



AESO Code of Conduct

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Introduction



The AESO is a statutory corporation whose mandate impacts all Albertans. The AESO is committed to fulfilling its mandate with integrity and impartiality

This AESO Code applies to all Employees, Members, and Agents (each referred to as “You” throughout this AESO Code).

All general inquiries regarding this AESO Code and its administration should be directed to the Vice President, Law.



“ As a statutory corporation responsible for the safe, reliable and economic operation of Alberta’s electric system, we engage with a broad spectrum of stakeholders and partners to fulfill the AESO’s mandate. How we conduct ourselves in each interaction matters just as much as how we act when nobody is watching. Along with our values, this AESO Code outlines the requirements and processes to help us comply with the law and maintain the integrity and impartiality that is required of all of us.

Please take the time to read and understand this AESO Code, use it to guide your actions, and know where you can go for support or to share a concern. Together, we will continue providing leadership to power Alberta today and into the future while holding ourselves to the highest ethical standards. ”

— **Mike Law**, President and Chief Executive Officer, AESO



1. COMPLIANCE AND ETHICAL CONDUCT

You are required to comply with all applicable laws and AESO policies (including this AESO Code). While not all situations are addressed in this AESO Code, its principles and practices offer guidance for your conduct. If in doubt, you can request guidance from your Designated Contact or the Vice President, Law.

When carrying out your duties, you must always act, and be seen to be acting, ethically, with impartiality and in the public interest. This includes avoiding any action or inaction that could reasonably be considered legally or ethically suspect. In addition, you must not knowingly assist or allow other Employees, Members, Agents, Contractors, or Market Participants to take any action or inaction that would violate any applicable laws, ethical standards or this AESO Code.

This AESO Code is not a full statement of your obligations and is not intended to supersede any applicable laws or contractual obligations between you and the AESO. If there is a conflict between the provisions of this AESO Code and applicable laws, the applicable laws will prevail.



2. CONFIDENTIALITY

Maintaining the confidentiality of 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, Agents, Contractors, Market Participants, Departments and Public Agencies, and other existing or prospective contractual counterparties of the AESO.

You are required to protect the confidentiality of information by complying with applicable laws (including the ISO Rules), AESO policies (including this AESO Code) and the agreements to which the AESO is a party. You must safeguard the confidential information in the AESO's possession from unprotected access, unintended or inappropriate disclosure. This care in the handling of confidential information protects the integrity and reliability of the Alberta interconnected electric system and personal privacy.

You must not disclose any confidential information to anyone outside of the AESO, except as authorized by applicable laws (including the ISO Rules), AESO policies (including this AESO Code) and the agreements to which the AESO is a party. Within the AESO, you must not use or disclose confidential information, unless it is required to properly and efficiently perform your duties.

You must not use or disclose confidential information at any time after the end of your employment with, appointment, or service to the AESO, unless required by applicable laws. You must promptly return all such information to the AESO at the end of your employment, appointment, or service and ensure that any confidential information is deleted from any personal electronic device.



3. PROHIBITION FROM ACTING IN SELF-INTEREST OR FURTHERING PRIVATE INTERESTS

You must not act in your self-interest or further your Private Interests or those of a Related Party by virtue of your position or employment with the AESO or by the carrying out of your duties and responsibilities at the AESO.



4. INVESTMENTS AND ASSETS

In the performance of your duties, you may become aware of material information that is not available to the general public about Agents, Contractors, Market Participants, Departments and Public Agencies, or other existing or prospective contractual counterparties of the AESO.

In accordance with sections 2 and 3 of this AESO Code, you must not use or disclose such information to advance your Private Interests or a Related Party's Private Interests or disclose any such information to anyone else, unless required by applicable laws. Similarly, you must not, directly or indirectly, sell or purchase Securities using material information not available to the general public.

The restrictions regarding trading activities contained in this AESO Code are not exhaustive. Canadian and applicable provincial legislation also impose restrictions. You must ensure that your trading activities comply with all applicable laws and this AESO Code.





5. CONFLICTS OF INTEREST

A conflict of interest exists in any situation where your or any Related Party's personal or other interests may in any way affect, or interfere with, your position or employment or discharge of your duties and responsibilities at the AESO. A conflict of interest also exists in any situation where you or any Related Party, receive a personal opportunity or advantage by virtue of your position or employment 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. A conflict of interest, whether real or apparent, calls into question the AESO's integrity and its ability to act in an independent, impartial, and fair manner.

