



ORMAT

ORMAT TECHNOLOGIES, INC.

ANTI-BRIBERY AND CORRUPTION POLICY

(July 21, 2020)

To all Ormat's employees, agents and business partners,

ORMAT TECHNOLOGIES, INC. ("Ormat") is fully committed to comply with all applicable laws and regulations, and specifically those that mandate fair conduct, when carrying out its business internationally. This commitment plays a critical role in preserving our reputation in the professional community, as well as our continued delivery of synergetic and effective solutions to our customers. This Anti-bribery and Corruption Policy is a key demonstration of that commitment.

Pursuing and engaging in any illegal or unethical conduct is strictly prohibited and will not be tolerated under any circumstances. Complying with this Policy is mandatory. Employees who violate this policy will be disciplined, up to and including being terminated. Third-party relationships will also be terminated for any ethical violations by such third-parties.

Behaving with integrity is not only the right thing to do for Ormat, but it is also a sound business practice.

Thank you for helping us to maintain these standards.

Doron Blachar, CEO



A. GENERAL

Ormat Technologies, Inc., including its direct and indirect subsidiaries (collectively, “Ormat”), operates in many countries and conducts business around the world. Ormat is committed to conducting its business everywhere with honesty and integrity, and in a manner that avoids even the appearance of impropriety.

The purpose of this Policy is to set forth expectations for all Ormat employees, officers and directors (collectively, “Ormat Persons”), and to provide guidance in their business dealings worldwide, so that they may at all times act in compliance with all applicable anti-corruption and anti-bribery laws, including the U.S. Foreign Corrupt Practices Act (“FCPA”) and other applicable anti-corruption and criminal laws around the world (collectively “Anti-Corruption Laws”).

Stated simply, this Policy strictly prohibits any of Ormat Persons or any third party acting on Ormat’s behalf, from directly or indirectly, offering, paying, promising to pay, authorizing the payment of, receiving or accepting any corrupt payment or anything of value to or from anyone, anywhere in the world, in order to obtain or retain business or secure any improper advantage.

Any question or other communication regarding this Policy should be directed to Ormat’s Chief Compliance Officer (the “CCO”), at the following email address: abac.compliance@ormat.com.

B. The Policy Guideline

1. Code of Conduct

The basic and most important ethical standards of Ormat are outlined in Ormat’s Code of Conduct (the “Code” or “Code of Conduct”), which lays out Ormat’s ethical standards and business requirements with which Ormat Persons must comply in carrying out their work. The Code of Conduct is available at Ormat website at www.ormat.com/en/company/welcome/governance.

2. Prohibited Conduct

Anti-Corruption Laws, as well as this Policy, prohibit bribes not only to government and public officials, but also to private individuals or corporations operating in the private sector, whether made directly or through a third party acting on Ormat’s behalf where Ormat knows, or has reason to know, of the bribe by the third party.

A ‘bribe’ is any offer to give, promise to give, or authorization to give anything of “value” for the purpose of obtaining or retaining business or gaining a business advantage.

Something of “value” includes not only money, but also non-monetary provisions, such as gifts, travel, entertainment, goods or services, loans,



charitable contributions, political donations, or business or employment opportunities. It does not matter whether the promise or offer of a thing of value is accepted or is actually provided; the violation can occur when the offer or promise is made.

It is never a defense or excuse that the payment of bribes is part of the “culture” in another country, or that providing something of value in order to gain a business advantage is an accepted or common practice. There are civil and criminal penalties for companies and for individuals who violate Anti-Corruption Laws, and these recognize no exception for any local custom or practice.

3. Knowledge, Third Parties and “Red Flags”

In certain circumstances, an Ormat Person or Ormat itself could be liable also for corrupt payments by third parties acting on behalf of Ormat -- such as consultants, contractors or joint venture partners -- even if no Ormat Person actually knew the payment would be made.

“Knowledge” includes not only actual knowledge, but also conscious disregard of facts and circumstances that reasonably raise a question of an anti-corruption violation. Thus, Ormat Persons cannot adopt a “head in the sand” approach if they have reason to believe that further inquiry is required to determine if the conduct in question, whether done by an Ormat Person or a third party acting on Ormat’s behalf, is in compliance with this Policy.

