


DATE CREATED: April 2007	DATE REVISED: 06/12/2013	AUTHOR: INGTRY		
DOC. NO.: 466457	REVISION NO.: 02	APPROVED BY: The Group's Board of Directors	DATE APPROVED: 06/12/2013	
Ethics at AE				

Dear colleague!

Ethics and ethical guidelines involve rules, standards and principles. Agder Energi's ethical guidelines, as set out in "Ethics at AE", explain how the group should be run and operated. "Ethics at AE" gives employees, Board members, contractors, consultants and anyone else who acts on behalf of Agder Energi guidance on how to conduct themselves. This should inform both our management and corporate culture, in such a way that all of our stakeholders have confidence in us.

At Agder Energi, we shall comply with relevant regulations and maintain high ethical standards in everything we do. This should be reflected in all of our activities, to keep us competitive and safeguard our reputation. In "Ethics at AE" we give clear examples of the kinds of dilemmas individuals may come across in their work. These guidelines are designed to help individuals understand and be conscious of the differences between acceptable and unacceptable conduct. They can then be confident about which attitudes and types of conduct are acceptable, and in line with our values: Closeness, Credibility, Dynamism and Innovation. Our guidelines are based on our ethical platform, which is known as LIT: Loyalty, Integrity and Trust. However, checks are necessary in order to ensure that our attitudes and corporate culture at all times live up to the guidelines.

I would like to encourage everyone to be open about ethical dilemmas and challenges, and to reassure you that people who raise ethical issues will be treated well.

I expect "Ethics at AE" to increase consciousness about how we want to be viewed by society and to influence our day-to-day activities.

Yours faithfully

Tom Nysted

CEO

Ethics at Agder Energi

Target groups

The ethical guidelines that have been adopted for Agder Energi set out model and obligatory conduct at our organisation. The guidelines set out the ethical standards that should be met by all employees, employees at subsidiaries in which Agder Energi holds a controlling interest, Board members, contractors, consultants, intermediaries, lobbyists and anyone else who acts on behalf of Agder Energi.

Agder Energi's obligations

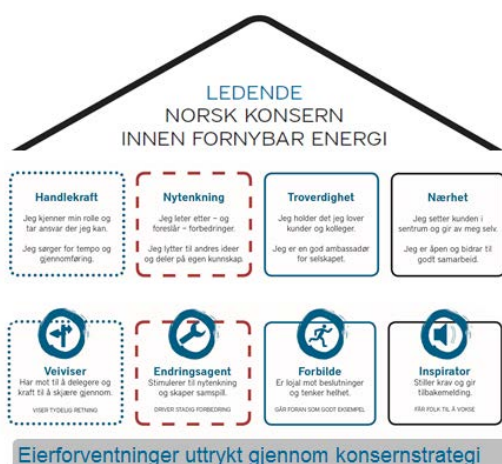
In its activities, Agder Energi follows all current laws and regulations, and conducts itself in a way that is ethically acceptable and socially responsible. Breaches of laws and ethical standards represent a threat to the group's competitiveness and reputation. Agder Energi shall adhere to high ethical standards. Where Agder Energi's ethical guidelines are more stringent than current laws and regulations, the guidelines must be complied with.

Breaches of these guidelines will not be accepted, and can, in accordance with the relevant legislation, lead to internal disciplinary action, dismissal or, as a final resort, legal action including prosecution.

Should any questionable practice or irregularities be uncovered at Agder Energi, the necessary changes will be made and measures will be implemented to prevent them from being repeated.

Vision and values

Agder Energi's values should guide our everyday behaviour, both in terms of our own conduct and what we should expect of other people. Together with our ethical guidelines, our values give us direction and the strength to make the right choices.



Our vision is what we aspire to, and it determines our ambitions and direction.

Our values establish fundamental requirements that all employees at the group must follow, and set out core rules for our conduct both within the group and in our dealings with others. Everyone has a responsibility to adhere to the values.

The management requirements set out the core aspects of the management style at the group.

The group's strategy guides our business activities, and sets out what our shareholders expect of us.

