

## NORTHLAND POWER INC.

### ANTI-BRIBERY/ANTI-CORRUPTION CORPORATE POLICY

#### Application

1. This Policy applies without exception to all directors, officers and employees of Northland Power Inc. and its various subsidiaries (collectively, “**Northland**” or the “**Company**”). At the Company’s discretion, any party who performs services or supplies goods for or on behalf of the Company, including but not limited to agents, representatives, consultants and contractors (collectively, “**Third Parties**”), may also be bound by this Policy as a condition of doing business with the Company. All Northland directors, officers and employees, as well as designated Third Parties (collectively, “**Northland Representatives**”; individually a “**Northland Representative**”), are required to read, understand, sign off on and abide strictly by this Policy. Any questions or concerns with respect to the same are to be directed to the Policy Designate.

This Policy is to be read in conjunction with Northland’s Code of Business Conduct and Ethics, as amended from time to time, which promotes integrity, the highest level of ethical behaviour, and deters wrongdoing.

#### Purpose

2. Northland conducts business in Canada and internationally. The Company has business interests in North America, Latin America, Europe, and Asia, and is pursuing business opportunities in multiple foreign jurisdictions. Northland routinely engages Third Parties in its international business.
3. The purposes of this Policy are to ensure that Northland Representatives do not engage in conduct that constitutes an offence under:
  - a. the *Corruption of Foreign Public Officials Act*, S.C. 1998, c. 34 (the “**CFPOA**”);
  - b. Sections 121, 122, 123 and 426 of Canada’s Criminal Code; or
  - c. the applicable anti-corruption and anti-bribery laws and regulations of foreign jurisdictions in which we are conducting business or in which Northland personnel engage in any activities (e.g. meetings, bank transfers, or business done in transit) regardless of whether Northland is actually carrying on business in that country (“**Foreign ABAC Laws**”).
4. The *CFPOA* is a Canadian statute that criminalizes the bribery of foreign public officials and related offences, while the Criminal Code prohibits the bribery of domestic officials and officers, employees or agents of private entities. Both provide for severe penalties for both corporations and individuals who contravene it. The Company can also be held responsible for the contravention of these statutes by third parties.

5. In addition to the *CFPOA* and the Criminal Code, Northland Representatives are also likely subject to applicable Foreign ABAC Laws when operating in foreign jurisdictions. In addition to complying with the particular requirements of this Policy, which are set forth in further detail below, all Northland Representatives are expected to be aware of and apprise themselves of applicable Foreign ABAC Laws, and to abide by these laws. When in doubt as to if or how Foreign ABAC Laws may apply, a Northland Representative is to contact the Policy Designate as soon as reasonably possible.

### The *CFPOA* Offences

6. Generally speaking, the *CFPOA* sets out 2 basic prohibitions: (i) the corruption or bribery of a foreign public official (the “**Foreign Bribery Offence**”); and (ii) the concealment of corruption or bribery on the subject company’s books and records (the “**Books and Records Offence**”).
7. The Foreign Bribery Offence encompasses both paying a bribe and acts in furtherance thereof. It is also an offence to offer to pay a bribe, to agree to pay a bribe, or to agree to offer to pay a bribe. For greater clarity, a bribe need not actually be *paid* in order for a Foreign Bribery Offence to have been committed.
8. The Foreign Bribery Offence also includes doing or omitting to do anything that assists or encourages another in committing a Foreign Bribery Offence, or agreeing or conspiring with another to commit a Foreign Bribery Offence.
9. Likewise, the Books and Records Offence includes doing or omitting to do anything that assists or encourages another in committing a Books and Records Offence, or agreeing or conspiring with another to commit a Books and Records Offence.
10. Neither the Foreign Bribery Offence nor the Books and Records Offence need to be committed in Canada in order to attract criminal liability under the *CFPOA*. Any Canadian citizen or permanent resident, as well as a public body, corporation, society, company, firm or partnership that is incorporated, formed or otherwise organized under the laws of Canada or a province, can also be prosecuted under the *CFPOA* for a Foreign Bribery Offence or a Books and Records Offence committed anywhere in the world.

### The Criminal Code Offences

11. Sections 121, 122, and 123 of the Criminal Code set out, in part, offences for bribery and breach of trust of a Canadian federal, provincial/territorial, First Nations or municipal government official (including government employees), any member of the official’s family, or anyone for the benefit of an official (the “**Domestic Bribery Offence**”).
12. Section 122 of the Criminal Code addresses breach of trust by certain officials. Officials who commit fraud in the course of their duties, including through acceptance of bribes or inducements, may be charged with breach of trust in addition to the bribery offences in sections 121 and 123. Section 122 can be used to charge officials in First Nations bands with offences related to bribery. First Nations bands are excluded from the Criminal Code

bribery provisions in sections 121 and 123 as they do not constitute governments, however, their representatives do constitute officials for the purposes of section 122.

