
ANTI-CORRUPTION COMPLIANCE PROGRAMME

1. PURPOSE AND SCOPE

The purpose of this document is to describe the different elements comprising the anti-corruption programme to which Scatec Solar ASA, its subsidiaries and investments in associated companies (the “Group”, the “Company” or “Scatec Solar”) must adhere. This document also contains a high level assessment of Scatec Solar’s exposure to corruption risks and how the anti-corruption programme has been designed to mitigate Scatec Solar’s exposure to such risks.

2. GROUP STRUCTURE AND ACTIVITIES

Group overview and key activities

Scatec Solar is a leading independent power producer. Scatec Solar’s strategy is to develop, construct, own and operate utility-scale photovoltaic solar power plants through an integrated business model. The Company operates in partnerships, and seeks equity co-investments on a project basis to enhance value and reduce risk whenever feasible whilst maintaining transactional and operational control.

Scatec Solar’s own project development and construction activities represent value creation and cash flow generation in the early phase of projects. These activities contribute to funding the equity positions maintained by Scatec Solar in the project companies. Scatec Solar also receives recurring income from the provision of operation and maintenance services to the operating power plants. The contracts for such services are normally based on a combination of a fixed service fee and a variable component linked to plant performance. Scatec Solar holds ownership interests in solar power plants through individual project companies which finances its relevant project through non-recourse project financing. This structure isolates both operational and financial risks related to each individual project.

Geographical presence

Scatec Solar operates globally and seeks geographical diversification and believes its integrated business model creates a competitive advantage through lower cost, higher speed and improved project execution. The knowledge and experience gained from constructing and operating plants is used when developing and designing new solar power plants.

3. THE RISK OF CORRUPTION IN THE SOLAR POWER INDUSTRY

The independent power producer solar power industry is characterised by high-value investment and significant government interaction through award of power purchase agreements either through public tenders or bilateral negotiations, concessions and regulations, all of which can provide opportunities and incentives for corruption¹.

Several of the solar energy markets in which Scatec Solar is either present, or into which it has ambitions to expand, are in locations which are perceived to have a relatively high level of

¹ <http://www.transparency.org/bpi2011/results>

corruption (according to Transparency International's Corruption Perception Index)². In addition, operating in the solar power industry requires obtaining licences and permits in order to operate in a given country, to rezone land and to be allowed to produce and sell power. Such processes are particularly exposed to corruption risk through use of bribes and gifts as a medium to obtain the necessary permissions.

4. REGULATORY & CONTRACTUAL OBLIGATIONS

Corporate governance

Scatec Solar has complied, and will continue to comply, with the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code"), last revised on 30 October 2014, and which is available on the Norwegian Corporate Governance Committee's web site www.nues.no. The principal purpose of the Corporate Governance Code is to ensure (i) that listed companies implement corporate governance that clarifies the respective roles of shareholders, the Board and executive management more comprehensively than that required by legislation, and (ii) the effective management and control over activities with the aim of securing the greatest possible value creation over time in the best interest of companies, shareholders, employees and other stakeholders.

Anti-corruption legislation

The Group is subject to various anti-corruption legislation. Since Scatec Solar is headquartered in Norway, it must abide by Norwegian laws. It must also abide by the local laws in effect in the countries where the Group operates.

Under the Norwegian Penal Code, offering or providing bribes (active bribery) as well as requesting or receiving bribes (passive bribery) is an offence. The influencing of conduct of any position, office or assignment by offering or requesting an improper advantage (trading in influence) is also an offence.

A bribe is described as an improper advantage in connection with a position, office or assignment. An offer or a payment may be deemed improper by the courts based on several criteria or factors, including the objective of the offer, the position of the person offering or receiving the advantage, the value or the nature of the advantage in question, the level of transparency in place, and whether it is an act contrary to the ethical rules for that office, assignment or position.

'Position, office or assignment' also refers to a position, office or assignment in a foreign country.

Scatec Solar's employees must – neither directly nor indirectly through a third party - offer anything of value to influence the actions or decisions of any official, other person in public or legal duty, any person acting on behalf of customers or sub-contractors/suppliers, or any other third party, or to otherwise obtain any improper advantage, in selling goods and services, conducting financial transactions or representing the company's interests.

Scatec Solar can be prosecuted for violations of the law, even if no individual is punished for the offense. Other consequences for Scatec Solar may include civil liability, loss of business and a damaged reputation. Individuals involved in acts of corruption may also be exposed to civil and criminal liability.

Examples of improper advantages may include cash, expensive gifts, or hospitality which have no

² <https://www.transparency.org/cpi2015>

business content.

UK Bribery Act

The UK Bribery Act (2010) (the Act) contains two general offenses covering the offering, promising or giving of a bribe (active bribery) and the requesting, agreeing to receive or accepting of a bribe (passive bribery). It also sets out two further offenses, which specifically address commercial bribery. Section 6 of the Act creates an offense relating to bribery of a foreign public official in order to obtain or retain business or an advantage in the conduct of business, and section 7 creates a corporate liability for failing to prevent bribery on behalf of a commercial organisation.³

The Act is applicable both to offenses committed in the UK, as well as to those committed outside the UK where the person committing them has a close connection with the UK by virtue of being a British national or ordinarily resident in the UK, a body incorporated in the UK or a Scottish partnership.⁴

Scatec Solar could therefore be prosecuted if UK persons acting directly for, or on behalf of, Scatec Solar bribe a foreign public official in order to obtain or retain business or an advantage in the conduct of business.

Furthermore, the corporate offense set out in Section 7 'Failure of commercial organisations to prevent bribery' applies to "Any other body corporate (wherever incorporated) which carries on a business or part of a business in the United Kingdom."⁵ As Scatec Solar operates part of its business in the UK, it could be prosecuted in the UK for failure to prevent bribery, irrespective of whether the bribery takes place in the UK or elsewhere.

Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act (FCPA) makes it unlawful for certain classes of persons and entities to make payments to foreign government officials to assist in obtaining or retaining business.