Everything that we do should be based on that strategy.

1.4 “LIT”: Our ethical platform

Agder Energi’s ethical guidelines are based on Loyalty, Integrity and Trust – LIT:

Loyalty

The responsibility of individuals to show loyalty towards the group is fundamentally about helping to ensure that the business achieves its goals by being competitive, and avoiding situations in which the group’s interests would be in conflict with the individual’s personal interests. The requirement to show loyalty also means that individuals have a duty to inform their immediate superior/contract manager if a situation arises where the individual is faced with a conflict of interest.

Integrity

Individuals should avoid acting in a way that casts doubt on the company’s or the individual’s integrity. Relationships shall never be so close as to raise any doubt as to whether the relationship is purely a business one.

Trust

The group trusts the loyalty and judgement of individuals. As part of its good corporate governance practice, Agder Energi has implemented checks to assist individuals with maintaining their integrity in situations that are known to represent temptations. Individuals must support these checks, and help to create a working environment that is transparent, is alert to potential risks and promotes good attitudes.

Help with making judgements

In many cases there is no definitive answer as to what one should do, or what is ethically the right thing to do. Agder Energi does not consider it to be ethical to balance on the edge of what is legal. When facing an ethical dilemma in a particular situation, it can be a good idea to ask oneself the following questions:

- Would I prefer management and my colleagues not to find out about this?
- Would Agder Energi’s reputation or position be damaged if this were to be discussed in the media?
- Could this come into conflict with the interests that I’m supposed to safeguard as an employee, for example because I would benefit due to my position?
- Would this reduce respect for Agder Energi’s decisions and opinions?
- Might I create ties or relationships with suppliers that could subsequently limit the Company’s freedom of action?
- Is this such a complex issue that I need legal advice?

Agder Energi wants to stimulate open discussion about what is acceptable conduct. These kinds of discussion should be held in a constructive and unbureaucratic atmosphere.

Ethical grey areas and breaches of Agder Energi’s ethical guidelines should immediately be raised with the employee’s manager, or with his/her manager’s manager, or can alternatively be reported confidentially to the HR department, Agder Energi’s ethics committee or through Agder Energi’s whistleblowing channels.

Expressing concern and protection from disciplinary measures

If you report, in good faith, a possible breach of the law or of the group's guidelines to an appropriate person at Agder Energi, you shall not face any disciplinary measures for having raised the issue. If the information provided by you shows that the company has been guilty of misconduct, it will be considered to your credit that you have reported it.

Any discrimination against, or harassment of, someone for having reported a potential issue will be considered a breach of these guidelines. Anyone falsely reporting an issue in a clear attempt to damage someone's reputation, can risk disciplinary action, dismissal or public prosecution.

If you feel that you are being treated badly in any way for having reported breaches of these guidelines, you must contact your immediate superior or Agder Energi's ethics committee.

Duty of confidentiality

All employees at Agder Energi sign a declaration of confidentiality when they join the group. This is to prevent anyone unauthorised from gaining access to information that could harm Agder Energi's business or its reputation. The duty of confidentiality also protects individuals' privacy and the integrity of their personal data. Individuals must therefore carefully consider with whom, where and how they discuss matters relating to Agder Energi, to ensure that no-one unauthorised gains access to such information. Individuals must comply with the rules on handling information confidentially. Moreover, classified information/information about emergency planning shall not be passed on to non-authorised personnel at Agder Energi. This also applies to sensitive information about people and security measures, commercial, technical or contractual information, and legally privileged information. The duty of confidentiality remains in force after leaving the group or completing a contract.

RULES OF GOOD CONDUCT

Health – safety – environment (HSE)

Agder Energi (AE) shall give priority to health, safety and the environment in all of its activities, and its working environment shall allow people to enjoy their work and remain healthy. Personal safety shall always have highest priority.

Company CEOs have formal responsibility as the employer pursuant to the Working Environment Act. This involves, amongst other things, being responsible for ensuring that their companies have systematic and methodical approach to HSE. Line managers are delegated the authority to ensure that this is done in their teams.

