



# Independent Electricity System Operator

## Code of Conduct

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### INTRODUCTION

The IESO plays a crucial role in the development of innovative, effective and efficient solutions to deliver a reliable supply of electricity to Ontarians today and in the future. We protect the interests of Ontario’s consumers with respect to the cost and reliability of electricity supply through the responsible planning and management of electricity resources and by encouraging conservation, the use of cleaner energy sources and technologies and an efficient use of electricity. In performing this role, we have worked hard to gain the trust and respect of market

participants, market service providers, program participants, contractual counterparties, Indigenous communities, stakeholders, electricity consumers and other government organizations. They depend on us to support the development of a robust electricity sector, and to operate Ontario's power system and markets with independence and integrity.

Success in this role requires that we continue to work together and rely upon a common set of core values:

*Trusted*

*Lead Change*

*Collaborate*

*Diversity*

*Integrity*

*Respect*

These values constitute the general principles by which we operate. They assist us in exceeding the expectations of both our external partners and of one another.

This Code of Conduct provides guidance, principles and standards of conduct which give practical meaning and effect to our vision, our mission statement and our core values. It provides a framework which addresses issues of business ethics through specific rules and general standards of conduct. We also recognize that in a complex world with a wide range of potential issues of business ethics we must use common sense and good faith to apply this Code and act ethically.

The importance of our understanding of and compliance with both the rules and spirit of this Code cannot be overstated. The success of our organization is dependent upon the trust we have earned and our ongoing demonstration of excellence and integrity in the performance of our duties. This Code applies to all our executives, officers, employees (including full-time, part-time, seasonal, temporary and secondment staff while working at the IESO). We also expect our business partners, consultants and contractors<sup>1</sup> to uphold these high ethical standards. All of us – executives, officers, employees, agents, business partners, consultants and contractors – are accountable for putting into practice these rules and general standards of conduct. Compliance with this Code is a condition of employment or, as applicable, continued association with the IESO.

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<sup>1</sup> Although the conflict of interest provisions in this Code of Conduct do not apply to contractors and consultants.

## **COMPLIANCE WITH ALL LAWS & POLICIES**

As an organization and as individuals, we will comply with all applicable laws, regulations and IESO policies in the performance of our duties.<sup>2</sup> Compliance is the foundation upon which this Code and our success are built.

We acknowledge that legal and policy compliance is but one aspect of ethical behaviour. Maintaining the trust which we have earned requires that we do more than just comply with our strict legal obligations. We must think about, reflect on, and incorporate into our daily actions high ethical standards, observing the spirit as well as the letter of the law and policies.

## **WORK ENVIRONMENT AND THE EMPLOYMENT RELATIONSHIP**

While protecting confidentiality we communicate openly and acknowledge, fix and learn from our mistakes. We work to resolve issues quickly and effectively, building and maintaining constructive relationships.

As an organization, and as individuals, we are accountable for utilizing our best skills and efforts to deliver the right products, services and solutions in a timely, cost effective manner. Our performance is based on working with others in a respectful and co-operative manner. To achieve our objectives we anticipate and adapt to new needs and challenges, actively seeking to improve our performance.

Our Code of Conduct is the guide to making decisions that meet the highest standards of integrity and professionalism. Everyone is required to adhere to this Code and therefore, please ensure that you read, understand and incorporate the Code in your daily work. Everyone is required to sign the Code of Conduct compliance form, attesting to familiarity and compliance with this Code, upon commencement of employment with the IESO and annually thereafter, in the form found at the last page of this Code. If you have any questions concerning this Code, please consult your immediate supervisor or a human resources representative.

In this Code, the term “supervisor” means:

- the head of your business unit, whether or not s/he is a vice-president and reports directly to the Chief Executive Officer;
- the Chief Executive Officer, if you report directly to the Chief Executive Officer; and
- the Chair of the Board of Directors, in the case of the Chief Executive Officer or other Board of Directors members.

Thank you for your continued support and dedication to preserving the IESO’s reputation as a trusted public organization.

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<sup>2</sup> In this Code of Conduct, any reference to IESO policies includes IESO governing documents, policies, standards, procedures and guidelines.

