

AESO CODE OF CONDUCT

Classification: Public

Alberta Electric System Operator

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1. Introduction

The AESO Code applies to all Employees. All Employees are required to sign the AESO Code compliance form, attesting to familiarity and compliance with the AESO Code, upon commencement of employment with, or service to, the AESO.

The AESO Code is not a full statement of an Employee's obligations and is not intended to supersede any applicable laws or contractual obligations applicable to an Employee's employment with, or service to, the AESO. In the event of any apparent conflict between the provisions of the AESO Code and applicable laws, the applicable laws shall prevail.

2. Definitions

The capitalized terms set out below and used in the AESO Code shall have the specific meanings set out below:

- (a) **"AESO"** means the Independent System Operator, operating as the Alberta Electric System Operator;
- (b) **"AESO Board"** means the board of the AESO comprised of all of its Members;
- (c) **"AESO Code"** means the AESO Code of Conduct;
- (d) **"AESO Policies"** means the policies of the AESO approved by either the AESO Board or the CEO;
- (e) **"Common Law Partner"** means an adult interdependent partner as defined by the *Adult Interdependent Relationships Act* (Alberta);
- (f) **"Complaint"** means any request or concern regarding a breach or possible breach of the AESO Code;
- (g) **"Contractor"** means a Person who performs a service for the AESO under a contract or agency relationship with the AESO as an independent contractor or agent;
- (h) **"CEO"** means the individual appointed by the AESO Board as the chief executive officer of the AESO and who holds the title AESO President and Chief Executive Officer;
- (i) **"Chair"** means the individual appointed by the Minister of Energy as a Member and who is designated by the Minister as the chair of the AESO;
- (j) **"COIA"** means the *Conflicts of Interest Act* (Alberta);
- (k) **"Department"** has the meaning given to such term in the COIA;
- (l) **"Designated Contact"** means:
 - (i) in the case of the Chair, the chair of the current committee responsible for governance matters;
 - (ii) in the case of a Member or the CEO, the Chair;
 - (iii) in the case of an Employee, the Employee's immediate supervisor; and
 - (iv) in the case of a Contractor, the Contractor's designated contact under their agreement with the AESO;

- (m) **“Employee”** means in relation to the AESO, an employee and includes a Person who performs a service for the AESO as an appointee, volunteer or student or under a contract or agency relationship with the AESO;
- (n) **“Ethics Commissioner”** means the Ethics Commissioner appointed pursuant to the COIA;
- (o) **“EUA”** means the *Electric Utilities Act* (Alberta);
- (p) **“ISO Rules”** means the rules created pursuant to Section 20 of the EUA;
- (q) **“Market Participant”** means:
 - (i) any person that supplies, generates, transmits, distributes, trades, exchanges, purchases or sells electricity, electric energy, electricity services or ancillary services, or
 - (ii) any broker, brokerage or forward exchange that trades or facilitates the trading of electricity, electric energy, electricity services or ancillary services;
- (r) **“Minister”** means the Minister of Energy (Alberta);
- (s) **“Member”** means an individual appointed by the Minister as a member of the AESO Board pursuant to the EUA;
- (t) **“Person”** means an individual, partnership, joint venture, corporation, or other entity;
- (u) **“Private Interest”** does not include the following:
 - (i) an interest in a matter that is of general application, that affects an individual as one of a broad class of the public, or that concerns the remuneration and benefits of an individual;
 - (ii) an interest that is trivial; or
 - (iii) an interest of an individual relating to Publicly-traded Securities held in a blind trust or in an investment arrangement;
- (v) **“Public Agency”** has the meaning given to such term in the COIA;
- (w) **“Publicly-traded Securities”** means:
 - (i) Securities of a corporation that are listed or posted for trading on a recognized stock exchange; or
 - (ii) Securities of a corporation that has more than fifteen (15) shareholders and any of whose issued Securities were part of a distribution to the public,
- (x) **“Related Party”** when used to indicate a relationship with an Employee means:
 - (i) the Spouse or Common Law Partner of the Employee;
 - (ii) a close relative of the Employee or a close relative of their Spouse or Common Law Partner;
 - (iii) a close personal friend of the Employee;
 - (iv) a corporation of which:
 - A. the Employee is a director or officer of the corporation; or
 - B. the Employee owns or controls, directly or indirectly, any Securities (including a beneficial interest in such Securities) of the corporation, provided that if they are Publicly-traded Securities the Employee owns more than ten percent (10%) of such Publicly-traded Securities;
 - (v) a partnership of which the Employee is a partner, or of which one of the partners is a corporation related to the Employee by reason of (iv);

- (vi) a joint venture of which the Employee is a co-venturer, or of which one of the co-venturers is a corporation related to the Employee by reason of (iv); or
 - (vii) a trust of which the Employee is a trustee, or of which one of the trustees is a corporation related to the Employee by reason of (iv);
- (y) **“Securities”** means:
- (i) shares of any class or series of shares of a corporation; or
 - (ii) bonds, debentures, notes, or other evidence of indebtedness or guarantees of a corporation, whether secured or unsecured, but does not include shares or units in a mutual fund;
- (z) **“Spouse”** means the spouse of a married person but does not include a spouse who is living separate and apart from the person if the person and spouse have separated pursuant to a written separation agreement or if their support obligations and family property have been dealt with by a court order; and
- (aa) **“Vice President, Law”** means the AESO’s Vice-President, Law, General Counsel and Corporate Secretary.

3. Compliance and Ethical Conduct

The AESO is a statutory corporation, whose duties and responsibilities are regulated to a large extent and whose mandate impacts all Albertans. Employees are required to comply fully with all applicable laws, AESO Policies, and the AESO Code, and to perform their duties with impartiality.