For example, a conflict of interest may arise when a Related Party engages in a business activity that involves the allocation of AESO services or resources, such as submitting a bid in an AESO procurement process. In this example, you must not involve yourself in any way with the AESO's procurement process, related discussions and decisions. If any real or apparent conflict of interest may arise from the situation, you must disclose the conflict, in accordance with the process set out in section 5.1 of this AESO Code.

5.1 Conflict of Interest Disclosure and Management

You must avoid any real or apparent conflict of interest. Where avoidance of a real or apparent conflict of interest is not possible, you must fully disclose, in writing, the conflict of interest to your Designated Contact and the Vice President, Law. You must make the disclosure in advance of taking any action that might give rise to the conflict of interest or, if it could not be reasonably foreseen, make the disclosure 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 required to work with the Vice President, Law and take all steps necessary to manage or resolve any real or apparent conflict of interest.

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 that has been disclosed; and
- Document discussions and communication with the affected Employee, Member or Agent regarding the disclosure, the decision made in relation to the conflict of interest, and the reasons for the course of action chosen.

Where you have disclosed a conflict of interest, you must manage and mitigate it in accordance with the guidance and direction provided and keep a record of the disclosure and the decision made in relation to the conflict of interest.

Similarly, you must also report any real or apparent conflict of interest that affects another Employee, Member or Agent in accordance with section 9 of this AESO Code.



6. GIFTS, EVENTS AND CONFERENCES

You and your Spouse, Common Law Partner or dependent children must not accept from an Agent, Contractor, Market Participant, or other existing or prospective contractual counterparty of the AESO any gift or invitation to an event (e.g., entertainment, such as a hockey game; hospitality, such as a meal at a restaurant; and other outing, such as a visit to a site or facility) or a conference that is connected, directly or indirectly, with the performance of your duties and responsibilities at the AESO, if the acceptance of the gift or the invitation to an event or conference creates a real or apparent conflict of interest, is unreasonable, or exceeds the applicable monetary limit set out in section 6.1 of this Code.

What is reasonable depends on the circumstances. To determine whether a gift or invitation is reasonable, you should consider whether:

- You would offer a similar gift or invitation to the Agent, Contractor, Market Participant, or other existing or prospective contractual counterparty of the AESO;
- The gift or invitation is occasional, customarily offered as a business convention, suitable and appropriate given the nature of the function or the services provided; or
- You would be reluctant to publicly report the acceptance of the gift or invitation.

6.1 Applicable Monetary Limits

You must not accept:

- Gifts from a single source with a combined market value that exceeds \$250 in a calendar year;
- Invitations to events from a single source with a combined market value that exceeds \$500 in a calendar year; and
- An invitation to attend, organize, or present at a conference or other educational event if such an invitation comes with reimbursement for travel, meals, and accommodation expenses, and/or a waiver or reduction in fees, and the total market value of the invitation exceeds \$1,250.

You may accept gifts and invitations exceeding the above limits only with prior written approval from:

- In the case of Employees, with the exception of the CEO, the Employee's Vice President;
- In the case of the CEO, Chair and Members, their Designated Contact; or
- In the case of Agents, the Vice President, Law.

Prior to granting approval, the Designated Contact or the approving Vice President must first confirm in each case that the gift or invitation is reasonable and that its acceptance would not create a real or apparent conflict of interest.



7. SPONSORSHIPS AND CHARITABLE DONATIONS

Where an Agent, Contractor, Market Participant or other third party wishes to sponsor an AESO activity, whether by invitation or voluntarily, the direction concerning the acceptance of gifts and invitations provided in section 6 of this AESO Code applies. These restrictions, however, do not apply to charitable donations for AESO-sponsored charity events.



8. OUTSIDE BUSINESS ACTIVITIES AND POLITICAL ACTIVITIES

This Section 8 only applies to Agents to the extent permissible by law.

8.1 Outside Business Activities

An outside business activity includes any business activity that you engage in outside of your relationship with the AESO, such as service as an officer, director, owner, partner, employee, volunteer, student, consultant or independent contractor with any for profit or non-profit organization or a government body, and self-employment.

