



## AESO BYLAWS

The Alberta Independent System Operator ("AESO") hereby declares that these Bylaws are made under the authority of section 10 of the *Electric Utilities Act* (Alberta) to govern its business and affairs.

THEREFORE the AESO makes the following Bylaws:

### ARTICLE 1 DEFINITIONS

#### 1.1 Definitions

In these Bylaws, unless the context otherwise requires:

- (a) "Act" means the *Electric Utilities Act*, SA 2003 c E-5.1, as amended from time to time;
- (b) "Business Day" means a day other than a Saturday, Sunday or statutory holiday in Alberta;
- (c) "Bylaws" means these bylaws;
- (d) "CEO" means the chief executive officer appointed pursuant to section 11 of the Act;
- (e) "Chair" means the Member designated as the Chair of the AESO by the Minister pursuant to section 8 of the Act;
- (f) "Committee" means a committee established by the AESO Board;
- (g) "AESO" means the "Independent System Operator", a corporation established pursuant to section 7 of the Act;
- (h) "AESO Board" means all the Members;
- (i) "Member" means an individual appointed as a member of the AESO by the Minister pursuant to section 8 of the Act;
- (j) "Minister" means the minister as defined in the Act; and
- (k) "Officer" means the Chair, Vice-Chair, CEO or Secretary and any other Officer of the AESO appointed pursuant to Article 6.4 hereof.

#### 1.2 Definitions from Act

Terms that are defined in the Act have the same meaning when they are used in the Bylaws unless specified otherwise.

## **ARTICLE 2 EFFECTIVE DATE**

### **2.1 Approval Requirements**

These Bylaws and any amendments come into force on the date the same are adopted by a majority of the AESO Board as evidenced by their signatures at the foot hereof.

## **ARTICLE 3 PURPOSE OF THE AESO**

### **3.1 Purpose**

The purpose of the AESO is to carry out the duties and functions given to it under the Act and any other enactment including, without limitation:

- (a) to operate the power pool in a manner that promotes the fair, efficient and openly competitive exchange of electric energy;
- (b) to facilitate the operation of markets for electric energy in a manner that is fair and open and that gives all market participants wishing to participate in those markets and to exchange electric energy a reasonable opportunity to do so;
- (c) to determine, according to relative economic merit, the order of dispatch of electric energy and ancillary services in Alberta and from scheduled exchanges of electric energy and ancillary services between the interconnected electric system in Alberta and electric systems outside Alberta, to satisfy the requirements for electricity in Alberta;
- (d) to carry out financial settlement for all electric energy exchanged through the power pool at the pool price unless this Act or the regulations made by the Minister under section 41 provide otherwise;
- (e) to manage and recover the costs of transmission line losses;
- (f) to manage and recover the costs for the provision of ancillary services;
- (g) to provide system access on the transmission system and prepare an AESO tariff;
- (h) to direct the safe, reliable and economic operation of the interconnected electric system;

- (i) to assess the current and future needs of market participants and plan the capability of the transmission system to meet those needs;
- (j) to make arrangements for the expansion of and enhancement to the transmission system;
- (k) to collect, store and disseminate information relating to the current and future electricity needs of Alberta and the capacity of the interconnected electric system to meet those needs, and to make that information available to the public;
- (l) to administer load settlement;
- (m) to monitor the compliance of market participants with rules made under sections 19, 20 and 24.1 of the Act;
- (n) to develop proposals for renewable electricity programs under the *Renewable Energy Act*, SA 2016 c R-16.5 (the “Renewable Energy Act”);
- (o) to implement renewable electricity programs and to administer renewable electricity support agreements under the Renewable Energy Act;
- (p) to perform any other function or engage in any activity the AESO considers necessary or advisable to carry out its duties, responsibilities or functions under the Act or any other enactment.

### 3.2 Chief Executive Officer

The AESO Board must appoint a CEO who shall have such powers and duties as the Bylaws or the AESO Board may specify. The CEO shall hold office and serve until his or her successor is appointed by the AESO Board, unless he or she resigns or is relieved from office by the AESO Board.