This includes avoiding any action or inaction that could reasonably be considered legally suspect. Employees shall not knowingly assist or allow Market Participants or Employees to take any action or inaction which would violate any applicable laws or the AESO Code.

4. Confidentiality

The maintenance of confidential information is crucial to the AESO and is central to its operations. Confidential information includes any information that is not publicly known, including the personal, technical, proprietary, business, and financial information of the AESO, Market Participants, Departments and Public Agencies, and other contractual counterparties of the AESO.

All Employees are required to comply with applicable laws (including the ISO Rules), AESO Policies, and the AESO Code, and the agreements to which the AESO is a party, pertaining to confidential information. All Employees are responsible for safeguarding the confidential information in the AESO’s possession from unprotected access or disclosure. This care in the handling of confidential information protects the integrity and reliability of the Alberta Interconnected Electric System, as well as personal privacy.

Employees shall not disclose any confidential information, except as authorized by applicable laws (including the ISO Rules), AESO Policies, the AESO Code, and the agreements to which the AESO is a party, to anyone outside of the AESO. Within the AESO, Employees shall not disclose confidential information other than as required to properly and efficiently perform his or her duties.

Employees shall not use or disclose confidential information to any person at any time after the end of his or her employment with, or service to, the AESO, for any reason. All such information must be promptly

returned to the AESO upon the end of employment with, or service to, the AESO, and deleted from any personal electronic device.

5. Prohibition from Acting in Self-Interest or Furthering Private Interests

Employees shall not act in their self-interest or further their Private Interests or a Related Party's Private Interests by virtue of their position as an Employee or by the carrying out of their duties and responsibilities to the AESO.

6. Conflicts of Interest

A conflict of interest exists in any situation where the personal or other interests of an Employee, or any Related Party, may in any way affect or interfere with the discharge by the Employee of his or her duties. A conflict of interest also exists in any situation where the Employee, or any Related Party, receives a personal opportunity or advantage by virtue of the Employee's position with the AESO. A conflict of interest may be real or apparent. An apparent conflict of interest exists in circumstances where a reasonable person would perceive a conflict of interest, even if there is no real conflict of interest.

One example of a conflict of interest is when an Employee or any Related Party engages in any outside business activity that involves any decision or allocation of AESO services or resources. This includes, but is not limited to:

- in an AESO procurement process, a bid being submitted by, or negotiations being contemplated or commenced with, a Related Party or an affiliate thereof; or
- any other business undertaking between the AESO and a Related Party or an affiliate thereof.

Employees shall not involve themselves in any such decision or allocation. Employees must always act and be seen to be acting in the public interest without regard to their personal interests. To do otherwise risks the reputation of the parties involved and the AESO. A conflict of interest, apparent or real, calls into question the AESO's integrity, and its ability to act in an independent, impartial, and fair manner.

Employees shall fully disclose, in writing, to their applicable Designated Contact and the Vice President, Law all real or apparent conflicts of interest which affects them or another Employee that they are aware of. The disclosure must be made in advance of taking the action that might give rise to the conflict of interest or, if it could not be reasonably foreseen, immediately upon becoming aware of the real or apparent conflict of interest.

Disclosure, while necessary and important, does not in itself remove a real or apparent conflict of interest. Designated Contacts are expected to work with the Vice President, Law and take all steps necessary to manage or resolve any conflict of interest that is brought to their attention. The role of the Vice President, Law is to provide guidance and direction on the most appropriate way to manage or resolve any real or apparent conflict of interest as disclosed by an Employee.

The Vice President, Law must document his or her discussions with the affected Employee, the decision made in relation to the conflict of interest, and the reasons for the course of action chosen.

In summary, the requirements applicable to an Employee in the event of a conflict of interest are: (a) disclosure to their Designated Contact and the Vice President, Law; (b) avoidance of the conflict of interest (or, if that is not possible, management and mitigation of the conflict of interest); and (c) documentation of the disclosure and decision-making process in relation to the conflict of interest.

7. Investments and Assets

Employees shall not, directly or indirectly, sell or purchase any Securities of any entity using any material information that is not available to the general public. Similarly, Employees shall not disclose any such information to anyone else. In the performance of an Employee's duties, he or she will come into possession of material information that is not available to the public about Market Participants, Departments and Public Agencies, and other contractual counterparties of the AESO. As discussed elsewhere in the AESO Code, Employees must not use or disclose such information to advance his or her Private Interests or a Related Party's Private Interests.

The restrictions regarding trading activities contained in the AESO Code are not exhaustive. Canadian legislation also imposes restrictions. All Employees are cautioned to ensure that any trading activity complies with those legal requirements in addition to those contained in the AESO Code.

8. Gifts, Benefits, and Sponsorships

Employees and their Spouses, Common Law Partners, or dependent children shall not accept from a Market Participant or Contractor a gift or other benefit that is connected, direct or indirectly, with the performance of the Employee's duties and responsibilities, other than a gift or benefit customarily offered as part of applicable business conventions.

The exchange of gifts of nominal value is a normal courtesy reflecting customary business conventions. However, the total value of any gift for a single occasion may not exceed \$100 and the total value of any gifts received in a year from a single source may not exceed \$200.

In addition, an occasional meal or outing with a Market Participant or Contractor at their expense is permissible if it is reasonable and there is a business purpose involved. What is reasonable depends on the circumstances. Guidelines to assist Employees in complying with this requirement are whether:

- (a) the affected Employee would offer similar meal or outing to this Market Participant or Contractor;
- (b) the meal or outing is appropriate given the nature of the function or the services; or
- (c) the affected Employee would be reluctant to publicly report the meal or outing.

