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REVISION HISTORY

REVISION LEVEL/DATE	DESCRIPTION
Rev. 0- 01/17/2023	Initial Release

I. Purpose and Scope

Workhorse Group Inc. and its subsidiaries (collectively, the “Company”) operate in a wide range of legal and business environments, with a business footprint and supply chain spanning multiple countries. Integrity is a core-value of the Company, and we strive to conduct ourselves according to the highest standards of ethical conduct. Throughout our operations, the Company seeks to avoid even the appearance of impropriety in the actions of our directors, officers, employees, and agents.


Accordingly, this Anti-Corruption Policy (“Policy”) reiterates our commitment to integrity and explains the specific requirements and prohibitions applicable to our operations under anti-corruption laws, including, but not limited to, the US Foreign Corrupt Practices Act of 1977 (“FCPA”).

This Policy contains information intended to reduce the risk of corruption and bribery from occurring in the Company's activities. The Company strictly prohibits all forms of corruption and bribery and will take all necessary steps to ensure that corruption and bribery do not occur in its business activities.

Under the FCPA, it is illegal for US persons, including US companies or any companies traded on US exchanges, and their subsidiaries, directors, officers, employees, and agents, to bribe non-US government officials. The concept of prohibiting bribery is simple. However, understanding the full scope of the FCPA is essential as this law directly affects everyday business interactions between the Company and non-US governments and government-owned or government-controlled entities.

The FCPA imposes criminal liability on both individuals and corporations. For individuals who violate the anti-bribery provisions of the FCPA, criminal penalties include fines of up to \$250,000.00 or twice the amount of the gain resulting from the improper payment, imprisonment of up to five years, or both. Corporations may be fined up to \$2,000,000 or twice the amount of the gain resulting from the improper payment, for violations of the FCPA’s anti-bribery provisions. In addition to criminal penalties, civil penalties may also apply. In addition to these penalties, a person or company found in violation of the FCPA may be precluded from doing business with the United States government and may be denied foreign export licenses. Finally, employees and agents of the Company will be subject to discipline, including termination of employment and loss of benefits.

Violations of the FCPA can also result in violations of other US laws, including anti-money laundering, mail and wire fraud, and conspiracy laws. The penalties for violating the FCPA are severe. In addition to being subject to the Company's disciplinary policies (including termination), individuals who violate the FCPA may also be subject to imprisonment and fines.

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Aside from the FCPA, the Company may also be subject to other non-US anti-corruption laws, in addition to the local laws of the countries in which the Company conducts business. This Policy generally sets forth the expectations and requirements for compliance with those laws.

This Policy is applicable to all of the Company's operations worldwide and applies to all of the Company's directors, officers, employees, agents, consultants, joint venture partners, and any other third-party representatives that, on behalf of the Company, have conducted business outside of the US or interacted with non-US government officials or are likely to conduct business outside of the US or interact with non-US government officials. This includes those who work and live outside of the US.


II. Prohibited Payments

Company employees and agents are prohibited from directly or indirectly making, promising, authorizing, or offering anything of value to a non-US government official on behalf of the Company to secure an improper advantage, obtain or retain business, or direct business to any other person or entity.

This prohibition includes payments to third parties where the Company employee or agent knows, or has reason to know, that the third party will use any part of the payment for bribes.

(a) Cash and Non-Cash Payments: “Anything of Value.” Payments that violate the FCPA may arise in a variety of settings and include a broad range of payments beyond the obvious cash bribe or kickback. The FCPA prohibits giving “anything of value” to foreign officials for an improper purpose. This term is very broad and can include, for example:

- i. Gifts.
- ii. Travel, meals, lodging, entertainment, or gift cards.
- iii. Loans or non-arm's length transactions.
- iv. Charitable or political donations.
- v. Business, employment, or investment opportunities, including contractual rights, excessive discounts, services, etc.
- vi. Non-US Government Official. The FCPA broadly defines the term non-US government official to include:
- vii. Officers or employees of a non-US government or any department, agency, or instrumentality thereof.
- viii. Officers or employees of a company or business owned in whole or in part or controlled by a non-US government (a state owned or controlled enterprises).
- ix. Officers or employees of a public international organization (such as the United Nations, World Bank, or the European Union).
- x. Non-US political parties or officials thereof.
- xi. Candidates for non-US political office.

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This term also includes anyone acting on behalf of any of the above.

On occasion, a non-US government official may attempt to solicit or extort improper payments or anything of value from Company employees or agents. Such employees or agents must inform the non-US government official that the Company does not engage in such conduct and immediately contact General Counsel.

(c) Commercial Bribery. Bribery involving commercial (non-governmental) parties is also prohibited under this Policy. To this end, Company employees and agents shall not offer, promise, authorize the payment of, or pay or provide anything of value to any employee, agent, or representative of another company to induce or reward the improper performance of any function or any business-related activity. Company employees and agents also shall not request, agree to receive, or accept anything of value from any employee, agent, or representative of another company or entity as an inducement or reward for the improper performance of any function or business-related activity.

