

Anti-Corruption

Our Policy

As a responsible global citizen, we take steps to ensure that corruption does not occur within our operations. We never give, pay, promise, offer, or otherwise authorize the payment of anything of value that could influence a business decision. This includes improper payments or other incentives made with a corrupt intent, whether the exchange is made by our people or a business partner.

We ensure that all interactions with public officials comply with the law. We never offer or give payments to public officials or others to secure or speed up the performance of routine actions to which ATCO is legally entitled. This includes small payments referred to as facilitation or grease payments.

There may be situations where a bribe is requested and where failure to pay might lead to an imminent threat to the health, safety or security of a person. This is known as extortion and we must protect the person in this situation. Should this occur, corporate security must be engaged immediately to manage the situation.

Scope

This practice applies to all ATCO directors, officers, employees and contractors (collectively **our people**). It also reflects the standards we expect of our business partners and suppliers operating in any jurisdiction.

A copy of this practice and its related guidance materials may be provided to our business partners. We may require them to acknowledge that they have reviewed our requirements and agree to abide by them as a condition of doing business with us.

Our Practice

It is the policy of ATCO that our people and business partners and suppliers should never give, pay, promise, offer or otherwise authorize the payment of anything of value that could influence a business decision. In accordance with domestic and international anti-corruption laws, we do not pay, promise, offer or otherwise authorize, directly or indirectly, any bribe to an employee, person of influence, business partner, government or commercial entity connected with our business activities. We never kickback any portion of a contract or propose to make any unauthorized or secret rebate, discount, commission or payment to, or for the benefit of, any person. We never make facilitation payments.

ATCO recognizes that business courtesies including promotional activities, hospitality, gifts and entertainment are necessary to successful development and maintenance of business relationships. We expect our people, business partners and suppliers to uphold our standards and comply with anti-

corruption legislation, even where such laws may not be strictly enforced or adhered to by local authorities. We expect them to conduct ATCO business in compliance with applicable laws and avoid any activity that could implicate the company in any unlawful or unethical practice. No person, including business partners and suppliers, should ever assume that ATCO expects otherwise.

ATCO people participating in the company's international business activities need to have a thorough understanding of the requirements of this practice and anti-corruption legislation and the high-risk activities that they address. We expect business partners and suppliers to be acquainted with them as well. The requirements of this practice are linked to the expectations as outlined in our *Code* and associated practices including *Business Courtesies*, *Conflicts of Interest*, *Political Activities*, *Community Relations* and *Indigenous Relations*. The **Anti-Corruption Guidelines** should also be consulted for more detailed guidance.

Potentially Sensitive Activities

Anti-corruption laws and related international conventions have provisions associated with them that highlight transactions or interactions of heightened compliance risk. These risk areas are linked with sensitive activities which are described in the Anti-Corruption Guidelines. The Guidelines also summarize ATCO's requirements for dealing with these high-risk activities. You should be alert to warning signs of potentially improper conduct and should consult with your Compliance Officer if exposed to these activities. In all cases, the requirements of ATCO's practices are to be adopted.

Interactions with persons of influence that seem innocent and harmless may have the potential to create a serious liability for ATCO. In some countries, most of the people we deal with may be considered public officials including anyone working for a national oil company, bank or airline, or any company that is majority owned and operated by a government. Persons of influence can include not only public officials but also Indigenous Leaders or other individuals who occupy a position of trust or who perform a function on behalf of a group of individuals or other parties. Extra care must be taken when interacting with these types of persons.

Because ATCO has legitimate and ongoing business with many government agencies, persons of influence and public and private commercial entities, it can be difficult to provide a gift or host an event that is not interpreted as being intended to influence the actions of a person. Moreover, ATCO in some circumstances can be held accountable for the actions of a business partner acting on our behalf, even without direct knowledge of the business partner's activities or actions. With this in mind, take care when interacting with certain individuals (or groups of individuals) and engaging in potentially sensitive or high-risk activities. These are as outlined in the Anti-Corruption Guidelines.

Compliance

You need to be familiar with and follow the anti-corruption laws that apply to our commercial operations, wherever we operate. Consult with your Compliance Officer for further guidance regarding the relevant legal requirements and their alignment with our standards of practice.