Employees cannot accept an otherwise reasonable meal or outing if the value of that meal or outing exceeds \$200. The total value of all reasonable meals or outings accepted in year from a single source cannot exceed \$400.

If the offer of a gift or meal or outing is inappropriate it should be declined. In such circumstances, an Employee shall advise the donor that this was done in order to comply with the AESO Code.

From time to time, Employees with particular experience or expertise may be asked to attend, organize or present at a conference, seminar or other event. For their participation or contribution, Employees may be offered one or more of the following: reimbursement for travel, meals, and accommodation expenses, a waiver or reduction in fees, and/or a nominal gift. Employees may accept the foregoing, provided that the total value of the invitation does not exceed \$1,000.

If an Employee is offered an invitation to attend, organize or present at a conference, seminar or other similar forum in excess of these limits, they may request from their Designated Contact prior written approval to accept the invitation, which may be granted so long as the invitation is reasonable, complies with the AESO Code, and would not create a real or apparent conflict of interest. For clarity, it shall not be deemed to be a "conflict of interest" solely because such event is organized by one or more Market Participants, provided that such event is open to the public, but in each case the Designated Contact still

must review the invitation, taking into account all of the relevant circumstances, to ensure that no real or apparent conflicts of interest would arise as a result of the Employee's acceptance of the invitation.

Where an outside organization wishes to sponsor an AESO activity, whether by invitation or voluntarily, the basic conventions concerning acceptance of gifts or benefits apply. These restrictions do not apply to charitable donations for AESO sponsored charity events.

9. Employment Restrictions

This Section 9 does not apply to Contractors.

9.1 Outside Business Activities and Employment

Employees may engage in outside business activities or take supplementary employment, including self-employment, unless such employment:

- (a) causes a real or apparent conflict of interest;
- (b) is performed in such a way as to appear to be an official act, or to represent an AESO opinion or policy;
- (c) interferes through telephone calls, or otherwise, with regular duties at the AESO; or
- (d) involves the use of the AESO's assets, unless such use is otherwise permitted by the AESO.

Prior to engaging in an outside business activity or taking any supplementary employment where the annual gross remuneration for such activity or employment is reasonably expected to exceed \$5,000.00, Employees are required to notify their Designated Contact and, in the case of Employees other than the Chair and Members, the Vice President, Law in writing about the nature of such outside business activity or supplementary employment before undertaking or accepting either. The Employee may only undertake or accept such activity or employment if the Designated Contact and, in the case of Employees other than the Chair and Members, the Vice President, Law are satisfied that it does not cause a real or apparent conflict of interest and approve it in writing.

9.2 Offers of Future Employment

Employees shall not allow the performance of their official duties at the AESO to be influenced by offers of future employment or the anticipation of offers of employment from third parties.

9.3 Political Activities

Employees may participate in political activities including: holding membership in a political party, supporting a candidate for elected office, or seeking elected office. However, Employees shall not use their position with the AESO to seek contributions for a political party or activity from Market Participants. In addition, any political activity must be clearly separated from activities related to the AESO. Employees planning to seek an elected federal, provincial, or municipal office, must disclose their intention in writing to their Designated Contact and, in the case of Employees other than the Chair and Members, the Vice President, Law. AESO Employees who are elected to a federal, provincial, or municipal position (does not include school board members) must resign their employment at the AESO or their appointment as a Member effective the day they are elected.

10. COIA Additional Requirements for Chairs and CEOs

The obligations outlined in Schedule “A” in PART 1 apply to the Chair and the CEO of the AESO (as “senior officers” pursuant to the COIA) and those that apply only to the CEO pursuant to the COIA (as a “designated senior official”) are outlined in Schedule “A” PART 2. These obligations are in addition to those contained elsewhere in the AESO Code and may apply a higher standard in certain circumstances. Where there is a conflict between the obligations contained in Schedule “A” and the obligations contained elsewhere in the AESO Code, the obligations contained in Schedule “A” shall prevail.

Where there is a conflict between the obligations contained in Schedule “A” and the obligations contained in the COIA for “senior officials” and “designated senior officials”, the obligations contained in the COIA shall prevail.

11. Requirement to Report

All Employees benefit from an atmosphere of respectful and ethical conduct. Employees are required to report a breach of the AESO Code or a breach of any other AESO Policy in accordance with Section 12.

12. Process for Receiving and Investigating Complaints

The Complaint Procedures outlined in Schedule “B” shall apply in determining whether an Employee has breached the AESO Code or any other AESO Policy and whether any disciplinary action is to be imposed on an Employee who has been found under this process to have breached the AESO Code or any other AESO Policy.

The Complaint Procedures as outlined in Schedule “B” may be amended and replaced from time to time by the AESO without a formal amendment to the AESO Code. For clarity, the Complaint Procedures always will include a process for receiving and investigating complaints and for responding to a finding of a breach and the current version of the Complaint Procedures always will be appended to the AESO Code.

13. Annual Confirmation

Employees shall provide, on an annual basis, confirmation with respect to their compliance with the AESO Code in the previous year.

14. AESO Code Review

The AESO Code shall be reviewed no less than every three (3) years by the Vice President, Law.

15. Effective Date and Notice Period for Coming into Force

The AESO Code shall come into effect ninety (90) days after it is published to the AESO's website.

SCHEDULE “A”

PART 1

The Chair and the CEO

Prohibitions on Decisions Furthering Private Interests (COIA, S. 23.925)

The Chair and the CEO must not take part in a decision in the course of carrying out his or her office or powers knowing that the decision might further a Private Interest of the Chair or the CEO, a person directly associated with the CEO or Chair, or the CEO or Chair’s minor or adult child.