## ARTICLE 4 MEETINGS OF THE AESO

### 4.1 Regular Meetings

The AESO Board may, by resolution passed at a meeting of the AESO Board or by written resolution in accordance with Article 4.16 hereof, establish days, times and places for regular meetings of the AESO Board. No notice is required to be given to the Members respecting the holding of any regular meeting. The Secretary shall provide to each Member an agenda for each regular meeting, prepared in accordance with Article 4.10, but any Member may raise any item of business at a regular meeting whether or not stated in the agenda.

#### 4.2 Special Meetings

A special meeting of the AESO Board may be called by the Chair and may be held on a date and at a time and place fixed by the Chair.

#### 4.3 Special Meetings Requested by Members

Any three (3) Members may request the Chair to call a special meeting of the AESO Board by forwarding to the Chair, in the manner provided for in Article 12.1 hereof, a written request for such meeting signed by such Members. The written request shall state the business to be transacted at the special meeting of the AESO Board. Within a reasonable period of time after receiving such written request, the Chair shall call a special meeting of the AESO Board to be held on a date and at a time and place fixed by the Chair. Except with the unanimous consent of the Members entitled to vote with respect to an item of business raised at a special meeting but not stipulated in the notice of special meeting, the only business to be conducted at the special meeting shall be that stipulated in the notice of that special meeting.

#### 4.4 Location of Meetings

All meetings of the AESO Board shall be held within the Province of Alberta.

#### 4.5 Notice of Special Meetings

The Secretary shall provide written notice of the date, time and place of every special meeting of the AESO Board to each Member, in the manner provided for in Article 12.1 hereof, not less than three (3) Business Days before a special meeting of the AESO Board. Notices provided pursuant to this Article shall state the date, time and place of the meeting and a summary of the business expected to be transacted at the meeting.

#### 4.6 Notice of Address and Change of Address

Each Member shall give written notice of his/her address or of any change of his/her address by delivering such notice to the Secretary, in the manner provided for in Article 12.1 hereof, who shall keep a record of the same.

#### 4.7 Attendance of Observers

The AESO Board or the Chair may invite any person, including, without limitation, the CEO and any Officer, to attend and participate at any meeting of the AESO Board; however, such person shall not have the right to vote on any matters submitted to a vote at such meeting.

#### 4.8 Waiver of Notice

Required notice of any meeting (including an adjourned meeting) of the AESO Board or the time for the giving of any such notice or any irregularity in any such meeting or in the notice thereof may be waived in writing by any Member and any such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a Member is a waiver of notice of such meeting, except when attendance is for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

#### 4.9 Agenda

Where a Member desires to have an item of business considered by the AESO Board, the Secretary shall be notified accordingly, preferably in writing, or in some other practicable manner, prior to the meeting at which the item is to be considered, and the Secretary, where feasible, shall include the item in the agenda for the meeting concerned. In addition to the agenda, each Member shall be provided with a copy or summary of pertinent documents pertaining to each item of business to be considered at the meeting.

#### 4.10 Business at Meetings

At any regular or special meeting of the AESO Board (other than a meeting which has been adjourned once for lack of a quorum), the AESO Board may consider any item of business which is included in the notice of meeting or agenda for such meeting and may, with the consent of the meeting (given in accordance with Article 4.17 hereof), also consider any other item of business not included in the notice of meeting or agenda. At any meeting of the AESO Board which has been adjourned once for lack of a quorum, the AESO Board may consider any item of business which is included in the notice or agenda for the original meeting and may, with the unanimous consent of all the Members (whether or not present at the adjourned meeting), also consider any other item of business not included in the notice of meeting or agenda.

#### 4.11 Adjournment

The Chair may, with the consent of the meeting (given in accordance with Article 4.17 hereof), adjourn the meeting from time to time by announcement at the time of the adjournment. The Secretary shall provide written notice of the date, time and place of resumption of the adjourned meeting to each Member, in the manner provided for in Article 12.1 hereof, not less than five (5) Business Days before the date of the resumption of the adjourned meeting. The resumption of an adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present at the adjourned meeting. The original meeting shall be deemed to have terminated forthwith after its adjournment.

#### 4.12 Quorum

A majority of the current Members shall constitute a quorum necessary for the transaction of business at any meeting of the AESO.