### ***Diversity, discrimination and harassment***

We foster a work environment based on fair treatment of and respect for our market participants, market service providers, program participants, contractual counterparties, Indigenous communities, stakeholders, and colleagues. In this environment, differences in background, experience, and perspective are valued and assist each of us to contribute to our fullest potential. We support workplace diversity.

We treat each other with courtesy and mutual respect for the dignity and worth of each person. The IESO is a diverse organization, with people from a variety of cultures and backgrounds who may have different communication styles. Greater communication between employees and increased sensitivity to others will help ensure that a discrimination and harassment-free workplace exists. The policy set out below has been developed to communicate the standard of conduct that is expected of employees in keeping with this objective.

Unlawful discrimination is not tolerated or condoned. In particular, we reject discrimination on any prohibited ground and harassment. Harassment is a course of conduct, comment or behaviour on the basis of a prohibited ground that is known or ought reasonably to be known to be unwelcome. It can be viewed as insulting, intimidating, humiliating, hurtful, demeaning, belittling, malicious, degrading, or otherwise cause offence, discomfort, personal humiliation or embarrassment, or which creates an uncomfortable work environment. Harassment directed against an individual or group(s) may include unwelcome, hostile or offensive conduct or communications; demands, threats, gestures, innuendos, verbal abuse or unnecessary contact; and, the display or possession of offensive material, sexual or otherwise (including in electronic and digital formats).

Additional guidance is provided in our Respect at Work policy, which covers other elements of improper behaviour.

For further clarity, this Code applies within the workplace as well as in outside work-related settings, or social or recreational activities involving IESO employees, where such conduct may lead to repercussions in the workplace adversely affecting the working environment.

### ***Social Functions***

The IESO supports the opportunity to socialize and build relationships both inside and outside of work with co-workers, the business community and the public. However, whether on work premises or at an offsite IESO event, employees should conduct themselves in a manner that is consistent with this Code of Conduct and the IESO's other governing policies.

### ***Maintaining the Employment Relationship***

Actions we take, either at work or in our private lives, can be so damaging to other employees or the IESO itself that the employment relationship between an employee and the IESO can be irreparably harmed resulting in the termination of that relationship. Specifically, participating in illegal, or other activities that could substantially and negatively impact the IESO's legitimate business interests, may result in the termination of the employment relationship. Such activities may occur as a result of actual or cyber action, including but not limited to, our involvement with email and electronic messaging, postings, commentary or opinions on blogs, social networking websites, or any user comment-enabled website, in any medium be it text, video, or audio format.

In addition, the making or posting of comments and opinions at work or at home and either in person or via the internet or web-based communications must be done in accordance with this Code of Conduct whether or not we use our own name or a pseudonym or post material anonymously. We are bound by the confidentiality provisions set out below in any such postings. We must not knowingly or negligently post any defamatory or derogatory comments about co-workers, management, the IESO, market participants, market service providers, program participants, contractual counterparties, Indigenous communities, persons in their capacity as electricity consumers, other government organizations or stakeholders even if the identity of the individuals, the IESO or other organizations is masked by the use of aliases. We are entitled to make fair comment about events of a public nature but should make it clear that, if the event has anything to do with the electricity sector or unless the comment is part of an IESO sanctioned initiative, the opinions expressed are our own and not the views of the IESO.

## **CONFIDENTIALITY**

Confidential information includes, but is not limited to, personal, technical, proprietary, business and financial information about our organization, our stakeholders, market participants, market service providers, program participants, contractual counterparties, Indigenous communities, and other government organizations, which has not been made public. Some examples of confidential information include:

- business methods and strategies;
- production and delivery capabilities;
- clients and details or their particular operational or other requirements;
- bids, offers, costings, profit margins and other financial information;
- marketing strategies and tactics;
- current activities and plans relating to the development, production, sales or supply of a product, service or activity, including their timing;

- development of new products, services or methods;
- production, operation or design secrets;
- research and development;
- inventions;
- formulae and formulations;
- methods of treatment, processing, manufacture, construction, production, process and any other confidential controls, including quality controls.

