

## **CAPSTONE GREEN ENERGY HOLDINGS, INC.**

### **ETHICS REPORTING & WHISTLEBLOWER PROTECTION POLICY**

High ethical standards are important to how Capstone Green Energy Holdings, Inc. and its subsidiaries (collectively, the “Company” or “Capstone”) conduct their business. The Company is also committed to maintaining compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. No employee is ever expected, encouraged or allowed to violate any law when conducting Company business.

This policy applies to all Company employees, including all officers of the Company. The objectives of this policy are to encourage and enable Company employees, without fear of retaliation, to raise concerns regarding suspected unethical and/or illegal conduct or practices on a confidential and, if desired, anonymous basis so that the Company can address and correct inappropriate conduct and actions.

This policy is in no way intended to limit employees’ rights to report alleged violations related to securities law, accounting or auditing matters to the appropriate governmental and regulatory authorities, including but not limited to the United States Securities and Exchange Commission, the Commodity Futures Trading Commission, the Financial Industry Regulatory Authority, or other self-regulatory agencies.

#### **Scope**

This policy relates to complaints involving any ethics, accounting, financial reporting or auditing matters, including, without limitation, the following:

- fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- fraud or deliberate error in the recording and maintaining of financial records of the Company;
- unethical business practices;
- deficiencies in or noncompliance with the Company’s accounting policies and procedures or internal accounting controls;
- misleading or coercion of auditors;
- misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company;
- conduct which may reasonably be believed to be a violation of the Foreign Corrupt Practices Act or other local anti-corruption laws; or
- securities fraud or violation of any other laws, rules or regulations applicable to the Company.

#### **Submission of Complaints**

In an effort to ensure that the Company maintains the highest ethical standards, the Audit Committee of the Company’s Board of Directors (the “Audit Committee”) has (i) initially designated the Chief Financial Officer of the Company as the Chief Compliance Officer of the

Company (the “Chief Compliance Officer”); provided that the Board of Directors or a duly authorized committee hereof may designate a Chief Compliance Officer from time to time and notify the Company’s employees of such designation and (ii) established procedures for employees to report their ethics, accounting, financial reporting or auditing concerns to the Audit Committee through the Chief Compliance Officer or the Company’s primary outside counsel (“Outside Counsel”). These procedures provide a means for such concerns to be heard in an anonymous, confidential manner. If an employee has concerns about any questionable accounting, financial reporting, or auditing matters, or any business conduct that the employee believes should be heard directly by the Audit Committee, the employee may choose one of the following methods of communication:

- In writing (which may be done anonymously as set forth below under “Reporting; Anonymity; Retaliation”), addressed to the Chief Compliance Officer by U.S. mail to 16640 Stagg Street, Van Nuys, CA 91406;
- By e-mail to the Chief Compliance Officer at [ethicsmanager@cgrn.com] (anonymity cannot be maintained); or by e-mail to Outside Counsel at [mark.wood@katten.com](mailto:mark.wood@katten.com);
- By Intranet Form (**For Employees Only**): Complete the Capstone Ethics Complaint Form on the home page of Capstone’s intranet via [<http://cpstshr02:82/complaint/contact.html>.] When the form is completed, click “send” and it will forward an anonymous email directly to the Chief Compliance Officer and Outside Counsel; or
- By phoning the reporting line (the “Reporting Line”), which the Company has established for receipt of questions and reports of potential violations of the Code that will be forwarded to the Chief Compliance Officer and Outside Counsel. The Reporting Line may be reached at [(818) 734-5199] and calls may be made anonymously as set forth below under “Reporting; Anonymity; Retaliation.”
- Regardless of the means an employee chooses, the message will go directly to the Chief Compliance Officer and the Outside Counsel who have been designated by the Audit Committee to accept communication on their behalf.

Employees are not required to provide personal identifying information in any communication to the Audit Committee; however, if an employee provides personal identifying information, it could give the Company the opportunity to talk directly with the employee to learn more about the situation and find out how to address the employee’s concerns. Therefore, while it is the employee’s choice, the Company would appreciate it if an employee provides their name or other contact information.

## **No Retaliation**

The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to good faith reporting of complaints under this policy. Retaliation will not be tolerated.

## **Treatment of Complaints**

Any concerns regarding accounting, auditing, financial reporting or questionable business conduct will be taken seriously and appropriately investigated by or on behalf of the Audit Committee or a designee of the Audit Committee.

Anyone submitting a complaint must act in good faith and have reasonable grounds for believing that the information disclosed may indicate a violation of ethical, accounting, financial reporting or auditing standards or law.

## **Retention**

The Audit Committee will ensure retention of all documents and records regarding any complaint for a period of five (5) years. It is illegal and against Capstone's policies and procedures to destroy any corporate audit or other records that may be subject to or related to an investigation by Capstone or any state, federal, or other regulatory body.