13. In some instances, a Domestic Bribery Offence may be committed simply by conferring a reward, advantage or benefit of any kind on a government official notwithstanding the reward, advantage or benefit may not have been, or may not have been capable of being, conferred in exchange for the cooperation, assistance, exercise of influence or act or omission of the official. For greater clarity, a bribe may be found even though no advantage has accrued, nor could have accrued, to the giver of the bribe from the recipient.
14. Employees of Canadian crown and provincially-owned corporations may be captured by the Domestic Bribery Offence.
15. Section 426 of the Criminal Code sets out an offence for the bribery of an agent or employee, or anyone for the benefit of an agent or employee, of a business entity, including a private entity, with the intent to deceive or conceal from that agent or employee's principal or employer (the "**Secret Commissions Offence**"). A Secret Commissions Offence is also committed by the recipient of a payment of this nature and anyone who is knowingly privy to the existence of the payment.

### **Policy**

16. All Northland Representatives are strictly prohibited from committing (i) a Foreign Bribery Offence; (ii) a Books and Records Offence; (iii) a Domestic Bribery Offence; and (iv) a Secret Commissions Offence, all of which are more particularly described as follows:
  - a. A Foreign Bribery Offence is committed where a person or entity:
    - i. gives, offers, or agrees to give or offer, directly or indirectly;
    - ii. an advantage or benefit of *any kind*, monetary or non-monetary;
    - iii. to a foreign public official or to any person for the benefit of a foreign public official (including an official employed by a Non-Government Organization);
    - iv. in order to obtain or retain an advantage in the course of business, including as consideration or as an inducement for the official to use his or her position to influence any acts or decisions relating to the performance of the official's duties or functions; or
    - v. performs acts in furtherance of a Foreign Bribery Offence as described above in paragraphs 6 and 7.

- b. A Books and Records Offence is committed by:
- i. establishing or maintaining accounts which do not appear in any of the books and records that a person or entity is are required to keep in accordance with applicable accounting and auditing standards;
  - ii. making transactions that are not recorded in those books and records or that are inadequately identified in them;
  - iii. recording non-existent expenditures in those books and records;
  - iv. entering liabilities with incorrect identification of their objective in those books and records;
  - v. knowingly using false documents;
  - vi. intentionally destroying accounting books and records earlier than permitted by law; or
  - vii. committing acts in furtherance of a Books and Records Offence as described above in paragraph 8.
- c. A Domestic Bribery Offence is committed by:
- i. directly or indirectly;
  - ii. giving, offering or agreeing to give or offer;
  - iii. to an official or to any member of his or her family, or to anyone for the benefit of an official;
  - iv. a loan, reward, advantage or benefit of any kind as consideration for cooperation, assistance, exercise of influence or an act or omission in connection with;
  - v. the transaction of business with or any matter of business relating to the government; or
  - vi. a claim against Her Majesty or any benefit that Her Majesty is authorized or is entitled to bestow;
  - vii. whether or not, in fact, the official is able to cooperate, render assistance, exercise influence or do or omit to do what is proposed.
- d. A Secret Commissions Offence is committed by:
- i. directly or indirectly;
  - ii. corruptly giving, offering or agreeing to give or offer;

- iii. to an agent or to anyone for the benefit of the agent; or, being an agent, directly or indirectly, corruptly demands, accepts or offers or agrees to accept from any person, for themselves or another person;
- iv. any reward, advantage or benefit of any kind;
- v. as consideration for doing or not doing, or for having done or not done, any act relating to the affairs or business of the agent's principal;
- vi. or for showing or not showing favour or disfavour to any person with relation to the affairs or business of the agent's principal; or
- vii. with the intent to deceive the principal, gives to an agent of that principal, or, being an agent, uses with intent to deceive his principal, a receipt, an account or other writing;
  - 1. in which the principal has an interest;
  - 2. that contains any statement that is false or erroneous or defective in any material particular; and
  - 3. that is intended to mislead the principal; or
- viii. being knowingly privy to any of the above.