Our stakeholders, market participants, market service providers, program participants, contractual counterparties, Indigenous communities and other government organizations expect us to use and protect confidential information appropriately. This care in our handling of confidential information protects the integrity and reliability of the Ontario power system and markets, as well as our personal privacy. Confidentiality and privacy considerations encompass system and staff security, as well as commercial, legal and regulatory obligations. Confidentiality is fundamental to our functions.

We will not disclose any confidential information, except as authorized by law or as permitted under the market rules or a non-disclosure agreement, to anyone outside of the IESO including our families and friends. Within the IESO we will not disclose confidential information other than as required to properly and efficiently perform our duties. The provincial legislation that formally merged the IESO's two predecessor companies as at January 1, 2015, requires there to be an effective separation of functions and activities relating to the IESO's market operations on the one hand and its procurement and contract management on the other hand. We acknowledge that we will protect confidential information even after we have left the IESO without limit in time. This obligation will cease to apply to information that enters the public domain other than through unauthorized disclosure.

We will protect confidential information against theft, loss, destruction, release, unauthorized access and misuse. We comply with and know the market rule provisions and IESO policies for confidentiality and privacy.

## **SAFEGUARDING OUR ASSETS**

Our stakeholders, market participants, market service providers, program participants, contractual counterparties, Indigenous communities, and other electricity consumers have entrusted us with the care and protection of assets which are essential to the efficient and reliable operation of Ontario's power system and markets. We all have a responsibility to use these assets appropriately and to protect them from misuse or loss. Our capability and success depend upon it.

In performing our duties we rely on a wide range of assets including:

- physical property (physical plant, offices, tangible equipment);

- financial property (cash, cheques, transfers, expense claims);
- business records (financial records, contracts, business processes); and
- information based assets (computer and network systems, software, and intellectual property).

Good faith, integrity and ethical behaviour govern our use of IESO assets. Access to and use of these assets must be authorized and based on appropriate business use.

Business expenses are those that are made in the course of fulfilling our duties and are prudent, reasonable, fully and accurately reported, and made in compliance with IESO policies. Our records are honest, accurate, and complete. We maintain the integrity of our records and secure them from loss, damage or unauthorized use.

Information based assets are a prerequisite to the performance of our duties. We will protect these assets from risks including the loss and destruction of data, interruption of service, corruption, and unauthorized access to confidential information. We are required to protect the IESO and its customers against such risks through strict adherence to the applicable IESO policies.

The IESO permits us to make occasional personal use of certain organization assets such as limited access to the internet, and telephones and fax machines for local calls. Notwithstanding, we will not use IESO computer systems, e-mail or the internet for video entertainment, games or gambling. We will not use IESO assets to post or send messages under disguised identification, download programs without explicit authorization from the IT business unit, send chain letters, send threatening, slanderous or harassing messages, or obtain, view, store or send offensive material. All use must comply with this Code of Conduct and the applicable IESO policies. Our use of IESO assets must be responsible, limited, and not interfere with the performance of our duties or those of others. We acknowledge that we have no expectation of privacy when making use of IESO assets; the IESO monitors the use of assets for security and administration purposes.

## **CONFLICT OF INTEREST**

A conflict of interest is when our personal interests interfere with, or may appear to interfere with, our primary business loyalty to the IESO. We must always act and be seen to be acting in the best interests of the IESO without regard to our personal interests. This obligation is not fully discharged by simply acting within the law. Rather, this obligation requires that we make all business decisions on merit based on the best interests of the IESO, and that we are unaffected by consideration of direct or indirect personal benefits. To do otherwise risks the reputation of both the individuals involved and the IESO. A conflict of interest, actual or perceived, calls into question our integrity, and our ability to act in an independent, impartial manner.

In addition to the general principle that we must always avoid conflict of interest, actual or apparent, this Code addresses some of the most common areas in which conflict of interest arises and provides specific rules for dealing with those situations. This Code requires that any

conflict of interest – involving either a specific rule or the general principle - must be declared to your supervisor within your business unit (personal or confidential information need not be included) and to the legal services business unit. The responsibility is on each employee to always remain cognizant of, and immediately disclose, any actual or potential conflict of interest. If a conflict of interest arises between the private interests of an employee and the duties and responsibilities owed by that employee to the IESO, the conflict of interest will be resolved in a manner that serves the best interest of the IESO and the public interest that it serves. If you are in any way uncertain as to whether an actual or potential conflict of interest exists, you should discuss your concern with your supervisor within your business unit who will provide advice or direction.