The CEO and the Chair must not use his or her office or powers to influence or seek to influence a decision to be made by or on behalf of the Crown or a public agency to further a Private Interest of the CEO or the Chair, a person directly associated with the Chair or the CEO or a minor child of the Chair or the CEO or to improperly further any other person’s Private Interest.

The Chair and the CEO must not use or communicate information not available to the general public that was gained by the Chair or the CEO in the course of carrying out his or her office or powers to further or seek to further a Private Interest of the Chair or the CEO or any other person’s Private Interest.

The Chair and the CEO must appropriately and adequately disclose a real or apparent conflict of interest.

PART 2

The CEO

Concurrent Employment (COIA, S. 23.926)

The CEO must not be involved in any appointment, business, undertaking, or employment, including self-employment, other than his or her appointment as the CEO. This restriction does not apply in the event that:

- (a) the CEO applies to the Ethics Commissioner for approval in writing to engage in an appointment, business, undertaking, or employment, including self-employment, other than his or her appointment as the CEO; and
- (b) following such application, the Ethics Commissioner provides approval in writing, on any conditions that the Ethics Commissioner considers to be appropriate, that the Ethics Commissioner is satisfied that the appointment, business, undertaking or employment proposed will not constitute a real or apparent conflict of interest.

Restrictions on Holdings (COIA, S. 23.93)

The CEO shall not, after the expiration of:

- (a) sixty (60) days after becoming the CEO or any longer period that the Ethics Commissioner directs; or
- (b) with respect to the CEO who acquires ownership of or a beneficial interest in Publicly-traded Securities by gift or inheritance, the relevant period is 60 days after receiving the gift or inheritance or any longer period that the Ethics Commissioner directs,

own or have a beneficial interest in Publicly-traded Securities.

The above restriction does not apply if:

- (a) the Publicly-traded Securities are held in an approved blind trust or in an approved investment arrangement;
- (b) prior to the expiration of the relevant period, the CEO applies to the Ethics Commissioner for approval to retain ownership of or a beneficial interest in the Publicly-traded Securities and either obtains the Ethics Commissioner's approval or, if the approval is refused, takes any steps that the Ethics Commissioner directs with respect to the disposition of the ownership or beneficial interest, or
- (c) after the expiration of the relevant period, the CEO acquires ownership of or a beneficial interest in Publicly-traded Securities with the prior approval of the Ethics Commissioner.

The Ethics Commissioner may give an approval

- (a) under subsection (b) or (c), above, if the Ethics Commissioner is of the opinion that the Publicly-traded Securities are Securities of a corporation the interests of which are not likely to be affected by decisions of the Public Agency or by decisions of the Government within the scope of advice, advocacy, activity, or influence of the Public Agency, or
- (b) under subsection (b), above, if the Ethics Commissioner is of the opinion that the CEO will sustain a financial loss if the Publicly-traded Securities are disposed of and the public interest does not require disposition of the Publicly-traded Securities.

The Ethics Commissioner may approve the retention of Publicly-traded Securities to be held in a blind trust or an investment arrangement if the blind trust or investment arrangement, as the case may be, meets the criteria set forth in the COIA.

Disclosure Statements (COIA, S. 23.931 and 23.932)

The CEO shall file with the Ethics Commissioner a disclosure statement in the form and manner determined by the Ethics Commissioner:

- (a) within sixty (60) days after becoming the CEO; and
- (b) in each subsequent year at the time specified by the Ethics Commissioner.

The CEO shall, within thirty (30) days after the occurrence of any material changes to the information contained in a current disclosure statement, file with the Ethics Commissioner an amending disclosure statement in the form provided by the Ethics Commissioner setting out the changes.

The CEO shall file with the Ethics Commissioner a return relating to: (i) their Spouse or Common Law Partner, (ii) a corporation having share capital and carrying on business or activities for profit or gain and the CEO is a director or senior officer of the corporation; (iii) a private corporation carrying on business or activities for profit or gain and the CEO owns or is the beneficial owner of shares of the corporation, (iv) a partnership of which the CEO is a partner or of which one of the partners is a corporation as described in (ii) and (iii), or a person or group of persons acting with the express or implied consent of the CEO, in a form and manner determined by the Ethics Commissioner,

- (a) within sixty (60) days after becoming the CEO;
- (b) within thirty (30) days after the occurrence of any material change in the information contained in a current return; and
- (c) within thirty (30) days after the day he or she ceases to be the CEO.

Post-employment Restrictions (COIA, S. 23.937)

- (a) No former CEO shall, for a period of twelve (12) months from their last day, lobby any public office holder as defined in the *Lobbyists Act* (Alberta).
- (b) No former CEO shall, for a period of twelve (12) months from their last day, act on a commercial basis or make representations on his or her own behalf or on behalf of any other person in connection with any ongoing matter in connection with which the former CEO, while the CEO, directly acted for or advised a Department or Public Agency involved in the matter.
- (c) No former CEO shall, for a period of twelve (12) months from the last day the former CEO had a direct and significant official dealing with a Department or Public Agency, make representations with respect to a contract with or benefit from that Department or Public Agency.
- (d) No former CEO shall, for a period of twelve (12) months from the last day the former CEO had a direct and significant official dealing with a Department or Public Agency, solicit or accept on his or her own behalf a contract or benefit from that Department or Public Agency.
- (e) No former CEO shall, for a period of twelve (12) months from the last day the former CEO had a direct and significant official dealing with an individual, organization, board of directors or equivalent body of an organization, accept employment with that individual or organization or an appointment to the board of directors or equivalent body.