The hiring of certain third parties by Ormat will be subject to a due diligence process, according to Ormat’s required procedures. In addition, it is imperative that all Ormat Persons remain vigilant about possible warning signs or “red flags.” Some typical red flags are where the third party:

- Appears to lack the necessary qualifications, competencies, staff or other resources necessary to carry out his or her work for Ormat;
- Refrains from disclosing information on principal shareholders, directors or other senior executives in the third party’s organization;
- Requests unusually and unproportionally high fees/compensation, or requests to be reimbursed in cash, cash-equivalents, and/or in advance lump-sum payments;
- Provides little or no information necessary to measure his or her capacity of work performed for Ormat; or
- Acts in any other way that violates Ormat’s Anti-bribery and Corruption Policy.

If at any time, an Ormat Person becomes aware of facts and circumstances that may raise a question of an anti-corruption violation (including, but not limited to, the scenarios described above), it should be reported immediately to a member of the Anti-Corruption Committee or the CCO. The roles and duties of the Anti-



Corruption Committee and the CCO in respect of this Policy are described in greater detail in Paragraph 15 below.

4. Public Officials

The definition of “public officials” or “government officials” for purposes of the Anti-Corruption Laws is broad, and may include officers and employees of government, and of any of a government’s departments, agencies, or instrumentalities; legislators; political party members acting in that capacity; candidates for political office; and officials, officers and employees of certain public international organizations such as the World Bank, the International Monetary Fund, the OECD and numerous others.

Significantly, under the FCPA, ‘public officials’ also include employees of state-controlled or state-owned entities. In countries where the economy is controlled (or has been controlled until recently) by the government, individuals within corporations that are owned by the government at least in part may be considered “public officials.”

For example, the following may be considered ‘public officials’ for the purposes of this Policy:

- Federal, state and local elected officials (e.g. governors, senators and mayors);
- Directors and clerks of government agencies, functions or bureaus, such as land administration, tax, health, energy & water, defense, or public infrastructure functions; or
- Officials in state-owned companies (such as state-owned public utilities).

In certain circumstances, the FCPA may also reach corrupt payments or other things of value given not only to a public official, but to a *close family member* of a public official. The term “close family members” generally includes spouses, domestic or civil partners, biological or adopted children, parents, grandparents or grandchildren, and any other household member.

Ormat Persons who are unclear whether a person would qualify as a public official or as a public official’s close family member, should seek advice from the CCO.

5. Gifts, Travel, and Entertainment

As a general rule in Ormat it is prohibited to give gifts or provide entertainment to public officials except with advance approval by the CCO or under directives the CCO may issue in writing.



Questions regarding the appropriateness of a gift, entertainment or travel expense should be made in writing to the CCO at abac.compliance@ormat.com *before* the gift or entertainment is provided or the travel is scheduled to occur.

Gifts, entertainment, and travel by Ormat or on its behalf, for a person who does not qualify as a Public Official, may be permissible within the guidelines set by Ormat and set forth below.

Gifts - Guidelines

- a) Gifts should be of nominal value (\$100 or less) and, wherever possible, should have a symbolic value that exceeds its monetary value (such as, for example, a book on the history of the United States) or should bear the Ormat logo.
- b) Gifts should be provided in connection with a gift-giving holiday or other special occasion, or for promotional purposes and should be appropriate for the occasion.
- c) The giving of cash gifts is strictly prohibited. This includes cash equivalents such as gift cards.
- d) The gift cannot be a bribe or given to affect any anticipated or pending decision affecting Ormat's business interests.
- e) The gift must be properly reported on the relevant Ormat Person's filed expenses report and recorded promptly and accurately in Ormat's books and records.