### *Insider Tipping and Trading*

Laws prohibit the purchase or sale of any publicly traded security by a person in possession of important information about the security or the issuer which is not public. In the performance of our duties we often come into possession of important confidential information or information not available to the public about market participants, market service providers, program participants, contractual counterparties, Indigenous communities, electricity consumers and other stakeholders. We will not disclose this information to outside parties, family or friends (tipping), nor will we make use of such information to trade in securities ourselves<sup>3</sup> (trading on an undisclosed material fact or change).

In addition to an investment in a legal entity with which the IESO *does* business, there may be concerns over an employee's investment or trading in the securities of an entity with which *we may be about to do* business. This concern also arises in respect of a spouse, domestic partner or dependant child.

When an employee becomes aware of an actual or potential conflict of interest due to:

- in an IESO procurement process, a bid being submitted by or negotiations being contemplated or commenced with an entity or affiliate in which the employee (or spouse, domestic partner or dependent child) has a financial interest, or
- any other business undertaking between the IESO and an entity or affiliate in which the employee (or spouse, domestic partner or dependent child) has a financial interest,

whether a direct or indirect interest in the entity or affiliate, the employee shall immediately report the situation in writing to his or her supervisor (personal or confidential information need not be included) and to the legal services business unit. The employee (or spouse, domestic partner or dependent child) may not buy an interest in any such entity or its affiliate and, if he or she already holds an interest in it, then he or she may not sell that interest, except with the prior permission of the legal services business unit. Such permission shall not be given until such time as it is clear that buying or selling would not be interpreted as the employee (or spouse,

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<sup>3</sup> Any such securities trading must be consistent with the conflict of interest provisions in this Code.



domestic partner or dependent child) personally gaining from confidential knowledge about impending transactions with the entity or affiliate. The employee will take all reasonable steps to ensure that his or her spouse, domestic partner and dependent child(ren), if any, also follow these directives. The employee will notify his or her supervisor (personal or confidential information need not be included) and the legal services business unit if/when the employee becomes aware, or should reasonably become aware, of a conflict of interest or potential conflict of interest involving a spouse, domestic partner or dependent child(ren).

### ***Prohibited Financial Interests***

In support of the general principle that we avoid any actual or apparent conflict of interest, IESO employees, including our spouses, domestic partners and dependent children, cannot own, control or hold voting power over securities<sup>4</sup> (“**Prohibited Financial Interests**”) of any of the entities listed in **Appendix “A”** to this Code which are together referred to as the “**Prohibited Entities**”. Every IESO employee will take all reasonable steps to ensure that his or her spouse, domestic partner and dependent child(ren), if any, also follow these directives. The employee will notify his or her supervisor (personal or confidential information need not be included) and the legal services business unit if/when the employee becomes aware, or should reasonably become aware, of a conflict of interest or potential conflict of interest involving a spouse, domestic partner or dependent child(ren).

The list of Prohibited Entities is comprised of those publicly-traded entities or affiliates which the IESO deems to create a significant risk of an actual or perceived conflict of interest, based on the following criteria:

- has purchases or sales in one or more of the IESO markets in a calendar year that represent a significant portion of the total IESO market share for that calendar year;
- has a contract with the IESO for the procurement of supply, generation, demand response or demand management, with payments in a calendar year representing a significant portion of all the payments the IESO reasonably expects to make under its procurement contracts for that calendar year; or
- is a supplier that receives or reasonably expects to receive a significant amount of its current annual revenues from the IESO.

Even if one or more of the above criteria are met, an entity or affiliate may nevertheless be excluded from the list of Prohibited Entities on the basis that its activity in one or more of the IESO markets, or the payments it receives or reasonably expects to receive under a contract with the IESO for the procurement of supply, generation, demand response or demand management, represents only an insignificant portion of the entity’s annual gross revenues.

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<sup>4</sup> The term “securities” includes stocks, stock options and derivatives.