The above does not restrict the CEO or former CEO from: (i) being appointed to the board of directors or a governing body of another Public Agency; or (b) accepting employment with a Department of the public service or a Public Agency in accordance with Part 1 of the *Public Service Act* (Alberta).

The CEO or former CEO may apply to the Ethics Commissioner for a waiver or reduction of a time period set out above.

For the purpose of the foregoing subparagraphs (c) – (e) inclusive, the following is intended to provide guidance as to how the terms set out below are to be interpreted and applied.

“direct” is intended to refer to a communication, in any form, undertaken directly between the CEO and the chief executive office or other senior executive or official of a Market Participant, Department, or Public Agency with respect to any matter or issue within the mandate of the AESO.

“significant official dealing” is intended to exclude any “direct” dealing by the CEO with a third party with respect to which neither the AESO nor the CEO has authority nor ability to make any regulatory decision nor other decision, nor to take, or cause to be taken, any initiative that would create any benefit, advantage, nor opportunity for the third party nor would cause such third party’s Publicly-traded Securities to be affected.

**SCHEDULE “B”
COMPLAINT PROCEDURES**

(Attached)

COMPLAINTS PROCEDURE



1. PURPOSE

The purpose of this Procedure is to create a common understanding with respect to what constitutes a Complaint and to develop a consistent process for Complaint submission, assessment, investigation, and reporting. This Procedure is incorporated by reference under all AESO Policies and Secondary Governance Documents.

2. SCOPE

This Procedure applies to all Employees.

3. DEFINITIONS

All capitalized terms used in this Procedure have the meaning set forth in Appendix A. Remaining terms are to be interpreted using their plain language meaning.

4. ROLES AND RESPONSIBILITIES

4.1 Employees are responsible for:

- (i) reporting Wrongdoings by submitting Complaints in accordance with this Procedure; and
- (ii) cooperating during the course of an authorized Complaint investigation undertaken in accordance with this Procedure.

4.2 Employees who act as Complaint Managers are responsible for carrying out their responsibilities with respect to the assessment, investigation, resolution, and reporting of Complaints as set out in this Procedure.

4.3 The Vice President, Law is responsible for reviewing this Procedure and for providing an annual report to the AESO Board as set forth in Section 12.2.

5. COMPLIANCE AND OBLIGATION TO REPORT

5.1 Employees must comply with the following:

- (i) Policies;
- (ii) Secondary Governance Documents; and
- (iii) applicable laws.

5.2 Employees must report any Wrongdoing by submitting a Complaint in accordance with Section 6 of this Procedure.

5.3 Employees who commit a Wrongdoing are subject to appropriate disciplinary action up to and including termination of employment or termination of contract.

5.4 No Employee shall take or direct any of the following measures against an Employee who

has, in good faith, requested advice about making a Complaint, made a Complaint, cooperated in an investigation under this Procedure, declined to participate in a Wrongdoing, or done anything in accordance with this Procedure:

- (i) a dismissal, layoff, suspension, demotion or transfer, discontinuation or elimination of a job, change of job location, reduction in wages, change in hours of work, or reprimand;
- (ii) any measure, other than one mentioned in subsection (i), that adversely affects the Employee's employment or working conditions; or
- (iii) a threat to take any of the measures mentioned in subsections (i) or (ii).

5.5 Nothing in this Procedure prevents the People and Culture and Customer Experience Department ("PCCE") or any Employee from making a reasonable human resource management decision in good faith.

5.6 Nothing in this Procedure prevents the investigation of a Wrongdoing in the absence of a Complaint where there is a reasonable belief that a Wrongdoing has been committed.

5.7 An Employee who has a reasonable belief they have been subject to a form of reprisal described in Section 5.4 may submit a Complaint in accordance with Section 6 of this Procedure.

6. PROCEDURE FOR SUBMITTING A COMPLAINT

6.1 An Employee must submit a Complaint to one of the following:

- (i) The Leader or PCBP of the Employee;
- (ii) The Policy Owner of the applicable Policy; or
- (iii) The Ethics Hotline.

If the Employee believes that there is an imminent risk of a substantial and specific danger to the life, health, or safety of individuals or the environment, the Employee should contact the appropriate authorities including, where appropriate, 911. Nothing in this Procedure is intended, in any way, to limit an Employee's rights under applicable laws or discourage an Employee from seeking assistance from the appropriate authorities where there is an imminent risk or where otherwise required by applicable laws.

6.2 Complaints may be submitted in writing or verbally. Acceptable forms of submission include in person communication, telephone, email, or mail delivery. The recipient of a verbal Complaint must acknowledge receipt and make a written record of the details of the Complaint in accordance with this Procedure.

6.3 Complaints must include an express statement by the complainant that they wish to submit the Complaint in accordance with this Procedure. Subject to Section 5.6, requests for advice or support are not considered to be Complaints unless accompanied by this express statement. Nothing in this Procedures prevents the recipient from proceeding with the investigation of a potential Wrongdoing on behalf of the AESO on their own initiative if they believe it is warranted in the circumstances.

6.4 Complaints must clearly identify:

- (i) the date of submission and, if known, the date of the Wrongdoing;
- (ii) a description of the Wrongdoing, including all relevant details and supporting evidence;
- (iii) the name of all individuals impacted by the Wrongdoing by way of specific reference or general description;
- (iv) the name of the individual alleged to have committed the Wrongdoing, if applicable;
- (v) a point of contact, including a name, mailing address and telephone number;
- (vi) if submitting the Complaint on behalf of another, written consent or authorizing documentation allowing the representative to act on behalf of the complainant; and
- (vii) any other additional information that may be reasonably required in order to investigate the matters set out in the Complaint.

