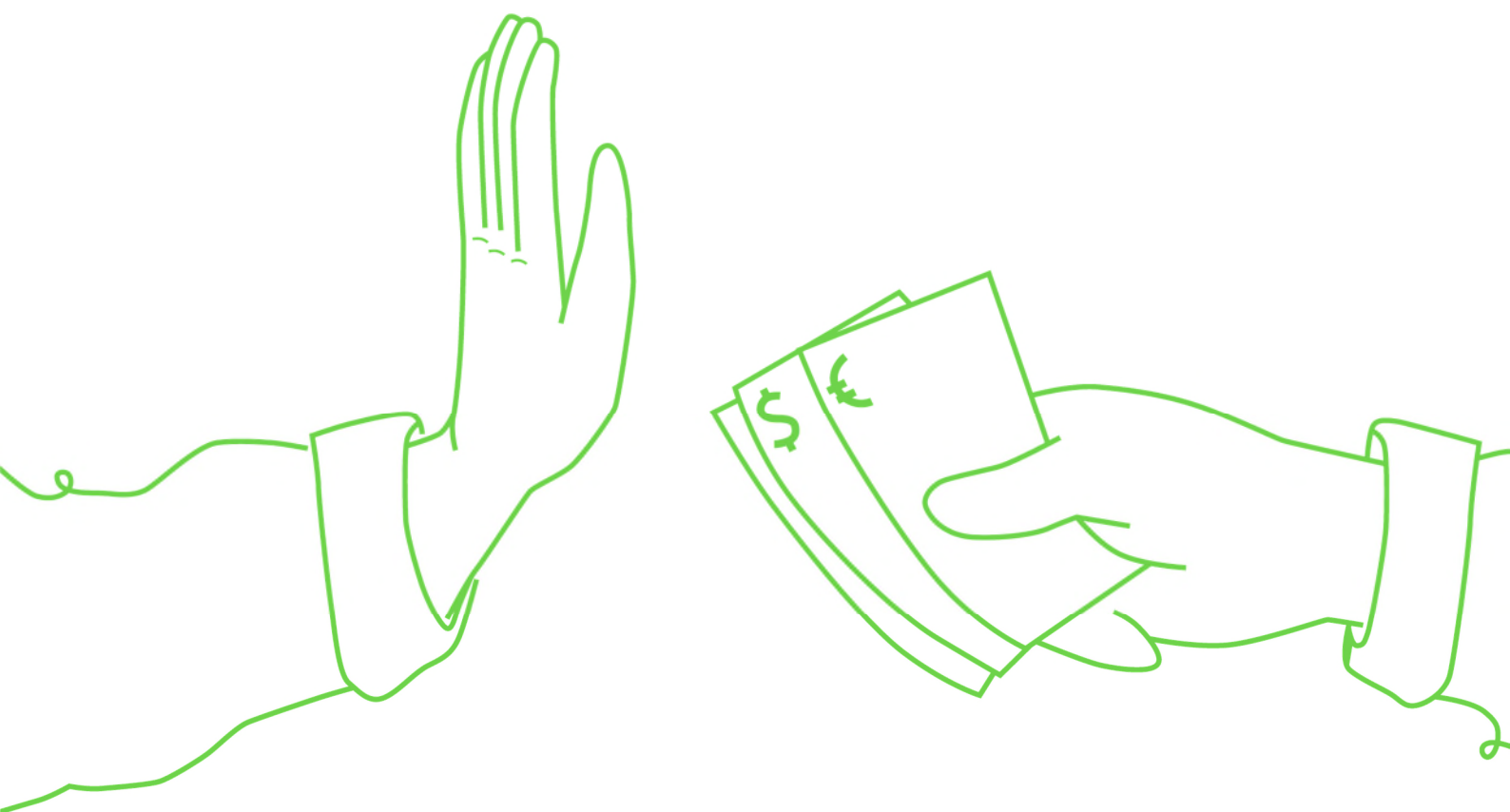


# Management System Guideline

## Anti-Corruption



vår energi

## Revision History

Details must include revision number, description, and indication of which paragraphs have been revised and date of revision approval.

Rev	Description	Date
R02	Updated to reflect responsibilities of the new compliance function within Legal & Compliance as of 1 November 2022, deleted chapter of extortion payments, updated gifts and hospitality section and the related Annex A – Gifts and Hospitality (renamed from Annex C), standardised different processes for integrity due diligence on business partners and updated the related Annex B – Forms for the Due Diligence and fulfilment of anti-corruption commitments (renamed from Annex F), previous annex A – Joint Venture Agreements – and annex G – Relations with relevant subjects – deleted. Simplified wording and deleted duplications.	24.04.23

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1	INTRODUCTION.....	5
1.1	Purpose of this document .....	5
1.2	Area of application .....	5
2	REFERENCES.....	7
2.1	The Anti-Corruption Laws .....	7
2.2	Consequences of non-compliance with Anti-Corruption Laws .....	8
2.3	Vår Energi compliance function.....	8
3	STATEMENT OF POLICY .....	10
4	FACILITATION PAYMENTS .....	13
4.1	Facilitation payments .....	13
5	GIFTS, EXPENSES AND HOSPITALITY - OFFERED AND RECEIVED .....	14
5.1	Any gift, financial advantage or other benefit, including hospitality, must comply with the requirements set out in Annex A – Gifts and Hospitality. Gifts, financial advantages or other benefits including hospitality offered to, or received by, Vår Energi Personnel .....	14
5.2	Gifts, financial advantages or other benefits, including hospitality, provided to third parties (including Public Officials) .....	15
6	POLITICAL CONTRIBUTIONS .....	17
7	DONATIONS TO CHARITIES/NON-PROFIT INITIATIVES/SOCIAL PROJECTS .....	18
8	SPONSORSHIP .....	20
9	BUSINESS PARTNERS.....	23
9.1	Preliminary evaluation of deviations .....	24
10	SELECTION OF PERSONNEL .....	25
11	ACQUISITIONS AND DISPOSALS (MERGERS AND ACQUISITIONS – M&A).....	26
12	RELATIONS WITH PUBLIC OFFICIALS AND PRIVATE ENTITIES.....	28
13	INTEGRITY DUE DILIGENCE .....	29
14	ACCOUNTING PROCEDURES, BOOKKEEPING AND INTERNAL CONTROLS .....	30
15	TRAINING OF VÅR ENERGI PERSONNEL.....	31
16	REPORTING SYSTEM .....	32
16.1	Reporting system for requests.....	32
16.2	Reporting system for violations .....	32
17	DISCIPLINARY PROCEEDINGS AND CONTRACTUAL REMEDIES .....	34
18	MONITORING AND IMPROVEMENTS .....	35



