
RENEWABLE ENERGY GENERATION LIMITED (REG)

**ANTI-BRIBERY AND CORRUPTION CODE OF
CONDUCT**

14 February 2012

CONTENTS

1	DEFINITION OF BRIBERY AND CORRUPTION.....	2
2	GENERAL ANTI-CORRUPTION AND BRIBERY OBLIGATIONS.....	2
3	INTERACTION BETWEEN THIS CODE OF CONDUCT AND OTHER LAWS AND REGULATIONS.....	3
4	USE OF PERSONAL FUNDS.....	3
5	COMPLIANCE OFFICER.....	3
6	SIGNIFICANT AREAS OF RISK FOR REG.....	3
7	FACILITATION PAYMENTS.....	3
8	EMERGENCIES AND PERSONAL SAFETY.....	4
9	HOSPITALITY AND GIFTS.....	4
10	REPORTING CONCERNS.....	8
11	DEALING WITH AGENTS, SUPPLIERS AND OTHER THIRD PARTIES.....	9
12	CHARITABLE AND POLITICAL DONATIONS.....	11
13	SPONSORSHIP.....	12
14	PAYMENTS TO COMMUNITY FUNDS.....	12
15	DECLARATION OF INTERESTS.....	12
16	INVESTIGATIONS AND AUDITING.....	12
17	ANNUAL REVIEW.....	13
	SCHEDULE 1.....	14
1	EXAMPLES OF ACTS OF BRIBERY AND CORRUPTION.....	14
2	EXAMPLES OF BEHAVIOUR WHICH SUGGESTS AN INCREASED RISK OF BRIBERY OR CORRUPTION.....	14

INTRODUCTION BY CHIEF EXECUTIVE OFFICER

REG is committed to conducting its business around the world with the highest degree of integrity. This commitment includes a zero tolerance approach towards all forms of bribery and corruption.

This Code of Conduct has been formally approved by the Board of Directors and extends to all of REG dealings and transactions in all countries around the world in which REG, its subsidiaries, its associates, joint venture partners or agents operate.

It is a mandatory requirement that all directors, officers, and employees of REG comply with this Code of Conduct and, ensure that they are fully familiar with its contents, refreshing their memory as necessary from time to time. It is also a mandatory requirement that all other people who perform services on behalf of REG, including agents and advisors comply with the general principles of this Code of Conduct. REG has appointed a Compliance Officer (whose contact details are set out in Section 5 below) to whom any queries or concerns can be addressed. REG expects its suppliers and customers to follow a similarly ethical approach to business and have an appropriate compliance programme.

Engaging in bribery and corruption is unlawful and any employee, director or officer found to have breached this Code of Conduct will be liable to disciplinary action which may result in dismissal or other serious sanctions. Breaches of the general principles of this Code of Conduct by agents or other third parties who perform services on behalf of REG may result in immediate termination for breach of all contracts with REG. The same may apply to contracts with customers and suppliers.

Further, engaging in bribery and corruption whether at home or abroad will constitute a criminal offence which will expose both REG and the individual personally to serious criminal sanctions including, the risk of imprisonment.

Everyone at REG shares a responsibility to ensure compliance with this Code of Conduct and, if any person becomes aware that any person acting or purporting to act on the behalf of REG may have committed an act of bribery or corruption, the concerns must be reported immediately to the Compliance Officer. In addition to this Code of Conduct, REG operates a strict Whistleblowing policy and anyone reporting any concerns will not receive any negative or retaliatory treatment from REG.

It is known that everyone within REG shares the commitment of the Board of Directors of ensuring that the highest standards of integrity are maintained and REG knows that it can count on each individual for their full support.

Thank you.

Andrew Whalley
Chief Executive Officer
14 February 2012

1 DEFINITION OF BRIBERY AND CORRUPTION

- 1.1 For the purposes of preparing this Code of Conduct and the compliance programme associated with it, REG has defined “**Bribery**” and a “**Bribe**” to mean:

“the offering, promising, giving, accepting or soliciting of an advantage (whether financial or otherwise) as an inducement for an action which is illegal or a breach of trust”.

- 1.2 REG has defined “**Corrupt**”, “**Corruption**” and “**Corrupt Activities**” to mean:

“the abuse of entrusted power for private gain”.