Notwithstanding the foregoing, Complaints that are submitted to the Ethics Hotline may be anonymous and are not required to identify the complainant.

7. PROCEDURE FOR RECEIVING A SUBMITTED COMPLAINT

- 7.1 If the recipient is a Leader or PCBP, the Leader or PCBP shall, as soon as reasonably practical, forward the Complaint to the applicable individual outlined below in Section 7.2 and shall cooperate with the assessment, investigation, and resolution of the Complaint.
- 7.2 The Employee responsible for assessing, investigating, and resolving a Complaint (“Complaint Manager”) is the applicable Policy Owner. The applicable Policy Owners are set forth in Appendix B, as may be amended and replaced from time to time. The Complaint Manager shall also report the Complaint to the Vice President, Law, Vice President, PCCE and the Chair of the Audit Committee in accordance with Section 12.1.

In the event that an Employee is unable to act as a Complaint Manager due to a conflict of interest, the Employee responsible for acting as Complaint Manager shall be the Leader of such Employee or such other Employee as may be appointed by the Vice President, Law or Vice President, PCCE, as applicable.
- 7.3 If a Policy Owner believes that a Complaint may relate to another Policy, the Policy Owner shall refer the Complaint to the other applicable Policy Owner. If a Complaint relates to more than one Policy, the applicable Policy Owners shall be jointly responsible for assessing, investigating, and resolving the Complaint and shall cooperate and coordinate in order to avoid the duplication of processes and ensure a fair and effective assessment, investigation, and resolution.
- 7.4 The Policy Owner shall, as soon as reasonably practical, issue a communication confirming receipt of the Complaint to the complainant, which shall include the following:

- (i) confirmation of receipt;
- (ii) a unique tracking number;
- (iii) an anticipated date of completion; and
- (iv) a description of the Complaint to be investigated.

7.5 The Policy Owner, in the communication issued in accordance with Section 7.4 may also:

- (i) reiterate any verbal clarification; or
- (ii) identify any unsuccessful attempts to contact the complainant for further clarification and request additional clarification.

7.6 All Employees who receive a Complaint or who are involved in the assessment, investigation, or resolution of a Complaint under this Procedure shall treat and maintain all information related to the Complaint as confidential, except in the event:

- (i) there is an imminent risk of a substantial and specific danger to the life, health, or safety of individuals or the environment;
- (ii) there is a reasonable belief that an offence has been committed or may have been committed under applicable laws; or
- (iii) as otherwise may be required in accordance with applicable laws.

Any related use or disclosure of personal information will be strictly limited to only that which is required to achieve the authorized purposes as set out in this Procedure and to align with the obligations set forth in the Privacy Policy and applicable laws.

This Section does not apply to the annual report that is prepared and disclosed in accordance with Section 12.2, provided that such annual report does not contain any personal information and is prepared on an anonymous basis.

8. PROCEDURE FOR ASSESSING A SUBMITTED COMPLAINT

8.1 The Complaint Manager shall perform an initial assessment to determine if:

- (i) the Complaint is frivolous or vexatious, has not been made in good faith, or does not deal with a Wrongdoing;
- (ii) the Complaint does not provide adequate particulars about the Wrongdoing as required by Section 6 to permit the conduct of a fair and effective investigation;
- (iii) the Complaint could more appropriately be dealt with, initially or completely, according to another procedure available pursuant to applicable laws; or
- (iv) there is another valid reason for not investigating the Complaint.

In the event Section 8.1(ii) applies, the Complaint Manager shall use reasonable efforts to contact the complainant and request adequate particulars about the Wrongdoing before closing the Complaint in accordance with Section 8.2.

- 8.2 The Complaint Manager is not required to investigate a Complaint or, if an investigation has been initiated, may cease the investigation if the Complaint meets one or more of the criteria set forth in Section 8.1. The Complaint Manager shall issue a communication closing the Complaint to the complainant, which shall include:
- (i) a denial to conduct an investigation;
 - (ii) the reasons for the denial; and
 - (iii) any alternative avenues of recourse, if applicable.
- 8.3 The Complaint Manager may, at any time, consult with the Vice President, Law regarding the assessment, investigation, and resolution of a Complaint.
- 8.4 A complainant may withdraw a Complaint at any time; however, the Complaint Manager may continue to investigate a potential Wrongdoing on behalf of the AESO on their own initiative.

9. PROCEDURE FOR INVESTIGATING A SUBMITTED COMPLAINT

- 9.1 Subject to Sections 8.2 and 8.4, the Complaint Manager shall conduct an investigation and determine whether a Wrongdoing has occurred. The Complaint Manager may seek the assistance of a third party in performing the investigation and determining whether a Wrongdoing has been committed.
- 9.2 The Complaint Manager may gather relevant evidence and may engage other Employees as may be necessary to conduct a fair and effective investigation. Investigation participants will be limited to only those Employees who are in a position to advance the investigation process and provide necessary insight into the circumstances. The complainant's identity will only be revealed as part of the investigation if complainant-specific identification is required to conduct a fair and effective investigation or as required by applicable laws.
- 9.3 The investigation must be carried out with as much expedition as a proper consideration of the Complaint allows. The process must be consistent with the principles of procedural fairness and natural justice.
- 9.4 A determination may not be made in relation to the Wrongdoing by the Complaint Manager unless reasonable steps have been taken to inform the Employee alleged to have committed the Wrongdoing, if applicable:
- (i) of the details of the Complaint, including any subsequent variation of those details; and
 - (ii) that they have a reasonable opportunity to make a statement in relation to the Complaint.