## Revision History

19	ROLES AND RESPONSIBILITIES.....	36
20	DEFINITIONS, ABBREVIATIONS AND ACRONYMS.....	37
21	List of Annex.....	40
21.1	Annex A - Gifts and Hospitality .....	40
21.2	Annex B - Forms for the Due Diligence and fulfilment of anti-corruption commitments .....	40



## 1 INTRODUCTION

### 1.1 Purpose of this document

One of the key factors of Vår Energi's reputation is its ability to conduct business with loyalty, fairness, transparency, honesty and integrity and in compliance with the laws, regulations, similar mandatory requirements, international standards and guidelines, both domestic and foreign, that apply to Vår Energi's business.

This Management System Guideline ("MSG") is implemented for the purpose of providing a systematic reference framework to the anti-corruption regulations that Vår Energi has designed and implemented.

Anti-Corruption Laws make it unlawful for Vår Energi Personnel, Vår Energi and its Subsidiaries, their Business Partners and anyone performing services for, or on behalf of, Vår Energi to offer, pay or accept, directly or indirectly, money or other benefit for the purpose of obtaining or retaining business or securing an unfair business advantage. This MSG is inspired by the behaviour principles described in Vår Energi's Code of Ethics and is designed to provide to all Vår Energi Personnel and all those who work for or on behalf of Vår Energi, the principles and rules to follow in order to ensure compliance with Anti-Corruption Laws.

Subject to the general principle that all Vår Energi Personnel must maintain a conduct consistent with the principles and rules defined in this MSG, the management of Vår Energi and its Subsidiaries are personally committed to comply with the Anti-Corruption Laws, in emphasising and disseminating these rules and principles within its structures in order to prevent corruption, in compliance with the principle of "zero tolerance" for corruption.

### 1.2 Area of application

This MSG is mandatory for Vår Energi and all its Subsidiaries.

Furthermore, Vår Energi shall use its influence, to the extent reasonably possible under the circumstances, to ensure that companies and entities in which Vår Energi holds a non-controlling interest and Business Partners meet the standards set forth in this MSG, by adopting and maintaining an adequate internal control system consistent with the requirements established by Anti-Corruption Laws. In any case,



# 1 INTRODUCTION

the representatives appointed by Vår Energi in these companies and entities shall do all they can to ensure the standards in this MSG are implemented. Among the factors that should be taken into consideration in respect of adopting said standards, are the level of investment held by Vår Energi in the company or entity (e.g. joint venture, consortia) and the laws and regulations governing the business in the country in which the company or entity is established and where its operations are based.

This MSG applies to Vår Energi from the date issued.



## 2 REFERENCES

### 2.1 The Anti-Corruption Laws

In recent years, the number of countries that have established laws prohibiting corruption of their Public Officials have been steadily increasing, and many countries have laws criminalising international corruption, or rather, the corruption of Public Officials in other countries by entities within their jurisdiction. Many countries also have laws that prohibit bribery among private parties.

Vår Energi and Vår Energi Personnel are subject to Norwegian law on anti-corruption, included in the Norwegian Penal Code ("Straffeloven"). However, the laws of other countries, including those laws ratifying international conventions, prohibiting corruption of Public Officials and corruption among private parties may also apply, such as::

- the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions;
- the United Nations Convention Against Corruption;
- the Foreign Corrupt Practices Act (FCPA) issued in the United States;
- the UK Bribery Act issued in the United Kingdom;
- Italian Criminal Code and in other national applicable laws, including the Legislative Decree no. 231 2001;
- their subsequent amendments and additions.

In order to comply with the applicable Anti-Corruption Laws, Vår Energi has introduced the prohibition of corruption among private parties, as well as among Public Officials.

The Anti-Corruption Laws:

- prohibit both direct and indirect payments – including payments to anyone while knowing the payment will be shared with a Public Official or private party – as well as offers or promises to pay or give anything of value, to a Public Official or to a private party for corrupt purposes. Under the Anti-Corruption Laws, Vår Energi and/or Vår Energi Personnel can be held responsible for a corrupt offer or payment made by anyone acting on behalf of the company in connection with



Vår Energi business and when Vår Energi and/or Vår Energi Personnel knew or reasonably should have known this offer or payment was improper;

- require companies to keep and maintain books, records and accounts which, in reasonable detail, accurately and fairly reflect its transactions, expenses (even if not "significant" in an accounting sense) and acquisitions and disposals of its assets.

Even inaccuracies in the reporting of non-corrupt payments constitute violations. False records may trigger tax and other legal liabilities. In particular, the bookkeeping provisions of the FCPA require issuers of stock registered under U.S. securities laws to maintain adequate internal accounting standards and control systems, and keep accurate books and records.

### **2.2 Consequences of non-compliance with Anti-Corruption Laws**

In recent years, enforcement of Anti-Corruption Laws has become more intense and the penalties significantly more severe. Physical and legal persons who violate Anti-Corruption Laws can incur considerable fines and physical persons may be sentenced to imprisonment or suffer other penalties. Other legal consequences may also derive from such violations including debarment from contracting with public entities, confiscation of profit made or claims for damages. Even more importantly, such events can seriously damage a company's reputation.

It should also be noted that, in order to maximize the effectiveness of the penalties, companies are usually prevented from indemnifying their personnel against liability under Anti-Corruption Laws.

### **2.3 Vår Energi compliance function**

The Vår Energi compliance function is responsible for providing specialist support on compliance matters, including anti-corruption matters, to the departments of Vår Energi and its Subsidiaries.