The anti-bribery provisions of the FCPA have applied to all US persons and certain foreign issuers of securities since 1977. Following amendments made to the FCPA in 1998, the anti-bribery provisions now also apply to foreign firms and persons who cause, directly or through agents, an act in furtherance of such a corrupt payment to take place within the territory of the US.⁶

Scatec Solar could therefore be prosecuted in the US for causing, either directly or through agents, an act in furtherance of a corrupt payment to take place within the US, or if US persons acting directly for, or on behalf of, Scatec Solar make payments to foreign government officials to assist in obtaining or retaining business.

5. STAKEHOLDERS

Key stakeholders to Scatec Solar's anti-corruption programme include the following:

- Norwegian and foreign authorities;
- Scatec Solar's shareholders;

³ <http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>

⁴ <http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>

⁵ <http://www.legislation.gov.uk/ukpga/2010/23/section/7>

⁶ <http://www.justice.gov/criminal-fraud/foreign-corrupt-practices-act>

- board of directors and senior management;
- Scatec Solar’s business partners; and
- communities in the locations where Scatec Solar operates.

6. HIGH LEVEL CORRUPTION RISK ASSESSMENT

The areas of the Group’s operating activities through which it is exposed to the risk of corruption are reviewed on an annual basis. The following table provides a list of the high-level risk areas that have been identified (alphabetical order). As Scatec Solar’s business is project related, the table below specifies whether the risk described is applicable at enterprise and/or project level (although the consequences of the risk materialising are not necessarily isolated to that level).

1	Customs	<ul style="list-style-type: none"> • Project 	<p>Scatec Solar interacts with customs officials during the construction phases of a project for the importation of hardware and machinery. Scatec Solar typically engages international and local logistics companies to assist with interacting with customs and excise authorities.</p> <p>There is a risk that improper payments might be offered by a local person and/or company acting on behalf of Scatec Solar, in order to secure the passage of goods through customs within a specified time frame, or at all, and/or to avoid demurrage fees.</p>
2	Employment	<ul style="list-style-type: none"> • Enterprise • Project 	<p>Scatec Solar is headquartered in Norway, with operating subsidiaries in the Czech Republic, the United States, South Africa, Honduras and Jordan, where permanent members of staff are employed. In addition, Scatec Solar typically establishes project offices in the locations where it operates.</p> <p>In some of the countries where Scatec Solar does business, family connections and personal relationships and allegiances may play a greater role in hiring decisions than is acceptable in Norway. There is therefore a risk that a position within Scatec Solar is offered to an individual as an inducement or reward for some advantage given to Scatec Solar by that individual, or someone connected to them.</p> <p>Furthermore, given Scatec Solar’s rapid growth and/or the need to establish project offices under time pressure, there is a risk that for project-based employment decisions, the ordinary HR procedures, particularly pre-employment vetting, are not conducted thoroughly or at all. This would increase the risk of a faulty hiring decision, for example the hiring of someone with previous instances of corrupt behavior.</p>

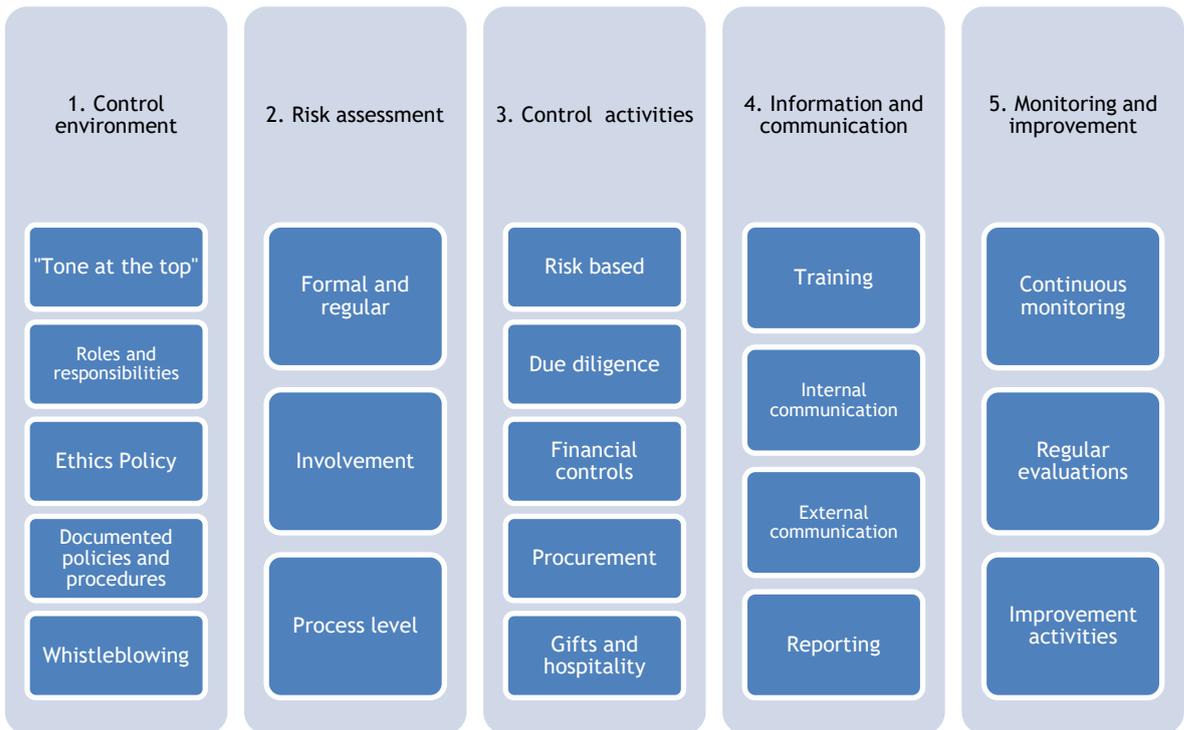
3	Foreign exchange controls	<ul style="list-style-type: none"> • Enterprise 	<p>Scatec Solar receives income from the sale of electricity from solar power plants, as well as the provision of operation and maintenance services to operating plants.</p> <p>Some of the countries where Scatec Solar operates impose foreign exchange controls, which restrict the amount of foreign and/or local currency that can be traded.</p> <p>There is a risk that an improper inducement might be offered in order to bypass foreign exchange controls.</p>
	Gifts and Hospitality	<ul style="list-style-type: none"> • Enterprise • Project 	<p>There is a risk that gifts and/or hospitality offered by Scatec Solar's employees or third parties with whom they do business, could be seen to be excessive or otherwise improper in the context of the activity/ies to which they relate.</p> <p>There is also a risk that gifts might improperly influence a recipient, or be seen to do so. This applies both to third parties with whom Scatec Solar does business as well as employees in their dealing with others in the course of business.</p>
4	Licences and permits	<ul style="list-style-type: none"> • Project 	<p>Scatec Solar's projects are subject to the requirement to hold a range of permits and licenses, for example building permits. In the processes to obtain such licenses and permits, Scatec Solar's employees generally deal directly with the authorities in the various jurisdictions in which the company operates.</p> <p>There is a risk that a member of Scatec Solar's staff might offer an improper inducement to obtain or retain a critical license.</p>
5	Lobbying	<ul style="list-style-type: none"> • Enterprise 	<p>Scatec Solar have been involved in dialogue with local or central authorities on behalf of the solar industry.</p> <p>There is a risk that Scatec solar could be seen to offer an improper inducement in the context of lobbying activities.</p>
6	Partners	<ul style="list-style-type: none"> • Project 	<p>The selection of a local partner, be it an individual or a company, is part of the development phase of a project, and ongoing cooperation with that partner is an integral element of each project.</p> <p>There is a risk of Scatec Solar selecting and/or continuing to conduct business with a partner that has engaged and/or engages in bribery and corruption.</p>
7	Procurement	<ul style="list-style-type: none"> • Project 	<p>Scatec Solar sources EPC services and components during the development and structuring phases of its projects.</p> <p>There is a risk that a member of Scatec Solar's staff might accept an improper payment offered by a supplier to secure the award of a contract from Scatec Solar.</p> <p>There is also a risk that family connections and personal</p>