The statement may be a written or verbal statement and should be provided within seven (7) calendar days or such longer period as may be permitted by the Complaint Manager, in their discretion. An Employee who does not make a statement in relation to the alleged Wrongdoing is not, for that reason alone, to be taken to have admitted to committing the Wrongdoing.

9.5 If the Complaint Manager determines that a Wrongdoing has been committed by an Employee, the Complaint Manager shall determine and recommend the appropriate disciplinary action. The process for imposing any disciplinary action must be consistent with the principles of procedural fairness and natural justice. Disciplinary action may not be imposed on a person unless reasonable steps have been taken to inform the Employee:

- (i) of the determination that has been made;
- (ii) of the disciplinary actions that are under consideration;
- (iii) of the factors that are under consideration in determining any disciplinary action to be imposed; and
- (iv) that they have a reasonable opportunity to make a statement in relation to the disciplinary actions under consideration.

The statement may be a written or verbal statement and should be provided within seven (7) calendar days or such longer period as may be permitted by the Complaint Manager, in their discretion.

10. PROCEDURES FOR RESOLVING A SUBMITTED COMPLAINT

10.1 On completing an investigation, the Complaint Manager shall prepare a report that sets out:

- (i) the Complaint Manager's findings and reasons for those findings; and
- (ii) any recommendations or corrective measures the Complaint Manager considers appropriate regarding the Complaint and the Wrongdoing.

The report shall be provided the Vice President, Law and such other Employees as may be necessary to implement the recommendations and corrective measures.

10.2 The Complaint Manager shall issue a communication to the complainant closing the Complaint, which shall include:

- (i) the alleged Wrongdoing;
- (ii) the summary of the investigation process;
- (iii) the determination under Section Section 9.1;
- (iv) any recommendations made or corrective measures taken in relation to the Wrongdoing, if applicable; and
- (v) any alternative avenues of recourse, if applicable.

10.3 The Complaint Manager shall also issue a communication to an Employee alleged to have committed a Wrongdoing closing the Complaint, which shall include:

- (i) the alleged Wrongdoing;
- (ii) the summary of the investigation process;

- (iii) the determinations under Section 9.1 and Section 9.4;
 - (iv) any disciplinary actions imposed as a result of a determination under Section 9.5; and
 - (v) if a statement of reasons was given to the Employee regarding a determination under Section 9.4 or 9.5, that statement of reasons.
- 10.4 Within a reasonable period of time following the submission of the report under Section 10.1, the Complaint Manager shall follow-up with the recipients of the report regarding the implementation of any recommendations or corrective measures and the enforcement of any disciplinary action, as applicable.

11. PROCEDURES FOR INVESTIGATING OTHER WRONGDOINGS OR REFERRING WRONGDOINGS

- 11.1 If an AESO Personnel receives an allegation of Wrongdoing that has been made anonymously or by an individual who is not an Employee, the Employee must refer the allegation to the appropriate Complaint Manager. The Complaint Manager shall assess, investigate, and resolve the allegation in the same manner as a Complaint.
- 11.2 If, during an investigation, the Complaint Manager has a reasonable belief that another Wrongdoing has been committed or may have been committed, the Complaint Manager may investigate that Wrongdoing in accordance with this Procedure.
- 11.3 If, during an investigation, the Complaint Manager has a reasonable belief that the Complaint is more appropriately dealt with, initially or completely, under another procedure available pursuant to applicable laws, the Complaint Manager may refer the Complaint to the other department, public entity or office of the Legislature to which the Complaint relates, subject to Section 11.4.
- 11.4 If, during an investigation, the Complaint Manager has a reasonable belief that:
- (i) there is an imminent risk of a substantial and specific danger to the life, health, or safety of individuals or the environment; or
 - (ii) an offence has been committed or may have been committed under applicable laws,
- the Complaint Manager must report the matter to a law enforcement agency and any other appropriate authorities. If circumstances permit, the Complaint Manager shall consult with the Vice President, Law and Vice President, PCCE prior to reporting the matter. If circumstances do not permit, the Complaint Manager shall notify the Vice President, Law and Vice President, PCCE as soon as practical after reporting the matter.
- 11.5 If a Complaint is reported to a law enforcement agency or other appropriate authorities in accordance with Section 11.2, the Complaint Manager:
- (i) must suspend the investigation of the Complaint; and
 - (ii) may resume the suspended investigation only after any charge related to an alleged offence, or any investigation by a law enforcement agency or other appropriate authorities, has been finally disposed of.

12. REPORTING

- 12.1 Policy Owners must report all Complaints to the Vice President, Law, the Vice President, PCCE, and the Chair of the Audit Committee. Policy Owners must also report the outcomes of their assessments and investigations, as well as the resolutions of the Complaints and any recommendations made or corrective measures taken in relation to the Wrongdoing.
- 12.2 The Vice President, Law must prepare a report annually for each of the Audit Committee, the Human Resources Committee, and the Governance and Nominations Committee on all Complaints made pursuant to this Procedure. The report for the Audit Committee will include all Complaints related to the AESO Code of Conduct, the report for the Human Resources Committee will include all Complaints related to human resource matters, and the report for the Governance and Nominations Committee will include all other Complaints. Each report must include the following information, but only such information as applicable to the committee:
- (i) the number of Complaints received under this Procedure and the number of Complaints acted on;
 - (ii) the number of investigations commenced under this Procedure; and
 - (iii) in the case of an investigation that results in a finding of Wrongdoing, a description of the Wrongdoing and (A) any recommendations made or corrective measures taken in relation to the Wrongdoing, and (B) if correction measures are not taken, the reasons provided.