The list of Prohibited Entities can be found on the IESO's intranet, and will be updated on a regular basis with an e-mail sent to all executives, officers, employees and secondment staff notifying them of any changes. We will be expected to review the e-mail, and the list of Prohibited Entities generally, to ensure continued compliance with the Code. Any conflicts of interest arising from changes to the list of Prohibited Entities must be promptly reported to your supervisor (personal or confidential information need not be included) and the legal services business unit.

It is expected that the restriction against purchasing or holding any Prohibited Financial Interests continues until 6 months following the end of your employment or association with the IESO.

Even if a market participant, program participant or contractual counterparty in which you (or your spouse, domestic partner or dependent child) have an ownership interest of 5% or greater, is not among the list of Prohibited Entities, you are required to report such interest to the legal services business unit at such time as you become aware, or reasonably should become aware, of such interest. If a conflict of interest is found to exist, options for the resolution of the conflict of interest could include, but are not limited to, divestment of the securities by selling the securities in an arm's length transaction or by the creation of a blind trust for the securities.

***Prohibited Financial Interests do not include:***

- ***permitted mutual funds, exchange-traded funds (ETFs), or eligible fully managed discretionary accounts:*** indirect ownership of Prohibited Financial Interests through a widely held fund or account (other than a fund or account specifically targeted towards the Ontario electricity industry, the Ontario electric utility industry or any segment of them) where we do not control the purchase or sale of the holdings of the fund or account;
- ***blind trust:*** blind trust where we do not control the purchase or sale of the holdings of the trust;
- ***pension funds:*** participation in a pension fund, e.g. the present or deferred receipt of pension benefits from a previous employer, an employee benefit plan, an annuity or life insurance policy or a deferred profit sharing plan;
- ***fixed value securities:*** fixed value securities issued by a government or a government agency;
- ***guaranteed investment certificates (GICs):*** a GIC or similar financial instrument issued by a financial institution entitled by law to issue such instruments;
- ***permitted spousal work related securities:*** the purchase of securities which are otherwise a Prohibited Financial Interest by a spouse or domestic partner where such purchase was made available as a part of his or her employment. Any such purchases by a spouse or domestic partner must be disclosed to your supervisor (personal or confidential information need not be included) and the legal services business unit at such time as the employee reasonable becomes aware, or

reasonably should become aware, of such purchases.<sup>5</sup> In certain circumstances, appropriate safeguards may be placed on your duties to avoid an actual or apparent conflict of interest;

### *Divestiture of Prohibited Financial Interests*

In the event that you, or your spouse, domestic partner or dependent child(ren), are holding Prohibited Financial Interests, you shall report such holding immediately upon becoming aware of it to your supervisor (personal or confidential information need not be included) and the legal services business unit and you (or your family member as applicable) shall have two (2) months from the date you became aware of the holding to come into compliance. During the initial transition period from the previous Code of Conduct to this Code of Conduct, all executives, officers, employees and secondment staff will have six (6) months from the effective date of this Code to come into compliance.

If a conflict of interest is found to exist, options for the resolution of the conflict of interest could include, but are not limited to, divestment of the securities by selling the securities in an arm's length transaction or by the creation of a blind trust for the securities. If a blind trust is used, the trust must not leave in the hands of the employee (or spouse or domestic partner) any power of management or decision-making authority over the securities placed in the blind trust. It will be the responsibility of the employee to provide evidence that the blind trust has terms and conditions that meet these criteria and prove that the employee (or spouse or domestic partner) has divested himself or herself of the securities. The trustee of the blind trust may not be a family member of the employee.

Where there is a conflict under this Code between the obligation to divest and the obligation not to trade, the obligation not to trade will take precedence. The IESO will make such changes to the timelines for divesting as are necessary so as to give employees reasonable time to divest after the obligation to cease trading has expired.

Upon providing supporting documentation to the legal services business unit, employees will be reimbursed by the IESO for the reasonable one-time transaction costs, if any, of divesting Prohibited Financial Interests that were held by the employee (or spouse, domestic partner or dependent child) as at July 1, 2015 and was permissible under an immediately preceding Code of Conduct.