In particular the Vår Energi compliance function shall (i) monitor relevant regulations and jurisprudence, (ii) implement and update guidelines and guidance on the matter (iii) set up and implement anti-corruption training programs of Vår





## 2 REFERENCES

Energi Personnel, pursuant to paragraph 15 of this MSG (iv) provide specialist support in the management and surveying of Red Flags, (v) provide due diligence checks on Business Partners and the processing of the relevant contractual requirements in areas at risk of corruption, (vi) monitor the adoption of the Anti-Corruption MSG by the Subsidiaries. With this in mind, questions relating to Anti-Corruption Laws or any matter covered in this MSG or its application in specific situations must be addressed to the Vår Energi compliance function.



## 3 STATEMENT OF POLICY

### 3 STATEMENT OF POLICY

In accordance with Vår Energi's Code of Ethics, **Vår Energi prohibits bribery without exception.** In particular, Vår Energi prohibits:

- offering, promising, giving, paying or authorizing anyone to give or pay, directly or indirectly, material, financial or other advantage to a Public Official or private party (**Active Bribery**);
- accepting or authorizing anyone to accept, directly or indirectly, a financial or other advantage or a request or solicitation from a Public Official or private party of a financial or other advantage (**Passive Bribery**);
  - a. to induce a Public Official or private party to perform improperly any function of a public nature or any activity connected with a business or reward them for the improper performance of such a function or activity;
  - b. to influence any official act (or omission) by a Public Official or any decision in violation of any official duty;
  - c. to obtain or secure an improper advantage in the conduct of business; or
  - d. in any case, to violate the applicable laws.

Prohibited conduct includes financial or other advantage offered or received by Vår Energi Personnel (Direct Bribery) or by anyone acting on behalf of the company (Indirect Bribery) in connection with the business of the company.

This prohibition is not limited to cash payments, and includes for the purpose to corrupt:

- gifts;
- entertainment expenses, meals and travel, hospitality in general;
- in-kind contributions, such as sponsorships;
- business, employment or investment opportunities;
- insider information that could be used to trade in regulated securities or commodities;
- personal discounts or credit;



## 3 STATEMENT OF POLICY

- Facilitation Payments;
- assistance to support families; and
- other benefits or advantages.

Vår Energi prohibits any forms of bribery, including but not limited to those described above, to any person. A person subject to this MSG will be deemed "aware" that the payment or other advantage will benefit a Public Official or private party or his/her Family Members or designees if he/she has acted with conscious disregard to warning signs or grounds for suspicion ("Red Flags") or with gross negligence, e.g., a failure to conduct the appropriate level of due diligence under the circumstances.

Compliance with Anti-Corruption Laws and this MSG is mandatory for all Vår Energi Personnel and Business Partners. Consequently:

- i. All of Vår Energi's dealings with, or related to, or involving a Public Official must be conducted in compliance with this MSG and Vår Energi Code of Ethics.
- ii. All of Vår Energi's dealings with, or related to, private parties considered at risk of corruption must be conducted in compliance with this MSG and Vår Energi Code of Ethics.
- iii. Vår Energi Personnel are responsible, each for their own area of responsibility, for complying with this MSG and Vår Energi Code of Ethics. In particular, managers are responsible for supervising compliance by those that work with them and adopt measures to prevent, detect and report potential violations.
- iv. No questionable or illegal practice (including Facilitation Payments) can ever be justified or tolerated because it is "customary" in the industrial sector or in the countries where Vår Energi operates. No performance goal should be imposed or accepted if it can be achieved only by compromising Vår Energi's ethical standards.
- v. Vår Energi Personnel who violate this MSG and/or Anti-Corruption Laws will be subject to discipline, up to and including termination and any other legal actions to the extent necessary to protect Vår Energi's interests. Business Partners who violate this MSG and/or Anti-



## 3 STATEMENT OF POLICY

Corruption Laws will be subject to contractual remedies, including suspension of the execution and up to termination of the contract, debarment from doing business with Vår Energi and damage claims.

- vi. No Vår Energi Personnel will be subjected to termination, demotion, suspension, threat, bullying or discrimination in the workplace for refusing to make a prohibited payment, even if such refusal results in a loss of business or other adverse consequence to the business.
- vii. Vår Energi Personnel must avoid and report any situations that can lead to or cause a conflict of interest among personal and family financial dealings and the tasks covered within the structure or body concerned in compliance with the Code of Ethics. In particular, in compliance with the Code of Ethics, any situations leading to or causing a conflict of interest must be promptly communicated to the supervisor at managerial level, or their relevant body. Likewise, the person involved should promptly abstain from involvement in the operating/decision-making process and the supervisor in a managerial position or the body:
  - identifies the operating solutions to safeguard, as per the specific case, the transparency and correctness of behaviour in conducting business;
  - sends to the interested parties - and inform the personal hierarchical supervisor - the necessary instructions in writing;
  - files the documentation received and sent.



## 4 FACILITATION PAYMENTS

### 4 FACILITATION PAYMENTS

#### 4.1 Facilitation payments

In line with Vår Energi's Code of Ethics, Facilitation Payments are expressly prohibited. It is not acceptable for any Vår Energi Personnel, or any of its Subsidiaries, or Business Partners, to make these sorts of payments.



## 5 GIFTS, EXPENSES AND HOSPITALITY - OFFERED AND RECEIVED

### 5 GIFTS, EXPENSES AND HOSPITALITY - OFFERED AND RECEIVED

In line with the Code of Ethics, gifts, payments or any other financial benefits, including hospitality, can be either made or received where it is in the context of a commercial courtesy, and it does not compromise the integrity and/or reputation of either party, and cannot be construed by an impartial observer as aimed at creating an indebtedness or obtaining undue advantages.

Gifts and other financial advantages or other benefits made or received, including hospitality, must therefore be in all circumstances reasonable and bona fide. In any case, all gifts and financial advantages or other benefits, including hospitality, made or received must be in accordance with Vår Energi's internal rules, must be recorded and supported by appropriated documentation.

