

BALANCING POOL

CODE OF CONDUCT GUIDELINES

FOR MEMBERS, OFFICERS, EMPLOYEES AND AGENTS
(Collectively, “the parties bound by these Guidelines”)

For the Balancing Pool’s excellent reputation in the business community to be maintained, all dealings on the Balancing Pool’s behalf must reflect high standards of ethical behavior. In particular, specific guidelines of the Balancing Pool’s Code of Conduct (the “Code”) must be adhered to. The recommendations set forth in these Code of Conduct Guidelines (the “Guidelines”) are a multilateral framework of standards and principles on responsible business conduct and are a subset of the Code to add more depth and definition to the Code.

The Balancing Pool periodically checks our business activities to test conformance with our Code of Conduct policies. This process requires that all Balancing Pool members, officers, employees and (if applicable) agents complete a Certificate of Compliance regarding the Code of Conduct.

Compliance with Laws

All parties bound by the Code and these Guidelines must comply with all applicable laws, rules and regulations of the areas in which the Balancing Pool operates and must comply with the requirements of regulatory authorities.

A party bound by the Code and these Guidelines who is in doubt as to the legality of a proposed course of action or an action already taken should discuss the activity with the CEO of the Balancing Pool or the Chair of the Board Members (the “Chair”) of the Balancing Pool.

A party bound by the Code and these Guidelines should not knowingly conduct business with contractors who subscribe to unlawful or unethical business practices.

Business partners and suppliers are expected to conduct their business with the Balancing Pool in accordance with applicable laws, rules and regulations.

Violations or potential violations of laws, rules and regulations must be reported to the CEO of the Balancing Pool or the Chair of the Balancing Pool. The Balancing Pool will not allow any retaliation against any party for making such a report in good faith.

Integrity in Business Dealings

Every party bound by the Code of Conduct of the Balancing Pool, in exercising his/her powers and discharging his/her duties shall:

- Act honestly, in good faith and with a view to the best interests of the Balancing Pool;
- Exercise powers properly for the purposes for which they were conferred;
- Avoid conflicts of interest (also see below);
- Not fetter the future exercise of members' powers;
- Exercise care and diligence;
- Facilitate the Balancing Pool's proper maintenance of all records and reports as required.

Gifts

Unlawful or unethical behaviour by a party bound by the Code and these Guidelines is not tolerated, including giving or accepting any material gift to or from an outside company or individual. Situations where judgment might be influenced or appears to be influenced by improper considerations must be avoided. The Balancing Pool does not allow the acceptance or giving of these gifts, favours, personal advantages, services, payments, loans or benefits of any kind, other than those of nominal value that can be made as a generally accepted business practice. If there is any doubt in specific cases, written approval from either the CEO of the Balancing Pool or the Chair of the Balancing Pool should be requested.

Questionable or Improper Payments

No party bound by the Code or these Guidelines may, in the context of his or her appointment as a member, officer or engagement as an employee or agent, receive any payment that is not for the direct and exclusive benefit of the Balancing Pool.

Compliance

All business transactions that a party bound by the Code or these Guidelines has participated in must be properly authorized, properly recorded and supported by accurate documentation in reasonable detail.

No information may be concealed from the Balancing Pool's external auditors, the CEO, or the Board Members. Fraudulently influencing, coercing, manipulating or misleading an external auditor who is auditing the Balancing Pool is prohibited.

Conflicts of Interest

A "conflict of interest" occurs when your private interest interferes, or even appears to interfere, in any way with the interests of the Balancing Pool as a whole. A conflict situation may arise when you take actions or have interests that may make it difficult to perform Balancing Pool work objectively and effectively. It is also a conflict if outside activities affect your judgment to act in the best interests of the Balancing Pool.

Types of activities that should be reported as a potential conflict of interest include such things as:

- receipt of a personal benefit including a loan or guarantee of obligation from the Balancing Pool as a result of your position within the Balancing Pool;
- having a business outside the Balancing Pool which could put you in direct or indirect competition with the Balancing Pool or others who have a contract with the Balancing Pool;
- share ownership in a publicly traded company or entity that does business with the Balancing Pool, where the market value of such share ownership exceeds \$50,000 (Cdn.); and
- having any family or other personal relationship with another Balancing Pool employee which could create the perception of a conflict of interest.

Parties bound by the Balancing Pool Code of Conduct should disclose and report, in writing, any potential conflicts of interests to the CEO of the Balancing Pool or the Chair of the Balancing Pool as soon as the conflict becomes known or becomes apparent. Upon review, you may be asked to respond to any concerns raised. Any understandings or agreements reached as a result of discussions with the CEO of the Balancing Pool or Chair of the Balancing Pool will be put in writing in an acknowledgement letter to you together with a copy of your original written disclosure report. It is your responsibility to keep the information you report up-to-date by submitting a new disclosure statement.

Members of the Balancing Pool

Members of the Balancing Pool should address any real or possible conflicts of interest with the Balancing Pool's Chair. It is the responsibility of every Member of the Balancing Pool to keep relevant information up-to-date by submitting new disclosure statements to the Chair. A Member of the Balancing Pool may contact the Chair on a confidential basis regarding questions or concerns about these guidelines or submitting a disclosure report or statement.

Review of Guidelines

These Code of Conduct Guidelines shall be reviewed periodically by the parties bound by these Guidelines. This review process requires that all Balancing Pool members, officers, employees and (if applicable) agents complete a new Certificate of Compliance regarding the Code of Conduct on a periodic basis.

Observance of the Code of Conduct and its Guidelines

All parties bound by the Code of Conduct and these Guidelines are personally accountable for learning, endorsing and promoting the Code of Conduct and these Guidelines and applying it to their own conduct and field of work. All parties bound by the Code and these Guidelines will be asked to review the Code and these Guidelines and confirm on a regular basis, through written or electronic declaration, that they

understand their individual responsibilities and will conform to the requirements of the Code and these Guidelines.

Contractors and consultants are expected to develop and enforce policies and/or practices that are consistent with the Code of Conduct and these Guidelines that will apply to their staff providing services for or on behalf of the Balancing Pool.

Employees, independent consultants or contractors with questions about the Code or these Guidelines or specific situations are encouraged to refer the matter to their supervisor or the persons listed in any referenced policy or practice, as applicable. Members and officers with questions about the Code or these Guidelines or specific situations are encouraged to refer the matter to the CEO of the Balancing Pool or the Chair of the Balancing Pool or the persons listed in any referenced policy or practice, as applicable.

Waivers and Amendments

Waivers of the Code or these Guidelines for employees, contractors and consultants may be granted only by the Chair of the Balancing Pool. Any waiver of the Code or these Guidelines for officers or members may only be made by the Board Members.