- 1.3 To assist in the identification of behaviour or actions which may be considered to constitute a Bribe and circumstances where individuals should be particularly alert to the risk of Bribery or Corruption taking place, a non-exhaustive list of examples of acts of Bribery and indicators that an individual may be liable to engage in Corrupt Activities are set out in Schedule 1 at the end of this Code of Conduct.

2 GENERAL ANTI-CORRUPTION AND BRIBERY OBLIGATIONS

- 2.1 REG is committed to conducting its business around the world with the highest degree of integrity and in full compliance with all applicable laws. This commitment includes a zero tolerance approach towards all forms of Bribery and Corruption and REG is committed to maintaining in force appropriate checks and procedures to ensure that all persons working for or dealing with REG respect and comply with this Code of Conduct.
- 2.2 REG, its directors, employees, officers, consultants, joint venture partners, agents and any other party who is connected to REG must not engage in any form of Bribery or other Corrupt Activities anywhere in the world nor will REG request that any third party does so on its behalf. This prohibition includes, but is not limited to, the payment or receipt of Bribes by or on the behalf of REG and/or encouraging, asking or arranging for anyone else to make or receive Bribes for REG.
- 2.3 This Code of Conduct has been formally approved by the Board of Directors of REG and any breach will be considered by REG to be a serious offence.
- 2.4 Any director, employee or officer who is found to have breached this Code of Conduct will be liable to disciplinary action in accordance with REG’s disciplinary policy (which is available from the HR Department in Guildford) which may result in dismissal or other serious sanction. Breaches of this Code of Conduct by customers, licensees, third party contractors and advisors to REG may result in immediate termination for breach of all contracts with REG.
- 2.5 Equally, no director, employee or officer of REG will face less favourable treatment nor be discriminated against in any way as a result of REG losing business due to that director, employee or officer complying with their obligations under this Code of Conduct.
- 2.6 This policy must be read in conjunction with all of REG’s other policies and procedures, and in particular the Employee Handbook.

3 INTERACTION BETWEEN THIS CODE OF CONDUCT AND OTHER LAWS AND REGULATIONS

- 3.1 This Code of Conduct sets out the minimum standards and requirements which REG expects to be adhered to. Where the local laws or customs in any country in which REG is carrying out business provide that a higher standard of conduct is required then, that higher standard must be followed and, anyone acting on the behalf of REG must do so at all times in accordance with all applicable written local laws.

4 USE OF PERSONAL FUNDS

- 4.1 The use of money belonging to REG to fund any activities which are prohibited under this Code of Conduct is strictly prohibited in all circumstances.
- 4.2 Further, the use of personal funds to finance any activities which are prohibited under this Code of Conduct is also strictly prohibited in all circumstances. The fact that reimbursement of the cost of any prohibited activity was not sought will not constitute justification or a defence for breaching this Code of Conduct or for committing any criminal offence.

5 COMPLIANCE OFFICER

- 5.1 Whilst the Board of Directors retains ultimate accountability for compliance by REG with the requirements of this Code of Conduct, REG has appointed David Crockford as its designated Compliance Officer.
- 5.2 David Crockford is Finance Director in REG and has day to day responsibility for oversight of REG's anti-bribery and corruption efforts and for reporting on progress and compliance with this Code of Conduct to the Board of Directors.
- 5.3 Any queries or comments concerning this Code of Conduct or any concerns regarding potential breaches of this Code of Conduct should be raised in the first instance with David Crockford by either emailing him or calling him on 01483 901 790

6 SIGNIFICANT AREAS OF RISK FOR REG

- 6.1 The following areas are considered to pose a risk to REG:
- (a) The buying of turbines, engines, balance of plant and other large capital equipment;
 - (b) The sale of energy and in particular bribery of REG to reveal the highest price;
 - (c) Dealings with Councillors, Planning Officers and Land Agents; and
 - (d) Corporate hospitality.

7 FACILITATION PAYMENTS

- 7.1 In certain countries, it may be customary to make small payments to local officials in order to obtain the performance of "non-discretionary or clerical routine government actions" such as obtaining visas or securing customs clearance.