Each report will exclude any personal information and will be prepared on an anonymous basis. Each report will be presented to the applicable committee of the AESO Board.

- 12.3 With respect to Complaints that are received through the Ethics Hotline, the Vice President, Law shall receive them and provide notice of such Complaints to the CEO and the Chair of the Audit Committee upon receipt.

13. APPLICATION

- 13.1 Any incidents related to a violation of this Procedure must be reported to the Vice President, Law.
- 13.2 Any Employee who fails to comply with this Procedure may be subject to disciplinary action up to and including termination of employment or termination of contract, as applicable.

14. AMENDMENTS

Any revision or revocation of this Procedure must be approved by the AESO Board. Notwithstanding the foregoing, the Vice President, Law may make such minor revisions and corrections to this Procedure as may be necessary for the proper administration of this Procedure.

15. ADMINISTRATION

15.1 The Owner of this Procedure is the Vice President, Law. The Owner is responsible for reviewing and updating this Procedure.

15.2 All inquiries regarding this Procedure and its administration should be directed to the Vice President, Law.


16. REVIEW

This Procedure will be reviewed every three (3) years or more frequently, if required, by the Vice President, Law and all revisions will be documented in Section 19.

17. EFFECTIVE DATE

This Procedure is effective as of October 1, 2020.

18. APPROVAL

Authority	Signature	Version Date
AESO Board Chair		September 17, 2020

19. REVISION HISTORY

Version	Date	Description	Author
V1.0	Click here to enter a date.	Initial Draft	Vice President, Law
Reviewers Name and Title			
Pauline McLean			

APPENDIX A: GLOSSARY

- a) **“AESO”** means the Independent System Operator, operating as the Alberta Electric System Operator.
- b) **“AESO Board”** means the members of the AESO who are appointed pursuant to the *Electric Utilities Act* (Alberta).
- c) **“CEO”** means the President and Chief Executive Officer of the AESO.
- d) **“Complaint”** means an allegation of a Wrongdoing that is submitted by an Employee in accordance with Section 6.
- e) **“Complaint Manager”** has the meaning set forth in Section 7.2.
- f) **“Employees”** means in relation to the AESO, an employee and includes a Person who performs a service for the AESO as an appointee, volunteer or student or under a contract or agency relationship with the AESO.
- g) **“Guideline”** means a document that outlines the recommended actions for a particular undertaking.
- h) **“Leader”** means, in relation to an Employee, the Employee that they directly report to.
- i) **“People & Culture Business Partner”** or **“PCBP”** means, in relation to an Employee, the Employee that is assigned to their department as a people & culture business partner.
- j) **“Person”** means an individual, partnership, joint venture, corporation, or other entity.
- k) **“Policy”** means a document approved by the AESO Board or the CEO that sets out the principles or objectives regarding a particular subject to govern the actions and decisions of Employees. The term “Policy” includes the AESO Code of Conduct.
- l) **“Policy Owner”** means the author of a Policy who is accountable for its administration. In the case of applicable laws, the Vice President, Law shall be considered to be the “Policy Owner” in accordance with the AESO Code of Conduct.
- m) **“Practice”** means an activity or a process.
- n) **“Procedure”** means a document that sets out instructions, roles, and responsibilities for a particular undertaking that is routine in nature.
- o) **“Protocol”** means a document that sets out instructions, roles, and responsibilities to be followed by identified individuals in response to an event.
- p) **“Secondary Governance Documents”** means any document that supports the implementation of a Policy and is approved in accordance with the governing Policy, including Standards, Procedures, Practices, Protocols, Guidelines and other documents of similar nature.
- q) **“Standard”** means a document that establishes the mandatory quantifiable or demonstrable measures for a particular undertaking.

- r) **“Vice President, Law”** means the Vice President, Law, General Counsel & Corporate Secretary of the AESO.
- s) **“Vice President, PCCE”** means the Vice President, People & Culture and Customer Experience.
- t) **“Wrongdoing”** means: (i) a contravention of a Policy or Secondary Governance Document; (ii) a contravention of applicable laws; (iii) a substantial and specific danger to the life, health, or safety of individuals, other than a danger that is inherent in the performance of the duties or functions of an Employee, or a substantial and specific danger to the environment; (iv) fraud or gross mismanagement, including an act or omission that is deliberate that shows a reckless or willful disregard for the proper management or performance of public funds or a public assets, the delivery of public services, or Employees.

APPENDIX B

Type(s) of Wrongdoing	Policy	Policy Owner and Complaint Manager
<ul style="list-style-type: none"> • Breach of applicable laws or unethical conduct • Breach of confidentiality • Conflict of Interest 	AESO Code of Conduct	Vice President, Law
<ul style="list-style-type: none"> • Fraud and financial mismanagement 	AESO Code of Conduct	Vice President, Law
<ul style="list-style-type: none"> • Breach of Privacy 	Privacy Policy	Director, Information & Governance Services
<ul style="list-style-type: none"> • Harassment (including bullying) • Violence 	Respectful Workplace Policy	Manager, Talent & Partners
<ul style="list-style-type: none"> • Worksite injury or illness • Hazard or unsafe conditions 	Occupational Health and Safety Policy	Manager, Corporate Facilities
<ul style="list-style-type: none"> • Security incidents and concerns 	Corporate Security Policy and CIP Cyber Security Policy	Director, Security & Governance
<ul style="list-style-type: none"> • Improper use of AESO assets 	Acceptable Use Standard	Director, Security & Governance

This Appendix B may be revised and replaced from time to time by the Vice President, Law as may be necessary for the proper administration of this Policy.