#### **5.1 Any gift, financial advantage or other benefit, including hospitality, must comply with the requirements set out in Annex A – Gifts and Hospitality. Gifts, financial advantages or other benefits including hospitality offered to, or received by, Vår Energi Personnel**

As stated in paragraph 5, any gifts, financial advantage or other benefit, including hospitality, offered to, or received by Vår Energi Personnel must, from an objective viewpoint, be reasonable and bona fide.

Anyone who receives offers of gifts, financial advantage or other benefit, including hospitality, which cannot be considered as commercial courtesy of small value, shall reject them and immediately inform: (i) the direct supervisor and (ii) Vår Energi's compliance function.

Vår Energi Personnel shall be transparent and report any gifts and hospitality offered to or received by them to its direct supervisor, who shall assess compliance with this MSG and Annex A. The compliance function shall be contacted in case of questions or doubt in understanding of the requirements of this MSG and relevant Anti-Corruption Laws.



## 5 GIFTS, EXPENSES AND HOSPITALITY - OFFERED AND RECEIVED

- Any gift or any financial advantage or other benefit, including hospitality, offered to, or received by Vår Energi Personnel with an actual or estimated value that exceeds (or is likely to exceed) the thresholds in Annex A – Gifts and Hospitality must be recorded (even if refused) accurately and transparently in a register set out for that purpose. Such register shall be maintained at a company level by the compliance function and include the following information: name of the Vår Energi Personnel who was offered or received the gift or financial advantage or other benefit, including hospitality (beneficiary);
- name of the company or person who offered or provided the gift or financial advantage or other benefit, including hospitality;
- brief description of the gift or financial advantage or other benefit, including hospitality;
- date offered to the Vår Energi Personnel;
- date of communication to the Vår Energi Personnel direct supervisor with clear indication of the name of the direct supervisor;
- actual or estimated value;
- indication of acceptance or refusal and related reasons.

### **5.2 Gifts, financial advantages or other benefits, including hospitality, provided to third parties (including Public Officials)**

As stated above in paragraph 5, any gifts, financial advantage or other benefit, including hospitality, provided by Vår Energi or any Vår Energi Personnel to a Public Official or any private party, even using personal financial resources, must, from an objective viewpoint, be reasonable and bona fide.

Any gifts, financial advantage or other benefit, including hospitality, may be reasonable and bona fide expenditure when it is directly related to:

- i. the promotion, demonstration, or explanation of products or services;
- ii. the execution or performance of a contract with public administration;
- iii. attendance at training seminars or workshops; or
- iv. to develop and maintain cordial business relations.



## 5 GIFTS, EXPENSES AND HOSPITALITY - OFFERED AND RECEIVED

Reasonable and bona fide expenditures must be approved and recorded pursuant to Annex A – Gifts and Hospitality.

Any gift, hospitality or other benefit for a Family Member or designee of a Business Partner or a Public Official or a private party that was proposed at the request of a Business Partner or Public Official or as a result of the beneficiary's relationship with a Business Partner or Public Official must be treated as a benefit to that Business Partner or Public Official and is therefore subject to the restrictions provided by this MSG.





## 6 POLITICAL CONTRIBUTIONS

### 6 POLITICAL CONTRIBUTIONS

Political contributions could constitute corruption offences and therefore present a risk of consequent liability. The risks are that political contributions may be used by a company as an improper mean of bribery to retain or obtain a business advantage such as to win a contract, obtain a permit or licence, or shape legislation favourable to the business.

Because of these risks, as outlined in the Code of Ethics, Vår Energi does not permit any direct or indirect contributions in whatever form to political parties, movements, committees or political organizations, nor to their representatives and candidates.



## 7 DONATIONS TO CHARITIES/NON-PROFIT INITIATIVES/SOCIAL PROJECTS

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Donations to charities, administrative entities and bodies, non-profit initiatives and Social Projects present the risk of funds or assets of value being diverted for the personal use or benefit of a Public Official or private party.

All non-profit initiatives, charitable contributions and Social Projects must be carried out in compliance with Anti-Corruption Laws and in compliance with the provisions of Vår Energi's Anti-Corruption MSG and the Code of Ethics.

Any charitable contributions or donations and on Social Projects must comply with the following minimum standards:

- a. all contributions, donations and Social Projects shall be made in accordance with the approved budget;
- b. contributions and donations shall be made only in favour of entities not recently incorporated, well-known, reliable and with an outstanding reputation for honesty and correct business practices;
- c. the beneficiary entity must show that it has all the certifications and has met all the requirements to operate in compliance with applicable laws;
- d. an appropriate regulation must be implemented to set out an approval process of contributions, non-profit initiatives and Social Projects that, for the aim of such approval, shall provide an adequate description of the nature and the purpose of the single contribution, a due diligence review on the beneficiary entity and control of the legitimacy of the contribution or initiative under the applicable laws
- e. any money payments must be made exclusively on the account registered in the name of the beneficiary entity; it is not permitted to make payments to numbered accounts or in cash, or to a party other



## 7 DONATIONS TO CHARITIES/NON-PROFIT INITIATIVES/SOCIAL PROJECTS

than the beneficiary entity or in a third country other than the beneficiary entity's country<sup>1</sup>;

- f. contributions must be properly and transparently recorded in the company's books and records;
- g. the beneficiary entity shall undertake to record properly and transparently the contributions received in its own books and records;
- h. the Social Projects must be adequately integrated in the relevant business projects to which they are inherent and defined in agreements, conventions, petroleum production licenses or other commitments, which shall include adequate anti-corruption provisions;
- i. where Social Projects are negotiated and defined with local community representatives:
  - the consultation with the local communities must be carried out with correctness, transparency and traceability of behaviours and must exclusively take place through their institutions or local leaders who legally represent them;
  - an adequate due diligence must be undertaken on the representative institution or local leader signing the agreement or which, in any case, represents the counterparty, to be submitted to the Vår Energi anti-corruption compliance function, also to ascertain eventual conflicts of interest;
- j. the original documentation related to the approval of the contribution and to the controls of consistency with the relevant regulation must be kept for at least 10 years

Any deviation, for specific cases, compared to the terms outlined in Paragraph 7, must be subject to a preliminary evaluation by the Vår Energi compliance function on the basis of a written and detailed request submitted by Vår Energi's relevant business unit.