#### 4.13 Procedure at Meetings

The Chair shall preside as chair at all meetings of the AESO Board. In the absence of the Chair, the Vice Chair shall preside as chair at the meeting. In the absence of the Chair or Vice-Chair at any meeting, the Members present shall choose a Member present to be chair of that meeting. The Secretary shall act as Secretary of all meetings of the AESO Board. In the absence of the Secretary at any meeting, the chair of the meeting shall choose an individual present to act as secretary at that meeting.

#### 4.14 Voting

Subject to Article 7.3 hereof, each Member shall be entitled to one vote upon each matter submitted to a vote at any meeting of the AESO Board. A decision of the AESO Board at a meeting at which a quorum is present concerning any item of business shall be made by a resolution passed by the vote of a majority of the Members who are entitled to vote on the resolution and are present at the meeting.

#### 4.15 Resolution without Meeting

The AESO Board may make a decision concerning any item of business by a resolution passed in writing and signed by all the Members who are entitled to vote on the resolution without their meeting together, and such a resolution shall be as valid and effectual as if it had been passed at a meeting of the AESO Board duly called and held and shall be deemed to be effective on the date stated in the resolution to be the effective date.

#### 4.16 Ballots

Subject to Article 4.18, each matter submitted to a vote at a meeting of the AESO Board shall be decided by declaration of the Members except when a ballot is required by the Chair of the meeting or is requested by a Member entitled to vote in respect of the matter. A Member may request a ballot before or on the declaration of the result of any vote. In the ballot, each Member shall indicate the manner in which it is voting and such Member's identity.



#### 4.17 Telephone or other Communication Facilities

Any meeting of the AESO Board may be held, and any Member may participate in any such meeting, by means of telephone or other communication facilities that permit all Members participating in the meeting to hear each other. Each member so participating shall be deemed to be personally present at such meeting. Voting at such a meeting may be done by each Member when asked for a record of the vote by the Chair by each such Member verbally signifying “aye” or “nay”.

#### 4.18 Expenses Incurred by Members

Members of the AESO shall be entitled to be reimbursed by the AESO for all reasonable out-of-pocket and travel expenses incurred by them in connection with attendance at any meeting of the AESO Board or otherwise incurred by them in connection with the business and affairs of the AESO, subject to Chair’s authorization.

#### 4.19 Remuneration of Members

Chair, Vice-Chair and Members shall be eligible to receive remuneration from the AESO as follows:

##### **Chair**

\$90,000 annual retainer, total compensation.

##### **Vice-Chair**

\$1,000 per AESO Board meeting when serving as Chair.

##### **Members**

\$27,500 Member annual retainer;  
\$7,500 Committee Chair annual retainer;  
\$1,000 per regular AESO Board meeting attended;  
\$500 per special AESO Board meeting attended;  
\$1,000 per Committee meeting attended as a member of such Committee; and  
Per diem for additional AESO business, subject to Chair’s authorization.

##### **Chair, Vice-Chair and Members**

Health and insurance benefits or \$6,000 per annum in lieu, but only if appointed prior to December 1, 2013.

## ARTICLE 5 CRITERIA AND PROCESS FOR RECOMMENDING THE APPOINTMENT OF MEMBERS AND CHAIR

### 5.1 Criteria and Process

- (a) The AESO Board must, as required by the Act, recommend to the Minister the appointment of an individual to the position of Member, including the re-appointment of a Member, subject, *inter alia*, to the following criteria and process:
  - (i) such individual is in the opinion of the AESO Board, qualified pursuant to subsection 8(1) of the Act; and
  - (ii) the steps taken to identify each such individual are taken in accordance with a recruitment process established by the AESO Board or any applicable legislation.
- (b) In the event that the Chair has given notice of his or her intention to resign or not seek reappointment or there is a vacancy in the office of Chair, the AESO Board may recommend to the Minister the appointment of an individual to the position of Chair subject, *inter alia*, to the following criteria and process:
  - (i) such individual is in the opinion of the AESO Board, qualified pursuant to subsection 8(1) of the Act;
  - (ii) the steps taken to identify such individual were taken in accordance with a recruitment process established by the AESO Board or any applicable legislation; and such individual is in the opinion of the AESO Board qualified to perform the duties of Chair in accordance with these Bylaws.
- (c) In the event the AESO Board has made a decision pursuant to either the foregoing Article 5(1)(a) or (b), the Chair, or the Vice-Chair in the absence of the Chair, or when there is a motion involving the Chair being discussed, or if neither of the foregoing are able to act, such other Member as designated by the AESO Board, shall meet with the Minister to convey the AESO Board's decision.

