

Corporate Compliance Policy





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Preface

Kari Ekelund Thørud, CEO Nord Pool Group

Dear Employees,

Welcome to the Nord Pool Group's Corporate Compliance Policy. Our compliance framework forms the basis for successful compliance, which is essential for maintaining the trust of our many and varied stakeholders. With this we want to underline our commitment to ensuring that we act at all times in accordance with relevant rules and regulations. We take pride in being honest, trustworthy, and competent in matters relating to the legal framework.

The Nord Pool Group operates effective, simple and secure power markets in the Nordics, Baltics, the UK and Central Western Europe. We are also 'exporting' our established expertise and proven trading platforms to new power exchanges in South East Europe. We are ambassadors for the development of modern, transparent power markets across the world.

The Nord Pool Group has been a pioneer in building effective, transparent and liquid power markets. The power market model invented by us some 20 years ago is today the target model for Europe and we remain at the center of delivering that.

A strong and positive cooperation between governments, power producers, large industry, TSOs and regulators is unique to our story. Strong cooperation has paved the way for our success, with all the partners involved working closely to build a market that inspires confidence. We are proud of this.

It is vitally important to us, as we grow, that we maintain this position, especially with respect to our customers, our owners and authorities.

Since 1 November 2018 we have had a new company group structure with Nord Pool Holding AS and its two subsidiary companies; European Market Coupling Operator AS (EMCO) and Nord Pool AS. In this policy we use the Nord Pool Group when referring to all companies.

To continue to ensure the trust of our customers and to secure compliance with the rules and regulations, we all need to understand the importance of compliance and how to perform in our daily work. I ask all of you to familiarise yourselves with the rules in this policy and to implement them in your own departments.

In case of doubt, contact our Compliance department.



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We are committed to

compliance

Corporate Compliance refers to the lawful and proper conduct of the company's business. Every employee is personally obliged to obey all applicable laws and corporate policies in his or her position in the Nord Pool Group.

This Corporate Compliance Policy together with other governing documents defines the framework for how we as a company and each individual employee shall act to secure compliance with all rules and regulations. Through understanding and performing these principles we secure the company against violation of any applicable law.

This policy is meant to set the standard for how to conduct our daily work. It does not cover all situations and rules to comply with, but rather focuses on some important ones.

By implementing this Corporate Compliance Policy, we present to our owners, stakeholders, competitors, customers and authorities that we are focused on compliance and that compliance is a part of our common corporate culture.

Compliance is an "all together" job. To emphasise the importance of a strong compliance culture we are all equally important in achieving this.

Violation of the law:

Unlawful behaviour by any employee can have a huge impact on the Nord Pool Group as a company. Among the very serious consequences could be:

- Criminal penalties
- Fines
- Withdrawal of our licenses as a market place
- Exclusion from contracts
- Harm to our reputation

As individual employees, we can also face serious repercussions, such as fines or imprisonment, and the possible termination of employment.

WHAT WE DO

- As a general principle, all employees are expected to have the skill and knowledge that is appropriate for their position
- Managers in the Nord Pool Group have the responsibility to bring knowledge and ensure compliance with all relevant rules and regulations
- We will update and refresh our knowledge on a regular basis
- Where there is a need for detailed policy or further instruction to cover the details in daily operations, this shall be implemented
- We will ensure that we have the necessary documentation so that we can document our compliance with relevant regulations
- Reporting – employees are encouraged to report breaches of any rule or regulation to their manager
- We shall conduct internal audit where applicable

We are committed to

complying with our licenses as an organised market place

We will ensure that our markets are operated in line with CACM and the market place licenses from NVE and that information provided to authorities is communicated openly, correctly and completely.

Nord Pool and EMCO are licensed by the Norwegian Water Resources and Energy Directorate (NVE) to operate the physical energy market for Norwegian price areas.

The Capacity Allocation and Congestion Management Guideline (CACM) aims, among other things, to promote effective competition in the generation, trading and supply of electricity and ensuring optimal use of the transmission infrastructure. Further it aims at ensuring operational security, and optimising the calculation and allocation of cross-zonal capacity.