Entertainment - Guidelines

- a) Any meal or entertainment (hereafter "entertainment") shall directly relate to a legitimate business purpose and must be conducive to the discussion of business.
- b) An Ormat Person should always be present at an entertainment event.
- c) The total value of entertainment expenditures during any three-month period must be no more than \$250. This maximum amount applies to the entire event for each individual (for example, a maximum of \$250 for golfing *and* dinner). The frequency of entertainment must be carefully monitored so as to not give rise to an appearance of impropriety. Thus, no Ormat Person should hold more than four events per calendar year per guest, and each event should abide by all other applicable guidelines. Entertainment that exceeds either the \$250 cap per person in a three-month period, and/or the four-per-year guideline, will require prior written approval from an Ormat EVP.



- d) Even if an entertainment event is below the \$250 maximum, Ormat Persons must obtain approval in advance from the CCO if the potential recipient has suggested the expense.
- e) The entertainment may not violate local law or regulation.
- f) The entertainment must be acceptable under local custom and laws.
- g) The entertainment is not a bribe or a payment to affect any anticipated or pending decision affecting Ormat's business interests.
- h) The entertainment expenditure must be properly reported on the relevant Ormat Person's filed expenses report and recorded promptly and accurately in Ormat's books and records.

Travel - Guidelines

- a) Provision of non-local travel expenditures should only be made when reasonably related to a legitimate business activity, such as enabling prospective business partners to observe a working power plant facility.
- b) Any travel expenditure for a public official must be approved in writing, and in advance of the contemplated travel, by the CCO.
- c) It is preferable that travel-related expenses shall be paid directly by Ormat. If it is necessary to provide reimbursement for travel arrangements (e.g. airfare or lodging) made by the traveling individual(s), proper supporting documentation such as itineraries and receipts must be obtained before payment will be made. Such records should include the names, titles, and employers of the traveling individuals, and a specific description of the need for the travel costs. Expenses beyond what is reasonably necessary for the business purpose will not be approved or reimbursed. There will be no reimbursement for expenses associated with family members' travel or for tourist excursions. Cash reimbursement for any travel or lodging expense to any non-Ormat person is prohibited.
- d) All travel expenditures must be properly reported on the relevant Ormat employee's expense report and must be recorded promptly and accurately in Ormat's books and records.

Complying with Ormat procedures for documentation and approval of gifts, travel and entertainment is mandatory, and nothing in this Policy is meant to replace or revoke such requirements.

6. "Facilitation Payments" are prohibited

"Facilitation payments" are typically small payments whose purpose is to secure or expedite routine or non-discretionary governmental actions (such as processing travel documents, providing police protection, etc.). Although the



FCPA makes a narrow exception for such payments, these payments are not legal in many countries, and other anti-corruption laws may not permit them.

Ormat Persons and any third party acting on Ormat's behalf are prohibited from making or allowing any facilitation payments.

If any Ormat Person is uncertain about whether a purported fee is a legitimate government cost, the question should be referred in writing to the CCO at abac.compliance@ormat.com.

7. Narrow Exception to Prohibited Payments: Payments Necessary for Personal Safety

In rare circumstances, an individual may be placed in an extreme situation involving an imminent threat of violence or harm. Payments made to protect the health or safety of any Ormat Person do not violate this Policy.

Any such incident must be reported to the CCO and the CEO as soon as possible. In addition, the Ormat Person in question must cooperate in any subsequent investigation by Ormat and/or any enforcement authorities.

Any payment made for reasons of personal safety as described above shall be promptly and accurately recorded in Ormat's books and records.

8. Political Contributions

Ormat Persons are not permitted to offer or give any contribution using Ormat's funds, personnel or property to any political party, party official, political committee, or political candidate on behalf of Ormat other than in accordance with Ormat's designated procedures for political contributions. Procedures for political donations are available for Ormat Persons at ormat.gan-compliance.com.

Nothing in this document restricts the right of any Ormat Person, in their private capacity and in their own name and at their own cost, to offer or to give political contributions, as long as these are not: (i) in any way connected with Ormat's business (or reasonably perceived as such); (ii) arranged or paid on any of Ormat's premises (including the premises of subsidiaries and joint ventures of Ormat) or during working hours; and (iii) paid for or refunded by Ormat.