All employees must help to implement HSE measures, and they have a particular responsibility for looking after the safety of their colleagues and themselves in their day-to-day work.

Bullying, equal opportunity and diversity

At Agder Energi we actively oppose any kind of bullying or harassment, as expressed through our slogan: “Zero tolerance for bullying and harassment at Agder Energi”. This shall be reflected in the workplace atmosphere.

Whistleblowing channels and procedures have been established to deal with matters if they arise. The situation in terms of bullying is reviewed through the group’s working environment survey.

Agder Energi shall show respect for individuals, and shall strive proactively for a good and diverse working environment where there is equal opportunity for all. Agder Energi supports the UN Global Compact’s ten principles, which cover the areas of human rights, labour conditions, the environment and anti-corruption. Agder Energi shall always do its utmost to operate in accordance with these principles.

Agder Energi does not accept any form of discrimination. This means that people shall not be treated differently, excluded or shown preference based on their gender, age, any disability, sexual orientation, religion, political opinions or national or ethnic origin, and that no other form of discrimination shall be tolerated. Nevertheless, in certain circumstances it may be both legal and justified to treat people differently in order to ensure equal opportunity and diversity.

Social media

The group’s ethical guidelines also apply to the use of social media. Social media are defined as communities and activities on the Internet that are based on content created by users. This includes, for example, social networking sites, blog forums, discussion sites, etc.

The duty of confidentiality also applies to the use of social media. It is also important to consider whether written or oral statements as a private person could be interpreted as representing Agder Energi’s opinion.

Conduct

Employees shall never, at any time, behave in a way that is demeaning towards other people’s dignity or that is likely to bring Agder Energi into disrepute. Employees on business trips or other assignments on behalf of Agder Energi shall therefore not purchase sexual services. This also applies to employees’ free time during such trips.

Agder Energi’s employees must never be intoxicated at the workplace. The use of drugs is strictly prohibited. However, alcohol can be served in conjunction with representation or company events, provided that consumption is moderate, and that it will not be combined with operating machinery, driving or doing other work that is incompatible with consuming alcohol.

Use of the group’s property

Individuals are not entitled to use the group’s operating equipment – such as vehicles, tools, photocopiers and so on – for personal use without the permission of an immediate superior or the person in charge of the equipment. However, this does not apply to very small-scale personal use (e.g. copying small amounts).

Agder Energi’s real property and assets shall be treated with due care, and shall only be used for their intended purposes. Individuals shall protect the company’s real property and assets against loss, damage and misuse.

There are special instructions on the use of the group’s ICT equipment.

Travel and internal events

At Agder Energi, the cheapest mode of travel is used. AE's travel regulations apply to journeys made by all employees. In special cases, the Chair of the Board, the CEO or the general manager can give prior approval for exceptions.

At Agder Energi, internal events shall be modest. Individuals are expected to exercise restraint and good judgement, and the manager in charge of the event is responsible for enforcing this. Updated guidelines can be found in the employee handbook on Energisk.

Personal responsibility

Employees at Agder Energi are responsible for familiarising themselves with, and adhering to, the rules laid down in "Ethics at AE", as well as relevant laws and regulations. If there is any content on the ethical platform that you don't understand, or if you face an ethical dilemma, you should ask for advice from your immediate superior, or use the reporting procedures through *Varsling av kritikkverdige forhold i Agder Energi* ("Reporting misconduct at Agder Energi"). This can be found on the enterprise portal Energisk, under *Min side* ("My homepage").

Anyone breaking the group's ethical guidelines or relevant legislation, may face disciplinary action, be given his/her notice, be dismissed or be reported to the relevant authorities.

Management responsibility

Managers must enable and require all activities in their areas of responsibility to be performed in accordance with the requirements and expectations described in "Ethics at AE". Managers must ensure that their own conduct, and that of employees, adheres to "Ethics at AE", and respond appropriately to any breaches of requirements and expectations.

Ethics in business relationships

Relationships with suppliers, customers, intermediaries, other business contacts and government authorities

Individuals shall act in a way that invites respect, and is likely to give a good impression of Agder Energi. Individuals shall not seek to obtain any benefits for themselves or for close relatives that could cast doubt on their integrity.