For further clarity, such reimbursement is limited to the transaction fees, if any, associated with the divestment of Prohibited Financial Interests and does not extend to any capital losses incurred by the employee (or spouse, domestic partner or dependent child). Reimbursement also does not apply to the cost of creating, or to the cost of transferring Prohibited Financial Interests to, a permitted investment vehicle (e.g. blind trust or fully managed discretionary account).

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<sup>5</sup> If and as required, the most senior person in your business unit shall report on issues relating to the Code to the President and Chief Executive Officer of the IESO who, if and as required, shall report to the Human Resources & Governance Committee of the Board.

### ***Payments, Gifts and Hospitality***

In our relationships with market participants, market service providers, program participants, contractual counterparties, Indigenous communities, suppliers, potential vendors and other stakeholders with whom the IESO may do business and are seeking to influence the IESO, including their agents and advisors, we must avoid any appearance of influence and impropriety.

***No payments or privileges:*** We must not be involved in any act that could be interpreted as seeking, or receiving a bribe, benefit, *quid pro quo*, kickback, questionable payment, preferential treatment or privileged access. This prevents us from seeking or accepting any offer of a loan, cash or discount. Any such offer should be reported to your supervisor in your business unit.

***Nominal gifts and hospitality:*** The exchange of unsolicited business gifts and hospitality of nominal value (under \$50) is a normal courtesy reflecting common business practice. The role that we have been entrusted with requires that we carefully assess the motive behind the offer of gifts and hospitality to ensure that the practice is consistent with normal and reasonable business courtesies which do not lead to the sense or perception of obligation.

Guidelines to assist us in complying with this requirement are:

- whether or not you would offer a similar gift or hospitality to this business associate;
- whether the gift is appropriate given the nature of the function or services, i.e. is the gift in recognition of a provided service or congratulatory in nature; or
- whether you would be reluctant to publicly report the gift or hospitality.

If the offer of a gift or hospitality is inappropriate it should be declined with thanks or, where due to the perishable nature of the gift or otherwise impractical, donated to a community charity. Where we decline a gift or pass on a gift to a charity we shall advise the donor that we have done so in order to comply with this Code.

In no event shall you accept a gift in excess of \$50. If you receive a gift in excess of \$50, you must report the gift, and whether it was declined or re-gifted to charity, to your supervisor to ensure proper documentation and protection of our individual and collective reputations.

These restrictions do not apply to charitable donations for IESO-sponsored charity events (e.g. the annual United Way drive).

***Travel and lodging:*** payment for travel or lodging should not be accepted unless previously approved by your immediate supervisor.

***Sponsorship – giving or receiving:*** where an outside organization wishes to sponsor an IESO activity, whether by invitation or voluntarily, the rules for the acceptance of gifts and hospitality in this Code will apply. For further clarity, you may accept reimbursement for, or complimentary attendance at, a broad-based industry conference or networking event (e.g. OEA luncheons, Women in Electricity events, participant-sponsored galas and other industry award dinners), but only up to twice per calendar year from the same entity or affiliate. This includes private meals with existing or potential market participants, market service providers, program participants, contractual counterparties, Indigenous communities, stakeholders and vendors. This also includes invitations to ski days, golf tournaments or other similar events, so long as you make a reasonable monetary contribution toward the event. If you would like to attend more than two events per calendar year by the same sponsor, then you must seek prior supervisor approval.

These restrictions do not apply to professional accreditation programs (e.g. continuing legal education seminars).

Due to the public perception that can arise from attending certain types of events, IESO employees may not accept any invitations to professional sporting or cultural events (e.g. Leafs hockey games, Raptors basketball tickets, operas at the Four Seasons, Stratford Festival etc.). If you are unsure whether an event you would like to attend is permissible, please speak to your supervisor.

Where the IESO through sponsorship, financial or other means, gives support in the community (e.g. annual stakeholder summit), employees should ensure that only reasonably impartial advice, if any, is given and that there is no conflict of interest involved.

### ***Outside Business Activities***

The IESO recognizes that we have the right to decide how we spend our non-working hours subject to our primary business loyalty to the organization. This requires that we do not work for, supply services to, or serve as a director or officer of another business organization that:

- engages in transactions related to the IESO-controlled grid or IESO – administered markets as its primary business;
- supplies goods or services to the IESO;
- competes with the IESO in the provision of services; or

- where working for that organization would or could appear to interfere with or adversely affect our work for the IESO.