- 7.2 REG is committed to identifying and eliminating the practice of making unlawful facilitation payments and extreme caution must be exercised in response to any request that a facilitation payment should be made by or on the behalf of REG as such payments should be considered to be at high-risk of constituting a Bribe.
- 7.3 The payment of facilitation payments by or on the behalf of REG is therefore only ever permitted if all of the following conditions are met:
- (a) the payment is permitted in accordance with the written local laws of the country in which the official in question is based;
 - (b) the payment does not constitute a breach of any laws or regulations with international or extra-territorial effect (for example, the US Foreign Corrupt Practices Act and similar UK laws);
 - (c) the payment does not otherwise constitute a breach of this Code of Conduct; and
 - (d) a receipt is obtained for the payment in question from the official in question or, where that is not possible, a full record is made of the payment and the reasons for making it.
- 7.4 Given REG's commitment to identifying and eliminating the practice of making unlawful facilitation payments, any request for a facilitation payment to be made on REG's behalf which does not meet all of the conditions set out above must be reported to the Compliance Officer.
- 7.5 Facilitation payments can be a difficult and complex area and it is not always easy to establish if a particular request is permitted. If there is any doubt as to whether a particular request is lawful or permitted under this Code of Conduct then further advice must be sought from the Compliance Officer before making or agreeing to make any such payment.

8 EMERGENCIES AND PERSONAL SAFETY

- 8.1 REG acknowledges that in rare circumstances, individuals may be placed in extreme situations involving duress, extortion or threats to personal health or safety unless they agree to engage in conduct which would ordinarily constitute a breach of this Code of Conduct.
- 8.2 In these circumstances, the making of payments or the taking of other actions which would ordinarily constitute a breach of this Code of Conduct is permitted provided that the incident in question is reported to the Compliance Officer as soon as possible and, the individual in question participates in any subsequent investigation by REG and/or any enforcement authorities.

9 HOSPITALITY AND GIFTS

- 9.1 Corporate hospitality and promotional, or other business expenditure which seeks to improve the image of REG, better present REG' products and services or establish cordial relations, is recognised as an established and important part of doing business. Such hospitality and expenditure must not however be used to influence other people to secure business or a business advantage for REG. The following apply to both REG's employees and also their family members and should be complied with:

9.2 Entertainment

- (a) From time to time, it may be appropriate for REG in the course of legitimate business dealings to provide reasonable and proportionate entertainment to third parties. However, REG must ensure that any such entertainment does not constitute (nor risk being perceived as constituting) Bribery.
- (b) If the total cost of any entertainment provided to any one person on any one occasion exceeds £100, the entertainment must be recorded on the Gifts and Hospitality Register and must be authorised by the Compliance Officer (or THE Chief Executive if the hospitality involves the Compliance Officer). This should be completed before the entertainment takes place if possible or alternatively as soon as possible after the entertainment has taken. This Register will be reviewed by the Compliance Officer and on a regular basis.
- (c) The following rules must be adhered to in relation to any entertainment provided to third parties on behalf of REG:

(i) No Lavish, Costly or Inappropriate Entertainment

Any form of entertainment which might be considered to be lavish, expensive or inappropriate is prohibited in all circumstances. This includes the provision of lavish and expensive meals, overnight stays in costly hotels and any form of adult entertainment.

Individuals providing or authorising the provision of entertainment on the behalf of REG must keep full records, including any receipts, of any entertainment provided to enable REG to verify compliance with this Code of Conduct.

(ii) Entertainment to be Paid for Directly

REG should pay the cost of any entertainment provided directly to the relevant service provider i.e. the restaurant or hotel in question.

In exceptional circumstances, it may be necessary to reimburse third parties for the cost of entertainment which REG is paying for. This is only permitted if the following requirements are met:

- (A) such indirect payments must not become a matter of routine or course;
- (B) reimbursement must not be provided where there is any suggestion that the service provider in question is in some way connected with the third party to whom REG is making payment and/or that such third party will receive a commission or “cut” from that service provider of any payments which it receives from REG; and
- (C) original itemised receipts from the applicable service providers must be obtained from the third party to whom payment is being made. Copy or generic receipts generated by that third party itself are not acceptable.

(iii) No Cash Allowances

Under no circumstances are cash or cash allowances (such as the provision of “per day” cash payments to individuals which REG has no control over the spending of and, no receipts evidencing payments from that money are expected to be provided) to be paid as part of any entertainment provided by REG.