### 5.2 Removal Process

- (a) The AESO Board may recommend to the Minister the removal of a Member, provided that there is an affirmative vote of not less than 2/3 of the Members that:
  - (i) such Member is no longer qualified pursuant to subsection 8(1)(a) of the Act; or
  - (ii) the Member's conduct is inconsistent with the standard specified in subsection 8(1)(b) of the Act.



- (b) In the event the AESO Board has made a decision to recommend the removal of a Member pursuant to the foregoing Article 5.2(a), the Chair, or the Vice-Chair in the absence of the Chair or when there is a motion involving the Chair being discussed or if neither of the foregoing are able to act, such other Member as designated by the AESO Board, shall meet with the Minister to convey the AESO Board's decision.

## **ARTICLE 6**

### **CONDUCT OF THE BUSINESS AND AFFAIRS OF THE AESO**

#### **6.1 General Powers**

Subject to these Bylaws, the Act and any other enactment, the Members shall oversee the business and affairs of the AESO.

Subject to the Act, and any other enactment, the AESO Board may from time to time delegate in whole or in part any of the powers or duties of the AESO to a Committee or Committees, a task force, panels, Officers or employees or to any other person on such conditions as the Bylaws or the AESO Board may by resolution specify.

#### **6.2 Appointment of Vice-Chair**

The AESO Board may appoint a Member as the Vice-Chair. The Vice-Chair shall hold office at the pleasure of the AESO Board.

#### **6.3 Appointment of Secretary**

The AESO Board shall appoint an individual as the Secretary of the AESO. The Secretary shall hold office at the pleasure of the AESO Board.

#### **6.4 Officers – General**

In addition to the Chair, Vice-Chair and Secretary, the AESO Board may from time to time by resolution appoint such other Officers of the AESO as it shall deem necessary, who shall have such functions and duties as may from time to time be prescribed by the CEO. All such other Officers shall hold office at the pleasure of the AESO Board. An individual may hold more than one office of the AESO. The AESO Board may re-appoint any individual to any other such office from time to time. The CEO may vary, add to or limit the duties and powers of any Officer except as same are set out in these Bylaws. Any variation, addition to, or limitation of, the duties and powers of Officers as specified in these Bylaws shall require amendment hereof in the manner specified in these Bylaws.

## 6.5 Removal of Officers and Vacation of Office

- (a) Any Officer other than the Chair may be removed by the AESO Board whenever in its judgment the best interests of the AESO would be served thereby.
- (b) Any Officer of the AESO ceases to hold office when such Officer dies, resigns, or is removed from office.
- (c) Unless otherwise determined by the AESO Board or the CEO, the resignation of any Officer becomes effective at the time a written resignation is received by the Chair from a Member or the CEO, or received by the CEO from any other Officer or at the time specified in the written resignation, whichever is later.

## 6.6 Vacancies

If any office created by the AESO Board under Article 6.4 shall be or become vacant by reason of death, resignation, removal from office or in any other manner whatsoever, the AESO Board in accordance with Article 6 may appoint an individual to fill such vacancy.

## 6.7 Duties of the Chair

The Chair, subject to the direction of the AESO Board, shall facilitate the operations and deliberations of the AESO Board and the fulfillment of the AESO Board's role and responsibilities under its mandate. These include the following:

- (a) preside as chair at all meetings of the AESO Board;
- (b) call regular meetings and special meetings of the AESO Board;
- (c) approve the expense accounts of Members, excluding the Chair;
- (d) make recommendations to the AESO Board with respect to the creation of additional offices of the AESO and the appointment of individuals to occupy such offices;
- (e) retain third party services that the Chair deems advisable and appropriate for the administration of AESO Board affairs and for carrying out the duties and responsibilities of the Chair;
- (f) have such other powers and carry out such other duties as may from time to time be assigned to the Chair by the AESO Board or as are incidental to the office of Chair; and

- (g) foster ethical and responsible decision making with the emphasis on good governance.

