



ORMAT TECHNOLOGIES, INC.

ANTI-CORRUPTION POLICY

(November 7, 2016)

Ormat Technologies, Inc., and its direct and indirect subsidiaries (collectively, “Ormat”), operates in many countries and conducts business around the world. Various laws require conduct in international business to meet certain standards. Ormat, including its personnel and agents (wherever located), is obligated to comply with all applicable anti-corruption and anti-bribery laws, such as the U.S. Foreign Corrupt Practices Act (collectively “Anti-Corruption Laws”).

This Anti-Corruption Policy applies to Ormat directors, officers, employees, third party representatives, partners, agents and any other providers of services to Ormat (“Ormat Persons”).

The basic policy is simple: Ormat Persons are not to receive, pay, nor to permit a third party conducting business on Ormat’s behalf to receive or pay, bribes from or to anyone, at any time, for any reason.

A. GENERAL GUIDELINES

1. Bribery Is Illegal

The Anti-Corruption Laws make it illegal to bribe. The prohibition covers bribes to public officials and private individuals, whether made directly or through a third party acting on Ormat’s behalf where Ormat knows, or has reason to know, that the intermediary will be offering a bribe. There are potential civil and criminal penalties for companies and for individuals who violate the Anti-Corruption laws.

A “bribe” is an unlawful offering to give, promising to give, or authorizing someone else to give anything of value for the purpose of obtaining or retaining business or gaining a business advantage. Corrupt or illicit payments and kickbacks can be considered bribes. “Something of value” obviously includes money, but also can include gifts, travel expenses, goods or services, loans, or excessive entertainment, including for family members. It does not necessarily matter whether the promise or offer of a bribe is accepted or actually paid; the violation can occur when the offer or promise is made.

Ormat does not have a defense that the cultural norms in some countries may necessitate providing economic benefits to government officials, or unlawful benefits



to individuals to facilitate business. In addition, this Anti-Corruption Policy prohibits to conduct business in a way that would violate the Policy via a third party that Ormat knows, or has reason to know, is occurring. Subsequently, where a third party assists Ormat in a transaction, it is necessary to ensure that they understand they may not violate this Anti-Corruption Policy.

2. Government Officials

Anti-Corruption Laws have heightened sensitivity regarding bribery of government officials. The definition of “government official” includes 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, in certain cases (such as under the US Foreign Corrupt Practices Act), coverage includes 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 the companies Ormat and/or Ormat Persons are dealing with may be considered government officials because companies in such countries often are partially owned or controlled by the government. China and Russia are examples of countries where the economy is or, in the past, was, controlled by the government.

3. What is “Knowledge”?

Ormat Persons shall not engage in any act which compromises this Anti Corruption Policy. “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 a questionable action comes to their attention. Accordingly, if an Ormat Person becomes aware of facts and circumstances involving Ormat that raise a question of an Anti-Corruption violation, the case should be reported immediately to a member of the Anti Corruption Committee.

4. Exceptions: Emergencies and Personal Safety

In rare circumstances, an individual may be placed in an extreme situation involving duress, extortion or a threat to personal health or safety unless he or she agrees to engage in conduct which would ordinarily constitute a breach of this Anti Corruption Policy.

In these circumstances, the making of a payment or the taking of other actions which would ordinarily constitute a breach is permitted, provided that the incident in



question is reported to the CEO as soon as possible, and the individual in question participates in any subsequent investigation by Ormat and/or any enforcement authorities.

5. “Facilitation Payments” Are Prohibited

“Facilitation payments” are payments whose purpose is to “grease the wheels” to convince government officials to perform or expedite tasks they are otherwise obligated to provide. Ormat Persons are not to make or allow any facilitation payments. As with bribes, the fact that facilitation payments may be the cultural norm in some countries is not a defense to making them.

If any Ormat Person is uncertain about whether a government fee is a legitimate cost, the question should be referred in writing to a member of the Anti Corruption Committee before making the payment.

6. Business Gifts, Travel, and Entertainment

When planning entertainment activities and providing gifts to business partners designed to create goodwill on behalf of Ormat, Ormat Persons must exercise common sense and sound business judgment. As a general rule, business gifts and entertainment to government officials are prohibited, unless approved prior by the Anti Corruption Committee or under directives it may issue.

Modest business gifts and entertainment to other individuals may be permissible within the guidelines below when they are related to Ormat’s legitimate business interests and are not being provided in exchange for official action or inaction that may provide a business advantage to Ormat.