(iv) Business Representative to be Present

It is only appropriate for REG to fund entertainment at which representatives of REG are present or which is clearly endorsed by or connected with REG – for example, sponsorship of an exhibition or event open to the general public where it is clearly unrealistic for a representative of REG to be continually present. However, the provision of specific entertainment for specific individuals where no representative of REG is present is prohibited in all circumstances

(v) Person to whom Entertainment may be Provided

In the usual course of dealings, REG expects that entertainment should only be provided to those individuals with whom REG has business dealings or is looking to have business dealings (for example, prospective or target clients) and should not as a matter of course extend to the family or friends of the individual in question. However, REG also acknowledges that in certain circumstances and, provided that all other requirements of this Code of Conduct are met, it may be appropriate to extend some entertainment to family members of an individual.

In this respect, REG expects individuals to adopt a common sense approach which reflects both the spirit and letter of this Code to decide whether it would be appropriate in the circumstances to provide entertainment to family members and to refer any uncertainties to the Compliance Officer. For example, hosting a table at a charity ball to which clients and their partners are invited is unlikely to result in any breach of this Code of Conduct whereas paying for a client and their partner to go on holiday is clearly inappropriate.

(vi) Timing of Entertainment

Entertainment must not be provided in order to specifically influence or attempt to influence any third party to follow a particular course of action. Accordingly, careful consideration should be given to when any entertainment is provided and under no circumstances should entertainment be provided (nor should any offer be made to provide entertainment at a later date) during the course of negotiations between REG and any third party or whilst REG may be tendering for the award of any work over which the recipient of any entertainment may have any influence.

- (d) In addition to applying where REG is providing entertainment to a third party, the above rules apply equally where a third party is offering entertainment.

- (e) Entertainment can only be accepted from third parties with whom REG deals and which meets all of the above requirements and not where accepting any form of entertainment might be interpreted as accepting a Bribe or result in any suggestion of an obligation to act other than in the best interests of REG or in breach of this Code of Conduct.
- (f) Any offer of entertainment, which, if accepted, would constitute a breach of this Code of Conduct, must be reported as soon as possible to the Compliance Officer.

9.3 Gifts

- (a) From time to time, it may be appropriate for REG in the course of legitimate business dealings to provide reasonable and proportionate small gifts to third parties. However, REG must ensure that any such gifts do not constitute (nor risk being perceived as constituting) Bribery.
- (b) If the total cost of any gift provided to any one person on any one occasion exceeds £50, the gift must be recorded on the Gifts and Hospitality Register and must be authorised by the Compliance Officer (or the Chief Executive if the gift involves the Compliance Officer). This should be completed before the entertainment takes place if possible or alternatively as soon as possible after the entertainment has taken. This Register will be reviewed by the Compliance Officer on a regular basis.
- (c) Gifts may only be provided to third parties on the behalf of REG if the following rules are adhered to:

- (i) **No Cash Gifts**

- Under no circumstances are cash gifts to be provided on the behalf of REG. This prohibition includes not only cash but any form of “cash equivalent” such as gift vouchers.

- (ii) **Gifts to be of Nominal Value**

- Gifts should be of nominal value. Individuals providing or authorising the provision of gifts on the behalf of REG must keep receipts for any gifts provided to enable REG to verify compliance with this requirement.

- (iii) **Gifts to be Limited Only to Those Dealing with REG**

- Gifts may only be provided to those individuals with whom REG has business dealings. The provision of discrete gifts paid for by REG must not be extended to the family or friends of the individual in question although, joint gifts (such as the sending of flowers to a client and their partner to mark the birth of a child) are permitted.

- (iv) **Gifts to be Given Openly**

- Gifts should be given in an open and transparent manner. Gifts must not be given in secret nor any attempt made to disguise the fact that a gift has been provided on the behalf of REG to a particular person.

(v) Timing of Gifts

Gifts must not be given in order to specifically influence or attempt to influence any third party to follow a particular course of action. Accordingly, careful consideration should be given to when any gift is provided and under no circumstances should gifts be given (nor should any offer be made to provide a gift at a later date) during the course of negotiations between REG and any third party or whilst REG may be tendering for the award of any work over which the recipient of any gift may have any influence.

(vi) No Routine Gifts

Gifts must not be given as a matter of routine or course and should be linked in most cases to a particular occasion or event – for example, the provision of small promotional items such as branded pens or memory sticks or the sending of congratulatory flowers to a customer on the birth of a child.

Other than in the case of small promotional items which are being provided by REG generally, no more than two gifts may be provided to any person on the behalf of REG in any year.

