

Powerex Corp.
Trading Code of Conduct
(effective Feb. 13, 2012)

Ethical business conduct is an essential cornerstone of Powerex's continued business success. This Code will guide decisions in conducting business on behalf of Powerex. Powerex's reputation depends upon our ongoing commitment to integrity and honesty in all of our business dealings. Accordingly, Powerex must maintain and foster a culture of compliance wherein employees conduct themselves in accordance with all applicable legal and regulatory requirements.

This Code outlines Powerex's expectations with regard to employee conduct pertaining to trading activities. Each of us is accountable for our actions and responsible for knowing and abiding by the laws and policies that apply to us. Powerex managers and senior executive have a particular obligation, through example, communication, training and support, to ensure employees understand and comply with this Code.

The obligations in this Trading Code of Conduct are in addition to those found in the British Columbia Hydro & Power Authority Code of Conduct and the British Columbia Hydro & Power Authority Standards of Conduct (Transmission).

I. Ethical Standards

To ensure the highest possible integrity and adherence to ethical standards, Powerex employees, to the best of their ability, must:

1. Comply with this Powerex Trading Code of Conduct.
2. Conduct business in compliance with applicable international, federal, provincial, state and local laws, regulations, tariffs and rules.
3. Deal in good faith with a commitment to honest dealing, and not engage in fraudulent behaviour.
4. Honour the terms and conditions of contracts to which Powerex is a party.
5. Not engage in transactions without a legitimate business purpose or which are intended to manipulate market prices, market conditions or boost revenues or volumes artificially.
6. Not collude with other market participants to affect the price or supply of a commodity, allocate territories, manipulate or divide markets, customers or products, or otherwise unlawfully restrain competition.
7. Not engage in activities that would violate anti-bribery or anti-corruption laws in the U.S., Canada or any other country that Powerex conducts business.
8. Adhere to and enforce compliance policies and structures that are designed to ensure that trading activities are conducted in accordance with this Code.

II. Prohibited Trading Practices

Powerex competes vigorously in the energy market, while at all times complying with applicable laws and rules as well as internal policies and procedures. In the conduct of their trading activities, Powerex employees must not:

1. Engage in activities or misrepresent the operational capabilities of generation facilities in a manner expressly calculated to affect market prices by unlawfully withholding available supply from the market in order to create artificial supply shortages.
2. Engage in electric energy transactions or schedule electric energy resources with the intent of creating congestion in order to manipulate prices or to jeopardize the security to dispatch operations.
3. Offer reliability services to the market that Powerex does not intend to honour.
4. Execute prearranged offsetting buy and sell trades of the same product among the same parties, which involve very little or no financial risk and no net change in beneficial ownership, with intent to artificially affect reported revenues, trading volumes or prices.
5. Conduct trading for the purpose of misrepresenting the financial state of Powerex.
6. Engage in trading for their own benefit which may place them in an actual, or perceived, conflict of interest with Powerex and/or BC Hydro.
7. Engage in trading for their own benefit utilizing non- public information gained as a result of their employment with Powerex.
8. Purchase gas from another entity, and resell an equivalent quantity of gas to the same entity where Powerex owns firm pipeline capacity that is used (or could be used) at some point in effectuating the sale transaction.
9. Execute trades that appear to create or sustain an artificial price in either the physical or financial energy markets (i.e. gas or electricity), regardless of whether the manipulation raises or lowers the price of gas in the physical market, or take a position with respect to one product for the purpose of affecting the value of another product.

III. Information Disclosure and Documentation

Markets depend on the accuracy of market information and transparency of market behavior. It is also essential that the confidentiality of commercially sensitive information entrusted to each company be maintained. Accordingly, Powerex employees, to the best of their ability, must:

1. Provide accurate and factual market and transaction information to regulators and market monitors in compliance with all applicable rules and requirements.
2. Cooperate with regulators and market monitors as appropriate to assist in their understanding of market operations.
3. Adhere to internal procedures designed to ensure that all transactions are properly and accurately documented in a timely manner in order to support the accurate disclosure of Powerex's financial results and conditions.
4. Not knowingly conceal or misrepresent any transaction.
5. Maintain documentation on all transactions for an appropriate period of time as required pursuant to applicable laws and regulations.
6. Provide pricing and market information, as appropriate, to industry publications in accordance with Powerex's Price Reporting Policy.

IV. Training

Powerex must support employees' efforts regarding compliance with this Code by providing appropriate information and training. To this end, Powerex will:

1. Provide appropriate documentation and training to each new Powerex employee.
2. Provide regular, on-going and up-to-date documentation and training for all Powerex employees.
3. Maintain internal standards, policies, procedures and controls to promote compliance with applicable laws, rules and regulations and other standards of sound trading practices and market commitments.
4. Provide employees with an avenue to seek clarification of, and direction with respect to, applicable laws, tariffs, rules and regulations and this Code.
5. Establish clear lines of accountability for Powerex's power trading practices, including provisions relating to the responsibilities of officers, executive management and the board of Powerex.
6. Ensure Powerex employees are fully aware of their individual roles and responsibilities.

V. Monitoring and Investigations

Powerex conducts business in an ethical manner because it is consistent with our corporate values of integrity and honesty. We recognize that external agencies responsible for creating and/or enforcing applicable laws, tariffs, rules and regulations may independently choose to review Powerex's conduct. Powerex requires, both for our own needs, and for possible review by external

agencies, procedures to demonstrate that we abide by our established standards. Therefore, Powerex will:

1. Review systems that filter transactions based on criteria developed to indicate potential areas of concern or areas requiring further investigation.
2. Provide an environment that encourages employees to engage in discussions, without fear of reprisal, and to disclose to senior management any trading practices that might violate this Code.
3. Provide a mechanism for employees to promptly report any known or suspected violation of this Code, in confidence, and without fear of retaliation.
4. Develop and utilize tools with which to assess compliance with this Code as well as identify potential areas for additional training or areas requiring further clarity within the policies and procedures.
5. Provide for the periodic internal and/or external audit of such standards, policies, procedures and controls.
6. Require the full cooperation of Powerex employees during any appropriate and lawful investigation into Powerex's business activities.
7. Ensure prompt, fair, consistent and demonstrable action against violations of this Code.
8. Require each Powerex employee to affirm, in writing, that he/she has read this Code and to the best of their ability will comply with it.