where appropriate.

No action will be taken against any member of staff by Velocys for raising a genuinely held concern with Velocys in accordance with the procedures set out in this policy.

What types of concerns are covered by this policy?

The rules and procedures stated in this policy relate to any alleged wrongdoing of Velocys plc and Velocys Technologies Limited or any of the officers, directors, employees, consultants or advisers of Velocys, any concerns that:

- A criminal offense has been committed, is being committed, or is likely to be committed by Velocys or any of its officers, directors, employees, consultants or advisers;
- Velocys has failed, is failing or is likely to fail to comply with any legal obligation to which it is subject;
- Velocys has failed to comply with all reporting and audit requirements regarding its finances or business operations (particularly any requirements of the AIM market of the London Stock Exchange plc) and all standards of accounting practice; including the preparation or presentation to its shareholders of misleading or inaccurate financial information or the provision of misleading or inaccurate information regarding the cost of products or services

- etc. to its customers;
- Any breach of corporate governance standards or rules, particularly any requirements of the AIM market of the London Stock Exchange plc;
- The health and safety of any individual has been, is being or is likely to be endangered by the actions or omissions of Velocys or any of its officers, directors, employees, consultants or advisers;
- The environment has been, is being or is likely to be damaged by Velocys or any of its officers, directors, employees, consultants or advisers; or
- Information tending to show that any of the above issues, has been, are being or are likely to be deliberately concealed.

How should I go about raising my concerns?

If the malpractice, wrongdoing or other issues about which you are concerned relates to the conduct of the business of Velocys or the legal responsibility of Velocys, you should disclose details of the matter to one of the non-executive directors of Velocys. Please be assured that your concerns will be taken very seriously by the non-executive directors and that they will carefully review any issues that are raised to them by an employee in good faith via this policy. You are asked in the first instance to contact Jeremy Gorman, Company Secretary, who will forward your concerns to the appropriate person. His email address is: jeremy@corporategovernance.ltd.uk.

When contacting the non-executive director you should state:

- Your name and job title;
- The fact that you are employed or engaged by Velocys;
- That you are raising your concerns in accordance with this policy; and
- Full details of concerns that you wish to raise, providing copies of all supporting documents and information that is in your possession.

While Velocys cannot prevent you raising your concerns to a non-executive director on an anonymous basis, we would ask you to avoid doing so for legal compliance reasons and to ensure that we are able to conduct a thorough investigation into your concerns. Therefore we ask that you inform the non-executive director of your name and job title. The non-executive directors will ensure that, so far as practicable, your concern is dealt with and investigated in confidence. The non-executive directors will try wherever possible to avoid revealing the identity of the person who raised the relevant concerns without that person's prior permission. This will not, however, always be possible in all cases as the non-executive directors will have an overriding duty to the members of Velocys to take all reasonable steps to investigate important allegations and concerns and to take any action that they deem to be appropriate to address the relevant issues.

General rules regarding whistle-blowing

In order to not jeopardize any investigation into the alleged wrongdoing, malpractice or other concerns, you will also be expected to keep confidential the fact that you have raised a concern, the nature of the concern and the identity of those you think are involved. Disciplinary action may be taken against you if you fail to keep these matters confidential.

There may be circumstances in which your involvement will be essential to the investigation into the alleged malpractice. If it is necessary for you to participate in an investigation, the fact that you made the original disclosure will, so far as is possible, remain confidential, although clearly there is a risk that this could become apparent during the course of the investigation. If you are required to attend any meetings in connection with the concerns you have raised or the investigation, you are entitled to have a colleague accompany you if you wish.

The non-executive director will promptly send you a written acknowledgement (wherever possible this will be sent to your home address) confirming that your concerns have been noted and will be investigated. You will be kept informed to the extent that is reasonable in relation to the progress



being made with the investigation and will be notified of its conclusions to the extent that is reasonable, taking into consideration the rights of any other persons involved in the investigation.

Will I be notified of the conclusion of the investigation?

If the investigation concludes that your concern is unfounded, no action will be taken by Velocys. Your identity will, so far as is possible, remain confidential, unless in the course of the investigation it becomes apparent that you did not raise the concern in good faith, in which case you might be subject to a disciplinary process and your identity will, of course, be revealed to those involved in the disciplinary process.

If the investigation concludes that your concern is well founded, you will be informed of this fact and reassured that appropriate action will be taken to address and rectify the corporate wrongdoing. Velocys will try to provide you with a reasonable indication of the action it is taking in this regard, but this may not always be possible due to the confidentiality surrounding any disciplinary action being taken against the perpetrators of the wrongdoing.

If you are unhappy about the speed or conduct of the investigation, the way in which the matter has been resolved or the amount of information you have received about the action taken by Velocys, you must refer your concerns to the Chairman of Velocys, who will determine whether any action should be taken in such circumstances.

Velocys reserves the right to refer any matter of personal wrongdoing, breach of legal obligation or improper conduct on the part of one or more of its officers, directors, employees, consultants or advisers to the police, the appropriate government department or the appropriate regulatory body without your consent. Velocys may also take any disciplinary action it deems to be appropriate without seeking your consent.

What if I still have genuine concerns?

Velocys recognises that you may not be satisfied with the action taken to rectify any alleged wrongdoing, malpractice or other issue and that you may be entitled to make a protected disclosure to an appropriate third party in these circumstances after having exhausted the above stated policy. Velocys would simply ask you to act responsibly in this regard and to ensure that you raise your concerns with the police, the appropriate government department or the appropriate regulatory body (as appropriate). Velocys would ask you to avoid seeking to blow the whistle via the newspapers or other media, as this is likely to be an inappropriate method of you raising your concerns outside of Velocys and will inevitably lead to damaging adverse publicity for Velocys. Please always raise your concerns in a responsible manner to an appropriate third party.

Will I be protected from retaliation?

Velocys confirms that no member of staff who raises a concern via this policy in good faith will be subjected to any detriment as a result of raising the relevant concerns.

In the event that you believe you are being subjected to a detriment by any person within Velocys as a result of your decision to invoke this procedure you should inform a non-executive director or the Chairman of Velocys immediately and appropriate action will be taken to protect you from any detrimental treatment, retaliation or victimisation.

Employees who abuse this whistle blowing procedure by raising false allegations or accusation in bad faith may, however, be subject to disciplinary action up to and including summary dismissal in serious cases. It is, therefore, important that you only raise concerns in good faith and that you act responsibly at all times.

