

Standards of Conduct (Transmission) Policy 1 – Training	Revision: B Effective Date: 10/09/18	Author: General Counsel (Central Region) <u>Sarah B. Knowlton</u> <small>Sarah B. Knowlton (Oct 5, 2018)</small>
Approval Signature(s) and date: <u>Mary Ellen Paravalos</u> <small>Mary Ellen Paravalos (Oct 23, 2018)</small> Chief Compliance and Risk Officer		

Revision History

Revision	Date	Changes	Approved By
A	08/16/17	Created New Policy	L. Beirsto
B	10/09/18	Annual Review; added NBEUB as affected employees; Changed Chief Compliance Officer to Chief Compliance and Risk Officer and approver from J. Tindale to M. Paravalos	M. Paravalos

PRINCIPLE:

Algonquin Power & Utilities Corp. (“APUC” or “Company”) and its subsidiaries, The Empire District Electric Company (“EDE”) and Algonquin Tinker Gen. Co. are committed to compliance with all applicable laws and regulating obligations imposed on its obligations and those of its subsidiaries. This policy addresses how APUC and its subsidiaries will ensure compliance by all employees affected by the Federal Energy Regulatory Commission’s (“FERC”) Order Nos. 888, 889, 888-A, 889-A, 888-B, 889-B, 888-C, 2004, 2004-A, 2004-B, 2004-C, 2004-D, 890, 890-A, 890-B and 717, and in the case of Algonquin Tinker Gen Co., the New Brunswick Energy and Utilities Board (NBEUB”) Standards of Conduct, regarding training on how the Standards of Conduct\ apply to their daily activities.

Employees who require annual training are called Affected Employees and are defined as follows: Transmission Function Employees, Marketing Function Employees, Support Services Personnel (Conduit), officers, directors, supervisory employees and any other employees likely to become privy to transmission function information. Transmission Function Employees are those employees, contractors, consultants or agents (conduit) who conduct the planning, directing, organizing or carrying out of day-to-day transmission operations including the granting and denying of transmission service requests but excludes those field and maintenance employees that do not have access to transmission information.

Marketing Function employees are those employees, contractor, consultant, or agent of an APUC subsidiary who actively and personally engage on a day-to-day basis in the Marketing Function. The Marketing Function is defined as the sale for resale in interstate commerce, or

the submission of offers to sell in interstate commerce, of electric energy or capacity, demand response, virtual transactions, or financial or physical transmission rights, all subject to an exclusion for bundled retail sales, including sales of electric energy made by providers of last resort (POLRs) acting in their POLR capacity.

Support Services Personnel are those employees that are shared between the Company's Transmission Function and Marketing Function including but not limited to Information Technology, Auditing, Accounting, Finance, Compliance, Contract Administration, Billing, and Legal Services.

The Company is committed to reinforcing to all Affected Employees the importance of compliance with FERC and NBEUB requirements. Violations of this policy may result in disciplinary actions under the terms of the Company's Discipline Policy, up to and including unpaid disciplinary suspension or termination of employment.

PRACTICE:

- I. All Affected Employees are required to attend Standards of Conduct training:
 - a. All new Affected Employees will be trained on the Standards of Conduct within 30 days of their hire date.
 - b. Employees who become subject to the annual training requirements between annual training cycles as a result of intra-corporate transfer will receive introductory training on all aspects of the Standards of Conduct within 30 days of their transfer date. As part of this training, such employees will have access to a copy of the APUC SOC Procedures on commencement of such employment. Training of such employees will be delivered in an appropriate manner as determined by the APUC Transmission Providers.
 - c. Existing Affected Employees will receive annual refresher training on all aspects of the Standards of Conduct, and any updates as necessary.
- II. All Affected Employees will be notified regarding the schedule for their annual training which includes information regarding the Incident Reporting System.
- III. Training materials will address all requirements of the Standards of Conduct including, but not limited to:
 - a. Compliance with FERC Rules and Orders;
 - b. Standards of Conduct Policies and FERC Order 717;
 - c. New Brunswick Energy and Utilities Board Standards of Conduct
 - d. Information on the appropriate roles of Marketing Function employees acting as agents for transmission customers and Transmission Function Employees interacting with one another;
 - e. Information regarding the limits of transmission-related information that may be shared by Transmission Function Employees with Marketing Function employees acting as transmission agents for customers;
 - f. Description of the availability and use of the Incident Reporting System; and
 - g. Consequences for non-compliance with Standards of Conduct.

- IV. Training materials shall be retained for a period of five years.
- V. The Chief Compliance and Risk Officer (CRD) will obtain a listing of all Affected Employees annual training requirement. Affected Employees will be contacted regarding the annual training schedule and will be provided access to an electronic or hard-copy of the APUC SOC Procedures when they are notified of training.
- VI. All training will be completed and tracked through a Learning Management System. This documentation will be retained for a period of five years.
- VII. At completion of the annual training period, the CRD will review the training records and compare it to the list of Affected Employees to ensure that all Affected Employees have participated in the required Standard of Conduct training.
- VIII. Those employees who have not completed annual training shall be rescheduled immediately to complete training.
- IX. All Affected Employees will receive annual Standard of Conduct compliance training and such training shall be a requirement for continued employment.
- X. Training materials for Standards of Conduct shall be posted on the APUC Intranet along with the contact names for questions regarding training.
- XI. Employees who are found to violate the Standards of Conduct rules, may be subject to a range of consequences from remedial training to disciplinary action under the terms of the Company's Discipline Policy, up to and including unpaid disciplinary suspension or termination of employment.