General rules for an acceptable expenditure are as follows:

- a) Any gift, entertainment, or travel expenditure must be reasonably related to a legitimate business purpose, and not intended to influence official acts or decisions or to obtain a business advantage.
- b) Any expenditure must be reasonable and must avoid even the appearance of impropriety. In determining what is reasonable, Ormat Persons should consider the time, place and other circumstances of the entertainment.
- c) Gifts should be of nominal value, and may be given only as a courtesy or as a gesture of hospitality. It is preferable if the gift would have a symbolic value which exceeds its monetary value. An example would be a book on the history of the United States. Ormat Persons may never provide a gift in cash in any amount.
- d) Absent prior written approval from an appropriate Executive Officer, the total value of gifts and other business entertainment expenditures provided to any person who is not a government official during any three-month period must be



less \$250. For purposes of this policy, the threshold for an entertainment event applies to the entire event (i.e., golfing and dinner), not to each activity separately.

- e) The expenditure may not violate local law.
- f) The expenditure must be acceptable under local custom and laws.
- g) The time spent on entertainment shall be minor and proportionate to the time devoted to the business objectives.
- h) An Ormat employee should always be present at entertainment or hospitality events.
- i) (Even if a gift or business entertainment event expense is below the \$250 per person threshold, Ormat Persons must obtain approval in advance by the Anti-Corruption Committee when the potential recipient has suggested the expense.
- j) Provision of non-local transportation (involving air travel) and lodging to non Ormat Persons requires prior written approval from the CEO. Such travel-related expenses should be purchased by Company personnel. If it is necessary to reimburse non-Ormat Persons for travel arrangements that they made themselves, proper documentation demonstrating the reasonable and necessary cost of the travel must be obtained before payment can be made.
- k) Provision of non-local travel expenditures should only be made when reasonably related to a proper business activity, such as enabling prospective business partners to observe a working power plant facility. All costs must be reasonable and necessary, and narrowly tailored to enable the proper activity. Careful records relating to the travel expenditures should be kept, and should include the names, titles, and employers of the individuals involved, and a specific description of the need for the travel costs.
- l) Any travel expenditures for a government official must be approved in writing and in advance by the Anti Corruption Committee or under directives it may issue.
- m) Any gift, travel, or entertainment expenditure must be properly reported on the relevant Ormat Person's filed expenses report.
- n) Questions regarding whether a gift is appropriate and lawful should be referred in writing to a member of the Anti Corruption Committee.

The line between legitimate entertainment expenses and an improper payment can be difficult to draw. If an Ormat Person has questions about whether a gift, travel, or entertainment expense could be perceived as a bribe, guidance should be sought before the entertainment occurs.



7. Political Contributions

Ormat makes political campaign contributions only as allowed by law. Nothing in this policy is intended to permit or authorize any campaign contributions except those made in accordance with all relevant statutes, regulations, or other campaign finance laws. Any questions regarding whether a proposed contribution is appropriate should be directed to the CEO.

B. COMPLIANCE PROCEDURES

1. Training and Implementation

Management has designated an Anti Corruption Committee that holds the principal responsibility to manage this policy. Its members are comprised of VP Legal, Executive VP of Sales and Business Development and other members as may be designated by the Company's management from time to time. The Anti Corruption Committee will provide training programs, will respond to questions from staff, investigate possible violations and will conduct periodic reviews of the functionality of the policy.

2. Certification of Ormat Directors, Officers and Employees

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

3. Due Diligence and Certification Procedures for Certain Agents and Third Party Representatives

The Ormat employee who hires or oversees the agent or third party representative shall conduct a due diligence review in appropriate circumstances as described below to ensure that Ormat does not retain inappropriate agents or third party representatives ("Representative") in a high risk jurisdiction. For the purpose, a Representative who might be subject to a due diligence would include consultants, exclusive resellers and exclusive distributors, but would not ordinarily include non-exclusive resellers/distributors, prime contractors or subcontractors.

Based on the Transparency International Corruption Index as of February 2016, current high risk jurisdictions are: the Middle East (except Israel and the UAE), Africa (except the Republic of South Africa, Botswana and Rwanda), Asia (except Australia, Japan, Hong Kong, New Zealand, Singapore and Taiwan), Eastern Europe (except Lithuania, Slovenia, and Latvia), Mexico, Central America and South America (except Uruguay and Chile).