			relationships and allegiances may play an unacceptable role in the award of a supplier contract.
8	Sales	<ul style="list-style-type: none"> • Project 	<p>Scatec Solar’s plants produce electricity for sale under 20-25 year power purchase agreements (PPAs) or Feed-in Tariff (FiT) schemes, which are either negotiated by Scatec Solar as part of a project’s development phase, or are in place prior to Scatec Solar’s involvement in a project.</p> <p>There is a risk that a Scatec Solar employee might offer an improper inducement in order to secure such a contract. In countries where the supply of power is controlled by the state-owned companies, Scatec Solar’s employees may interact with individuals who are deemed to be ‘foreign public officials’. There is, therefore, a risk that a member of Scatec Solar’s staff might offer an improper inducement to a foreign public official.</p> <p>Furthermore, where Scatec Solar becomes involved in a project once an agreement has already been negotiated, there is a risk that an inducement was offered in order to secure the contract, of which Scatec Solar is unaware.</p>

7. SCATEC SOLAR’S ANTI-CORRUPTION COMPLIANCE PROGRAMME

Scatec Solar has designed what it considers to be an adequate and proportionate anti-corruption programme based upon our exposure to corruption risk, structured according to the following five headings.

The structure of this programme is based upon COSO’s 2013 Internal Control–Integrated Framework, which is one of the most widely recognised frameworks on enterprise risk management and internal control.



In the following five sections, which correspond to the components of the programme as shown above, we will describe the different elements, such as organization, policies and procedures, controls and activities that constitute this programme.

1. CONTROL ENVIRONMENT

i. “Tone at the top”

The Group’s leadership is committed to anti-corruption, and there is a zero tolerance approach to bribery and corruption.

The board of directors and top management’s commitment to the anti-corruption programme is displayed in a number of ways. In its 2017 annual report the board of directors emphasised the importance of corporate and social responsibility, including corruption, to realising Scatec Solar’s business ambitions and strategy. Scatec Solar has an audit committee, elected by the board, which

has a mandate that includes the monitoring of systems for internal control and risk management.

ii. Roles and responsibilities

According to their job description, EVP General Counsel has responsibility for 'compliance with anti-bribery/corruption acts'. Scatec Solar's business is project related and many of the activities and processes which we consider to be key with reference to fraud and corruption take place at the project level. Each project has five phases with decision gates positioned between each phase. The document entitled "Authorisation Guidelines" states which individuals can authorise decisions at each of the decision gates. Scatec Solar also has an "Authority and Signature Matrix", which describes signature and approval rights relating to several activities, including investment decisions, new contracts, purchasing of goods and services, incoming/outgoing invoices and financial transactions.

Internal stakeholder groups have the following specific responsibilities:

Board of Directors

The board of directors and audit committee have the following responsibilities with regard to anti-corruption risk management:

- maintain oversight of and approve the Scatec Solar's ethics policy and anti-corruption programme;
- seek the views of the external auditor, the individual with responsibility for compliance and others regarding the topic of corruption and the effectiveness of the anti-corruption programme; and
- ensure that the adequate and appropriate resources are allocated.

Management

Management in the Group have the following responsibilities with regard to anti-corruption risk management:

- demonstrate that internal controls, including those addressing the risk of corruption, are important;
- be responsible for the implementation of the anti-corruption programme; and
- take remedial action in instances of breaches of the "Ethics Policy". In this regard, please refer to Appendix 2 (*Procedure for Internal Investigations*) of this policy.

Individual with responsibility (compliance function)

The compliance function, represented by the member of management with primary responsibility for the Group's anti-corruption program, has the following responsibilities:

- perform regular corruption risk assessments, both on an enterprise and project level;
- ensure that the anti-corruption programme aids compliance with relevant laws;
- monitor anti-corruption controls to assess whether they have been designed, and are operating, effectively;

- report directly and independently to senior management and the board of directors so that they have direct oversight of the compliance programme;
- be a key driver of a culture of ethics and compliance in the company;
- oversee the development and maintenance of anti-corruption training and communication within the company; and
- act as an internal advisor.