- (d) In addition to applying where REG is providing a gift to a third party, the above rules apply equally where a third party is offering a gift.
- (e) Gifts can only be accepted from third parties with whom REG deals which and meets all of the above requirements and not where accepting any gift might be interpreted as a Bribe or result in any suggestion of an obligation to act other than in the best interests of REG or in breach of this Code of Conduct.
- (f) Any offer of a gift which if accepted, would constitute a breach of this Code of Conduct must be reported as soon as possible to the Compliance Officer.

10 REPORTING CONCERNS

- 10.1 If any person becomes aware or suspects that anyone who is subject to this Code of Conduct has committed any breach, the concerns must be reported immediately to the Compliance Officer for further investigation.
- 10.2 Any concern reported to the Compliance Officer will be treated in confidence and investigated as soon as possible. Unless doing so would compromise the course of any investigation or enforcement action, the Compliance Officer will keep the person who reported the concerns informed of the status and ultimate outcome of that investigation.
- 10.3 REG wishes to encourage a culture where individuals feel able to raise concerns about the manner in which REG is conducting its business without fear of retaliation or reprisal. Accordingly, REG strictly prohibits the taking of such action against any individual who reports any breach or suspected breach of this Code of Conduct. Further details of the measures which REG has taken to ensure this are set out in REG's Whistleblowing policy (which is available in the Employee Handbook).

11 DEALING WITH AGENTS, SUPPLIERS AND OTHER THIRD PARTIES

11.1 REG deals with third parties (such as land agents, consultants, joint venture partners, customers and suppliers) who may act on its behalf or otherwise be perceived as being connected with REG. All such third parties are subject to the general principles of this Code of Conduct in the same way as directors, officers and employees of REG are and, no person may ask or authorise any third party to do anything on the behalf of REG which REG is not permitted under this Code of Conduct to do directly itself. All third parties that act on REG's behalf or are otherwise connected with REG must be provided with a copy of this Policy and asked to confirm that they will comply with the general principles of it. They should also be asked to provide a copy of their own anti-bribery and corruption Policy if they have one. Any refusals by third parties to adhere or provide details must be reported to the Compliance Officer.

11.2 The following specific rules apply to REG's dealings with any such third parties:

(a) Due Diligence to be Undertaken

Before entering into any Business arrangement with a third party who will be acting on the behalf of or representing REG, appropriate enquiries should be made by the REG representative negotiating the Business arrangement into their background, capabilities and reputation. The Third Party Due Diligence Guidance should also be followed. In particular, consideration should be given as to whether there is any suggestion or risk that the third party in question might be particularly susceptible to engaging in Bribery or other forms of Corrupt Activities. Documentary evidence of all the due diligence completed should be retained and a Third Party Due Diligence Risk Assessment available at the Finance Department in Guildford must be completed, and approved by the Compliance Officer. If there is any doubt as to the due diligence required, enquiries should be made of the Compliance Officer. Due diligence that has been completed by another company in the REG group can be relied upon, however it should be checked that the due diligence completed meets the requirements of this Policy.

Whilst it is acknowledged that some limited dealings with such third parties may be necessary before the due diligence process on that third party has been completed and/or a written agreement entered into with REG, this should be considered to be the exception rather than the rule and in any event is only permitted if the following guidelines are followed:

- (i) it is never appropriate to engage third parties to undertake high-value, high-risk or complicated transactions without the due diligence process on that third party having been satisfactorily completed and a signed written agreement entered into;
- (ii) it is never appropriate to engage third parties before the due diligence process on that third party has been satisfactorily completed and a signed written agreement entered into if there are any signs that such third party will (or is likely to) engage in Bribery or other Corrupt Activities on the behalf of REG; and
- (iii) engaging third parties prior to the due diligence process on that third party having been satisfactorily completed and a signed written agreement entered into should only ever be considered to be an interim measure.

The unwillingness of a third party to participate in a timely manner in the due diligence process and/or delays or refusals to enter into a written agreement without good reason should be considered signs that such third party is susceptible to engaging in Bribery or other forms of Corrupt Activities.

The due diligence completed in relation to third parties must be reviewed the REG Holdings Board annually.

(b) Concerns Must be Reported

If any person becomes aware (or has reason to suspect) that any third party acting on the behalf of REG has committed any breach of this Code of Conduct then those concerns must be reported to the Compliance Officer in accordance with Section 10 above.