Once it is determined that the entity or individual qualifies as a Representative, and may interact on behalf of Ormat or in connection with his/her work for Ormat, if the Representative is working in a country that poses a substantial risk of public corruption or where suspicious circumstances arise, the Ormat personnel shall conduct a due diligence review of the Representative. Ormat shall maintain records of the due diligence conducted.

The due diligence and documentation process for relevant Representatives is as follows:

- a) Representatives shall complete the Representative Checklist (Enclosure 2) or its substantial equivalent; and
- b) The Representative's agreement must be approved by an Executive Officer prior to execution to ensure that a proper due diligence was conducted and that it contains appropriate Anti-Corruption provisions, including reference to or integration of the principles of this Anti-Corruption Policy.

4. Due Diligence and Certification Procedures for Certain Prospective Partners

Ormat personnel shall conduct a due diligence review of a prospective partner in a joint venture or equity investment ("Partner") who may act on behalf of Ormat or in connection with its work for the venture, in a country that poses a substantial risk of public corruption (see the discussion of a high risk jurisdiction above) or where suspicious circumstances arise.

The specific due diligence activities that Ormat personnel undertake may vary depending upon the individual transaction. For example, in some circumstances, it may not be appropriate to request that the Partner complete a Checklist. Attached is a Partner Checklist (Enclosure 3) for Ormat personnel use to attempt to obtain this information from the Partner or conduct an equivalent due diligence. It is recognized that, in some circumstances, it may not be appropriate to request that the Partner complete the Checklist, so the Ormat personnel handling the Partner may do so internally or perform an equivalent due diligence.

As appropriate, in addition to contacting the Partner, Ormat personnel may contact outside legal counsel, financial institutions and other companies that may have knowledge of the Partner, its reputation and past business practices. The completed Checklist or equivalent due diligence should be reviewed and approved by an Executive Officer before Ormat enters into an agreement with the Partner. If approved, the agreement with the Partner is to be reviewed prior to execution by the responsible Executive Officer or VP-Legal to ensure that the Agreement contains appropriate Anti-Corruption representations.



5. Penalties for Violations

Penalties for violating Anti-Corruption Laws apply to both Ormat and Ormat Persons. Under the U.S. Foreign Corrupt Practices Act (the “FCPA”), for example, employees who engage in prohibited conduct can be imprisoned 5 to 6 years and be subject to fines between \$250,000 to \$1,000,000 per violation. The Act prohibits Ormat from reimbursing individuals when fines are imposed on them.

Moreover, Ormat and individuals that engage in unlawful conduct may be subject to civil fines (including a fine that is double the amount of any gain), suspension of certain business activities, civil lawsuits from shareholders and/or competitors, and profit disgorgement. Mere allegations of bribery and corruption can lead to non-quantifiable harm such as damage to Ormat’s reputation. The penalties are high and no amount of business justifies the risks. Finally, violating either this Anti Corruption Policy or any of these laws also may lead to termination of employment of, or contractual relationship with, the relevant Ormat Persons.

6. Accounting Requirements

As a public company, Ormat is also subject to the FCPA’s recordkeeping requirements, which require that Ormat not create or maintain false or misleading books or records, keep books and records in reasonable detail, and institute internal controls to ensure the foregoing. There is no materiality threshold; all transactions must be fairly and accurately recorded.

Ormat will maintain books and records that accurately reflect the company’s transactions, use of assets, and other similar information. All Ormat Persons must ensure that:

- a)** Ormat does not create or maintain false or misleading books or records or maintain “off the books” accounts;
- b)** Books and records are kept in reasonable detail, and information is fully and accurately recorded;
- c)** Gifts, meals, entertainment, travel or other business hospitality are accurately accounted for and described in Ormat’s books and records. The description should identify the nature of the expenditure (gift, meal, etc.), the amount, the date, and the identity of the recipient;
- d)** Any payments made on behalf of Ormat are supported by appropriate documentation;
- e)** No payments to Representatives are made in cash, unless authorized by Ormat’s CEO or CFO; and



- f) No Ormat personnel create or help create any documents for the purpose of concealing any improper activity.

Any perceived failure of the books and records of Ormat to meet these requirements shall be reported to the CFO in order to determine whether a possible violation exists and, if so, the appropriate actions required.

7. Internal Audit of Compliance

As a regular part of its routine audit process, Ormat shall test and analyze Ormat's transactions and Ormat's books, records, and accounts for possible violation of the Anti-Corruption Policy. Ormat Persons shall cooperate fully with Ormat audit staff.