Employees

Scatec Solar's employees have the following responsibilities with regard to anti-corruption risk management:

- understand and comply with anti-corruption policies and procedures;
- seek advice from line management or the compliance function if clarification on any anti-corruption related matter(s) is required; and
- report any corruption-related concerns to line management, or use the whistleblowing channel.

iii. Ethics Policy

The Group has in place a documented "Ethics Policy" which addresses the following matters:

- Mission and Vision, & Core Values
- Responsibilities
- Integrity and Trust
- Human Rights
- Conflict of Interest
- Bribery and Corruption
- People Opportunities and Diversity
- Supplier and Sub-contractors
- Competition

The Ethics Policy is communicated to all personnel in the Group. It is also available to external stakeholders via the Group's website. The Code of Conduct set forth in the Ethics Policy is part of the anti-corruption training received by relevant employees.

iv. Documented policies and procedures

The key documents that set out the Group's policies on anti-corruption consist of:

- Ethics Policy
- Partner Conduct Principles

These documents are drafted by the compliance function and approved by the board of directors. The compliance function reviews the policies on an annual basis and revises them as often as is necessary. Approval of the board of directors is required for any amendment(s).

Anti-corruption policies and procedures adequately address, and are up to date to accurately reflect, all areas of corruption to which the organization is exposed, and they provide details on how the effective implementation of the policies is monitored.

Each Group company utilizes existing sources of information in order to monitor the effectiveness of its anti-corruption policies and procedures, such as the use of expense registers to test the completeness of gift and hospitality recording.

In addition to the two policies named above, the following policies contain references to the Scatec Solar Group's anti-corruption programme:

- Travel and Expenses Policy;
- HR Policy;
- Procurement Policy;
- Health and Safety Guidelines; and
- Travel Security Policy.

With reference to the HR Policy, before entering into a contract with employees, sufficient and appropriate risk-based due diligence is undertaken. Pre-employment screening procedures include identifying the individual, in this case the applicant, validating their credentials and background, and confirming the suitability of their specific skills and experience for the role(s) they will be performing.

For positions/countries considered at higher risk of corruption, enhanced screening and vetting procedures include criminal record checks which may also reveal previous instances of dishonest behaviour.

The Group applies sanctions in the event of non-compliance with its anti-corruption policies, which can result in termination of employment. These sanctions are applied openly and consistently in order to reinforce the Group's stance on anti-corruption.

v. Whistleblowing

Scatec Solar has a project based public grievance mechanism for individuals and communities to report concerns, incidents of grievances to project administrators. Such reports can be made via Scatec Solar's website⁷ (where the form is available in five languages). In addition, a physical post

⁷ <http://www.scatecsolar.com/Sustainability/Grievance-mechanism>

box is available on project locations.

In 2016, Scatec Solar implemented a corporate wide whistleblowing function.

2. RISK ASSESSMENT

i. Formal and regular

Group-wide

Owing to the fact that risks are continually evolving, a corruption risk assessment is performed annually for all areas of the Group's operations. The assessment of residual risk gives consideration to the design and operation of key mitigating controls.

Where the risk assessment identifies that the level of residual risk is high, a plan is put in place to remediate the controls, and a reassessment is performed again in a timely manner.

The results of the risk assessment are reported to the board of directors by the compliance function as part of the regular management information that they produce.

The risk assessment process also includes a consideration of the risk of management override of controls.

Project-based

Risk assessments, which specifically include a consideration of anti-corruption risks, are performed as part of the "Opportunity" and /or "Development" phase of the project model, and formalised within the Operating System.

The documentation of the risk assessments is a mandatory element in the documents prepared for each decision gate in the project execution model.

ii. Involvement

Corruption risk assessment is performed annually and updated based on any changes in Scatec Solar's activities, expectations from stakeholders or input from the organization,

iii. Process level

Scatec Solar's risk assessment includes an assessment of the adequacy of controls for those processes which are assessed as being most exposed to the risk of corruption.

3. CONTROL ACTIVITIES

i. Risk-based

The Scatec Solar Group adopts a risk-based approach to its anti-corruption programme. A corruption risk assessment is performed on an annual basis and the controls in place in the Group are commensurate with the deemed corruption risks that have been identified during the risk assessment process.

ii. Due diligence

Anti-corruption risk is a key consideration when deciding to start and/or continue a relationship with a business partner.

Scatec Solar has formalised a procedure for risk based third party due diligence. The process of due diligence contains a number of steps which are outlined below:

An initial screening is performed in order to determine business associates who are within the scope of the due diligence process (factors may include, for example, geographic location, whether there will be contact with government officials, whether the third party will be authorised to represent Scatec Solar, monetary value of the contract). Please refer to Appendices 1.1 (*Internal Due Diligence Questionnaire*) and 1.2 (*External Due Diligence Questionnaire*) for the internal and external due diligence questionnaires.

Thereafter, there should be an assessment to define the risk and find the appropriate level of due diligence for each individual/entity.

Scatec Solar has created a risk-assessment tool based on key risk indicators that it uses to assess the risk of corruption related to an individual business associate, or group of business associates that are subject to the due diligence process. These indicators include:

- geographic location;
- background and identity of the third party;
- connection with government official or entities;
- compensation structure of the proposed arrangement;
- manner in which third party was selected;
- the value of the contract; and
- the nature of the work/services to be performed.

The outcome of the overall corruption risk assessment determines the extent of due diligence required, which is commensurate with the deemed risk of corruption. Please refer to Appendix 1.3 (*Due Diligence Red Flag Checklist*) to be completed post due diligence.

Due diligence is completed, documented, reviewed and approved by senior management before appointing business partners. Defined approval procedures are in place for changes to due diligence results.

Post-approval, written contracts are in place between the Group and all business partners with which it has a relationship. All contracts contain a clause prohibiting corruption, and the consequences of potential breaches. For business partners assessed as posing a higher risk of corruption, specific wording around specific obligations and rights are considered.

Business partners receive a copy of the Ethics Policy and/or Partner Conduct Principles, as appropriate. In some cases, it may be appropriate to require a business associate to undergo anti-corruption training. This decision is risk-based and depends on a number of factors, including whether the partner has been assessed as representing a higher risk of corruption, and whether they already received such training.