Individuals also have a duty to ensure that all decisions are made on purely commercial grounds. Nevertheless, hospitality and moderate forms of socialising are one aspect of polite business relationships. In conjunction with long-term contracts, it is also natural to develop personal relationships with customers and suppliers. These relationships can give the company legitimate advantages, but in these situations it is particularly important to avoid giving any weight to extraneous considerations. Individual managers must decide what needs to be done to ensure objectivity, which includes deciding whether it is necessary to replace the person acting on the company's behalf. Due care and attention must be given to how third parties might perceive the relationship.

There is no absolute line between illegal bribery and legal customer care, and it is therefore important to ensure that customer care activities are carefully considered and that there is nothing to hide. Depending on the circumstances, even low-value gifts and favours can be considered bribes. Moderation and restraint should therefore be exercised.

Gifts

At Agder Energi, the general rule is that individuals should neither offer nor receive gifts, commissions, services or other favours, whether on behalf of themselves or others. If the gift or favour is worth less than NOK 500, an exception can be made in special cases, but only with permission from the individual's immediate superior. In general, individuals have a duty to refuse any offer of personal discounts on goods and services, or any free use of equipment for personal use. Specially negotiated agreements that give special conditions for Agder Energi employees can be made use of.

Agder Energi shall not approve any gifts or payments to public servants, or offer them anything of value. However, Agder Energi can cover reasonable expenses that public servants incur in conjunction with sales and marketing activities, demonstrations of products and services, contract negotiations, etc. Prior approval must be obtained from someone at group director level before incurring any such expenses. The costs that can typically be covered are reasonable travel and accommodation expenses. Approval must not be given if paying these expenses would constitute a breach of anti-corruption legislation or other regulations, or if the payment could appear inappropriate or suspect to the authorities.

Travel

The cost of journeys undertaken by employees as part of their work shall be covered by Agder Energi, unless otherwise agreed in advance by the Group CEO.

Use of intermediaries

Using intermediaries has often proved to entail a risk of corruption. Intermediaries include agents, consultants and other people who in the course of our business act as middlemen between Agder Energi and a third party. Before hiring an intermediary, the relevant manager should check the suitability and acceptability of the intermediary in terms of their reputation, background and competence. Agder Energi requires intermediaries to follow Agder Energi's ethical guidelines, and this requirement shall be included in the intermediary's contract with Agder Energi. Contracts with intermediaries must be in writing, be on a commercial basis, and describe the true nature of the arrangement. Appropriate checks must be implemented for individual contracts, in consultation with the group's Head of Security.

In certain countries facilitation payments are normal. These are payments that are made to speed up the delivery of products, services, etc. that you are anyway legally entitled to. Agder Energi opposes this kind of payment in principle, even on such occasions when they may be legal.

Duty of disclosure

Agder Energi's suppliers, partners, customers and other business contacts must be informed of the group's guidelines, and they are expected to adhere to ethical standards that are largely similar to Agder Energi's standards. Agder Energi expects all suppliers to follow Agder Energi's ethical guidelines.

Corruption

Agder Energi considers all corruption unacceptable, and works to prevent all kinds of corruption in both the public and private sectors. We neither offer, give, accept nor receive bribes or other inappropriate favours. Corruption is illegal, distorts competition, damages reputations and exposes people and companies to risks. The prohibition against corruption covers both giving or offering inappropriate favours (active corruption) and demanding, receiving or accepting such favours (passive corruption). Using a third party to attempt to influence someone to do their job in a particular manner is also a form of corruption ("trading in influence"). The favour does not need to have been given with the aim of influencing the recipient to reach a specific decision for it to be considered corruption; merely giving a favour to (or receiving it from) someone who has a business relationship with the company may be considered bribery.

Political activities and lobbyists

Agder Energi does not support any individual party or politician. Agder Energi can participate in general public debates where this is in the interests of the group and/or its subsidiaries. Individuals are free to take part in political processes, but without any reference to their relationship with Agder Energi.