#### 6.8 Duties of the Vice-Chair

The Vice-Chair shall be vested with all the powers and shall perform all the duties of the Chair in the absence of the Chair, or when there is a motion involving the Chair being discussed. The Vice-Chair shall have such other powers and shall perform such other duties as may from time to time be delegated to the Vice-Chair or assigned by the AESO Board.

#### 6.9 Duties of the Secretary

The Secretary, subject to the direction of the AESO Board, shall have the following powers and shall carry out the following duties:

- (a) except for in camera meetings, attend all meetings of the AESO Board and record all votes thereat;
- (b) prepare and send to the appropriate persons at appropriate times, any notices, requests, acknowledgments and other documents or correspondence as may be necessary or desirable in the conduct of the business and affairs of the AESO, including all documents incidental to meetings of the AESO Board;
- (c) take and transcribe accurate minutes of all meetings of the AESO Board and keep a continuing minute book or other continuing suitable record of all minutes, resolutions, decisions and other proceedings of the AESO Board;
- (d) maintain the correspondence of the AESO Board;
- (e) keep safe custody of the corporate seal, if any, of the AESO;
- (f) have general charge and supervision of the records of the AESO; and
- (g) have such other powers and carry out such other duties as may from time to time be assigned to the Secretary by the AESO Board or as are incidental to the office of Secretary.

#### 6.10 Making of Agreements

The AESO Board may from time to time by resolution appoint or delegate to the CEO or any Officer or Officers or any other person or persons on behalf of the AESO authority to sign and deliver contracts or other documents generally or to sign and deliver specific contracts or other documents. No contract or other documents shall be signed and delivered on behalf of the AESO unless pursuant to general or specific authorization by the AESO Board.

6.11 Fiscal Year

The fiscal year of the AESO shall be the calendar year unless the AESO Board designates otherwise.

6.12 Budgets

The AESO Board shall annually establish and approve a budget that includes all anticipated expenditures of the AESO for the up-coming fiscal year and includes any other items required to be included by the Act.

6.13 Accounting System

The AESO Board shall ensure that an adequate system of books and records in respect of the financial affairs of the AESO is installed and maintained.

6.14 Auditor

The AESO Board shall appoint an independent auditor to audit its financial statements.

6.15 Annual Report

Following the end of each fiscal year, there shall be prepared and submitted to the AESO Board an annual report that includes audited financial statements and a general summary of the AESO's activities in that fiscal year. The annual report of the AESO shall be submitted to the Minister in accordance with the Act.

6.16 Head Office

The AESO Board may designate the head office of the AESO at a location within Alberta.

6.17 Records

The AESO shall maintain at its head office (or, if the AESO does not have a head office, at the location determined by the Secretary) records containing:

- (a) the Bylaws;
- (b) the minutes of meetings of the AESO Board;
- (c) all resolutions, decisions and other proceedings of the AESO;
- (d) the addresses of the Members;

- (e) the financial records and audited financial statements of the AESO; and
- (f) such other documents as the AESO Board may from time to time direct.

Such records shall at all reasonable times be open to examination by Members.

#### 6.18 Seal

The AESO Board may adopt and change a corporate seal. A document executed on behalf of the AESO is not invalid only because the corporate seal of the AESO is not affixed to the document.

#### 6.19 Legal Counsel

The AESO Board may retain a member of the Law Society of Alberta as counsel to the AESO. Counsel to the AESO shall provide legal advice to the AESO and act on the lawful instructions of the AESO or its designate.

