

AUDIT COMMITTEE PROCEDURES FOR REPORTING POTENTIAL WRONGDOING

Purpose

Aptera Motors Corp. (including its subsidiaries, the “Company”) is committed to the integrity, honesty and ethical behavior of its employees and their business dealings with others. The Audit Committee of our Board of Directors (the “Audit Committee”) has established the following procedures to govern the process through which employees, and others acting on behalf of the Company, either directly or anonymously, can report potential violations or concerns (this “Policy”). This Policy also governs the Company’s responsibilities to investigate, act on, and keep records of any such complaints or concerns. Finally, this Policy addresses our commitment to integrity and ethical behavior by helping to foster and maintain an environment where our employees can raise concerns without fear of retaliation.

This Policy is consistent with, and made part of our Code of Business Conduct and Ethics and other applicable Company policies. If you feel unsure about the best and ethical course of action in a particular situation, please discuss it with your supervisors, managers or other appropriate personnel, such as the Chief Financial Officer.

Definitions

For purposes of this Policy:

(1) “Good faith” is evident when a complaint of potential Wrongdoing is made without malice or consideration of personal benefit and the reporting individual has a reasonable basis to believe that the complaint is true and accurate; provided, however, a complaint does not have to be proven to be true to be made in good faith. Good faith is lacking when the complaint is known to be malicious or false, fictitious, fraudulent or without a reasonable belief in the truth and accuracy of the reported information.

(2) “Wrongdoing” means any act or failure to act which violates any law or regulation, or any of the Company’s policies, including without limitation the Code of Business Conduct and Ethics, or which constitutes unethical conduct or practices or involves financial or accounting misconduct. Examples of Wrongdoing include, but are not limited to:

- Financial and accounting fraud, deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company, and/or fraud or deliberate error in the recording and maintaining of financial records of the Company;
- Providing unapproved side letters to customers;
- Other fraud;
- Deficiencies in or noncompliance with the Company’s internal accounting controls;
- 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;
- Deviation from full and fair reporting of the Company’s financial condition;

- Violation of Company policies;
- Unethical behavior or practices;
- Discrimination, harassment or behavior or practices creating a hostile work environment;
- Securities fraud and/or violations of any rule or regulation of the SEC or any provision of federal law relating to fraud against stockholders;
- Violation of laws, rules or regulations; or
- Theft from the Company or others.

(3) “Adverse Employment Action”: Examples of adverse employment action include, but are not limited to, demotion, suspension, termination, transfer to a lesser position, denial of promotions, denial of benefits, threats, harassment or denial of compensation as a result of the employee’s complaint of Wrongdoing, or any manner of discrimination against an employee in the terms and conditions of employment because of any other lawful act done by the employee pursuant to this Policy or any applicable law.

Responsibility to Report

Each employee (or other reporting individual) is required to report in the manner discussed in this Policy any activity which he or she in Good Faith believes constitutes Wrongdoing. This Policy presumes that each employee will act in Good Faith and will not make false accusations when reporting Wrongdoing by another employee of the Company. An employee who knowingly or recklessly makes statements or disclosures that are not made in Good Faith may be subject to discipline, which may include termination. Any employee who makes a Good Faith report need not have any fear of retaliation or any Adverse Employment Action and such employee will be accorded the protections described below. Employees who report acts of Wrongdoing pursuant to this Policy can and will be held to the Company’s general job performance standards and adherence to the Company’s policies.

To assist us in responding to or investigating a complaint, the complaint should be factual rather than speculative or conclusory, and contain as much specific information as possible to allow for proper assessment of the nature, extent and urgency of the matter that is the subject of the complaint. Without limiting the foregoing, the complaint should, to the extent possible, contain the following information: (i) the alleged event, matter or issue that is the subject of the complaint; (ii) the name of each person involved; (iii) if the complaint involves a specific event or events, the approximate date and location of each event; and (iv) any additional information, documentation or other evidence available to support the complaint. Unless otherwise prohibited by applicable law, we may, in our reasonable discretion, determine not to commence an investigation if a complaint contains only unspecified or broad allegations of Wrongdoing without appropriate informational support.

Procedures for Reporting and Investigation

An employee who believes Wrongdoing is occurring or has occurred can report the alleged wrongful activity to his immediate supervisor, to any member of management, to the Chief Financial Officer of the Company or directly to the Audit Committee, or an employee may report complaints confidentially and anonymously by accessing the Company’s confidential reporting

website at <https://aptera.ethicaladvocate.com> or contacting the ethics hotline at (844) 379-4452, both of which are operated by an independent third party that the Company has hired to receive anonymous complaints from employees and to coordinate the delivery of such complaints to the Chief Financial Officer or to the Audit Committee directly. These employees may, in turn, forward such complaint(s) to appropriate Company personnel and/or to the Audit Committee and/or directly to the SEC or other enforcement agency for investigation and resolution, depending on the nature of the Wrongdoing alleged in the complaint. Employees do not have to provide their names as part of the process of making a complaint. All persons receiving a complaint will maintain the confidentiality and anonymity of the complainant(s) to the fullest extent reasonably practicable within the legitimate needs of law and any ensuing evaluation or investigation.