III. Permitted Payments


The FCPA does not prohibit all payments to non-US government officials. However, to ensure that the Company maintains its integrity and complies with all other applicable anti-corruption laws and regulations, all payments in the following categories must be approved in writing by General Counsel prior to payment. In general, the FCPA permits three categories of payments:

(a) Facilitating Payments. The FCPA includes an exception for nominal payments made to low-level government officials to ensure or speed the proper performance of a government official's routine, non-discretionary duties, or actions, such as:

- i. Clearing customs.
- ii. Processing governmental papers such as visas, permits, or licenses.
- iii. Providing police protection.
- iv. Providing mail, telephone, or utility services.

(b) Promotional Hospitality and Marketing Expenses or Pursuant to a Contract. The Company may pay for the reasonable cost of a non-US government official's meals, lodging, or travel if, and only if, the expenses are bona fide, reasonable, and directly related to the promotion, demonstration, or explanation of Company products or services, or the execution of a contract with a non-US government or agency.

(c) Promotional Gifts. Promotional gifts of nominal value may be given to a non-US government official as a courtesy in recognition of services rendered or to promote goodwill. These gifts must be nominal in value and should generally bear the trademark of the Company or one of its products. Any gifts of more than \$100 should be approved by General Counsel.

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Because the line between impermissible bribes and permissible facilitating payments is often difficult to determine, permitted payments under this section should only be made if the following requirements are met and the prior approval of General Counsel has been obtained:

- (a) The payment is necessary to secure or expedite a routine government action that is non-discretionary in nature.
- (b) The payment is necessary to prevent damage to an important commercial interest of the Company with no reasonable alternative.
- (c) The payment is less than \$100.
- (d) The payment is customary.
- (e) The payment is legal under local law.
- (f) The payment is to a low level government employee who performs ministerial acts not requiring the exercise of discretion.
- (g) The payment is not being made with an expectation that it will result in business being given to the Company.
- (h) The payment is accurately recorded in the Company's books and records as a legal facilitating payment.


IV. Political and Charitable Contributions

Contributions to candidates for non-US political office are prohibited unless the General Counsel pre-approves them in writing. Charitable contributions to non-US charities must also be pre-approved in writing by the General Counsel. All charitable contributions using Company funds must comply with the Company's Charitable Contributions Policy.

V. Recordkeeping

It is the Company's policy to implement and maintain internal accounting controls based upon sound accounting principles. All accounting entries in the Company's books and records must be timely and accurately recorded and include reasonable detail to fairly reflect transactions. These accounting entries and the supporting documentation must be periodically reviewed to identify and correct discrepancies, errors, and omissions.

- (a) Authorization for Transactions. All transactions involving the provision of anything of value to a non-US government official must occur only with appropriate Company authorization.

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(b) Recording Transactions. All transactions involving the provision of anything of value to a non-US government official must be recorded in accordance with Generally Accepted Accounting Principles.

(c) Tracking Transactions. All transactions involving the provision of anything of value to a non-US government official must be tracked in a separate log or record, with supporting documentation identifying:

- i. The name and position of the employee requesting and authorizing the transaction.
- ii. The name and position of the non-US government official involved in the transaction.
- iii. A description, including the value, of the payment or provision of anything of value, and where applicable, a description of the Company's products or services being promoted or the relevant contractual provision if the payment was made pursuant to a contract.

VI. Cash Payments

Cash payments of any kind to a third party, are prohibited. Company checks shall not be written to “cash,” “bearer,” or anyone other than the party entitled to payment .

VII. Representatives


All third-party Company representatives must fully comply with the FCPA and all other applicable laws.

VIII. Compliance

Company employees and agents must be familiar with and perform their duties according to the requirements set out in this Policy. Company employees or agents who violate this Policy are subject to disciplinary action, up to and including dismissal. Third-party representatives who violate this Policy may be subject to termination of all commercial relationships with the Company.

To ensure that all Company employees and agents are thoroughly familiar with the provisions of this Policy, the FCPA, and any other applicable anti-corruption laws, the Company shall provide anti-corruption training and resources to Company employees and agents, as appropriate.

Any Company employee or agent who suspects that this Policy may have been violated must immediately notify the Company as specified in the section entitled “Reporting Policy Violations” below. Any Company employee who, in good faith, reports suspected legal, ethical, or Policy violations will not suffer any adverse consequence for doing so. When in doubt about the appropriateness of any conduct, the Company requires that you seek additional guidance before taking any action that may subject the Company to potential FCPA liability.

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IX. Duty to Cooperate

The Company may at times undertake a more detailed review of certain transactions. As part of these reviews, the Company requires all employees, agents, and third-party representatives to cooperate with the Company, outside legal counsel, outside auditors, or other similar parties. The Company views failure to cooperate in an internal review as a breach of your obligations to the Company and will deal with this failure severely in accordance with any local laws or regulations.

X. Questions About the Policy

If you have any questions relating to this Policy, please contact the General Counsel.

XI. Reporting Policy Violations

To report potential violations of this Policy, immediately notify your supervisor or General Counsel or the Company Whistleblower Hotline by phone at 833-942-0765 or online at <http://workhorse.ethicspoint.com>. All reports of potential violations will be treated as confidential and thoroughly investigated. The Company prohibits any form of discipline, reprisal, intimidation, or retaliation for reporting a potential violation of this policy or cooperating in related investigations.

For more information, see the Company's Whistleblower Policy.