On a regular basis the Group carries out audits on an appropriate sample of business partners which have been assessed as representing a higher risk of corruption as part of the risk assessment process. These audits include a review of, for example, anti-corruption related policies and procedures, training given to employees and documentation relating to tenders (particularly when the intermediary interacts with government officials on the Group's behalf).

iii. Financial controls

The Group has in place financial controls which minimise the risk of Scatec Solar, or any of our employees or other associated persons acting on behalf or for our benefit, paying or receiving a bribe.

Those controls which mitigate an identified corruption risk are mapped to corruption risks as part of the annual risk assessment exercise. The compliance function has responsibility for maintaining oversight of the effective operation of the financial controls for this purpose.

The Authority and Signature Matrix describes signature and approval rights relating to the following activities/areas:

- Operating expenses
- General operating expenses
- Project Development Costs
- Marketing / Corporate Communication / IR
- Legal Counsel
- Other Signature & Approval rights
- Personnel & Appointment Matters
- Acquisition of businesses (including acquisition of SPV/project rights for PV systems)
- Disposal of businesses – e.g. operating subsidiaries (excl. sale of SPVs/PV Plants)
- Equity investment in subsidiaries
- Litigation
- Financing
- Bank bonds (unconditional) or letters of credit
- Parent Company Guarantees
- Foreign Exchange Risk
- Security against assets

iv. Procurement

Procurement is one element of the non-financial controls implemented by the Group to help ensure that non-financial aspects are being properly managed.

The "Supply Chain Management" team is responsible for Scatec Solar's purchasing activities. Scatec

Solar has formalised this process in the “Procurement Process” document.

v. Gifts and hospitality

Scatec Solar has developed procedures which are designed to prevent the offer, provision or acceptance of gifts, hospitality, donations and similar benefits where the offer, provision or acceptance is or could reasonably be perceived as bribery.

These procedures apply to the following three situations:

- gifts and hospitality;
- political or charitable donations, sponsorship, promotional expenses and community benefits; and
- client representative or public official travel.

4. INFORMATION AND COMMUNICATION

i. Training

In 2016 the Group performed a training needs analysis in order to determine the requirements for anti-corruption training of the Group’s personnel and business partners. This will be reviewed on an annual basis and updated, as necessary.

Employees

All employees receive introduction training on the Ethics Policy, and a record is kept of the date on which the training was delivered.

The training needs analysis identifies those employees who require additional anti-corruption training owing to their particular role, for example employees operating at remote locations or in higher risk countries. In such instances, training is tailored to the employees' roles.

The compliance function is assisted by HR in the delivery of anti-corruption training, for example advising on how to effectively deliver the training and how to roll it out to staff in the Group’s locations outside of Norway.

Business partners

Business partners receive a copy of the Group’s Ethics Policy and Partner Conduct Principles. In some cases it may be appropriate to require a business partner to undergo anti-corruption training. This decision is risk-based and depends on a number of factors, including whether the partner has been assessed as representing a higher risk of corruption, and whether they already receive such training.

ii. Internal communication

There is clear communication of the anti-corruption programme across all levels of the organization.

The CEO makes an annual statement of ‘sponsorship’, which expresses the commitment of senior management to the anti-corruption programme.

Furthermore, through their introduction to the Ethics Policy, employees understand relevant aspects of the anti-corruption programme and understand what behaviour is acceptable and unacceptable. As part of this, all personnel are required to make a compliance declaration that they agree to comply with the Ethics Policy, and records of the declaration are maintained.

iii. External communication

The Group reports on corruption through its Sustainability Report⁸, which since 2014 has been part of the annual report and available from the company’s website. ‘Anti-corruption’ is presented as one of the company’s ‘chosen 10 priority areas’ under the theme ‘Being a trusted business partner’.

Furthermore, the Group’s Ethics Policy and Partner Conduct Principles are available on Scatec Solar’s website.

iv. Reporting

The compliance function is responsible for providing the board with risk-focused and relevant anti-corruption Management Information (MI), and time is allocated in the board meeting’s agenda to discuss this in sufficient detail.

Quantitative measures include:

- outcomes of and statistics on anti-corruption monitoring activities; and
- statistics on the use of the whistleblowing function.

Qualitative measures include:

- findings of the anti-corruption risk assessment;
- information about business associates, including new accounts, their risk classification, higher risk third party payments;
- outcome of the review of the gifts and hospitality register; and
- relevant details from potential investigations.

5. MONITORING AND IMPROVEMENT

i. Continuous monitoring

Monitoring by management

The compliance function is responsible for overseeing the monitoring of the anti-corruption programme. It conducts continuing and/or separate evaluations to determine that the anti-corruption policies and procedures are operating effectively.

⁸ <http://www.scatecsolar.com/Sustainability>

Each Group company utilises existing sources of information in order to monitor the effectiveness of the anti-corruption policies and procedures, such as the use of expense registers to test the completeness of gift and hospitality recording. These procedures are formalized within the relevant policies and procedures.

When evaluations identify deficiencies they are documented and reported to senior management and remedial action is taken.

Specific anti-corruption related monitoring performed by the compliance function includes the following:

- payments to business associates: monitoring involves selecting an appropriate sample of relevant payments and independently testing them to ensure that the relevant laws and the company's policies have been complied with, and that controls are operating as designed;
- project execution: monitoring involves checking that the result of corruption risk assessments are included and that due diligence has been conducted and documented; and
- procurement policy compliance.

Monitoring by the board of directors

The compliance function is responsible for providing the board with risk-focused and relevant anti-corruption Management Information (MI), and time is allocated in the board meeting's agenda to discuss this in sufficient detail (see 'Reporting' section above for typical contents of MI reported to the board). The board of directors relies on this information in order to monitor the Group's anti-corruption.

ii. Regular evaluations

The Group performs periodic reviews of the anti-corruption programmes which are designed to evaluate and improve their effectiveness in preventing and detecting corruption, taking into account relevant developments in the field, and evolving international and industry standards

The Group has previously engaged BDO to conduct an independent review of the anti-corruption programme. The Company will also seek to audit its programme by third parties.

iii. Improvement activities

Monitoring of anti-corruption policies and procedures is a central component of the compliance function's annual plan, which helps to ensure that control activities have been appropriately designed to mitigate the current corruption risks to which the Group is exposed, and that they are operating effectively. Where weaknesses are identified, the compliance function will ensure that actions are taken to improve the Group's management of the given risk.