Failing to report concerns about a third party acting on the behalf of REG, “turning a blind eye” to unacceptable conduct or deliberately ignoring signs which suggest that a third party is or may be engaging in Bribery or other forms of Corruption are all considered to be breaches of this Code of Conduct. In addition, such behaviour may expose the individual to the risk of personal criminal liability.

(c) Payments to Third Parties to be Reasonable and Justifiable

REG must avoid the accusation that it has engaged in Bribery by paying “over the odds” to any third party who is providing goods or services to REG.

Whilst REG accepts that given the nature of its business and the realities of commercial negotiation, there can be no definitive rule as to how payments to third parties should be calculated, the following guidelines must be adhered to:

- (i) in all of the circumstances, payments should be commercially reasonable, commensurate with the goods or services which have been provided to REG and generally in accordance with the same level of charges made by other third party suppliers providing similar goods or services in the country in question;
- (ii) charges which are calculated by reference to significant commissions or success fees should be used with caution and are not appropriate where they may motivate the third party in question to engage in Bribery or other forms of Corrupt Activities;
- (iii) no payment may be made to any third party unless and until an itemised invoice for the charges in question has been provided to REG and those charges accord with the agreed payment arrangements with that third party;
- (iv) payments must be made directly to the third party providing goods or services to REG and remitted to a bank account located in the same country in which that third party is established. Payment in cash is not permitted; and

- (v) variations to the charges payable by REG to third parties are only permitted where those are in accordance with the agreed terms of the relevant written agreement or are otherwise agreed to by REG as commercially justifiable. Sudden requests by a third party to significantly increase the charges payable to them where there is no apparent increase in their costs or other good justification should be considered signs that such third party is susceptible to engaging in Bribery or other forms of Corrupt Activities.

(d) Authority

Goods and services may only be purchased on the behalf of REG by a person that has the authority to do so and individuals with designated purchasing authority must ensure that they do not exceed the level of authority granted to them. Such individuals must always follow any purchasing policies and procedures put in place from time to time by REG.

If there is any doubt as to whether or not a person has authority to purchase goods and services on the behalf of REG or whether a particular transaction is within the limits of any authority granted, further guidance should be sought from the individuals line manager prior to committing to the proposed purchase in question on the behalf of REG.

12 CHARITABLE AND POLITICAL DONATIONS

12.1 From time to time, REG may make charitable donations either of its own volition or in response to requests from third parties.

12.2 Care must be taken when making any charitable donation on the behalf of REG to ensure that such donation is for bona fide charitable purposes and is not in reality a Bribe (or likely to be considered to be a Bribe by an independent observer).

12.3 Accordingly, all charitable donations to be made by REG must be pre-authorized by the Compliance Officer.

12.4 As a matter of policy, REG does not make donations to political parties and no person is authorised to make or authorise payments to political parties which purport to be on the behalf of REG. This prohibition extends not only to cash donations to political parties but also, to the provision of other assistance to political parties which would involve REG including, but not limited to:

- (a) campaigning on the behalf of political candidates on Business premises;
- (b) allowing Business property to be used to assist in campaigning on the behalf of a political party (such as the printing of leaflets);
- (c) the purchasing on the behalf of REG (or using Business funds to purchase) tickets to fundraising events held by political parties;
- (d) making donations on the behalf of REG (or using Business funds to make donations) to “think tanks” or research bodies with a known affiliation to a particular political party or ideology; and/or

- (e) authorising any political candidate or party to represent that they are in any way affiliated with REG.

13 SPONSORSHIP

- 13.1 Any sponsorship or endorsement requests or offers received should be referred to the Compliance Officer. Unless specific authority has been granted by the Compliance Officer to do so, no sponsorship arrangement on behalf of REG can be entered nor any offer for sponsorship accepted nor any agreement that any third party may represent that they (or their products or services) are in any way affiliated with or sponsored or endorsed by REG. This section applies to both REG's employees and also their family members.
- 13.2 If any person becomes aware that any third party is falsely claiming to be affiliated, sponsored or endorsed by REG then this must be reported to the Compliance Officer as soon as possible.

14 PAYMENTS TO COMMUNITY FUNDS

- 14.1 Payments to community funds may be made by REG in relation to wind farms either prior to a planning application being decided or after planning permission has been granted, and to encourage the local community not to appeal/judicially review the planning decision.
- 14.2 These payments are legal and are not considered to be a Bribe. All payments to community funds must however be approved by the REG Holdings Board before they are made and must be made in a transparent manner.