EMCO is a NEMO (Nominated Electricity Market Operator) to perform tasks related to single day-ahead or single intraday coupling, according to CACM. As a NEMO, EMCO is responsible for the Market Coupling Operator (MCO) function, together with other NEMOs.

WHAT WE DO

- The daily operation of the Nord Pool Group market place is conducted based on the requirements in the NVE licenses and the CACM regulation
- Regulatory requirements are incorporated into our governing documents and daily routines
- The Nord Pool Group will follow closely the development of the new market structure in Europe through active participation in relevant forums to ensure compliance with the regulation
- We treat all our customers in a nondiscriminatory manner

We are committed to

fair competition — no competition law violations

The Nord Pool Group supports a competitive market, allowing us and our competitors to compete on equal terms. We shall all act in compliance with competition law and the Nord Pool Group expects its contractual partners to do the same.

As a NEMO, EMCO operates in a challenging business environment where the power exchanges in Europe both compete and cooperate at the same time. This means the competence and vigilance of our employees is essential to ensure that no competition law violations are committed.

Each employee is obliged to follow relevant internal training and must ensure that they have the necessary competence to execute their tasks in accordance with legislation. If there is doubt, advice must be sought from the Compliance Officer. Nord Pool Group has implemented detailed policies to ensure compliance with competition law that is actively used by employees, as appropriate.

Notify the Compliance Officer whenever you:

- are uncertain how to handle a given situation in order to avoid competition issues
- are unsure of whether a given situation may give rise to competition issues
- become aware of an actual or potential competition issue in any and all of the above cases, always notify the Compliance Officer as soon as possible.

WHAT WE DO

- Competition law compliance program implemented
- Compliance officer appointed
- Competition issue reporting system implemented
- Education: annual training for all employees
- Review of all projects to ensure compliance with competition law
- Before signing any agreement, competition law shall be considered

We are committed to

performing our business with integrity towards all counterparts — no corruption

We wholeheartedly support the laws that regulate anti-bribery business and activities countering bribery. Nord Pool Group will not tolerate corruption, and we expect our contractual partners adopt the same zero-tolerance approach.

Corruption threatens the rule of law, democracy and human rights, undermines good governance, fairness and social justice, distorts competition, and can manipulate markets. Our key value – integrity – is founded on a sense of high ethical and moral values which we regard as the core of our business.

We prohibit all forms of bribery, whether they take place directly or through third parties. All employees are prohibited from soliciting, arranging or accepting bribes intended for the employee's benefit or that of the employee's family, friends, associates or acquaintances.

Each employee shall know the content of the Employee Manual and the Ethical Guidelines. The Ethical Guidelines provides detailed information on how to behave to ensure that our daily tasks are performed in compliance with anti-bribery regulations.

WHAT WE DO

- The Employee Manual presents guidelines, including local criteria, for compliance with regards to: Gifts, traveling expenses and hospitality. Further information is also provided on how to recognize corruption and how to act to counter bribery
- Before signing any agreement, anti-bribery should be considered
- Power of Authorisation in the Nord Pool group is regularly reviewed and registered
- Performing internal and external accounting practice revision
- Internal notification system – employees are encouraged to report breaches or suspicions to their nearest manager
- Education: annual training for all employees

We are committed to

proper handling of personal data — no abuse of privacy information

The Nord Pool Group protects and secures the use of personal data in our daily operations. We respect the privacy of our customers and employees.

The protection of people's privacy in relation to the processing of personal data is a fundamental right. This right is also anchored in the European Human Rights Convention. We will respect the General Data Protection Regulation (GDPR), the first common law including all EU/EEA countries, in the aim to protect employee and customers personal data. The following six privacy principles form the fundamental conditions which we will follow when collecting, processing and managing the personal data for all EU/EEA citizens:

- Lawfulness, fairness and transparency
- Purpose limitations
- Data minimisation (adequate, relevant and limited)
- Accuracy
- Storage limitations (no longer than necessary)
- Integrity and confidentiality (appropriate security)

We strictly adhere to the laws designed to protect and secure the privacy and confidentiality of personal data. We are careful not to use or disclose such information, within or outside the company, except when we are legally permitted and have a legitimate business need to do so.