It is our responsibility to obtain the prior approval of our supervisor whenever:

- we propose to work with, supply services to, or serve as a director or officer of a market participant, market service provider, program participant, contractual counterparty, supplier, stakeholder or other government organization; or
- we are uncertain as to whether our external work may be a conflict of interest.

Good faith, honesty and common sense require that we not use IESO assets or time to perform work for another organization.

#### *Non Profit and Professional Activities*

The IESO and its staff have a history of being active participants in a wide range of non-profit and professional organizations. We recognize the value of our participation in these organizations where our participation does not interfere with our primary business loyalty to the IESO. We will only make use of IESO assets and time for non-profit and professional activities with the prior approval of our manager. Whenever we publicly speak for such organizations we will make it clear that we are acting in our private capacity and not on behalf of the IESO.

#### *Personal and Family Interests/ Investments*

Our actions are governed by the best interests of the IESO without regard for direct or indirect personal gain.

#### *Post-Service Restrictions*

Senior employees of the IESO shall, for the applicable time periods after the termination of their employment set out below, refrain from meeting with or otherwise directly communicating with the IESO or any IESO staff or representatives for the purpose of influencing decisions of the IESO:

- in the case of a former Chief Executive Officer, twelve (12) months,
- in the case of a former Vice-President, six (6) months, and,
- in the case of a former Director or Manager, three (3) months.

#### *Non-Solicitation of Employees*

As a condition of employment with the IESO, you have agreed that while you are employed or engaged by the IESO and for the period that is applicable to you (in the case of a former Chief Executive Officer, 12 months; in the case of a former Vice-President, 6 months and, in the case of a former Director or Manager, 3 months), immediately following the termination of your employment or engagement with the IESO, for whatever reason, you shall not hire any persons who are employees of, or

consultants to, the IESO, nor shall you solicit or induce or attempt to induce any persons who are employees of, or consultants to, the IESO, to terminate their employment or engagement with the IESO, without the prior written consent of the IESO.

In the event of the termination of your employment or engagement, for whatever reason, the phrase “any persons who are employees of, or consultants to, the IESO” means those persons who are employees of, or consultants to, the IESO at the time of the cessation of your employment or engagement.

## **COMPLIANCE**

We will maintain our reputation for operating ethically, with integrity and independence, in the performance of our duties. This includes precluding us from conducting the operations of the IESO-administered markets in any matter that unjustly advantages or disadvantages any market participants or class of market participants.

Compliance with this Code is mandatory and is a term of employment for our executives, officers and employees. It is also a term of continued association with the IESO for our business partners, consultants and contractors. Compliance requires that we read, understand and apply this Code. To ensure that all of us are aware of our obligations under this Code all employees are required to complete training on an annual basis.

Consistent with the principle of accountability, we are all responsible for our own actions and compliance with this Code. This does not mean, however, that we are on our own in facing difficult ethical situations. If review of this Code and the application of good faith and common sense leave us uncertain as to how to interpret this Code or apply it to a specific course of action, it is often useful to ask the following questions:

- how would family, peers or the public react to the issue?
- how would it be reported in the media?
- would you want to be treated in the same manner?

If you remain uncertain as to how to proceed you should discuss your concern with your supervisor within your business unit who will provide advice or direction.

As discussed above, any actual or potential conflict of interest must be promptly disclosed. We are also under an obligation to promptly report any violation of this Code committed by ourselves or others to the most senior person of our respective business unit. In order to ensure consistent treatment of conflict of interest matters across the IESO, supervisors shall notify the legal services business unit, who in turn shall notify the President and Chief Executive Officer, of the conflict of interest and of the proposed resolution before finalizing the resolution of a conflict of interest matter with an employee.

In support of ethical behaviour and compliance with this obligation to report, the IESO will not tolerate retaliation against anyone who makes a report in good faith. You should immediately report any improper activity to your supervisor without fear of reprisal. If you feel uncomfortable raising the issue with your immediate supervisor or with a member of management, you may report the improper activity on a confidential basis through the EthicsLine Program provided by an external service provider. The EthicsLine Program is intended to provide an alternative means for employees to communicate anonymously information concerning wrongdoing or inappropriate behaviour<sup>6</sup>. The prohibition on retaliation does not preclude the IESO from imposing discipline on anyone who violates this Code including those who report a violation. The voluntary self-reporting of a violation, however, will be considered in any assessment of discipline.