If any Ormat Person is uncertain about a certain contribution is legitimate under Ormat policies, the question should be referred in writing to the CCO.

9. Charitable Contributions and Community Benefits

'Charitable donations' refer to the provision of cash, venues, equipment, personnel time or any other form of financial support to a charity, or to an individual or organization nominated by, or connected with, a charity. 'Community benefits' refer to similar support but for different purposes.



Specifically, community benefits are intended to support a specific group or community – e.g. by building a school, providing sports clothing to a team or books to a school. In addition, community benefits are not necessarily given to charities or other non-profit organizations.

Charitable donations and community benefits could create significant risks to Ormat if they are linked, or perceived as linked, to an expected or pending decision affecting Ormat's business interests. Ormat Persons seeking to offer or provide charitable donations and community benefits should carefully follow the instructions provided in Ormat's designated procedures.

In any case, Ormat Persons are not permitted to offer or give any charitable donation or community benefit that (i) violates local laws; (ii) is offered, or given with the intention of, influencing someone to act improperly or effecting an expected or pending decision affecting Ormat's business interests, including that of a public official in his or her capacity; or (iii) otherwise creates an appearance of impropriety.

Procedures for charitable donations and community benefits are available for Ormat Persons at ormat.gan-compliance.com. If any Ormat Person is uncertain about a certain contribution or benefit is legitimate under Ormat policies, the question should be referred in writing to the CCO.

10. Sponsorships

Sponsorships refer to the provision of cash, venues or any other form of financial support to an individual or organization, in order to assist that individual or organization in performing an act in the field of sports, arts, science, culture or education. Examples include an individual running a race, or an organization holding a sporting or cultural event or a conference. Unlike charitable donations or contributions to communities, sponsorships are meant to promote awareness to Ormat's commercial and business interests, usually by means of advertising.

Sponsorships could create significant risks to Ormat if they are linked, or perceived as linked, to an expected or pending decision affecting Ormat's business interests. For this reason, Ormat Persons seeking to offer or provide sponsorships should follow the instructions provided in Ormat's designated procedures for sponsorships.

In any case, Ormat Persons are not permitted to offer or give any sponsorship that (i) violates local laws; (ii) is offered, or given with the intention of, influencing someone to act improperly or effecting an expected or pending decision affecting Ormat's business interests, including that of a public official in his or her capacity; or (iii) otherwise creates an appearance of impropriety.

Procedures for sponsorships are available for Ormat Persons at ormat.gan-compliance.com. If any Ormat Person is uncertain it a certain sponsorship is legitimate under Ormat policies, the question should be referred in writing to the CCO.

11. Mergers & Acquisitions

Under certain anti-corruption laws, Ormat could be held responsible for the corrupt conduct at an entity that occurred before Ormat acquired the entity through a merger, an asset/share acquisition or other transactions of that nature. Such cases can lead to severe civil or criminal penalties for Ormat, including harm to Ormat's reputation and integrity, which could result in severe financial losses. Therefore, before Ormat acquires any entity -- whether via a merger, asset or shares acquisition -- appropriate anti-corruption due diligence will be carried out as part of the financial and legal due diligence workstreams. The CCO shall supervise such due diligence process.

12. Engaging Third Parties

Many anti-corruption laws do not differentiate between acts made by an individual or a corporation, and acts made by a third party acting on behalf of that individual or corporation. Therefore, Ormat Persons need to be certain that whenever a third-party assists Ormat in a transaction or otherwise acts on Ormat's behalf, that third party operates under similar ethical and business standards such as Ormat.

Before entering into or renewing any relationship with a third party that is expected to interact with government officials on behalf of Ormat, a due diligence inquiry will be conducted of the third party's background in accordance with the guidelines and principles to be set by the CCO from time to time. Ormat Persons shall inform the CCO as soon as they identify a prospective relationship with a third party that is subject to such a due diligence review.