Responsibilities of the Audit Committee with Respect to Complaints

The Audit Committee has ultimate responsibility for the investigation of potential Wrongdoing and decisions with respect to actions to be taken in response to an investigation. The Audit Committee may conduct an investigation of a complaint directly or it can designate one or more members of Company management to conduct the investigation and report back to the Audit Committee and/or it can engage the services of a third party. Irrespective of the manner of investigation, the Audit Committee will have the ultimate responsibility to decide on what action, if any, will be taken based upon the results of any investigation conducted. All complaints received will be investigated to the degree determined necessary by the Audit Committee, based upon the seriousness of the activity reported and the credibility of the allegations made.

Complaints relating to accounting irregularity or securities fraud reported through the ethics hotline or directly to the Chief Financial Officer will be reviewed under Audit Committee direction and oversight by such persons as the Audit Committee determines to be appropriate, including, without limitation, outside legal counsel and/or other advisors. The Audit Committee will appoint a person in charge of reviewing such complaint, which may be the Principal Financial Officer or another Company employee, a member of the Board, outside legal counsel or another outside advisor (the "Principal Reviewer") Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review of each complaint. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee. **The Company will not take any Adverse Employment Action against an employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to good faith reporting of complaints regarding any such accounting irregularity, securities fraud or otherwise as specified in Section 806 of the Sarbanes-Oxley Act of 2002 or other applicable law.**

Upon making a determination to recommend a formal investigation, the Principal Reviewer will promptly notify the Audit Committee. The Audit Committee will then determine, in its reasonable judgment, whether a reasonable basis exists for commencing a formal investigation into the complaint. If the Audit Committee makes such a determination, then the Principal Reviewer will proceed with a formal investigation. The Principal Reviewer will oversee all investigations under the authority of the Audit Committee. In the event a complaint involves or implicates the Principal Reviewer, the Principal Reviewer will promptly recuse himself or herself from the investigation and inform the Audit Committee in writing of such recusal. The Audit Committee will ensure

coordination of each investigation and has overall responsibility for implementation of this Policy.

At each Audit Committee quarterly meeting, the Principal Reviewer will provide to the Audit Committee a summary report stating the nature of each complaint submitted during the quarter immediately preceding the meeting of the Audit Committee, whether or not the complaint resulted in the commencement of a formal investigation, and the status of each investigation.

The Audit Committee, with the input of the Principal Reviewer, other Company management and/or outside consultants, if requested, will determine the validity of a complaint and any corrective action, as appropriate. If a complaint is reported directly to the Audit Committee, it is the responsibility of the Audit Committee to report to Company management any noncompliance with legal and regulatory requirements and to assure that management takes corrective action including, where appropriate, reporting any violation to the relevant federal, state or regulatory authorities.

Protection of Reporting Employee and any Witnesses

The Company will make good faith efforts to protect the confidentiality of the employee making a complaint; provided, however, the Company or its employees and agents may reveal the reporting individual's identity and confidential information to the extent necessary to permit a thorough and effective investigation, or if required by law or court proceedings. If an employee makes a complaint, the Company cannot guarantee that such employee's identity will not become known for reasons outside of the control of the Company.

The identity of other persons subject to or participating in any inquiry or investigation relating to a complaint will be maintained in confidence subject to the same limitations. It may be appropriate in certain circumstances (and particularly in matters relating to bullying, intimidation or victimization) for the Company to accept evidence from secret witnesses in investigating any complaint or report made under this Policy. Where any witness is interviewed in secret, the Company will maintain the confidentiality and anonymity of the witness to the fullest extent reasonably practicable within the legitimate needs of law and any ensuing evaluation or investigation.

In addition, except as stated above, the Company will not tolerate any effort made by any other person or group to ascertain the identity of any person who makes a Good Faith report of potential Wrongdoing or who provides witness evidence in respect of the inquiry or investigation into any report.

The Company will not engage in or tolerate any Adverse Employment Action against an employee who makes a complaint based upon any lawful actions that such employee takes with respect to Good Faith reporting of complaints of Wrongdoing, participation in a related investigation or otherwise as specified in applicable law. Note, however, that such employee's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the complaint and/or an ensuing investigation. These procedures are in no way intended to limit employees' rights to report alleged violations relating to securities law, accounting or auditing matters to proper governmental and regulatory authorities, including the SEC. If an employee has

a Good Faith belief that such employee has been subject to retaliation because such employee filed a complaint under this Policy or engaged in any lawful act that is protected or allowed under applicable whistleblower laws, such employee may report the retaliation using the processes outlined in this Policy for filing a complaint or such employee may undertake the processes available to you under appropriate state or federal law for reporting retaliation or seeking available remedies. Any person who does retaliate against anyone who has made a Good Faith complaint will be subject to dismissal.

Corrective Action

Directors, officers and employees that are found to have violated any laws, governmental regulations or Company policies will face appropriate, case specific disciplinary action, which may include demotion or discharge.

Retention of Complaints and Records

The Company will maintain records of complaint reports consistent with the Company's document retention policy in effect from time to time and in compliance with applicable law. It is illegal and against the Company's policy to destroy any records that may be subject to or related to an investigation by the Company or any federal, state or regulatory body. All such records are confidential to the Company and are protected by attorney-client privilege and/or the attorney work product doctrine. Such records will be considered privileged and confidential.

Compliance with This Policy

All employees must follow the procedures outlined in this Policy and cooperate with any investigation initiated pursuant to it. Adhering to this Policy is a condition of employment. The Company must have the opportunity to investigate and remedy any alleged violations or employee concerns, and we all must ensure that the Company has an opportunity to undertake such an investigation.

Publication of Procedures

The Company will cause this Policy to be communicated to all employees and made generally available to employees.