In order to maintain the trust we have earned from our stakeholders, market participants, market service providers, program participants, contractual counterparties, Indigenous communities, electricity consumers and other government organizations, the IESO will take disciplinary action, up to and including dismissal, for breach of this Code. For example, disciplinary action will follow:

- breach of this Code;
- failure to report a known or apparent conflict of interest;
- retaliation against anyone for the good faith reporting of a violation or conflict of interest;
- failure to co-operate in the investigation of a known or suspected breach of this Code; and
- the bad faith reporting of a violation or conflict of interest.

Though strict compliance is the norm, common sense and good faith require that the IESO has the flexibility to address exceptional circumstances to avoid unjust or unreasonable results. In appropriate circumstances, the President and Chief Executive Officer of the IESO or, in relation to the President and Chief Executive Officer, the Human Resources & Governance Committee of the Board, may grant a waiver of compliance with a specific provision of the Code. Each such waiver shall be properly documented.

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<sup>6</sup> For further information, please see the EthicsLine Program intranet page under the Employee Resources tab on the IESO intranet (the Hub). The current service provider, Grant Thornton, may be reached online at <https://www.grantthorntontcare.ca>, or by phone at 1-855-424-CARE (2273), or by e-mail at [useCARE@ca.gt.com](mailto:useCARE@ca.gt.com).



## **CONCLUSION**

Our decisions, efforts and actions since inception have earned the trust and respect of our market participants, market service providers, program participants, contractual counterparties, Indigenous communities, stakeholders, electricity consumers and other government organizations. Maintaining this trust and respect depends on our demonstrated ability to make ethical decisions and act with integrity on a daily basis.

To assist us in this task, this Code describes standards of conduct to give effect to our vision, mission statement and core values. Used with, and not as a substitute for, common sense and good faith, this Code will ensure our continued ethical behaviour.

## **Appendix A to IESO Code of Conduct**

### **List of “Prohibited Entities”**

Algonquin Power & Utilities Corp	KGHM International Ltd.
Alterra Power Corp	KGHM Polska Miedz
Alterra Capital Holdings Ltd	KKR & Co. LP
ArcelorMittal	Metlife Inc.
BlackRock Inc.	Mitsubishi Corporation
Boralex Inc.	Mitsubishi Electric Corporation
Borealis Exploration Limited	Mitsui & Co Ltd
Brookfield Asset Management Inc.	New Gold Inc.
Brookfield Renewable Energy Partners LP	NextEra Energy Inc.
Brookfield Renewable Power Fund	NextEra Energy Capital Inc.
Brookfield Infrastructure Partners LP	NextEra Energy Capital Holdings Inc.
Canadian Solar Inc.	NextEra Energy Partners LP
Capital Power Corporation	Northland Power Inc.
Capstone Infrastructure Corporation	Osaka Gas Co Ltd.
China Longyuan Power Group Corp Ltd.	Pattern Energy Group Inc.
Chubu Electric Power Inc.	Power Corporation of Canada
Detour Gold Corporation	Resolute Forest Products Inc.
Domtar Corp.	Royal Dutch Shell PLC
Domtar Canada Paper Inc.	Samsung C&T Corp
EDP Renováveis	Suncor Energy Inc.
Enbridge Inc.	SunEdison, Inc.
Enbridge Income Fund Holdings Inc.	Toromont Industries Ltd.
Enbridge Energy Partners LP	Toyota Tsusho Corp.
Engie SA	Toyota Motor Corp.
First Solar Inc.	Toyota Industries Corporation
General Electric Company	Toyota Boshoku Corporation
Glencore PLC	TransAlta Corporation
Glencore International PLC	TransAlta Renewables Inc.
Hydro One Limited	TransCanada Pipelines Ltd.
Innergex Renewable Energy Inc.	TransCanada Corporation
Index International AB	VALE
	Veresen Inc.
	Wind Works Power Corp.