Some useful non-exhaustive examples of such third parties may include:

- An agent that represents Ormat in a defined territory or in connections with a public tender;
- A consultant who interacts with environmental, tax, land administration authorities or other governmental agencies,
- A lawyer who represents Ormat in a dispute or in connection with a merger with a state-owned corporation, or an accountant who represents Ormat in a tax matter;
- A lobbyist; and
- A customs broker who handles the clearance of imported or exported goods through customs.

Before approving or renewing the commercial engagement with a third party subject to due diligence review, the Ormat Person approving or renewing such engagement shall check whether any "red flags" that might signal a potential risk are evident when considering the third party's background, reputation or qualifications. Further guidance and examples of "red flags" can be found in



Ormat's "Red Flags Memo" which is available for Ormat Persons at ormat.gan-compliance.com. Ormat personnel who are concerned about a potential red flag should promptly notify to the CCO.

13. Due Diligence and Certification Procedures for Certain Prospective Joint Venture or Investment Partners

A due diligence review of any prospective partner in a joint venture or equity investment shall be conducted in order to confirm the prospective Partner's compliance with applicable Anti-Corruption laws, including the FCPA. The CCO shall supervise such due diligence process.

14. Accounting Requirements

As a U.S. publicly-traded company, Ormat is subject to the FCPA's recordkeeping requirements. The FCPA requires that Ormat keep accurate books and records that, in reasonable detail, reflect the transactions and asset dispositions of Ormat.

Ormat has adopted a system of internal accounting and operating controls and procedures that must be strictly adhered to by Ormat's personnel. All Ormat Persons must provide accurate financial and business transaction information to and within Ormat so that all underlying transactions are properly documented and recorded. All transactions, no matter how small, must be fairly and accurately recorded.

Under the relevant law and this Policy, Ormat Persons are specifically prohibited from falsifying any accounting or other business record or creating misleading records or book entries. Ormat Persons shall not create or help create any documents for the purpose of concealing any improper activity. Ormat Persons are also prohibited from maintaining "off the books" accounts or making payments into anonymous bank accounts or accounts that are not in the name of a payee. In addition, no payments to third parties shall be made in cash, unless authorized by Ormat's CEO or CFO.

Ormat Persons are required to cooperate with and provide full and truthful answers to any questions from Ormat's internal or independent auditors.

15. Compliance Roles and Responsibilities

- a) The CCO. The CCO is responsible for supervising and managing the Anti-Corruption Compliance Program, and reports directly to the Chief Executive Officer. In addition, the CCO will report independently to the Audit Committee on key developments and information necessary to monitor the effective implementation of this Policy, while performing the following tasks:

- Risk Assessments: identifying and evaluating the corruption risks faced by Ormat in conducting its business, and formulating appropriate plans to improve Ormat's anti-corruption compliance activities following such assessments;
- Policies and Procedures: issuing and implementing procedures to prevent and detect anti-corruption violations and provide input to other relevant policies and procedures of Ormat;
- Guidance and Advice: providing guidance to Ormat Persons on anti-corruption issues, concerns and interpretations of laws and regulations;
- Training and Awareness: preparing and delivering anti-corruption training for Ormat personnel and certain third parties acting on behalf of Ormat, and preparing and communicating anti-corruption material throughout Ormat as necessary;
- Due Diligence: supervising due diligence process on counterparties in a potential business relationship such as a joint venture, consortium, merger or an acquisition, as well as on any other third party engagements that present potential corruption risks. This includes identifying the level of information needed, analyzing the information, identifying potential corruption risks imposed by the business transaction, and formulating appropriate risk mitigation measures;
- Regulatory Developments: monitoring the development of Anti-Corruption Laws and other regulatory requirements in jurisdictions where Ormat conducts or plans to conduct business, and make necessary updates and revisions of internal policies in order to meet such developments;
- Compliance Monitoring: conducting periodic assessments of the effectiveness of Ormat's anti-corruption compliance measures;
- Reporting: Reporting to Ormat's Audit Committee on a periodic basis, and at least twice a year, on key developments and information necessary to monitor effective implementation of this Policy. Reporting potential violations of this Policy and the Code of Conduct directly to the CEO and/or the Chair of the Audit Committee of Ormat;
- Internal Investigations: Processing and responding to inquiries, allegations or complaints made through the Compliance Hotline or email address and determining whether there is a need for an internal investigation of a potential anti-corruption violation. The CCO shall carry out such investigations if deemed necessary (including scoping the investigation and deciding whether external legal and/or forensic assistance is necessary) and shall inform the Audit Committee on the results of investigations accordingly.