You may engage in outside business activities, provided that such outside business activities do not:

- Cause a real or apparent conflict of interest;
- Appear to be an official act of the AESO or to represent an AESO opinion or policy;
- Interfere with your regular duties at the AESO; or
- Involve the use of the AESO's assets, unless such use is otherwise permitted by the AESO.

Prior to engaging in any outside business activity where there may be a real or apparent conflict of interest, you must notify in writing about the nature of the outside business activity and seek approval from:

- Your Designated Contact, in case of the CEO, Chair and Members; or
- Your Designated Contact and the Vice President, Law in the case of all other Employees and Agents.

You may only undertake an outside business activity if the Designated Contact and, where required, the Vice President, Law, are satisfied that it does not cause a real or apparent conflict of interest and approve your request in writing.

8.2 Offers of Future Employment

You must not allow the performance of your official duties at the AESO to be influenced by offers of future employment or the anticipation of offers of employment from third parties.

8.3 Political Activities

You may participate in political activities, including holding membership in a political party, supporting a candidate for elected office, or seeking elected office. However, you must not use your position or employment with the AESO to seek contributions for a political party or activity. In addition, your political activity must be clearly separated from your activities related to the AESO.

If you are planning to seek an elected federal, provincial, or municipal office, you must disclose your intention in writing to your Designated Contact and, in the case of Employees and Agents, you must also disclose your intention to the Vice President, Law. If you are elected to a federal, provincial, or municipal position (excluding school board members), you must resign from your employment, contract or appointment at the AESO effective the day you are elected.



9. COMPLAINTS ALLEGING A BREACH OF THIS AESO CODE

Everybody benefits from an atmosphere of respectful and ethical conduct. You must report a breach, or suspected breach, of this AESO Code by making a complaint in accordance with subsection 9.1 below. When reporting a breach, you must also follow the detailed instructions set out in the AESO's internal Complaints Procedure.

9.1 Making a Complaint

You must choose one of the below channels to make a complaint alleging a breach of this AESO Code:

- Your Designated Contact;
- Your AESO People & Culture Business Partner, where applicable;
- The Vice President, Law; or
- The Ethics Hotline (contact information is located under the Contact Us section on the AESO's external website), which may be used anonymously.

Any complaints alleging a breach of this AESO Code must be made in good faith (i.e., with honesty and without malice or ulterior motive).

You are prohibited from taking or threatening retaliatory action against an Employee, Member, or any other party that has, in good faith, made a complaint alleging a breach of this AESO Code, cooperated in an assessment or investigation of such a complaint, declined to participate in an act that would breach this AESO Code, or otherwise taken any action in accordance with this AESO Code.

9.2 Assessment

Upon the receipt of a complaint alleging a breach of this AESO Code, a complaint manager will be designated to perform an initial assessment to determine whether an investigation of the alleged breach is required. If the complaint manager determines that an investigation of an alleged breach is not warranted, the complaint will be closed.

9.3 Investigation

If investigating an alleged breach is warranted, the complaint manager will gather relevant evidence, which may include interviewing the individual who made the complaint and the individual alleged to have breached this AESO Code. The complaint manager may also engage witnesses, as necessary, to conduct a fair and effective investigation and may also seek a third party's assistance in investigating a complaint.

The complaint manager will inform the individual(s) alleged to have breached this AESO Code of the details of the complaint and provide them a reasonable opportunity to make a statement in relation to the alleged breach.

9.4 Resolution

On completing an investigation, the complaint manager will prepare a report with the investigation's findings and reasons for those findings, and if applicable, any recommendations or corrective action, including any disciplinary action, as appropriate.



10. COIA ADDITIONAL REQUIREMENTS FOR CHAIRS AND CEOS

Pursuant to the COIA, the obligations outlined in Schedule “A” in PART 1 apply to both the Chair and the CEO as “senior officials” and those outlined in Schedule “A” in PART 2 apply to the CEO as a “designated senior official”. These obligations are in addition to those contained elsewhere in this 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 this AESO Code, the obligations contained in Schedule “A” will prevail.

In addition to those obligations set out in Schedule “A”, additional obligations that apply to the CEO as a “designated senior official”, and, where applicable, to a former CEO as a “former designated senior official”, are established under the COIA.

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 will prevail.