Further, the Anti Corruption Committee shall conduct an annual review of the effectiveness of the procedures in the Policy.

8. Supervising Implementation of the Anti-Corruption Policy

Executive Officers hold responsibility for overall daily implementation of the Policy under the guidance of the Anti Corruption Committee; referring questions to the Anti Corruption Committee, issuing reports to the Anti Corruption Committee regarding adherence to the Anti-Corruption Policy, and facilitating investigation by the Anti Corruption Committee of possible violations (unless the CEO or VP-Legal determines that an independent investigation is warranted), Executive Officers shall cooperate with the Anti Corruption Committee in the committee's conduct of periodic reviews of functionality, implementation of and compliance with the Policy, each within their respective areas of responsibility. In carrying out these responsibilities, Ormat may utilize the assistance of qualified Ormat and outside personnel.

9. Reporting Anti-Corruption Concerns

Ormat Persons must report any suspected violation of this Policy to the Anti Corruption Committee; a failure to do so could lead to termination of employment or other relevant contractual relationship. No action will be taken or tolerated against an employee who, in good faith, reports a suspected violation. Ormat will investigate reported concerns and, following the investigation, Ormat will take appropriate remedial steps. The address for such reporting is: [add email address].

There is also a possibility to file any such report anonymously, by way of the following hotline: +1-866-294-5535



ENCLOSURE 1

ORMAT ANTI-CORRUPTION POLICY

EMPLOYEE CERTIFICATE

This is to certify that:

1. I have received a copy of the Company Anti-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 the Company immediately of any violation or possible violation of the Policy 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: _____



ENCLOSURE 2

ORMAT CHECKLIST FOR REPRESENTATIVES

- 1. a. Representative's name _____
- b. Business address _____
 including country _____
- c. Telephone number _____
- d. Facsimile number or email address: _____
- e. Website _____
- f. Principal Contact Person at Representative _____

2. Please identify each owner, partner or shareholder in your business who has at least a 5% ownership interest.

Answer: _____

For any principal owner, partner or shareholder that is itself a corporate entity, please also list the principal owners, partners, shareholders directors and senior officers of each such entity.

Answer: _____

- 3. a. Please state the date that you started in business as a consultant, sales representative or distributor _____
- b. What is your commercial registration number or business license number (if any)? If more than one license or registration, please list all such numbers.

- c. What is the name of the organization or Government agency issuing the commercial registration or license?

4. Please identify representative companies that you represent.

Company and Nationality	Products or Services	Year Representation Began
_____	_____	_____
_____	_____	_____
_____	_____	_____



5. Do you have any personnel who will meet with governmental personnel (or state-owned company personnel) as your representative in connection with the services that your firm will provide to Ormat? (The term, personnel, means any person whom you pay for assisting you in performing your business.)

Yes ___ No ___

If the answer is Yes, please list each such individual.

Answer: _____

For purposes of the remainder of this application, please consider the term "Principal" to mean any of the individuals or corporations listed above in response to Questions 2 and 5.

6. Are any of the Principals in your business employed by, or owners of, any other business?

Yes ___ No ___

If the answer is yes, please identify the business and the position held for each such Principal.

Answer:

7. Are any of the Principals in your business currently employed by, or do they have any official duties for, any government agency, state-owned enterprise or public international organization?

Yes ___ No ___

If the answer is yes, please identify the Principal, the governmental organization, state-owned enterprise or public international organization, position and duties.

Answer: _____

8. Do any of the Principals in your business currently hold any office or position in any political party or are they candidates for any political office?

Yes ___ No ___

If the answer is yes, please identify the Principal, the political party and position held or sought.

Answer: _____

9. Please state whether a member of a Principal's immediate family is an employee of a government agency, state-owned enterprise, public international organization official, an official of any political party, or a candidate for political office within your country. ("Immediate family" means: (a) the spouse, parents, brothers, sisters, or children of



the Principal; and (b) the parents, brothers, sisters, or children of the Principal's spouse.)

Yes ___ No ___

If the answer is yes, please identify the Principal, the name of the family member, that person's relationship to the Principal, and the office held.

Answer: _____

10. Would any Principals in your business utilize significant assistance from third parties in assisting Ormat in achieving its business/regulatory goals?

Yes ___ No ___

If the answer is yes, please indicate the names of any person or firm which you would rely upon, and their relationship to your business.