In carrying out these responsibilities, the CCO shall have an adequate budget needed to perform his duties. The CCO may utilize the assistance of qualified Ormat and outside personnel as needed.

- b) The Anti-Corruption Committee. Ormat's Anti-Corruption Committee is comprised of the CCO, select Ormat EVPs, and other members as may be designated by the CEO from time to time. The Anti-Corruption Committee is responsible for conducting periodic assessments of the functionality, implementation of and compliance with this Policy and provide guidance and assistance to the CCO.
- c) The Audit Committee. The Audit Committee is responsible for conducting periodic assessments of the effectiveness of Ormat's anti-corruption measures and the effectiveness of this Policy.
- d) Ormat Officers. All Officers of Ormat Anti-Corruption Committee hold responsibility for the daily implementation of this Policy.
- e) Personnel. All Ormat person hold responsibility for the daily execution of, and compliance with, the requirements set forth in this Policy and all related procedures.

All Ormat directors, officers and relevant personnel (which includes employees worldwide involved in business development, purchasing or hiring goods or services, global transportation and financing) shall complete the Employee Certificate (Enclosure 1) or its equivalent, on an annual basis.

C. Risk Assessment

Ormat conducts periodic anti-corruption risk assessments of external and internal risk indicators imposed by existing as well as prospective business opportunities, activities in jurisdictions with increased levels of corruption, third party engagements, and transactions exposing Ormat to anti-corruption laws and regulation. After identifying and prioritizing corruption risks, the CCO will formulate appropriate risk mitigation plans in order to reduce Ormat's overall risk exposure. Depending on each risk assessment and its results, Ormat will periodically update this Policy to ensure it remains effective and relevant to Ormat's risks.

D. Training and Awareness

Ormat requires all relevant personnel to attend periodic anti-corruption training. This is to ensure that requirements related to Ormat's Code of Conduct and this Policy are understood and implemented at all levels.

E. Internal Audit



As part of its routine audit process, Ormat shall test and analyze Ormat's transactions and Ormat's books, records and accounts to identify possible anti-corruption violations.

Ormat Persons shall cooperate fully with Ormat audit staff. Further, the effectiveness of internal audits of anti-corruption compliance are incorporated in the Audit Committee's evaluation of the effectiveness of this Policy.

F. Reporting Violations of this Policy and Cooperating with Investigations

Ormat Persons must report any suspected violation of this Policy to the CCO abac.compliance@ormat.com. A failure to make such a report could result in a disciplinary measure, including termination of employment, as well as cancellation of the contractual relationship in question. Ormat will investigate all reports of possible violations and take appropriate remedial steps as necessary. No retaliatory action will be taken or tolerated against an employee who, in good faith, reports a suspected violation.

The address for such reporting is: abac.compliance@ormat.com. There is also a possibility to file any such report anonymously, by way of the following hotline: +1-866-294-5535 or via the Corporation's third party web-based whistleblower site - www.ethicspoint.com.



Enclosure 1

ORMAT ANTI-BRIBERY AND CORRUPTION POLICY

EMPLOYEE CERTIFICATE

This is to certify that:

1. I have received a copy of Ormat's Anti-bribery and Corruption Policy (the "Policy"). I have reviewed the Policy and am familiar with it. I also have had an opportunity to ask questions about anything which I did not understand.
2. I agree to comply with the provisions of the Policy. In addition, I agree to notify Ormat immediately, in the manner set forth in this Policy, of any actual or potential violation of which I become aware.
3. To the best of my knowledge and belief, (a) I have not violated the Policy, and (b) I do not know of any violations of the Policy by any other person.

EMPLOYEE SIGNATURE

PRINT NAME:

TITLE:

LOCATION:

DATE:
