



COMPLIANCE AND INTEGRITY

1. PURPOSE

The purpose of Bertel O. Steen's compliance policy is to ensure that the group and its business associates have a risk-based, sufficient and proportional approach to ensure compliance with relevant laws and guidelines.

This policy describes in brief Bertel O. Steen's business, risk profile and the group's perception of its stakeholders' expectations of the group's compliance work, in addition to the group's expectations of its own and its business associates' business ethics and compliance with relevant laws and guidelines. It defines which laws and guidelines are to be observed by the compliance policy. It describes where responsibility is placed with regard to compliance and gives a brief summary of the measures in place to ensure compliance with laws and rules.

Bertel O. Steen's compliance policy includes the following laws and guidelines:

- The provisions of the Norwegian General Civil Penal Code on financial criminality, including corruption.
- Legislation on competition
- The provisions of the Norwegian Working Environment Act concerning discrimination, harassment etc.
- The Data Protection Act
- The regulation on information and supervisory duties and the right to information according to the Application Act
- The group's ethical guidelines.

Any breach of other laws and guidelines for the purpose of gain for the individual, the group or others will be covered by the compliance policy. The policy will help to prevent such events, and to ensure that if they do occur, they are dealt with in line with this policy and other relevant guidelines.

Brief presentation of Bertel O. Steen

Bertel O. Steen runs an auto and property-related business, and is one of the biggest in Norway within import, sales and after-sales services for cars, vans, trucks and buses. The group has a nationwide dealer network selling its brands, used cars and after-sales market services. The dealer network consists of wholly or partly owned companies within the group and a number of independent dealers. The workshop chain Snap Drive is a wholly owned and independent chain of workshops located in the biggest cities in the country. The group also runs a significant property development, management and auto financing business. The group had around 2,200 employees at the end of 2015. The group is family-owned, and was founded in 1901.

Risk profile in brief

Bertel O. Steen is a sales organisation, operating within a capital-intensive industry. The group sells vehicles and services to private customers and private and public sector businesses and has a large degree of interaction with potential customers, suppliers, etc. Our compliance policy shall reflect the nature of the group and be adapted to the risk profile. The group believes that its compliance policy is sufficient and appropriate to reduce the risk of lack of compliance.

The expectations of the group and key stakeholders

The group has defined targets and values to provide guidelines for the group's business operations and its compliance policy. The owners, authorities, public and private customers plus auto manufacturers are very important stakeholders for Bertel O. Steen and will have clear expectations for the way we run our business. Similarly, we have clear expectations for the way our business associates conduct their business and their compliance policies.



2. TARGET GROUP

The compliance policy applies to Bertel O. Steen AS and its subsidiaries (The automobile and real estate group Bertel O Steen).

3. DEFINITIONS

Bertel O. Steen or the group: Bertel O. Steen AS and its subsidiaries.

Compliance: Compliance with laws, rules and relevant guidelines to which the group is subject

Subsidiary: The companies in which Bertel O. Steen AS directly or indirectly owns 50% or more of the shares, or in which Bertel O. Steen AS has majority influence.

4. OVERALL GUIDELINES AND PRINCIPLES

Bertel O. Steen has a zero tolerance policy towards breaches of the law and guidelines, including corruption and other financial crime. Any suspicion of a breach of the law and guidelines will be dealt with in line with the group's guidelines for investigations. If circumstances are found that provide grounds for reporting to the police and/or self-reporting to the relevant authorities, such actions shall be taken.

The measures that collectively form the group's compliance policy are briefly described below. Within each area, reference is made to other guidelines. The group's compliance policy is broken down into the following five elements:

- Control environment
- Risk assessments
- Controls
- Information and communication
- Monitoring and improvement

Control environment

The group's management believes in high ethical standards in all its business undertakings. This is implemented in the business via one of the group's five core values: Integrity.

The management's focus on preventing, identifying and dealing with any breach of the law and guidelines shall be visible to employees and the world outside. This is achieved through ethical guidelines, a whistleblower channel and the group's reward systems.