Furthermore, the Group has in place an "Incident Response Plan" which details the individual(s) responsible for leading investigations into corruption (and/or any other type of financial crime), the steps such investigations should involve, and in which situations there may be a need to appoint external investigators and/or report matters externally.

The relevant details and results of any investigation are reported to the board of directors, both in order to bring it to the board's attention, as well as to facilitate discussion around how controls and processes can be enhanced in order to embed the 'lessons learned', and ensure that resources are appropriately assigned within the Group.

Whether or not to report to the relevant authorities will depend on the circumstances and materiality of the incident.

ETHICS POLICY: APPENDIX 1.1 TO THE ANTI-CORRUPTION COMPLIANCE PROGRAMME DESCRIPTION –

INTERNAL DUE DILIGENCE QUESTIONNAIRE

Counterparty name:

Project name:

Question	Response		
1. Main contact			
i. Who is the main contact/sponsor for the Counterparty within Scatec Solar?	Name: Business Area: Title:		
ii. Please list our main contacts with the Counterparty	Name	Position	Contact details
2. Contract-specific			
i. In which country is the Counterparty based?			
ii. In which country will the contract be performed?			
iii. What is the value of the contract?			
3. Government officials			
i. Is the Counterparty state-owned or partly state-owned? <i>A company will be state-owned if it is wholly (100%) or partially (50% or more) owned or controlled directly or indirectly by a government.</i>			
ii. Are any of the Counterparty's owners, directors, officers or employees current or former public officials? If so, please provide details.			
iii. Do any of the Counterparty's owners, directors, officers or employees have personal,			

Question	Response		
familial or any associations with public officials? If so, please provide details.			
4. Beneficial ownership			
i. Has ultimate beneficial ownership of the entity been verified with the documentation provided? If so, please provide details. If not, revert to the entity and seek further confirmation.			
ii. Does the documentation provided independently verify the ownership? <i>Please note that documentation produced by the entity itself should not be relied upon exclusively.</i>			
iii. Have all shareholders who hold significant shareholdings (typically of 5% or more) been identified, with their percentage ownership confirmed? Please provide details.	Name	Country	Percent ownership
5. Financial background <i>Obtain the latest financial reports from the prospective third party and answer the following</i>			
i. Have the financial statements been audited by a reputable accountant?			
ii. Has the auditor identified any issues such as the following: i. Repeated payments made to an unidentified third party, or an identified third party but for unclear reasons; ii. A significant payment to an unidentified third party, or an identified third party but for unclear reasons?			
iii. Are the revenue and profits commensurate with the size of the entity?			

Question	Response
iv. Where is the Counterparty's bank account located?	
6. Reputation	
i. Have we obtained satisfactory references from existing counterparties of the Counterparty? <i>Ensure you ask those providing references whether they have had any concerns regarding corruption or lack of ethical behaviour.</i>	
ii. Do you have any knowledge of any conduct by the Counterparty that could be in breach of Scatec Solar's Ethics Policy or other Scatec Solar values?	
iii. Do you have any knowledge of any conduct by the Counterparty that could be in breach of the Counterparty's obligations under a contract with Scatec Solar? <i>Some of the obligations will be related to compliance with local laws and regulations, like tax laws and bookkeeping regulations. Other obligations will be related to the Counterparty's conduct, including avoiding situations that could raise any conflict of interest, not paying bribes etc.</i>	
7. Business case	
i. When was the relationship with this Counterparty first established?	
ii. What services are to be provided by this Counterparty? Please outline the products, activities, and services to be involved including any additional services the Counterparty may provide such as maintenance or	

Question	Response
<p>service contracts linked to the project.</p> <p><i>It is important to understand the nature of the services to be performed in order to assess the potential commercial benefits and risks associated with this relationship.</i></p>	
<p>iii. What interaction will there be between Scatec Solar and the Counterparty?</p> <p><i>It is important to understand the level to which Scatec Solar will work jointly with the Counterparty.</i></p>	
<p>iv. What is the justification for using this Counterparty over the alternatives you have considered when developing this business case? Please include a description of the qualifications of the Counterparty.</p> <p><i>Note that a long relationship with a third party does not mean it offers the best option now for Scatec Solar's business. Please include an outline of the qualifications, experience or qualities of this candidate that make it the most desirable relationship for Scatec Solar.</i></p>	
<p>v. What alternatives to using this Counterparty for providing the services noted have you considered when developing this business case? If you have not considered any alternatives please explain why.</p> <p><i>It is important to consider whether using the Counterparty is the best solution for the business. There may be lower risk and better commercial propositions available to Scatec Solar. Please outline</i></p>	

Question	Response
<p><i>why this relationship is the best option for Scatec Solar in these circumstances.</i></p> <p><i>There should be a commercial rationale for using this Counterparty that still applies at the time of completing the business case. It is important you can explain why this is the preferred option for a third party relationship when you are completing this form.</i></p>	
<p>vi. How is the Counterparty to be remunerated, at what level and how will the remuneration be calculated? Please include the level of commission or discount.</p> <p><i>The nature and level of remuneration will help in understanding the potential profitability of the relationship for Scatec Solar. Please ensure that you include any forms of remuneration that the third party may receive, including from sources in any way related to sales of Scatec Solar products and services</i></p>	
<p>8. Compliance</p>	
<p>i. How has the Counterparty responded to the due diligence process?</p>	
<p>ii. Have there been any difficulties in obtaining the required information from the third party?</p>	
<p>iii. Is the Counterparty listed on any current sanctions/watch-lists?</p>	
<p>iv. Have we identified adverse media pertaining to the company, its directors, shareholders (and beneficial owners), management or affiliated companies?</p>	

Declaration

Form completed by:

Name

Signature

Title

Date

Form reviewed by:

Name

Signature

Title

Date

ETHICS POLICY: APPENDIX 1.2 TO THE ANTI-CORRUPTION COMPLIANCE PROGRAMME DESCRIPTION –

EXTERNAL DUE DILIGENCE QUESTIONNAIRE

Counterparty name:

Project name:

Question	Response		
1. Company details			
i. Individual/Entity name			
ii. Previous and/or other trade names			
iii. Date of incorporation			
iv. Registration number			
v. (a) Country of incorporation (b) Places of Business			
vi. Registered business address (office)			
vii. Postal address			
viii. Telephone number			
ix. E-mail address			
x. Bank account details (including location)	Bank name: Bank location: Name of account: Account details (e.g. IBAN, SWIFT-BIC etc.):		
xi. Please indicate which official company registration/incorporation documents are available, and please attach copies of the documents. <i>Typical documents include Certificate of Incorporation, Articles of Association etc.</i>	Attachments: 1. 2. 3. 4. 5.		
2. Ownership			
i. Please list all shareholders with a financial interest in your business of 5% or more.	Name	Country	Percentage ownership

Question	Response		
If an owner is non-publically traded entity, please provide independently verified information to identify the ultimate beneficial owners (add additional rows, as necessary).			
3. Board of directors			
i. Please list all individuals on the Board of Directors (add additional rows, as necessary).	Name	Date of birth	Position
4. Management and key employees			
i. Please list all individuals comprising the company's management/other key employees (not owners).	Name	Date of birth	Position
ii. Please indicate whether the company's audited financial statements are available. Please attach copies of the latest available statement(s).	Attachments: 1. 2. 3.		
5. Contract details			
i. Nature of proposed contract			
ii. Please indicate the name and full contact details of the key contact person within the company for this contract.			
iii. Please indicate the name and full contact details of the individual(s) that will sign any contracts on behalf of the company, and confirm whether this			

Question	Response			
individual has Power of Attorney.				
iv. Please indicate which countries and locations in which you will be providing services.				
v. Describe your experience and qualifications for providing these services.				
vi. Do you have an existing relationship with Scatec Solar? If so: <ul style="list-style-type: none"> Describe the contracts Provide dates of the contracts State key contacts at Scatec Solar 				
vii. Will any sub-contractors/agents be involved in the services you provide to Scatec Solar? Please describe.				
6. Relationship with government officials				
i. Do any of the company's owners, directors, management or employees hold positions as government officials ⁹ , or have they done so in the past?	Name	Role in/influence on business	Official position	Official duties
ii. Do you perform any work for the government?				
iii. Do you need to interact with public officials in order to perform the work under this contract?				

⁹ A government official can include, and is not limited to the following: • An official or employee of any government, or any agency, ministry or department of the government (of any level). • Any individual acting in an official capacity for a government regardless of rank or position. • Official or employee of a company wholly or partially state-owned. • A political party or official of a political party. • A candidate for political office. • Officer or employee of a public international organization, such as the United Nations or the World Bank. • Immediate family member of any of the above.

Question	Response				
iv. Does your company make any donations to any political parties?					
v. Do any of the company's owners, directors, management or employees have relatives who hold positions as government officials?	Name of employee	Role in/influence on business	Relative's name and relationship to employee	Relative's official position	Relative's official duties
vi. Do any relatives who are government officials have any influence over or connection to your company's business?					
vii. Is there any risk of perception that any relatives who are government officials could influence the business of your company or this contract?					
7. Compliance					
i. Does the company have any policies and procedures related to Business Integrity (e.g. Anti-corruption policy, Code of Conduct) and/or an ethics compliance programme? Please attach copies of relevant documents.	Attachments: 1. 2.				
ii. Have employees been trained in ethics and business integrity? If yes, please describe (including frequency).					
8. Conflict of interest					
i. Is the company or its shareholders (or beneficial owners), directors or top management involved in any					

Question	Response
<p>other business or business relationships that could imply any conflict of interest?</p>	
<p>9. Previous matters</p>	
<p>i. Has the company's shareholders (or beneficial owners), directors or top management been involved in any illegal or unethical practices, or been involved in any government or agency investigations in the past? Please describe.</p>	
<p>ii. Has the company had any internal cases of fraud or corruption over the last 5 years? If so, how have these been handled?</p>	
<p>iii. Has the company been involved in any litigation or other disputes over the last 5 years? If so, please describe.</p>	
<p>10. References</p>	
<p>i. Please provide two business references</p>	<p>Reference 1 Business name: Contact person: Contact details: Reference 2 Business name: Contact person: Contact details:</p>

ETHICS POLICY: APPENDIX 1.3 TO THE ANTI-CORRUPTION COMPLIANCE PROGRAMME DESCRIPTION –DUE DILIGENCE RED FLAG CHECKLIST

Counterparty name:

Project name:

Part 1: Complete using information obtained during due diligence data collection

Red Flags	<input type="checkbox"/> (tick if red flag exists)	Comments (including details of any mitigating circumstances or proposed action to address the red flag)
1. Location-related Red Flags		
a. Is the Counterparty, transaction and/or work to be performed located in a country where the perceived level of corruption risk is relatively high, as measured by the Transparency International Corruption Perceptions Index ¹⁰ or other similar indices?		
2. Counterparty-related Red Flags		
a. Has the Counterparty previously been engaged by Scatec Solar?		
b. Has Scatec Solar been asked or directed by someone to use this specific Counterparty? If so, by whom and why?		
c. Is the Counterparty registered in an unexpected jurisdiction, or with an unexpected business name or registration number?		
d. Is the ownership structure of the Counterparty unclear, non-transparent or unusually complex?		
e. Have we been unable to identify the beneficial owners of the Counterparty?		
f. Does the Counterparty have family or business ties with any current or former government officials?		
g. Is the Counterparty listed on any current sanctions/watch-lists?		
h. Have we identified adverse media pertaining to the company, its directors, shareholders (and beneficial owners), management or affiliated companies?		
i. Are there discrepancies in the results of the research compared to the questionnaire completed by the Counterparty, or was any relevant information held back?		
j. Is the Counterparty a lawyer, accountant or other person/intermediary who is not normally directly involved in the type of project or business activity for		