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<sup>1</sup> For the purposes of application of the ban, third countries do not include States where a company/entity, counter-party of Vår Energi, has established its centralized cash management system and/or where the same has established, in whole or in part, its headquarters, offices or business units functional and necessary for the execution of the contract, in each case subject to all the additional control tools provided by internal regulatory instruments concerning the selection of counter-parties and payments.



### 8 SPONSORSHIP

Sponsorship may also raise anti-corruption issues. All sponsorship must be approved to ensure compliance with Anti-Corruption Laws, this MSG and the Code of Ethics and comply with the following minimum standards:

- a. all sponsorship shall be made in accordance with the approved budget;
- b. partners under sponsorship contracts shall only be entities or individuals who are well-known and reliable;
- c. in the case of companies, a sponsorship contract partner must prove that it has all the certifications and has met all requirements to operate in compliance with applicable laws;
- d. a procedure to regulate sponsorships with an adequate description of the nature and the purpose of the single initiative, a due diligence review on the potential partner of the sponsorship contract and a control of the legitimacy of the initiative under the applicable laws;
- e. the sponsorship contract must be in writing and must contain:
  - i. a declaration from the counterparty that the amount paid by Vår Energi shall solely be used as payment for the counterparty's services and that these sums shall never be given to a Public Official or a private party for corrupt purposes or transferred, either directly or indirectly, to members of the company bodies, directors, or employees of Vår Energi;
  - ii. a declaration from the counterparty that at the moment of signing the contract and during its implementation, neither the counterparty, nor, in case of a company, the company itself or its owners, directors or employees are Public Officials;
  - iii. the currency and the amount paid pursuant to the sponsorship contract;
  - iv. the billing terms (or payment methods) and payment conditions, taking into account - in line with the provisions of the relevant laws and the Code of Ethics - that such payments can be made exclusively to the counterparty and in the country of the counterparty's incorporation, exclusively on the



- account registered to the counterparty as indicated in the contract and never to numbered accounts or in cash<sup>2</sup>;
- v. the commitment of the counterparty to comply with the applicable laws, the Anti-Corruption Laws and the anti-corruption provisions of the relevant sponsorship contract and to record properly and transparently in its own books and records the amount received;
  - vi. Vår Energi's right to terminate the contract and to interrupt payments and receive compensation for damages in case of the counterparty's breach of obligations, declarations and warranties referred to above or violation of the Anti-Corruption Laws or anti-corruption commitments outlined in the contract; and
  - vii. Vår Energi's right to carry out audits of the counterparty in the event Vår Energi reasonably believe the counterparty may have violated the provisions of the relevant regulation and/or of the contract;
- f. in line with the provisions of the relevant laws, the amount paid according to the sponsorship contract must be properly and transparently recorded in Vår Energi's books and records;
  - g. Vår Energi must ensure payments are made exclusively as indicated in the sponsorship contract, subject to verification that the service has been rendered; and
  - h. the original documentation related to the approval of the amount and the compliance controls with the related regulation must be kept for at least 10 years.

Any deviation, for specific cases, compared to the terms outlined in Paragraph 8, must be subject to a preliminary evaluation by the Vår Energi compliance function

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<sup>2</sup> For the purposes of application of the ban, third countries do not include States where a company/entity, counter-party of Vår Energi, has established its centralized cash management system and/or where the same has established, in whole or in part, its headquarters, offices or business units functional and necessary for the execution of the contract, in each case subject to all the additional control tools provided by internal regulatory instruments concerning the selection of counter-parties and payments.



## 8 SPONSORSHIP

on the basis of a written and detailed request submitted by Vår Energi's relevant business unit.



## 9 BUSINESS PARTNERS

### 9 BUSINESS PARTNERS

Vår Energi may be held liable for corrupt activities on the part of Business Partners. It is therefore a requirement for Vår Energi's Business Partners to comply with the ethics standards and qualification requirements established by Vår Energi.

Vår Energi expects all of its Business Partners to comply with all applicable laws, including the Anti-Corruption Laws, in connection with Vår Energi's business.

Business Partners must:

1. undergo risk based due diligence,
2. have entered into a written contract with Vår Energi before performing any activity in favour of or on behalf of Vår Energi with a clear description of the service/product to be provided to/from the Business Partner, and
3. only be paid in accordance with the terms of contract.

All written contracts with Business Partners must include reasonable and appropriate clauses relating to compliance as approved by the compliance function.

Vår Energi requires contracts with Business Partners to include provisions, among others, to:

- a. ensure commitment of the Business Partners to comply with applicable Anti-Corruption Laws;
- b. in case of sub-contracting, Business Partners to:
  - stipulate the controls on the sub-contractor in the relevant contract in advance to ensure compliance with Vår Energi's internal rules;
  - obtain, where required, Vår Energi's prior approval of any sub-contractor in compliance with Vår Energi's internal rules;
  - ensure that any sub-contractor performing services in connection with the contract does so only on the basis of a written contract which imposes on the sub-contractor conditions relevant to compliance and the Anti-Corruption Laws equivalent to those imposed on the Business Partners;
- c. ensure that the Business Partner promptly reports to Vår Energi any request or demand relating to any undue payment of cash or other



## 9 BUSINESS PARTNERS

benefit, received by the Business Partner in relation to contract fulfilment;

- d. Vår Energi's right to carry out an audit on the Covered Business Partner identified as being at most risk according to risk-based criteria agreed by Vår Energi's compliance;
- e. Vår Energi's right to carry out an audit on the Business Partner if Vår Energi has reasonable suspicion that the Business Partner has violated clauses of the contract relating to compliance or Anti-Corruption Laws;
- f. Vår Energi's right to terminate or suspend the execution of the contract and to receive compensation for damages in case of breach of the obligations, declarations and warranties referred to above and/or violation of the Anti-Corruption Laws.

Upon detailed written request of the interested Vår Energi business unit, Vår Energi's compliance function will consider and, if appropriate, advise Vår Energi's business unit which exceptions may be authorized in respect of due diligence and the approval process of Business Partners.