### **Facilitation (Grease) Payments Are Prohibited**

- 17. In some countries where Northland or Third Parties conduct business, it may be local practice for businesses to make payments of nominal value to low-level government officials in order to accelerate or speed up "acts of a routine nature". In relation to these routine acts, the government official may enjoy some control over the timing of the act in question, but does not have any discretion over whether or not to perform the act. Examples of routine, non-discretionary actions may include providing police protection, granting visas or utility services, or clearing customs. Payments made in order to expedite or facilitate such actions are called "facilitation payments", or colloquially, "grease payments".
- 18. Facilitation or grease payments are prohibited by this Policy.
- 19. Payments that may be seen as discretionary (as opposed to being expressly required by law or made in accordance with ordinary course business dealings) are authorized only in the following limited circumstances: (i) the physical safety of the Northland Representative is potentially endangered; (ii) the foreign government official can show the party bound by the Policy that the requested payment is required by a written law; or (iii) the foreign government official is willing and able to provide an official receipt for the payment.

20. Wherever possible, where a Northland Representative intends to make a discretionary payment it must first obtain authorization from the Policy Designate. If the party bound by this Policy does not obtain prior approval it must immediately report the discretionary payment to the Policy Designate and document the reason that prior approval was not obtained.

### **Gifts**

21. Gifts should never be given to a domestic government or foreign public official, their family members or employees, or any individual or entity that has real or perceived influence over a domestic government or foreign public official for the purpose of obtaining or retaining any advantage for Northland, unless the gift is:
  - a. of nominal value and appropriate in the circumstances; and
  - b. offered with no illegal intention (no intention to obtain or retain a business advantage for Northland).
22. Gifts must be paid for by the Company, fully documented in the Company's books and records and must never be concealed in any way.
23. Wherever possible, where a Northland Representative intends to give or offer a gift to a domestic government or foreign public official or to any individual or entity having real or perceived influence over a domestic government or foreign public official, he or she must first obtain authorization from the Policy Designate. If the party bound by this Policy does not obtain prior approval, he or she must immediately report the gift offered or given to the Policy Designate and document the reason that prior approval was not obtained.

### **Political Contributions**

24. Monetary donations or other contributions to foreign political parties are generally prohibited. Where a Northland Representative perceives a contribution to a foreign political party to be appropriate, he or she must obtain authorization from the CEO of the Company, without exception, before making the foreign political contribution.
25. Any domestic political contributions on behalf of the Company must be in accordance with Canadian law and must be approved in advance by the CEO of the Company. Where a Northland Representative perceives a contribution to a domestic political party to be appropriate, he or she must obtain authorization from the CEO of the Company, without exception, before making the domestic political contribution.
26. All political contributions must be paid for by the Company, fully documented in the Company's books and records and must never be concealed in any way.

### **Other Jurisdictions**

27. All Northland Representatives are responsible for complying not only with the *CFPOA* and Criminal Code, but with all applicable laws, including any Foreign ABAC Laws that may be in force in the jurisdiction in which Northland is operating or in which Northland personnel engage in any activities (e.g. meetings, bank transfers, or business done in transit) regardless of whether Northland is actually carrying on business in that country.
28. If any party bound by this Policy is unsure about how to comply with the laws of any jurisdiction in which Northland is operating, the party should contact the Policy Designate.

### **Enforcement**

29. The Policy Designate is responsible for administering this Policy. Questions pertaining to this Policy, its purpose and application can and should be directed to the Policy Designate.
30. Nothing in this Policy is intended to limit or restrict the application of the Company's Code of Business Conduct and Ethics.
31. In urgent or exigent circumstances relating to this Policy, all queries can be directed to the Policy Designate. The Policy Designate is Michael Shadbolt, Vice President and General Counsel of Northland, who can be reached at 647-288-1115 or [michael.shadbolt@northlandpower.com](mailto:michael.shadbolt@northlandpower.com). In the event the Policy Designate is unreachable, all queries can be directed to the Alternate Designate, Tracy Robillard, Senior Legal Counsel of Northland, who can be reached at 647-288-1114 or [tracy.robillard@northlandpower.com](mailto:tracy.robillard@northlandpower.com).
32. This Policy and its enforcement will be taken seriously. Any breaches or alleged breaches of the Policy will be investigated by the Policy Designate. Northland may impose sanctions for breaches of or non-compliance with this Policy, the *CFPOA*, the Criminal Code, and applicable Foreign ABAC Laws, including termination of employment or position with the Company or termination of any Third Party engagement. Any violation of this Policy which also constitutes a violation of the *CFPOA*, the Criminal Code, or applicable Foreign ABAC Laws may result in criminal proceedings, the consequences of which can include a fine and/or imprisonment.

Confirmed by the Board of Directors on December 11, 2019.