15 DECLARATION OF INTERESTS

- 15.1 All of REG' directors, employees, licensees, officers, consultants, joint venture partners and agents must declare any personal or business interests that they or a close relative has in relation to any current or future business transaction. Any such interests must be reported to the Compliance Officer.

16 INVESTIGATIONS AND AUDITING

- 16.1 The Compliance Officer will monitor the effectiveness and review the implementation of this Code of Conduct regularly, considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 16.2 All people subject to this Code of Conduct are responsible for its success and should ensure that they use it to disclose any suspected bribery or suspicious circumstances to the Compliance Officer. The Compliance Officer is responsible for investigating any suspicious activity or reports made to him.
- 16.3 The Compliance Officer is responsible for the creation of policies and procedures in relation to how reports of suspicious activities will be investigated.

- 16.4 It is the responsibility of the Compliance Officer to report to the Board on a regular basis in relation to the performance of REG under this Code of Conduct and in relation to any incidents of bribery or corruption.
- 16.5 REG acknowledges that its business and potentially the risks of bribery and corruption it faces will change over time, and it is the responsibility of the Compliance Officer to ensure that this Code of Conduct and other anti-bribery and corruption procedures remain relevant to REG and to respond to other external stimuli that may affect the procedures that REG needs to have in place.

17 ANNUAL REVIEW

- 17.1 This Code of Conduct and the supporting controls and procedures which REG has put in place to assist with compliance will be subject to review by the Board of Directors at least annually (with records being kept) and, any changes or additions will be communicated to the wider Business following approval.

SCHEDULE 1

1 EXAMPLES OF ACTS OF BRIBERY AND CORRUPTION

1.1 The following is a non-exhaustive list of conduct and actions which REG considers to constitute acts of Bribery:

- (a) the payment of cash or cash equivalents (such as gift vouchers) to, making loans to or paying for travel, accommodation, meals, expenses etc. for individuals who may be able to influence a decision to award work to REG (such as land agents) or purchase electricity from REG or to government officials (such as planning officers) in order to secure favourable treatment for REG and in either case, to members of their family or other persons associated with them;
- (b) the payment of unauthorised charitable or political donations by REG where the individual requesting that REG makes that donation stands to personally benefit from it;
- (c) the payment of cash or cash equivalents to REG employees by customers or suppliers to help them gain an advantage in the tender process;
- (d) the payment of facilitation payments.

2 EXAMPLES OF BEHAVIOUR WHICH SUGGESTS AN INCREASED RISK OF BRIBERY OR CORRUPTION

2.1 The following is a non-exhaustive list of conduct, circumstances and actions which REG considers to constitute warning signs that a third party with whom REG is dealing may be particularly susceptible to the risk of engaging in Bribery or other forms of Corrupt Activity:

- (a) dealings in any country which has been independently assessed or has a reputation for being particularly susceptible to Corruption – see for example the annual independent Corruption Perceptions Index published by Transparency International at <http://www.transparency.org/>;
- (b) dealings with individuals who have a close personal relationship with government officials, particularly if that official has responsibility for an area which might impact on the transaction under discussion and/or is located in a high-risk country as referred to above;
- (c) dealings with individuals or organisations who adopt an unjustified or unusual degree of secrecy and/or who refuse to answer any reasonable questions about their conduct;
- (d) requests for REG to make payment of charges due from it in cash; to countries other than that where the party receiving payment is based; to third parties not involved in the transaction in question; and/or in the absence of a formal receipt or invoice detailing how the charges in question have been incurred;
- (e) requests for sudden increases in charges for no apparent or justifiable reason; and/or requests for REG to pay non-contractual, inflated or unexpected bonuses, commissions or expenses claims;

- (f) any requests for REG to assist in keeping transactions or accounts “off the record”;
- (g) refusal or unwillingness of individuals to allow REG to deal with anyone other than them within their organisation;
- (h) refusal, unwillingness or undue delay in complying with REG’s due diligence processes;
- (i) refusal, unwillingness or undue delay in entering into a written agreement with REG and/or continually raising further issues each time a written agreement looks likely to be concluded; and/or
- (j) any other request, conduct or circumstance which appears to be suspicious or “not quite right” particularly if the individual would not wish their involvement with that request, conduct or circumstance to become a matter of public knowledge.