



Enercon Anti-Bribery and Anti-Corruption Policy

1. General

The Enercon Group of companies including Enercon Technologies Ltd., Enercon Technologies Europe AG, Milpower Source Inc., Multisphere Power Solutions Private Limited, Mil Power Magnetics India Private Limited, Mil Power Converter Technologies India Private Limited and Techaya. (together or separately: “**Enercon**”) hold the highest standards of business ethics, including the prevention of corruption and bribery, as reflected in the Enercon Group ‘Code of Ethics and Business Conduct’.

2. Purpose

The purpose of this Policy is to for the Enercon Group employees, directors and business partners to gain awareness of anti-corruption legislation, identify anti-corruption issues, understand the consequences of incompliance with such legislation and become acquainted with the relevant Enercon policies and procedures.

3. Definitions

- 3.1. **The Foreign Corrupt Practices Act (“FCPA”)** - a U.S. federal criminal and civil law (15 U.S.C. § 78-dd-21 et seq.) designed to prevent corrupt practices in international transactions.
- 3.2. **The Bribery Act 2010 (the “Bribery Act”)** - a UK legislation which targets cross-border bribery. The Bribery Act carries both civil and criminal liability.
- 3.3. **“Government Official”** – a representative, officer and/or employee of any government or any governmental agency, government owned (in whole or in part) or controlled entity, political party, public international organization and candidates for public office.
- 3.4. **“Anything of value”** includes not only cash or cash equivalents, but also trips, donations, and services.

4. Reference documents

- 4.1. Enercon Code of Ethics
- 4.2. Enercon Third -Party Engagement Procedure
- 4.3. Enercon Gift and Hospitality Procedure

5. Policy

- 5.1. This Anti-Bribery and Corruption Policy applies across all of Enercon’ operations at national and international level. All Enercon employees, directors, officers and third parties performing services for or on behalf of Enercon are expected to understand and comply with this Enercon Anti-Bribery and Corruption Policy. Any failure to comply may result in severe disciplinary or other actions.
- 5.2. All Enercon personnel and third parties acting on its behalf are expected to conduct Enercon’ business legally and ethically. Enercon will not tolerate any form of bribery or corruption either directly or through third parties. Enercon will conduct its business

with integrity, regardless of differing local manners and traditions, and will comply with the laws and regulations of each foreign country in which Enercon operates.

- 5.3.** Bribery or corruption of any kind in any jurisdiction, regardless of local custom or practice, is strictly prohibited. No Enercon personnel or third party acting on its behalf shall offer, promise, give any payment, advantage or anything of value, to any person, in order to improperly influence or induce that person to act in any way or to secure any form of advantage for Enercon, including obtaining or retaining business, obtaining or retaining an advantage in the conduct of business, or directing business to any person or entity.

6. Rules Applicability

Enercon conducts its business activity in several markets, requiring compliance with the anti-bribery laws of several jurisdictions. This includes:

- Applicable Israeli legislation
Various Israeli laws and regulations, such as Section 291 of the Penal Code, regarding anti-bribery in domestic and international transactions and Section 291A of the Penal Code, regarding bribery of a foreign Government Official, Israel's ratification of the Organization for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the OECD Convention).
- The FCPA
The United States FCPA which applies to U.S. Issuers, citizens and companies (as well as their officers, directors, employees, and agents).
- Additional Legislation
Other anti-bribery laws throughout the world which may be applicable in countries where Enercon acts (e.g., the UK Bribery Act which targets cross-border bribery and may apply in certain circumstances).

7. Main elements of the Legislation

- 7.1.** The FCPA and other similar laws prohibit the corrupt payment (or offer, promise or authorization of payment) of "anything of value" to any foreign Government Official, directly or indirectly, for the purpose of obtaining or retaining business, directing business to any person or entity, or securing any improper advantage. The FCPA also requires U.S. companies and their subsidiaries to keep accurate and complete books and records and to maintain proper internal accounting controls that accurately reflect all transactions.
- 7.2.** The Bribery Act prohibits bribing any person with the intention of the "improper performance of a relevant function or activity, and, also, failing to prevent bribery.
- 7.3.** Intention to commit a bribery is a strict liability offence. "Knowledge" of bribery by a company or anyone acting on its behalf is not only actual knowledge – it includes: awareness of high probability that, for example, a third party will pay a foreign Government Official or ignoring obvious warning signs (conscious disregard).

8. Engagement of Third Parties

- 8.1.** The global activity of Enercon requires it to use third parties (including but not limited to local representatives, consultants, or other partner) as an essential element of doing business in a foreign country.
- 8.2.** Enercon personnel must be sensitive to potential abuses and careful to avoid situations involving third parties which might lead to a violation of the FCPA and any other local law or regulation which extend the bribery offences also to the conduct of third-party agents, and other representatives or business partners.
- 8.3.** Enercon is committed to investigating and monitoring third parties with whom it has business dealings. As part of the investigation, due diligence enquiries are performed prior to engaging with a Third Party as defined in the Enercon 'Third - Party Engagement and Monitoring Procedure'. Such enquiries are designed to:
 - discover a third party's role and position, e.g., is the third party a Government Official?
 - discover whether a third party has any history of corrupt conduct e.g., is he/she likely to offer or make any improper payment to any Government Official?
 - confirm that a third-party has sufficient experience and expertise to fulfill his/her role properly and professionally; and
 - Where appropriate, make enquiries about the risk of bribery and corruption in a particular country or location in which Enercon is seeking a business relationship, the types of bribery and corruption most commonly encountered there and any information about the preventive actions which are most effective;
 - investigate the bribery risks that a particular business opportunity raises, for example, establishing whether the agent services are to be undertaken at market prices and have a defined legitimate objective and specification;
 - ensure that all business relationships and transactions are properly documented and recorded and have the express approval of the requisite manager;
 - obtain written assurances of compliance with applicable anti-corruption laws Bribery from the third party; and
- 8.4.** All partners/third-parties must be identified and selected on the basis of objective and written evaluation criteria (i.e., on the basis of his/her identifiable commercial and technical competencies).
- 8.5.** A written agreement must be entered into prior to doing business with any partner/third-party, the form of which must be based on specific terms and conditions and receive the approval of the Enercon CFO or anyone on his behalf. The agreement will include appropriate Anti-Bribery and Anti - Corruption representations and warranties and a reference to the Enercon 'Code of Ethics and Business Conduct'.
- 8.6.** A detailed file of due diligence efforts and findings is to be maintained in every instance.

9. Gift and hospitality

- 9.1.** Enercon does not seek to gain any improper advantage through the giving of gifts, entertainment, hospitality, or other courtesies. Similarly, the impartial judgment of Enercon personnel and third parties acting on its behalf must not be compromised through the receipt of such courtesies. Giving or receiving gifts or other courtesies

must be performed and approved under the rules of the Enercon 'Gift and Hospitality Procedure'.

- 9.2. All forms of entertaining and hospitality whether given or received, must first be approved pursuant to the Enercon Gift and Hospitality Procedure and assuming such approval has been given, they must be given or received openly and recorded on the Enercon Group members' financial records for documented business reasons, all as specified in the Enercon Gift and Hospitality Procedure.

10. Charitable donations and sponsorships

Before making any charitable donation or sponsorship arrangement, due diligence must be carried out to ensure that any such arrangement is not a subterfuge for bribery. All charitable donations and sponsorship arrangements must be recorded in Enercon's books and records, all as specified in the Enercon 'Gift and Hospitality Procedure'.

11. Facilitation payments

Facilitation payments are any payments made with the purpose of securing or expediting performance of routine government action (for example, payments to obtain permits, process payments, secure the connection of basic facilities such as water, gas and cables etc.). Any payment of facilitation payments by any Enercon personnel and third parties acting on its behalf is strictly prohibited.

12. Risk Assessment

- 12.1. Enercon regularly and on an ongoing basis assesses the nature and extent of the risks relating to bribery and corruption to which it is exposed, being aware that risks are potentially present both internally and externally.
- 12.2. Enercon will ensure that any person responsible for and/or involved in investigating and/or carrying out risk assessment exercises under this Anti-Bribery and Corruption Policy is adequately skilled and equipped to do so and will engage appropriately qualified external professionals where necessary.
- 12.3. The CFO will take responsibility for instigating and carrying out relevant risk assessment exercises at regular intervals, such exercises to include (but not be limited to) consideration of:
 - Enercon's business activities across all of its operations nationally and internationally and any actual or proposed changes to those activities;
 - Enercon's employees and their knowledge and understanding of Enercon's business profile and associated bribery risks;
 - The business activities of Enercon's contractors, intermediaries, agents, joint venture partners and other business partners and the interface between those activities and those of Enercon; and
 - The markets and countries in which Enercon and Enercon personnel and third parties acting on its behalf operate.

13. Recording of transactions

Enercon shall make and keep books, records, and accounts, which, in reasonable detail, accurately reflect any transactions and dispositions of Enercon and any of its subsidiaries. Specifically, any contract involving, directly or indirectly payment to a third party for the

purpose of obtaining business (including the engagement of representors, agents, resellers, contractors, sub-contractors, representatives, brokers or joint venture partners) must be in writing and reviewed and approved as required under the Enercon Third Party Engagement Procedure.

14. Communication and Training

Enercon will communicate this policy to all personnel and third parties acting on its behalf. Relevant employees and, where appropriate and possible, anyone acting on Enercon' behalf will receive training on the terms and implementation of this policy together with the relevant procedures. The training includes both live training sessions and an on-line training program designed to allow participants to become acquainted with anti-corruption legislation and understand the relevant Enercon procedures and the consequences of non-compliance.

15. Monitoring and review

15.1. The CFO will ensure that this policy is monitored and reviewed on a regular basis and adapted to changing circumstances or in response to any incidents involving bribery or corruption.

15.2. Internal monitoring and review mechanisms may include the following actions:

- ensuring the use of effective financial and auditing controls in order to pick up potential and actual irregularities;
- periodic reporting of anti-bribery and corruption reviews to Enercon senior management;
- independent assessment of the adequacy of anti-bribery and corruption policies.

15.3. The Enercon Chief Executive Officer takes ultimate responsibility for the implementation, compliance and enforcement of this policy with day-to-day matters being dealt with by the CFO.

16. Reporting

16.1. Any person who suspects or becomes aware of any violation of this Anti-Bribery and Corruption Policy must report the violation to his/her supervisor, who will immediately advise the Enercon CFO, who shall cause an investigation of the reported matter to be conducted.

16.2. No employee will be retaliated against for raising in good faith any concerns or suspicions relating to this Anti-Bribery and Anti - Corruption Policy.