Lobbyists are intermediaries who are used to influence decisions in both the public and private sectors. Lobbyists may only be used if they fully disclose to the person they are trying to influence that they are representing Agder Energi. It is therefore an absolute requirement that the group always demands that lobbyists disclose that information. In addition, the general principles for using intermediaries also apply to lobbyists.

Fair competition

Agder Energi shall compete in an honourable, honest and ethical way, within the framework of current competition law in the markets where the company operates. In the Norwegian power sector, there are many jointly owned power stations and cross-holdings between companies operating in the same markets. Moreover, individual companies often have big market shares in their home regions. It is therefore particularly important to be alert to potential breaches of competition law. Agder Energi has its own guidelines on how to comply with competition law, and individuals whose work involves questions relating to competition have a duty to familiarise themselves with those guidelines.

It is illegal for two or more enterprises in an industry to enter into either explicit or implicit agreements on splitting up markets, limiting production, setting prices and discounts, the level of bids for public contracts, etc. These kinds of agreements limit or eliminate competition, and mean that customers pay a higher price than they would have done if the market were genuinely competitive.

It is also illegal to abuse a dominant market position. In markets where companies in the Agder Energi Group are so big that they can largely act independently of competitors and customers, the company has a particular responsibility not to limit competition. Abuse of a dominant position may involve excluding competitors (typically margin squeezes, various exclusivity agreements and loyalty discounts/tie-ins) or unfair treatment of customers (typically offering unreasonable prices or terms and conditions, potentially refusal of service and certain types of discrimination between customers). If in doubt as to whether a measure or an action is consistent with current competition law, the measure shall be put on hold until its legality has been clarified.

Market conduct

Agder Energi has listed bonds, and is therefore covered by the Securities Trading Act. Particular care must be taken with financial and other market-moving information. Agder Energi possesses a lot of information that could affect both electricity market prices and the value of companies with whom the group does business. Inside information is information that might affect the value of securities and electricity market prices, and that is not publicly available or generally known in the market. Individuals shall not use, or assist other people to use, inside information about Agder Energi and its business or about other companies to buy or trade electricity, electricity-related securities, shares or other securities, neither in a private capacity nor on behalf of Agder Energi. Inside information shall never be passed on to third parties, and individuals should even exercise great care in discussions with colleagues concerning issues that could potentially be considered inside information. Individuals must also avoid helping to spread false, inaccurate or misleading information about Agder Energi and its business, about Agder Energi's partners, about supply and demand for electricity or for related

financial instruments, or about other matters that could affect prices in markets where Agder Energi and/or companies with whom it does business operate. Using insider information for personal gain and market manipulation are also punishable offences under Norwegian law.

Participation in other business activities

Employees at Agder Energi should not, without permission from a superior, perform other paid work or engage in personal business activities that are of a scope that could interfere with their duties at Agder Energi. Employees at Agder Energi have a duty to inform their immediate superior if they are members of any external boards. Where there is any doubt as to whether the role may be in conflict with the group's interests, the company's general manager/Group CEO shall decide the matter. Similarly, employees at Agder Energi are not allowed to invest in businesses that operate in the same markets as, or compete with, the group, if doing so could lead to a conflict of interest between that business and Agder Energi.

Employees at Agder Energi and firms that are wholly or almost wholly owned by employees or their close relatives are excluded from competing for contracts to deliver goods and services to any company in the group. Employees shall not act as consultants, representatives or sub-contractors for businesses offering services to companies in the group. Employees at Agder Energi have a duty to inform their immediate superior of any elected offices that they hold, and investments that they have made, which could be affected by the rules set out in this section. However, the immediate superior's manager can make an exemption from the ban on dealing with the close relatives of employees if there is written confirmation that the transaction is taking place at standard market prices, that Agder Energi is a small customer of the business, that the transaction is beneficial to Agder Energi, and that it would be unreasonable to exclude the business from dealing with Agder Energi. In such cases, the employee in question must not be involved in any communications or decisions relating to the matter.