### **ARTICLE 7 CONFLICT OF INTEREST**

#### 7.1 Disclosure and Declaration

If a Member or Officer is party to, or is an employee, director or officer of or has a material interest in any person who is party to, a material contract or proposed material contract with the AESO, or is otherwise not independent for purposes of a particular matter before the AESO or is or may be in a conflict of interest, that Member or Officer shall disclose to the AESO Board or the Committee or Task Force, as the case may be, at the outset of any meeting at which such matter is to be considered or otherwise upon first being aware during such meeting of a potential conflict of interest, the nature and extent of the conflict or interest in the contract or matter before the contract or matter is dealt with or authorized by the AESO Board, Committee or Task Force. If the chair of such meeting is of the opinion that a Member or an Officer has a conflict or interest in a matter or contract described in this Article 7.1, or is otherwise in a conflict of interest, then the chair of such meeting may so declare notwithstanding no disclosure has been made by such Member or Officer and notwithstanding such Member or Officer is of the view that this Article 7.1 is not applicable in relation to such matter or contract. Upon such declaration, the provisions of Articles 7.2, 7.3 and 7.4 shall apply to such Member or Officer in relation to such matter or contract.

#### 7.2 Non - Disqualification

A Member or Officer required to make a disclosure, or the subject of a declaration by the chair, under Article 7.1 hereof shall not be disqualified from or be required to vacate that

position or office by reason only of that Member's or Officer's interest in the matter or contract.

### 7.3 Discussion and Voting

A Member or Officer required to make a disclosure, or the subject of a declaration by the chair, under Article 7.1 hereof, shall not participate in any discussion respecting, nor vote on any resolution to approve the matter or contract, but such Member shall be counted to determine the presence of a quorum.

### 7.4 Accountability

A Member or Officer required to make a disclosure, or the subject of a declaration by the chair under Article 7.1 hereof, shall not, by reason only of being a Member or Officer be accountable to the AESO for any profit or gain realized from a contract referred to in Article 7.1 hereof and such contract shall not be void or voidable by reason only of the Member's or Officer's interest therein, provided that the required disclosure of interest is properly made or the chair has made a declaration under Article 7.1, the contract is approved by the AESO and Article 7.3 hereof is complied with fully.

## **ARTICLE 8 INDEMNITIES AND INSURANCE**

### 8.1 Indemnity

The AESO shall indemnify a Member, Officer, a former Member, former Officer, and such person's heirs and legal representative, from and against any liability and all costs, charges and expenses whatsoever, including an amount paid with the prior approval of the AESO Board to settle an action and an amount paid to satisfy a judgment, that such person sustains or incurs in respect of any action, suit or proceeding that is threatened or commenced against such person by reason of such person being or having been a Member or Officer.

### 8.2 Exceptions

Notwithstanding Article 8.1 hereof, a Member, an Officer, a former Member, former Officer and such person's heirs and legal representative, shall not be entitled to be indemnified by the AESO if:

- (a) such person failed to act honestly and in good faith; or
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person did not have reasonable grounds for believing that his or her conduct was lawful.



### 8.3 General Power

Nothing in this Article 8 shall restrict the ability of the AESO to exercise any power it may have to enter into a contract or undertaking of indemnity with or for the benefit of any Member, Officer or employee, former Member, former Officer or former employee of the AESO.

### 8.4 Insurance

The AESO may purchase and maintain insurance for the benefit of any person it considers appropriate against any liability incurred by that person in that person's capacity as Member, Officer, agent, contractor, or employee of the AESO.

## **ARTICLE 9 COMMITTEES AND TASK FORCE**

### 9.1 Committees and Task Force

The AESO Board may establish any Committees or Task Force it considers necessary or desirable to act in connection with any matter pertaining to the duties and functions given to the AESO under the Act or any other enactment.

### 9.2 Appointment of Members

The AESO Board may, with respect to any Committee or Task Force established under Article 9.1 hereof:

- (a) appoint or provide for the manner of appointment of those persons who constitute members of the Committee or Task Force;
- (b) prescribe the term of office of any member of the Committee or Task Force;
- (c) designate a Chair and Secretary of the Committee or Task Force; and
- (d) authorize, fix and provide for the payment of remuneration, if any, and expenses to the members of the Committee or Task Force.

### 9.3 Rules of Procedure

The AESO Board may, in respect of a Committee or Task Force established under Article 9.1 hereof, make rules of procedure governing the calling of meetings, the conduct of business at the meetings, reporting and any other matters that may be required.

#### 9.4 Duties of Committees or Task Force

A Committee or Task Force established pursuant to Article 9.1 hereof shall have the powers and shall perform the duties and functions that the AESO Board may confer or impose on it.