Bertel O. Steen has defined clear roles and responsibilities to ensure compliance with the law and guidelines.

Ethical guidelines

Bertel O. Steen shall have ethical guidelines that serve to prevent corruption, etc. Our ethical guidelines shall be incorporated into mandatory training for all employees. They shall be available publicly via the group's website. Ethical guidelines for suppliers shall be attached to contracts when risk assessment indicates that there is a risk of financial criminality, including corruption.

Whistleblower channel

Bertel O. Steen shall encourage employees to report any questionable circumstances to the management. Internal and external as well as anonymous channels shall be established through which employees can report their concerns or suspicions of breaches of law and guidelines, and/or other questionable circumstances. Bertel O. Steen shall have guidelines for receiving and dealing with incoming reports. Information on the whistleblower channel shall be available on the group's intranet. Special whistleblower posters shall be produced and on display in relevant places and in relevant languages at various locations, e.g. workshops, canteens etc.

Any reports or other indications of a breach of the law and guidelines shall be investigated in line with the group's guidelines, including those for access to e-mails etc.



Reward systems

The group's reward systems shall not contribute to the risk of breaching law and guidelines. Compliance with the compliance policy, law and guidelines shall be emphasised during evaluations, promotions etc.

Compliance with Bertel O. Steen's ethical guidelines and work rules shall be a condition of employment at Bertel O. Steen, and breach of the same entitles the group to implement disciplinary measures, including notice and dismissal. Disciplinary measures shall be consistently applied throughout the group, regardless of a person's title and function.

Risk assessments

The group's policy for risk assessment shall describe methods, roles and responsibilities for performing assessments. They shall be performed at least once a year to ensure that any new risks are identified, and that any events which reveal risks not previously identified by assessments are dealt with. Identification and evaluation of the risk of financial crime shall be part of the group's policy for risk assessment.

A summarised risk profile that includes the risk of financial crime shall be composed annually by the group management and board of Bertel O. Steen.

Controls

Controls shall be based on risk and the relationship between risk and controls. This shall be documented in a risk-control matrix. The following key controls shall be in place:

Financial controls

Internal control shall consist of authorisations, delegation, financial management regulations, controllers and routines for interim and annual accounts. The authority structure shall describe authorisations given for instruction and signing off, along with executive authority related to procurements, invoice approval and investment decisions. Financial controls shall be described in the group's financial management manual.

Non-financial controls

Non-financial controls shall be established, including written procedures for implementation of background checks of suppliers and in connection with recruitment. Background checks shall be based on risk assessment. Courses and training shall be an important part of non-financial controls. This is described in more detail in a dedicated section.

Information and communication

Training

All employees shall undergo mandatory training dealing with themes such as whistleblowing, ethical guidelines and financial crime. In addition, and based on risk assessment, further training will be given to individuals, including purchasers, sales personnel etc.

The entire group shall learn of any incidents through information sharing.

Communication

The group's ethical guidelines, the ethical guidelines for suppliers and the group's compliance policy shall be available on the group's intranet and website. These documents shall be published in Norwegian and English.

Focus on the risk and prevention of financial crime, including focus from the top management, shall be clearly communicated internally and externally.

All incidents related to a breach of the law and guidelines shall be reported via the group whistleblower channel, or to a superior. The reporter's immediate superior is responsible for passing on the report to the compliance function. The compliance function shall register all relevant incidents to ensure information sharing, learning and that incidents that occur are addressed through an updating of the risk assessments. The compliance function shall report regularly to the group management and annually to the group's audit



committee. The Group CEO shall inform the chair of the board of any circumstances in line with the group's emergency response plan.

Monitoring and improvement

The board has the ultimate responsibility for ensuring that the group's compliance policy is always adapted to its risk profile and works satisfactorily. The group management has day-to-day responsibility, whilst the compliance function has operational responsibility.

This implies that the compliance function continuously ensures that the policy and relevant guidelines are kept updated and that they are revised when incidents occur that identify weaknesses.