Conflicts of interest

Individual employees shall not participate in discussions or decisions if:

- they directly or indirectly affect them personally or their spouse, partner, children, parents, siblings or other close relatives;
- they directly or indirectly affect companies, organisations or public agencies of which they are members of the governing body or where they have some other influence or interest;
- there are circumstances that might lead to doubts about their impartiality.

This also applies if the situation could be construed as such by other people.

Individuals have a duty to assess whether there is any conflict of interest. If someone (at or outside Agder Energi) requests it, or if the individual considers it appropriate, the issue shall be raised with the individual's immediate superior or the Group CEO. The boards of subsidiaries decide whether any of their members have a conflict of interest, but without the relevant member participating in the decision. The members themselves must inform the Board of any circumstances that might involve a conflict of interest.

Integrity in communications, accounting and reporting

Agder Energi shall provide complete, accurate and detailed information in its reports to the authorities and other parties. Individuals shall ensure that communications, accounting and reporting are accurate and complete.

All accounting information shall be accurate, and shall be recorded and presented in accordance with laws, regulations and the relevant accounting standards, as well as with generally accepted accounting principles.

Probity in external communications and in meetings with public agencies and private people, etc.

Agder Energi shall be honest and accurate in its external communications, regardless of whom it is communicating with. AE shall strive to be transparent in its external communications, and shall provide relevant, technically correct and documented information.

Whistleblowing procedures

The requirement to show loyalty means that individuals have a duty to report misconduct at Agder Energi and situations where the individual is faced with a conflict of interest. Employees have a statutory right to report such issues, cf. Section 2-4 of the Working Environment Act. In cases of criminal misconduct or in situations that put people's lives and/or health at risk, employees have a statutory duty to report them, cf. Section 2-3 of the Working Environment Act.

Whistleblowing is reporting misconduct at work. Examples of misconduct include:

- criminal activities
- manipulation of financial reporting, embezzlement, insider trading
- failure to comply with statutory requirements or prohibitions
- breach of the group's guidelines on ethics or HSE
- breach of normal ethical standards that are widely accepted in society

Where appropriate, the group recommends that the whistleblower report the issue to his/her immediate superior, an employee representative or the safety representative.

Individuals can choose to report matters through the group's whistleblowing channels, using the link *Varsling av kritikkverdige forhold* ("Reporting misconduct") from *Min side* ("My homepage") on the enterprise portal Energisk.

This may be necessary if their immediate superior is involved in the potential misconduct, or if the individual is not confident that their superior will take the matter sufficiently seriously.

Whistleblowers can remain anonymous, but the group recommends that people report misconduct using their full name. This allows the group to obtain further information from the whistleblower, and tell them what is being done about the matter. All information submitted through the group's whistleblowing channel will always be treated confidentially.

Ethics committee

The group has established an ethics committee, which is responsible for advising the Group CEO and employees on difficult ethical dilemmas. The ethics committee is also a channel for whistleblowing, and has a responsibility to monitor how whistleblowing is dealt with.

Breaches, personal responsibility and management responsibility

Individuals shall familiarise themselves with the requirements set out in “Ethics at AE”, as well as with relevant legislation and regulations, and then perform their work accordingly. Anyone breaking the group’s ethical guidelines or relevant legislation may face disciplinary action, be given his/her notice, be dismissed or be reported to the relevant authorities.

Managers shall inform their teams of the guidelines, and advise them on how to interpret and implement them. They shall also ensure that the working environment and internal controls promote high ethical standards, and ensure that activities within their own areas of responsibility comply with relevant requirements.

Agder Energi will ensure that the ethical guidelines are circulated to everyone and that the necessary training is carried out on a regular basis. In combination with a sense of personal responsibility, the rules on handling ethical issues and the forums and tools that have been established, this shall ensure that Agder Energi complies with its ethical standards and statutory requirements.

The implementation of the ethical guidelines shall be monitored through the group’s internal controls. Each year, the guidelines’ efficacy and the degree of compliance at the group are reviewed.

Declaration of responsibility

This document does not give customers, suppliers, competitors, shareholders or other people or entities any rights.