### **ARTICLE 10 CODE OF CONDUCT**

#### 10.1 Establishment

The AESO Board shall confirm a process is in place whereby the Members, Officers, employees, and contractors of the AESO as appropriate, confirm compliance with the AESO Code of Conduct which is attached to these Bylaws as Appendix A. The AESO Code of Conduct may be amended from time to time.

#### 10.2 Contractors

In addition to the foregoing, the AESO Board shall confirm that all contracts with contractors include a provision or provisions requiring compliance with the AESO Code of Conduct in Appendix A, which takes into account the nature of the contractor's work and the value to the AESO.

### **ARTICLE 11 AMENDMENTS TO BYLAWS**

#### 11.1 Amendment Requirements

These Bylaws may be amended by a resolution made pursuant to Article 4.16 or 4.17 hereof.

### **ARTICLE 12 MISCELLANEOUS**

#### 12.1 Methods of Giving Notice

Any notice or other document required by these Bylaws to be sent to (i) any Member shall be delivered personally or sent by prepaid mail or by email or by facsimile to the latest address, email address or facsimile number, as the case may be, for such Member as shown in the records of the AESO or (ii) the AESO, or any Officer of the AESO, shall be delivered personally or sent by prepaid mail or by email or by facsimile to the head office of the AESO if the AESO has a head office and otherwise to the address of the Secretary. A notice delivered personally shall be deemed to have been given when so delivered; a notice mailed shall be deemed to have been given on the

third Business Day following the day such notice was deposited in a post office or public letter box; and a notice sent by electronic mail or by facsimile shall be deemed to have been given on the next Business Day following the day it was sent.

12.2 Singular, Plural, etc.

In these Bylaws when the context so requires, words importing the singular include the plural and vice-versa and words importing gender include the masculine, feminine and neuter genders.

These Bylaws are made effective the 14<sup>th</sup> day of June, 2018, as evidenced by the signatures of the Members of the AESO, and supersedes and replaces any prior approved Bylaws.

## **AESO CODE OF CONDUCT**

### Introduction

The following AESO Code of Conduct serves as a framework for AESO Members, AESO employees and contractors of the AESO (collectively referred to as "AESO Personnel") faced with difficult situations where laws and regulations are not enough to help him/her choose the proper course of action. It restates certain of the policies and standards that are already an integral part of our corporate culture. It applies to all AESO Personnel.

AESO Personnel are expected to abide by and obey all laws and regulations, which are applicable to the AESO's business.

### Respect for AESO Personnel

Each AESO Personnel is important to the success of the AESO and so is to be treated fairly and with respect. Being treated fairly means that AESO Personnel are judged according to their own merit and not according to arbitrary factors.

Because we value each AESO Personnel, we encourage all AESO Personnel to share their ideas and express their concerns. Supervisors, managers and officers should be especially careful to maintain open lines of communication and to listen to all AESO Personnel.

### Treatment of Customers

Our customers are extremely important to us. Our success depends to a large extent upon their satisfaction. Customers are to be treated with the utmost respect and courtesy. They are also to be treated fairly.

### Fit for Duty

The AESO and its customers expect all AESO Personnel to report to work fit for duty. Fit for duty means being mentally and physically able to perform our jobs in a safe, efficient and reliable manner.

Not only do we have responsibility for our own behavior, but we also have a responsibility for each other. Therefore, when a fitness for duty problem is recognized by any AESO Personnel, he or she has an obligation to report the condition to AESO management or their immediate supervisor.

### Conflict of Interest

A conflict of interest exists in any situation where, the personal or other interests of the AESO Personnel or a connected party, may or may be perceived to, in any way affect or interfere with the discharge, by an AESO Personnel of his/her duties.

A conflict of interest also exists in any situation where an AESO Personnel is engaged in, or connected with, any outside business activity or holds any positions paid or unpaid which might interfere with the performance of his/her duties or which conflicts with the interests of the AESO. As far as is possible, an AESO Personnel is expected to avoid engaging in any activities which could give rise to a conflict of interest and if requested by the AESO shall discontinue involvement in any activities which, in the opinion of the AESO, could give rise to such a conflict.