### **9.1 Preliminary evaluation of deviations**

Any deviation, for specific cases, compared to the terms outlined in Paragraph 9, must be subject to a preliminary evaluation by the Vår Energi compliance function on the basis of a written and detailed request submitted by Vår Energi's relevant business unit.





## 10 SELECTION OF PERSONNEL

### 10 SELECTION OF PERSONNEL

Any recruitment of personnel must at least include reference checks on previous professional experience and checks on suitability for the role and include the following pre-recruitment checks in accordance with and as permitted by applicable local laws.

- a. Reference Lists;
- b. the presence of any conflicts of interest or relations that could interfere with the function of Public Officials called to operate in relation to the activity for which the company has a firm interest as well as with representatives of the management of companies, consortia, foundations, associations and other private entities, including those without legal entities, that carry out professional and corporate business that are particularly pertinent for company purposes;
- c. any previous criminal record or criminal proceedings that are ongoing and any civil or administrative sanctions or pending investigation relating to the professional ethics of the candidate, considering the role the candidate will hold.

The outcome of such checks should be assessed in relation to the role and duties the candidate will carry out.



## 11 ACQUISITIONS AND DISPOSALS (MERGERS AND ACQUISITIONS – M&A)

### 11 ACQUISITIONS AND DISPOSALS (MERGERS AND ACQUISITIONS – M&A)

An important aspect of any proposed acquisition or disposals is the Integrity Due Diligence process (including compliance with Anti-Corruption Laws).

In relation to any proposed acquisition or disposals, Vår Energi's Compliance function must be consulted as far in advance as possible. Vår Energi's Legal function and other consultants working on each one of such transactions will assist, with the support of Vår Energi's compliance function in identifying key risk factors and Red Flags, in the preparation of the anti-corruption compliance information which the potential counterparties could request, and in drafting the declarations and anti-corruption warranties to be included in the agreement relating to these operations.

Whenever an acquisition is made by Vår Energi, to mitigate the risk of a possible successor liability<sup>3</sup> for corruption linked to the business/activity that Vår Energi wants to purchase:

- An adequate anti-corruption due diligence must be carried out to include gathering information on risk of corruption activities carried out by the target, including an audit of any anti-corruption compliance plans and personnel training plans on this issue;
- A plan to comply with this Anti-Corruption MSG must be part of Vår Energi's post-acquisition integration plan;
- The external or internal legal counsel working on an acquisition must advise Vår Energi's compliance function of any new anti-corruption risk that is identified or where a pre-existing anti-corruption risk may be increased as a result of the acquisition, so that this MSG and related processes may be revised appropriately to protect Vår Energi from the new risk.

Appendix 1 to Annex B – Anti-Corruption Checklist for Acquisitions and Disposals (M&As) – provides a non-exhaustive checklist of indicators which will help when

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<sup>3</sup> The Anti-Corruption Laws foresee that a company can be considered liable not only for its illegal business, but also the illegal business undertaken by a target company or an incorporated company following a merger which took place before the acquisition or merger is concluded.



## 11 ACQUISITIONS AND DISPOSALS (MERGERS AND ACQUISITIONS – M&A)

carrying out the anti-corruption due diligence on the acquisition target. Further instructions may be provided by the Vår Energi compliance function depending on the features of each transaction (transaction characteristics, type of activity, target level of risk, etc.).

An analysis regarding the following must be carried out as part of the anti-corruption due diligence on the acquisition target:

1. the activities at risk of corruption, carried out by the target such as, the use of consultants or intermediaries, sponsorship initiatives, non-profit initiatives, the existence of investigations or criminal proceedings for crimes of corruption, etc. These checks are designed to identify possible Red Flags in relation to the activities carried out by the target and its Principals;
2. the analysis of any anti-corruption compliance program in place at the target;
3. verification of effective implementation of the anti-corruption compliance program in the target and in the companies included in the target such as interviews with the compliance officer, verification of activities carried out and anti-corruption training provided and/or interviews with key officers confirming awareness of the anti-corruption compliance program and its application in the execution of the activities at risk.



## 12 RELATIONS WITH PUBLIC OFFICIALS AND PRIVATE ENTITIES

### 12 RELATIONS WITH PUBLIC OFFICIALS AND PRIVATE ENTITIES

In line with the Code of Ethics, Vår Energi promotes dialogue with Institutions and with the organisations of civil society in all countries where it works.

All relations that involve Public Officials (including Public Administration Entities) or private entities must be conducted in compliance with the Code of Ethics and of this Anti-Corruption MSG must comply with the following principle and minimum standards:

- Vår Energi Personnel must work in compliance with all legislative requirements and Vår Energi's internal regulations on the matter;
- relations with Public Officials and private entities must be based on the correctness, transparency and traceability of the behaviours and are exclusively reserved for the competent departments and positions;
- favours, collusive behaviour, direct solicitation and/or through third parties, to obtain advantages for Vår Energi, for oneself or for others is forbidden;
- when negotiations are ongoing, a request or any relationship with Public Officials or private entities, Vår Energi Personnel must not try to improperly influence counterparty decisions, including those of public functionaries and representatives of the private entities that negotiate or make decisions on behalf of the Public Administration or the private entity;
- it is never permitted to correspond or offer, directly or indirectly, cash or gifts or any benefit to Public Officials or private entities or their Families, to compensate them for action within their office;
- contact of Vår Energi Personnel with Public Officials and representatives of the private entities must be undertaken, in the main phases of the negotiation or proceedings, by at least two people coming, where possible, from different units.



## 13 INTEGRITY DUE DILIGENCE

### 13 INTEGRITY DUE DILIGENCE

Without prejudice to other detailed regulations relating to specific risk areas, in all cases pursuant to this MSG and the regulations, a Integrity Due Diligence on potential Business Partners is required pursuant to the Integrity Due Diligence guidelines set out in Annex B - Forms for the Due Diligence and fulfilment of anti-corruption commitments.

If the manager of the relevant business function feels it is not necessary to carry out a due diligence or feels a reduced due diligence is sufficient, for example, based on customary relations with the business partner, of their proven reliability, of the excellent and recognised reputation of the business partner, also under an ethical profile, he/she shall consult the Vår Energi compliance function and submit a written request indicating the reasons to support such a choice. The Vår Energi compliance function shall respond, specifying in writing if it believes that (i) it is in any case necessary to conduct a due diligence or (ii) if due diligence is not necessary.