WHAT WE DO

- We will only collect, process, and store personal data for legitimate business purposes and will keep such data no longer than necessary for the purposes for which any data was collected
- We will process such information in accordance with the relevant laws and regulations on protection of personal data
- We will document safety objectives, actions and routines for safe treatment of personal data
- Education: regular training for all employees to ensure knowledge on how to treat personal data according to the law
- Reporting: in the event of a possible breach of relevant rules or regulations, employees shall immediately report this to their nearest superior
- Information systems: physical protection and routines for safe use of systems is documented
- Internal routines are revised and updated on a regular basis

We are committed to

operating our market place according to the REMIT Regulation

We support the European Commission in its goal of increased integrity and transparency of wholesale energy markets to foster open and fair competition in these markets for the benefit of final consumers of energy.

REMIT (Regulation on Wholesale Energy Market Integrity and Transparency) is a first set of common rules for wholesale energy markets in Europe. It aims to prohibit abusive practices affecting the wholesale energy markets and lays out a framework for monitoring these markets.

The REMIT Regulation applies to different areas where the Nord Pool Group has a role and responsibility. In particular, we must comply with REMIT in the following:

- As a PPAT (Person professionally arranging transactions), we are obliged to detect and report insider trading and market manipulation
- Even though we are not a market participant, we must ensure that we do not act in conflict with the prohibition of insider trading or market manipulation
- We are an RRM (Registered Reporting Mechanism) and hence perform a dedicated REMIT Transactions Reporting Service to our Market Participants

WHAT WE DO

- A REMIT internal training program has been established to ensure knowledge of this regulation. This includes annual training for all employees
- The Market Surveillance Unit will perform monitoring and reporting to regulatory authorities, and shall ensure the maintenance of documentation in accordance with relevant rules and regulations
- All employees have an obligation to report suspicious activity that may constitute insider trading or market manipulation to the Market Surveillance Unit
- Annual internal audit of the market surveillance function

Notification of critical circumstances “Whistleblowing”

We are determined to nurture a culture where employees feel confident to share ethical dilemmas and speak up about possible breaches. Compliance with rules and regulations, ethical standards, and internal rules and guidance is of great importance for our success.

Under normal circumstances, we will urge you as employees to address confidential situations immediately with the right person for an amicable solution. For any breaches or actions that are likely to constitute a breach of rules and regulations, ethical standards, or internal rules and guidance, you as an employee should report through the appropriate channels.

‘Together with Integrity towards Excellence’ expresses our company values. Our integrity is founded on a sense of high ethical and moral values which we regard as the core of our business. We all have responsibility to act in an ethical manner and to speak up if someone is not acting according to the standards of our values and in compliance with our Ethical Guidelines, the Employee Manual and all other governance documents. We see and hear valuable information every day as employees in the Nord Pool Group. The information that **you** may uncover could prevent wrongdoing, which otherwise may damage the Nord Pool Group’s reputation and/or performance.

WHAT WE DO

- We commit to treat all notifications consistently and fairly
- We will safeguard privacy concerns in connection to notifications
- All notifications will be taken seriously
- The number of notifications received and their nature will be reported
- Quick response time and fast resolution of wrongdoing is in the interest of the organisation
- Review of notification handling procedures will be executed regularly to ensure best performance
- The Ethical Guidelines present the culture and behaviour expected of all employees
- The Employee Manual presents guidelines for general human resources policies
- Education: handling notification of critical circumstances is part of the New Employee training program

Notification Channels

This figure below illustrates the channels that we recommend for such notification. Different channels may be relevant depending on the specific notification, and employees are free to use the channels they find most appropriate. However, it is recommended that internal channels are used as a first choice.

We are committed to ensuring that under no circumstance shall any employee notifying according to this procedure be subject to any retaliation. If the notification relates to other employees, they are also entitled to protection.



Compliance with rules and regulations, ethical standards, and internal rules and guidance is of great importance for our success. Therefore, if unfortunate incidents or behaviour occurs, employees are encouraged to notify the relevant persons so that we can address the issue. It is recommended that internal channels are used as a first choice.



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