Corruption is a serious matter that has adverse consequences to the company and to you. Participating or not reporting possible incidents that are in violation of this practice or laws can result in disciplinary action, up to and including termination of employment or service. Contractors, suppliers and business partners must also comply in accordance with the terms of their contracts.

Record Keeping and Internal Controls

The record keeping provisions of many anti-corruption laws and conventions require that accurate books and records be maintained, including a system of effective internal controls. The purpose of these provisions is to prevent companies from concealing improper payments and fraudulent accounting practices. The associated records must be accurate, complete and include sufficient detail so that the purpose and amount of the transaction is clear.

No false, misleading or artificial entries must ever be made in the books and records of ATCO for any reason. Likewise, ATCO prohibits the use of off-the-books or secret accounts, overriding or circumventing of internal controls, or the issuance of any documents which do not properly and fairly record the transactions to which they relate.

Costs associated with interactions between persons of influence or high-risk business partners and suppliers must always be recorded in ATCO's books and records. They must include adequate supporting documentation including copies of invoices and/or receipts. Likewise, the persons in attendance, the nature and business purpose of the interaction, event or exchange, and all associated costs, must be accurately captured.

Definitions

Agent – a person, firm or company retained by ATCO to represent it or act on its behalf.

Anything of Value – can include tangible or intangible benefits or advantages including cash or cash equivalents, gifts, entertainment, services at inflated or discounted prices, personal favours or other items such as travel, hospitality, scholarships, charitable donations, employment, etc.

ATCO (or the company) –ATCO Ltd. and Canadian Utilities Limited and their subsidiary and affiliated companies.

Bribe (or Bribery) –the direct or indirect offer, promise, solicitation or payment of anything of value to inappropriately influence a person's views or conduct, or to obtain an improper advantage.

Business Courtesy – the exchange of gifts, hospitality, meals or other forms of entertainment with the intention of initiating, developing or enhancing an ATCO business relationship.

Business Partners – a person, firm or company representing ATCO or acting on its behalf, including joint venture partners, agents or other third-party intermediaries.

Contractor – any person, firm or company that is party to a contract with ATCO to perform work.

Corruption – a misuse of a public office or a position of trust for personal profit or gain.

Directly or Indirectly – as used in this practice, this phrase is deliberate and focused on ensuring that:

- i. Bribery and corruption are not accomplished by interacting with relatives or associates of persons of influence; and
- ii. Our people do not make use of or permit ATCO’s business partners (agents, joint venture partners or other third-party intermediaries) to engage in illegal or unethical behaviour that could implicate ATCO and its affiliated companies.

Employee – all regular full-time, part-time, temporary, probationary, casual and fixed-term employees of ATCO.

Extortion – a demand to obtain money or anything of value through the abuse of office, authority or the use of force or intimidation.

Facilitation Payment – any small or nominal payment made to, or requested by, a lower-level public official to secure performance of a routine governmental and administrative act to which ATCO is legally entitled. These are often also referred to as *expediting* or *grease* payments.

High-risk Location – countries designated by Compliance Officers as being at a heightened level of risk for corruption. The assessment is based on the annual perceived level of corruption as per Transparency International’s *Corruption Perception Index*.

Improper Payment (Incentive) – exchanges including bribes, kickbacks, facilitation and other illegal payments or incentives made with the corrupt intent of influencing an ATCO business decision.

Indigenous Leader – includes a member or representative of the leadership or governing body of any society, organization, First Nation or other Indigenous group, including Chief and Council members.

Kickback – the payment or receipt of a portion of a contract, where the recipient is an individual who can influence the awarding of the contract.

Person of Influence – any public official, Indigenous Leader or other individual who, while not a public official, in this context, occupies a position of trust for, or performs a function on behalf of, a current or prospective third party with whom ATCO does business, or from whom ATCO might need an approval or cooperation. It may include an employee or other representative of the third party.

Public Official – any person who is:

- an officer or employee of a national, state, provincial or municipal government, a department, agency, commercial business or other instrumentality of a government, regulator or a public international organization;
- an elected or appointed person who holds legislative, administrative or judicial positions such as politicians, bureaucrats and judges;
- persons who perform public functions such as professionals working for crown corporations or state-owned enterprises such as public health agencies, airlines, financial institutions or utilities;
- political candidates or employees or officials of political parties, and officials;
- agents of public international organizations;
- members of royal families that have government duties; and
- a consultant, advisor, contractor, or agent of any of the above.