



Directors' & Officers' Code of Ethics Extension

Updated: 25 January 2005

Contact: Corporate Secretary

REFERENCE: Conduct Expectations Principles

1. INTRODUCTION

- 1.1. This Director's and Officer's Code of Ethics Extension contains policy, guidelines and principles applicable to Directors and Officers of British Columbia Transmission Corporation (the "Corporation"). This Code cannot and is not intended to anticipate every issue that may arise. As with any statement of policy, the exercise of judgement is required in determining applicability of this Code to each individual situation.

2. DUTIES AND RESPONSIBILITIES GENERALLY

- 2.1. Directors and Officers owe the Corporation a fiduciary duty, including the obligation to act honestly, in good faith and in the best interests of the Corporation.

3. COMPLIANCE WITH EMPLOYEE CODE OF ETHICS

- 3.1. Directors and Officers must comply fully with the Corporation's Employee Code of Ethics, which is applicable to Directors and Officers as if they were employees of the Corporation, provided that any report required to be made to, or consent obtained from, an employee's manager under that Code shall, in the case of Directors, be made to or obtained from the Board Chair or the Corporate Governance Committee Chair and reported to the Board.

4. DISCLOSURE

- 4.1. Each individual appointed as a Director or Officer must disclose all interests and relationships of which the individual is aware which will or may give rise to a conflict of interest as contemplated in the Employee Code of Ethics. If such an interest or relationship exists at the time of appointment or arises while the individual is a Director or Officer, the individual must immediately disclose all relevant facts to the Corporate Secretary.
- 4.2. If the Board's decisions may provide a benefit to a Director's non-Corporation interests, the Director must withdraw from all related deliberations altogether.
- 4.3. Disclosure may cure a conflict of interest or allow the Corporation to appropriately avoid a conflict. If the Board determines a potential conflict is so severe as to only be resolved by the Director's resignation from one or both of the conflicting positions, the Director must resign from the conflicting position and/or the Board, as the Board directs.
- 4.4. Each Director and Officer must complete and file with the Corporate Secretary an initial disclosure statement (Appendix A) as soon as possible

after their appointment, and thereafter annual disclosure statements and, if applicable, supplementary disclosure statements (Appendix B).

- 4.5. The Corporate Secretary will record any and all matters relating to conflict of interest or appearance of conflict of interest in the Corporation's records following the disclosure of a conflict situation.

5. RESPONSIBILITY

- 5.1. Each Director and Officer must adhere to this Code of Ethics.
- 5.2. Any Director who knows of or suspects a breach of this Code of Ethics must report it to the Board Chair. Any Officer who knows of or suspects a breach must report it to the Corporate Secretary or General Counsel.
- 5.3. A Director or Officer may seek clarification of this Policy from the Corporate Secretary, General Counsel or Board Chair.

6. SPECIFIC APPLICATION OF THIS CODE TO DIRECTORS

- 6.1. Any waivers or exemption from this Code in the case of Directors may be made only by the Board, or if so delegated a Board Committee.
- 6.2. If the Board determines that a Director has breached this Code of Ethics, the Board may ask for the Director's resignation and the Director will resign as a member of the Board.