AESO Personnel should not involve themselves in any decision or allocation of AESO services or resources from which he/she or any connected party may directly benefit. If the potential for such a circumstance exists, the AESO Personnel should ensure that the matter is referred to their immediate supervisor. A "connected party" means:

- (a) Spouse or partner, parent or guardian, brother, sister, child, family member or close personal friend; and
- (b) A body corporate in which the AESO Personnel has a material interest.

The Code is not a full statement of obligations of an AESO Personnel arising from his/her relationship with the AESO and is not intended to supersede any existing contractual obligations, specific regulations, responsibilities, prohibitions, or other governance documents applicable to AESO Personnel in their employment with or service to the AESO.

### Investments

AESO Personnel may not, directly or indirectly through friends, relatives or associates, acquire or dispose of any interest, including publicly traded shares, in any entity when in possession of confidential information obtained in the performance of their duties with the AESO which confidential information could affect the value of such interest.

### Gifts and Benefits

Neither an AESO Personnel nor any member of an AESO Personnel's immediate family may accept from a vendor or customer a gift other than a gift customarily offered as part of applicable business conventions.

If a gift, other than a gift of nominal value, arrives at your office or home, inform your immediate supervisor immediately.

Entertainment should be viewed in the same way as gifts. An occasional meal or outing with a vendor or customer at their expense is permissible if there is a business purpose involved. Travel or lodging should not be accepted unless previously approved by your immediate supervisor.

### Sponsorship - Giving and Receiving

Where an outside organization wishes to sponsor an AESO activity, whether by invitation or voluntarily, the basic conventions concerning acceptance of gifts or hospitality apply.

Where the AESO through sponsorship, financial or other means, gives support in the community, AESO Personnel should ensure that reasonably impartial advice is given and that there is no conflict of interest involved.

### Confidentiality

The law requires that certain types of information must be available to Members, auditors, customers, other entities and the public. The AESO itself may also decide to disclose other types of information.

The AESO should therefore make clear to AESO Personnel:

- The types of information which must be made available, and to whom:
- The types of information which the AESO has voluntarily made available, and to whom:  
and
- The types of information which the AESO does not wish to be disclosed without prior specific permission.

However, the maintenance of confidentiality in some areas is crucial to the AESO and is central to its operations. AESO Personnel and in particular designated AESO Personnel may have access to confidential information in the course of their duties. It is essential that AESO Personnel recognize their obligations with regard to all confidential information in their possession. AESO Personnel must not use any confidential information obtained in the course of their employment or provision of services for personal gain or benefit, nor may they pass it on to others, except as may be permitted by the AESO.

Any confidential information received by any AESO Personnel must not be disclosed by the AESO Personnel without the prior approval of the AESO, except where such disclosure is required or sanctioned by the law or is otherwise permitted to perform his/her duties.

Information of relevance or benefit to the AESO must not be acquired by improper means.

Information received from or in respect of market participants or from the public shall be treated with the appropriate levels of confidentiality at all times.

An AESO Personnel who leaves the AESO is required to maintain confidentiality subsequent to such departure so long as the AESO continues to treat such information as confidential.

### Honesty & Integrity

Each AESO Personnel is expected to discharge his/her duties with honesty and integrity. An AESO Personnel in discharging his/her duties must not through his/her actions bring the AESO into disrepute.



If an AESO Personnel becomes aware of activities, which he/she believes to be illegal, improper, unethical or otherwise inconsistent, they should raise it through discussions with their immediate supervisor.

### Compliance

As a condition of employment with the AESO, AESO Personnel are expected to comply with this Code, the AESO's standards of business conduct and underlying policies and procedures. When in doubt, AESO Personnel have the responsibility to seek clarification from their immediate supervisor or, if necessary, from AESO's General Counsel. Violations of the Code, ethical and legal standards are grounds for disciplinary action up to and including discharge and possible legal prosecution.

All AESO Personnel benefit from an atmosphere of good and ethical conduct. AESO Personnel who are aware of suspected misconduct, illegal activities, fraud, and abuse of AESO assets or violations of the standards in this Code or other AESO legal compliance requirements are responsible for reporting such matters to their immediate supervisor. If preferred, and AESO Personnel may elect to report to the General Counsel. There will be no action taken against any AESO Personnel for making such a report.

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Approved by the AESO Board June 14, 2018