11. INITIAL ATTESTATION AND ANNUAL TRAINING AND CONFIRMATION

You are required to attest to your familiarity and compliance with the AESO Code upon commencement of your employment, appointment or service with the AESO. Subsequently, you must, on an annual basis, complete AESO Code training and provide a written confirmation of compliance with the AESO Code in the previous year.



12. AESO CODE REVIEW AND APPROVAL

This AESO Code will be reviewed no less than every three (3) years by the Vice President, Law and any amendments, if required, will be approved by the AESO Board.



13. EFFECTIVE DATE AND NOTICE PERIOD FOR COMING INTO FORCE

This AESO Code will take effect on October 18, 2023, thirty days (30) days after it is published to the AESO’s website

Definitions



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

- (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) **“Agent”** means an individual, partnership, joint venture, corporation, or other entity that the AESO has authorized to act on the AESO’s behalf and to legally bind the AESO;
- (e) **“Common Law Partner”** means an adult interdependent partner as defined by the *Adult Interdependent Relationships Act* (Alberta);
- (f) **“CEO”** means the AESO’s President and Chief Executive Officer;
- (g) **“Chair”** means the Member designated by the Minister as the chair of the AESO Board;
- (h) **“COIA”** means the *Conflicts of Interest Act* (Alberta);
- (i) **“Contractor”** means an individual, partnership, joint venture, corporation, or other entity engaged by the AESO to provide goods or services to the AESO under a contract, and includes consultants, vendors and suppliers, but does not include Agents;
- (j) **“Department”** has the meaning given to such term in the COIA;
- (k) **“Designated Contact”** means:
 - (i) in the case of the Chair, the chair of the AESO Board 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 an Agent, the Agent’s designated contact under their agreement with the AESO.
- (l) **“Employee”** means an individual who is an employee of the AESO;
- (m) **“Ethics Commissioner”** means the Ethics Commissioner appointed pursuant to the COIA;
- (n) **“EUA”** means the *Electric Utilities Act* (Alberta);
- (o) **“ISO Rules”** means the rules created pursuant to Section 20 of the EUA;
- (p) **“Market Participant”** means:
 - (i) any person, including an individual, unincorporated entity, partnership, association, corporation, trustee, executor, administrator or legal representative that supplies, stores, 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;

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- (q) **“Minister”** means the Minister determined under Section 16 of the *Government Organization Act* (Alberta) as the Minister responsible for the EUA;
- (r) **“Member”** means an individual appointed by the Minister, pursuant to the EUA, as a member of the AESO Board;
- (s) **“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;
- (t) **“Public Agency”** has the meaning given to such term in the COIA;
- (u) **“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 15 shareholders and any of whose issued Securities were part of a distribution to the public;
- (v) **“Related Party”** means:
- (i) your Spouse or Common Law Partner;
 - (ii) your child or children or the child or children of your Spouse or Common Law Partner;
 - (iii) your close relative or a close relative of your Spouse or Common Law Partner;
 - (iv) a close personal friend of yours;
 - (v) a corporation of which:
 - A. you are a director or officer of the corporation; or
 - B. you own or control, directly or indirectly, any Securities (including a beneficial interest in such Securities) of the corporation, provided that, if the Securities are Publicly-traded Securities, you own more than ten percent (10%) of such Publicly-traded Securities;
 - (vi) a partnership of which you are a partner, or of which one of the partners is a corporation related to you by reason of (v);
 - (vii) a joint venture of which you are a co-venturer, or of which one of the co-venturers is a corporation related to which you are related you by reason of (v); or
 - (viii) a trust of which you are a trustee, or of which one of the trustees is a corporation to which you are related by reason of (v);
- (w) **“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;
- (x) **“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
- (y) **“Vice President, Law”** means the AESO’s Vice-President, Law, General Counsel and Corporate Secretary.

Schedule “A”



PART 1

The Chair and the CEO

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

Pursuant to section 23.925 of the COIA, the Chair and the CEO must not take part in a decision in the course of carrying out their 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 their 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 their 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

Outside Business Activities (COIA, S. 23.926 'Concurrent Employment')

Pursuant to section 23.926 of the COIA, the CEO must not be involved in any appointment, business, undertaking, or employment, including self-employment, other than their 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 their 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, including self-employment proposed will not constitute a real or apparent conflict of interest.

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