¹⁰ <http://www.transparency.org/research/cpi/>

Red Flags	☐ (tick if red flag exists)	Comments (including details of any mitigating circumstances or proposed action to address the red flag)
which it is being retained?		
k. Does the Counterparty appear to lack sufficient capability or staff qualifications to provide the services or goods for which it is being engaged (based on years in business, types of service performed, staffing levels, etc.)?		
l. Is the Counterparty reluctant to provide business references or did the response from any of the business references present a basis for concern about the Counterparty?		
m. Does the third party have an inadequate compliance program or code of conduct, or refuse to adopt one?		
n. Does the Counterparty want to work without a contract or with a vague contract?		
o. Is the Counterparty hesitant to make anti-corruption compliance certifications in an agreement?		
3. Transaction-related Red Flags		
a. Does the total amount to be paid for goods and services appear to be unreasonably high or above the customary or arms-length amount?		
b. Are unusual upfront or excessive payments required (high commissions, substantial bonuses, etc.), or is the compensation to be based on performance (success fees)?		
c. Has Scatec Solar been asked by anyone associated with the transaction to make any political or charitable contributions of any kind?		
d. Are indirect or unusual payments or billing procedures being requested, such as:		
i. Payments through bank accounts in a foreign country outside of the one where the services are being provided		
ii. Payments to anonymous (numbered) bank accounts		
iii. Payments to bank accounts containing corporate funds but held in names of individuals		
v. Payments to third persons for goods or services provided by the Counterparty		

Red Flags	☐ (tick if red flag exists)	Comments (including details of any mitigating circumstances or proposed action to address the red flag)
v. Payments through shell companies created to receive revenues and facilitate transactions		
vi. Payments in cash rather than by cheque or wire transfer		
vii. Cheques made out to “bearer” or “cash”		
4. Other Red Flags		
a. Is the purpose of the third party relationship is unclear, or the services to be provided not clearly defined?		
b. Will the Counterparty be exposed and/or have interactions with public officials on behalf of our organization?		
c. Will the Counterparty be dealing with customers, suppliers and agents of our organization on behalf of our organization?		

Part 2: Conclusion

Based on the information provided, are identified red flags adequately mitigated?

YES NO (circle the appropriate answer)

Comment:

Declaration

Form completed by:

Name

Signature

Title

Date

Form reviewed by:

Name

Signature

Title

Date

ETHICS POLICY: APPENDIX 2

PROCEDURE FOR INTERNAL INVESTIGATIONS

1. Scope and purpose

This document applies to all personnel in Scatec Solar ASA, its subsidiaries and investments in associated companies (“the Group” or “Scatec Solar”).

This document describes the procedure for internal investigations of breaches of Scatec Solar’s Ethics Policy, which are reported, detected or reasonably suspected. This includes reports received via the Group’s whistleblowing channel.

The purpose of the procedure is to ensure that internal investigations of breaches of the Ethics Policy which are reported, detected or reasonably suspected are performed in an appropriate and consistent manner, which is in adherence with the Group’s internal and external requirements.

2. Principles for investigations

Scatec Solar has the following principles for the handling of compliance-related issues and/or breaches of compliance-related controls, which are reported, detected or reasonably suspected:

- adherence to applicable laws;
- safety of personnel;
- protection of people making reports and of others involved or referenced in the reports;
- confidentiality; and
- data protection.

3. Confidentiality and Data Protection

The team/individual performing the investigation will treat all information received confidentially.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

In the case that external resources are used in the performance of an investigation, Scatec Solar will enter into a Data Handling Agreement with the third party.

4. Roles and responsibilities

The compliance function, represented by the Group’s General Counsel, is responsible for leading and coordinating the Group’s response to breaches of the Ethics Policy which are reported, detected or reasonably suspected. This includes making a decision about the use of external resources.

In the case of reported, detected or reasonably suspected breaches of the Ethics Policy which concern the General Counsel, the Board of Directors will appoint the CEO or another individual to lead and coordinate the Group’s response.

5. Investigation process

The Group’s response to breaches of the Ethics Policy which are reported, detected or reasonably suspected will be commensurate with the nature and severity of the issue.

Preliminary inquiries will be performed, pursuant to the applicable laws and regulations. The preliminary inquiries undertaken in the case of breaches of the Ethics Policy which are reported, detected or reasonably suspected shall primarily serve to:

- evaluate the nature of the notification;
- evaluate the severity of the issue;
- clarify whether the notification is objectively justified and whether immediate action is required;
- determine action that can be performed to further elucidate the facts relating to the notification; and
- provide a basis for formulating a concise evaluation and recommendation on how the case should be handled by Scatec Solar.

The Group's response should include such investigations as are necessary to uncover the facts that have been notified, and clarify the applicable consequences of the facts uncovered. Information may be collected in a number of ways, including:

- conducting interviews and meetings with the whistleblower and/or the individual(s) under investigation and other key personnel;
- collecting and reviewing documentation such as accounts, books and records, correspondence, policies and procedures; or
- acquiring and examining electronic evidence such as e-mails and other documentation.

The acquisition and examination of electronically stored information will only be performed if there are reasonable grounds to do so, and if the statutory conditions for performing such activities are met.

For the examination of electronically stored information, a report must be prepared which shows how electronically stored information is secured and the investigations that have been performed on the information.

The compliance function maintains a log in which all reports are documented (including incoming whistleblowing reports). The log is a written record of the main points relating to each report, and typically includes the following information:

- a brief description of the case;
- an assessment of whether the issue could constitute a breach of Scatec Solar's Ethics Policy and/or applicable laws and regulations; and
- a description of the investigative actions performed.

6. Outcomes of investigations

The outcome of reported, detected or reasonably suspected breaches of Ethics Policy will typically fall into one of the following categories:

- termination of the matter;
- internal referral of the matter for further treatment; or
- referral of the matter to the appropriate authorities and/or regulatory agency.

Investigations and decisions concerning the reported, detected or reasonably suspected breaches of Ethics Policy will be treated in collaboration with local and/or Group management, unless there are specific reasons, which would make it inappropriate to do so.