The outcome of the due diligence process, including the reasons behind the decision not to proceed with the due diligence and any observations of the Vår Energi compliance function must be brought to the attention of the relevant business function.



## 14 ACCOUNTING PROCEDURES, BOOKKEEPING AND INTERNAL CONTROLS

### 14 ACCOUNTING PROCEDURES, BOOKKEEPING AND INTERNAL CONTROLS

- a. Applicable laws, financial reporting and tax laws and regulations all require Vår Energi to keep accurate and complete accounting records of each business transaction. In compliance with the above requirements, it is Vår Energi's policy, as outlined in Section 5.3 of the Code of Ethics, that all payments and transactions by Vår Energi must be recorded accurately in the relevant company's books and records, such that Vår Energi's books, records and accounts accurately and fairly reflect its transactions, sales and acquisitions of assets, in reasonable detail.

On the basis of a top-down and risk based approach, focused on significant accounting/information on the financial statements, company and processes, Vår Energi maintains a system of internal controls in relation to financial information to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements, in compliance with generally accepted accounting principles.



## 15 TRAINING OF VÅR ENERGI PERSONNEL

### 15 TRAINING OF VÅR ENERGI PERSONNEL

Vår Energi Personnel shall be informed of and trained in the applicable Anti-Corruption Laws and the importance of compliance with those laws and this MSG.

Participation in compulsory training ensures correct fulfilment of contractual work obligations for Vår Energi personnel. All At-Risk Personnel are subject to a compulsory anti-corruption training program as identified and set up by the compliance function.

- At-Risk Personnel shall receive a copy of this MSG and training on this MSG and relevant Anti-Corruption Laws within ninety (90) days of being hired or given new responsibilities, or if it is not feasible for some reason, as soon as reasonably possible.
- With reference to periodic refresher training activities:
  - At-Risk Personnel shall be responsible for keeping his or her training up to date;
  - each manager is responsible for ensuring that all At-Risk Personnel under his supervision complete periodic training activities on Anti-Corruption.
- In defining and implementing the anti-corruption training program, the Vår Energi compliance function provides the human resources function the training material and requirements for training certification.
- Based on these elements, the human resources function is responsible for planning and developing training with the support of the compliance function. The human resources function is also responsible for identifying the recipients of the training and the kind of training to be provided;
- The human resources function is also responsible for monitoring the attendance records at the training courses and for keeping all records in compliance with the applicable labour, privacy or other laws.

The training program will provide the necessary knowledge of the Anti-Corruption Laws and the instructions to recognise "Red Flags" and avoid questionable actions from an ethical point of view. The program will support participants and take them through presentation of questions and practical situations that can occur throughout the company's business.



## 16 REPORTING SYSTEM

### 16.1 Reporting system for requests

Vår Energi Personnel must immediately communicate to their direct supervisor and to the Vår Energi Vår Energi compliance function of any direct or indirect request by a Public Official or private party for a payment (including a Facilitation Payment), gifts, travel, meals and hospitality or expenses entertainment, of employment, investment opportunities, personal discounts or other personal benefits other than reasonable and bona fide expenditures for the Public Official or private party or a Family Member or designee, other than reasonable expenses in good faith. The same requests must be immediately communicated by the Business Partner to the Contract Holder who will then communicate them to the direct supervisor and to Vår Energi's anti-corruption compliance function.

The direct supervisor will be responsible for advising Vår Energi Personnel or the interested Business Partner on the proper course of action, in compliance with Anti-Corruption Laws and this MSG. With this in mind, the direct supervisor must consult with Vår Energi's compliance function.

### 16.2 Reporting system for violations

Any suspected or known violation of the Anti-Corruption Laws or of this MSG must be reported immediately in one or more of the following ways:

- the employee's direct supervisor (or to Vår Energi's Business Partner's primary contact when news of the violation comes from the Business Partner);
- to Vår Energi's compliance function;
- through the dedicated whistleblowing channels.

The direct supervisor, Vår Energi's compliance function and the human resources function will consult with each other to identify the proper course of action and they will assure that communication channels are maintained, the monitoring of received documents and the reporting of the results of whistleblowing reports to the corporate control functions and control bodies.





## 16 REPORTING SYSTEM

Vår Energi Personnel will not be discharged, demoted, suspended, threatened, harassed, or discriminated against, in any manner, within the terms of employment, based on any lawful reporting activity, made in good faith, in compliance with this MSG and/or the Anti-Corruption Laws.



## 17 DISCIPLINARY PROCEEDINGS AND CONTRACTUAL REMEDIES

### 17 DISCIPLINARY PROCEEDINGS AND CONTRACTUAL REMEDIES

Vår Energi shall use every reasonable force to prevent any conduct in violation of Anti-Corruption Laws and/or this MSG and to interrupt and sanction any contrary conduct by Vår Energi Personnel.

Vår Energi will take adequate measures pursuant to the Code of Ethics and other national standards applicable to Vår Energi Personnel (i) whose actions are deemed to have violated the Anti-Corruption Laws or this MSG (ii) who fail to participate or complete adequate training, and/or (iii) who unreasonably fail to detect or fail to report such violations or who threaten or retaliate against others who report such violations. Disciplinary action may include termination of employment.

Vår Energi will take appropriate measures, including but not limited to contract termination and claim for damages against Business Partners whose actions are found to violate the Anti-Corruption Laws or this MSG. Contracts stipulated by Vår Energi with the Business Partners will include specific clauses to ensure compliance by Business Partners with the Anti-Corruption Laws and this MSG and to allow Vår Energi to provide appropriate remedies.



## 18 MONITORING AND IMPROVEMENTS

### 18 MONITORING AND IMPROVEMENTS

Vår Energi's Internal Audit will independently review and evaluate the internal control system on the basis of its annual audit program approved by the Board of Directors of Vår Energi to verify compliance with this MSG and carry out independent checks on the Business Partners identified according to risk based criteria agreed with Vår Energi's compliance function.

