

CODE OF BUSINESS CONDUCT AND ETHICS

1. OBJECTIVE

- 1.1. The objective of this code of business conduct and ethics (the “Code”) is the promotion of honest, ethical and lawful conduct of all employees, officers, directors, contractors, suppliers, agents and representatives of FortisAlberta Inc. (“FortisAlberta” or the “Corporation”) and its subsidiaries, by helping such people to understand FortisAlberta’s standards of ethical business practices and conduct.
- 1.2. Since the actions of every employee, officer and director affect the reputation of FortisAlberta, all such persons are expected at all times to:
 - 1.2.1. avoid actual or perceived conflicts between personal and professional interests;
 - 1.2.2. conduct business with integrity, honesty and fairness in a manner sensitive to the customs and cultures of the areas of operation;
 - 1.2.3. provide full, true and plain reporting and disclosure of the financial results and operating activities of the Corporation in accordance with applicable laws, rules and regulations, and to comply with all related internal controls;
 - 1.2.4. comply with applicable laws, governmental and regulatory rules and regulations;
 - 1.2.5. comply with the policies of the Corporation; and
 - 1.2.6. promptly report to a responsible supervisor, officer, director or in accordance with the Code of Business Conduct and Ethics Enforcement Policy.

2. DEFINITIONS

- 2.1. “Conflict of Interest” means any situation or activity where a person’s personal or private interests (including the interests of family members) affect, or can reasonably be perceived to affect, the discharge of such person’s obligations to the Corporation.

3. APPLICATION

- 3.1. The Code applies to all employees, officers, directors, contractors, suppliers, agents and representatives of FortisAlberta. FortisAlberta subsidiaries may adopt a code of business conduct and ethics attuned to the particular activities of such subsidiary and adhering to the basic principles of the Code.

- 3.2. The Code can not anticipate every situation or action that could confront a party subject to the Code, and therefore whenever there is doubt about the correct ethical or legal choice to be made, fully disclose the circumstances, seek guidance about the right thing to do and continue asking until guidance is secured.
- 3.3. Waivers of the Code may be granted from time to time in limited circumstances where the person seeking waiver makes written application to the Governance and Human Resources Committee of the Board of Directors of FortisAlberta. Any such waivers will be publicly disclosed in accordance with applicable laws, rules and regulations.

4. CONFLICTS OF INTEREST

- 4.1. FortisAlberta expects all employees, officers and directors to honor their duty of good faith and fidelity, and to perform their duties in a manner which seeks to ensure the interests of the Corporation ahead of their own personal interests. The Corporation further expects all employees, officers and directors to exercise good judgment and high ethical standards in their activities on behalf of FortisAlberta, as well as in their private activities. FortisAlberta expects that no employee, officer or director will:
 - 4.1.1. take advantage of any business opportunity discovered through his or her position or through the use of FortisAlberta property or information;
 - 4.1.2. use his or her position or FortisAlberta property for personal gain;
 - 4.1.3. compete with FortisAlberta; or
 - 4.1.4. take any steps or action which involve or create the appearance of a conflict of interest.
- 4.2. While it is not possible to describe or anticipate all situations that may give rise to a conflict of interest, such situations impacting upon the objective and effective performance of responsibilities to the Corporation may arise when an employee, officer, director, or member of his or her family:
 - 4.2.1. solicits or accepts, directly or indirectly, any kind of gift or other personal, unearned benefits as a result of his or her position with the Corporation (other than non-monetary items of nominal intrinsic value) from any person with which the Corporation has a current or potential business relationship;
 - 4.2.2. has a financial interest in any person with which the Corporation has a current or potential business relationship (excluding interests that are less than 1% of the outstanding securities of a publicly traded entity);
 - 4.2.3. has a consulting or employment relationship in any capacity with any person with which the Corporation has a current or potential business relationship; or

- 4.2.4. acquires, directly or indirectly, real property, leaseholds, patents or other property rights, or competes with the Corporation for the acquisition thereof, in which the Corporation has or is likely to have an interest.
- 4.3. The Code does not prohibit business or social exchanges that occur in the ordinary course of business relations. FortisAlberta recognizes the importance of good business relations and encourages networking with suppliers and customers, provided that the extent of such activities can not reasonably be perceived to negatively impinge upon the fulfillment of a person's duty to the Corporation. Reasonable business entertainment, gifts, or favours which are appropriate in the circumstances or otherwise permissible under applicable law will not be considered a breach of the Code, as long as such items are consistent with conventional business practice, not intended as an inducement, not contrary to applicable law and will not embarrass the Corporation if publicly disclosed.
- 4.4. Employees must obtain prior approval from a Vice-President of the Corporation before agreeing to serve on the board of directors or similar body of a for profit enterprise or government agency. Officers or directors of the Corporation must obtain prior approval from the President and Chief Executive Officer. Serving on a board of directors of a not-for-profit organization does not require prior approval, provided such appointment does not pose a conflict of interest with the Corporation in respect of contributions or supply of services.

5. PROTECTION OF CORPORATE ASSETS

- 5.1. Every employee, officer and director has a personal responsibility to protect the assets of the Corporation, including, without limitation, tangible assets, (such as equipment and facilities) and intangible assets (corporate opportunities, intellectual property, trade secrets and business information) from misuse or misappropriation.

6. CONFIDENTIAL INFORMATION

- 6.1. No employee, officer or director shall disclose any confidential or proprietary information of or about the Corporation, or of or about any person or organization with which FortisAlberta has a current or potential business relationship, to any person, either during or after service with the Corporation, except with the written authorization of a director or officer of the Corporation, or as may be required by law.

7. FAIR DEALING

- 7.1. Every employee, officer and director must deal fairly with competitors and each person or organization with which the Corporation has a current or potential business relationship. No employee, officer or director should take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.
- 7.2. Employees, officers and directors will not, directly or indirectly, offer bribes or kickbacks, nor promise any other improper benefit for the purpose of influencing any customer, supplier, public official or any other person, nor will they, directly or indirectly, accept bribes, kickbacks or any other improper benefit which could influence, or appear to influence them in the performance of their duties.

8. FINANCIAL REPORTING

- 8.1. It is FortisAlberta policy to fully and fairly disclose the financial condition of the Corporation in compliance with applicable accounting principles, laws, rules and regulations and to make full, true and plain disclosure in any report filed with regulatory authorities. All employees, officers, and directors are expected to comply with all internal controls related to financial reporting and disclosure, including those related to financial authority. No secret or unrecorded funds or assets shall be established or maintained. Provision of intentionally erroneous documents or invoices is prohibited.

9. OTHER POLICIES

- 9.1. FortisAlberta has adopted policies governing trading in securities of the Corporation and disclosure by the Corporation as well as a Code of Business Conduct and Ethics Enforcement Policy, all of which are incorporated into the Code.

10. Effective Date

- 10.1. This policy is dated and effective as of July 24, 2007, last revised on April 22, 2008 and last reviewed on April 26, 2010.