Answer: _____

11. Please describe or attach a recent financial statement if a financial statement is publicly available.

Answer: _____

12. Does your business abide by written anti-corruption compliance policies and procedures?

Answer: _____

13. Has your Company or any Principals been accused of either making or accepting a bribe or otherwise improperly influencing a government decision? If so, please describe the circumstances.

Answer: _____

14. If your answer to Question 14 was Yes, how and when was the matter resolved?

Answer: _____



Representative Certification:

I have read the statements contained in Items 1-14 above. I understand that any agreement entered into with Ormat to retain the services of my company incorporates these representations. Such representations are true and correct to the best of my knowledge as of this date.

(Signature)

(Print Name)

(Company)

(Title/Position)

(Date)



ENCLOSURE 3

ORMAT CHECKLIST

FOR PROSPECTIVE BUSINESS PARTNERS

1.
 - a. Partner's name _____
 - b. Business address _____
including Country _____
 - c. Telephone number _____
 - d. Facsimile number or email address: _____
 - e. Principal Contact Person at Partner _____
 - f. How/by whom was the Partner introduced to Ormat? _____

2. When did the Partner start in business?
Answer: _____

3. What is the size of the Partner (approximate annual revenues, number of employees and geographical coverage)?
Answer: _____

4. Please identify the Partner's directors and senior officers.
Answer: _____

5. What Partner professional staff will be assigned to the potential venture with Ormat?
Answer: _____

6. Who are the principal owners, partners, or shareholders in the Partner (i.e., who has at least a 5% ownership interest in the Partner)?
Answer: _____
For any principal owner, partner or shareholder of a Partner that is itself a corporate entity, please also list the principal owners, partners, shareholders directors and senior officers of each such entity.
Answer: _____

7. Does the Partner have any personnel who will meet with governmental personnel (or state-owned company personnel) as the representative of the potential venture?
Yes ___ No ___



If the answer is Yes, please list each such individual.

Answer: _____

For the remainder of this Checklist, please consider the term (“Principal” to mean any of the individuals listed in response to Questions 4-6, above.

8. Are any of the Principals in the Partner employed by, or owners of, any other business?

Yes ___ No ___

If the answer is yes, please identify the business and position held for each such Principal?

Answer: _____

9. Are any of the Principals in the Partner currently employed by, or do they have any official duties for, any government agency within the local country or any public international organization?

Yes ___ No ___

If the answer is yes, please identify the Principal, the governmental organization, position and duties.

Answer: _____

10. Do any of the Principals in the Partner currently hold any office or position in any political party or are they candidates for any political office?

Yes ___ No ___

If the answer is yes, please identify the Principal, the political party and position held or sought.

Answer: _____

11. Please state whether a member of a Principal’s immediate family is an employee of any government agency, a public international organization official, an official of any political party, or a candidate for political office within your country. (“Immediate family” means: (a) the spouse, parents, brothers, sisters, or children of the Principal; and (b) the parents, brothers, sisters, or children of the Principal’s spouse.)

Yes ___ No ___

If the answer is yes, please identify the Principal, the family member, that person’s relationship to the Principal, and the office held.

Answer: _____



12. Would the Partner utilize significant assistance from anyone else in assisting the venture in succeeding in its business?

Yes ___ No ___

If the answer is yes, please indicate the names of any person or firm which the Partner would rely upon, and their relationship to the Partner's business.

Answer: _____

13. What is the background and experience of the Partner in alternative energy products? (Please describe or attach sales brochures, capability brochures or similar material)

Answer: _____

14. What is known with regard to the Partner's financial stability? Please attach a Partner financial statement if one is publicly available

Answer: _____

15. Has Ormat previously done business with this Partner? If so, under what circumstances?

Answer: _____

16. Does the Partner's business have a written code of conduct?

Answer: _____

17. Does the Partner's business have written anti-corruption compliance policies and procedures (FCPA, UK Bribery Act, OECD)?

Answer: _____

18. Does the Partner's business conduct anti-corruption compliance training:

Answer: _____

19. Has the Partner or its Principals been accused of either making or accepting a bribe or otherwise improperly influencing a government decision? If so, please describe the circumstances.

Answer: _____

20. If the answer to the foregoing question is Yes, how and when was the matter resolved?

Answer: _____



Form completed by the following Partner:

(Signature)

(Print Name)

(Company)

(Title/Position)

(Date)