Vår Energi's compliance function will monitor implementation of this MSG and will supervise training of Vår Energi Personnel.

Vår Energi's compliance function must periodically review this MSG to ensure it remains at maximum efficiency. Furthermore, the business unit, the Internal Audit and the external auditors of the company should recommend improvements to the MSG on the basis of the emerging "best practices" or in the event gaps or criticalities are identified.

If a violation is found, Vår Energi's compliance function will evaluate whether an MSG review or internal regulation improvements would help prevent recurrence of the violation. Furthermore, each Subsidiary must respond appropriately to remedy any criticality in its compliance program.

Vår Energi's anti-corruption compliance function will submit a yearly report on its monitoring activity to the CEO of Vår Energi.



## 19 ROLES AND RESPONSIBILITIES

### 19 ROLES AND RESPONSIBILITIES

**VÅR ENERGI COMPLIANCE FUNCTION:** see paragraph 2.3.

**HUMAN RESOURCES FUNCTION:** human resources function of Vår Energi and the Subsidiaries responsible for activities pursuant to paragraph 15.

**INTERNAL AUDIT DEPARTMENT:** the department of Vår Energi responsible for the examination and independent assessment of the internal control system, in order to verify compliance with the requirements of this MSG, on the basis of its annual audit plan approved by the Board of Directors of Vår Energi.



## 20 DEFINITIONS, ABBREVIATIONS AND ACRONYMS

### 20 DEFINITIONS, ABBREVIATIONS AND ACRONYMS

For the purpose of this MSG, the following terms shall have the meanings given below:

**ANTI-CORRUPTION LAWS:** indicates, as applicable (i) the anti-corruption clauses in the Norwegian Penal Code ("Straffeloven"), (ii) the Italian Criminal Code and in other national applicable laws, including the Legislative Decree no. 231 2001, (iii) the FCPA, (iv) the UK Bribery Act, (v) other public and commercial anti-bribery laws in effect around the world, and (vi) international anti-corruption treaties such as the Organization for Economic Cooperation and the Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention against Corruption.

**AT RISK PERSONNEL:** any Vår Energi employee or manager, who:

- a. is likely to have regular contact with a Public Official, in connection with his/her work;
- b. is likely to have regular contact with Business Partners;
- c. is able to stipulate contracts with third parties on Vår Energi's behalf or have significant influence over the decision making process in relation to the awarding of those contracts; or
- d. is involved with internal control issues or other activities covered by the Anti-Corruption Laws;
- e. any Vår Energi employee identified as at-risk by a manager in one of the above categories.

**BUSINESS PARTNER:** any third party, non-employee receiving and/or providing products or services from/for Vår Energi or from/for Vår Energi or who acts on behalf of Vår Energi or is an actual or potential participant in a joint venture with Vår Energi.

**CODE OF ETHICS:** Vår Energi's Code of Ethics.

**CONTRACT HOLDER:** responsible for the correct contractual execution and technical-operational and economic control of works, services and supplies.



## 20 DEFINITIONS, ABBREVIATIONS AND ACRONYMS

Furthermore, he or she represents the reference for his or her responsible contracts stipulated, within Vår Energi and towards third parties.

**FACILITATION PAYMENTS:** unofficial payments made to a Public Official in order to speed up, facilitate or secure the performance of a routine action.

**FAMILY MEMBERS:** the Public Official's spouse; the Public Official's and the spouse's grandparents, parents, siblings, children, nieces, nephews, grandchildren, aunts, uncles and first cousins; the spouse of any of these people; and any other individuals who share the same household; and the private party's spouse; the private party's and the spouse's grandparents, parents, siblings, children, nieces, nephews, grandchildren, aunts, uncles, and first cousins; the spouse of any of these people; and any other individuals who share the same household.

**FCPA:** the U.S. Foreign Corrupt Practices Act of 1977 and subsequent amendments and integrations.

### **PUBLIC OFFICIAL:**

- a. anyone occupying a public legislative, judicial or administrative function;
- b. anyone acting in an official capacity for or on behalf of (i) a national, regional or local public administration, (ii) an agency, department or instrumentality of the European Union or of a Norwegian or non-Norwegian national, regional or local public administration, (iii) a company owned, controlled or invested<sup>4</sup> by a Norwegian or foreign public administration (including, for example, employees of "national oil companies"); (iv) an international public organization, such as the European Bank for Reconstruction and Development, the International Bank for Reconstruction and Development, the International Monetary Fund, the World Bank, the United Nations or World Trade Organization; or (v) a political party, a member of a political party or a candidate for political office;

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<sup>4</sup> When the public administration, in virtue of powers or prerogatives of a public information nature, substantially exercises control over a company.



## 20 DEFINITIONS, ABBREVIATIONS AND ACRONYMS

- c. anyone in charge of providing a public service, i.e. whoever performs a public service for whatever reason, where public service means an activity that is governed in the same way as a public function, except that the power vested in the latter is absent.

Pursuant to Anti-Corruption Laws and in particular jurisprudence deriving from it, the representatives of local communities are treated as Public Officials.

**RED FLAGS:** list of potential risk factors that have to be considered during the anti-corruption due diligence process.

**SOCIAL PROJECTS:** work in favour of the territory for social and/or humanitarian purposes connected to business objectives adequately integrated in the relevant business projects.

**SUBSIDIARY:** any company directly or indirectly controlled by Vår Energi in Norway and abroad.

**UK BRIBERY ACT:** the UK Bribery Act 2010 (and all secondary associated legislation) and subsequent amendments and integrations.

**VENDOR:** the financial operator (physical person, legal person or groups) potentially capable of meeting a determined procurement requirement of assets, works or services, in compliance with the definition pursuant to the Procurement MSG.

**VÅR ENERGI:** Vår Energi and/or its Subsidiaries

**VÅR ENERGI PERSONNEL:** the directors, officers, members of company bodies, managers and employees of Vår Energi.



## **21 List of Annex**

### **21.1 Annex A - Gifts and Hospitality**

### **21.2 Annex B - Forms for the Due Diligence and fulfilment of anti-corruption commitments**

