

MACKENZIE VALLEY PIPELINE PROJECT

CODE OF CONDUCT

December 22, 2011

Table of Contents

1 PURPOSE AND OBJECTIVES OF THIS CODE	5
1.1 Purpose.....	5
1.2 Objectives	5
1.3 Respect for the Code	5
2 GENERAL PROVISIONS.....	6
2.1 Definitions	6
2.2 Interpretation	9
2.3 To Whom this Code Applies	9
2.4 Coming into Force	9
2.5 Amendments to this Code.....	9
2.6 Exemptions	10
2.7 Authority of the NEB	10
3.1 Governance	10
3.1.1 Separate Operations.....	10
3.1.2 Separate Management.....	10
3.1.3 Separate Management Exception	10
3.1.4 Dual Capacity.....	11
3.2 Degree of Separation.....	11
3.2.1 Accounting Separation	11
3.2.2 Separation of Information Services	11
3.2.3 Financial Transactions with Affiliates	11
3.2.4 Physical Separation.....	11
3.3 Resource Sharing	12
3.3.1 Sharing of Assets	12
3.3.2 Shared Services Permitted	12
3.3.3 Services Agreement.....	12
3.3.4 Sharing of Personnel.....	12
3.3.4.1 Mackenzie Valley Pipeline and its Affiliates	12
3.3.4.2 Personnel That May Not Be Shared	12
3.3.5 Occasional Services Permitted	13

3.3.6 Emergency Services Permitted.....	13
4 TRANSFER PRICING	13
4.1 For-Profit Affiliate Services.....	13
4.2 Pricing For-Profit Affiliate Services.....	13
4.2.1 Acquiring For-Profit Affiliate Services	13
4.2.2 Providing For-Profit Affiliate Services.....	14
4.3 Services Agreement.....	14
4.4 Asset Transfers	14
4.5 Determination of Fair Market Value	14
4.6 Asset Transfers Between Mackenzie Valley Pipeline Project and Regulated Affiliates	14
5 EQUAL TREATMENT WITH RESPECT TO MACKENZIE VALLEY PIPELINE SERVICES.....	15
5.1 Impartial Application of Tariff	15
5.2 Equal Access	15
5.3 No Undue Influence.....	15
5.4 Affiliate Activities.....	15
5.5 Access to Shared and Occasional Services	16
6 CONFIDENTIALITY OF INFORMATION.....	16
6.1 Mackenzie Valley Pipeline Information.....	16
6.2 Management Exception	16
6.3 No Release of Confidential Information.....	16
6.4 Aggregated Confidential Information.....	17
6.5 Release of Confidential Information to Regulated Affiliates.....	17
7 COMPLIANCE MEASURES.....	17
7.1 Responsibility for Compliance	17
7.2 Communication of the Code	17
7.3 Compliance Officer	17
7.4 Responsibilities of the Compliance Officer	18
7.5 Compliance Plan	18
7.5.1 Responsibilities of the Compliance Plan Committee	19
7.6 Compliance Report.....	19
7.7 Documents to be Provided to the NEB.....	20

7.8 Compliance Records and Audit 20

8 DISPUTES, COMPLAINTS AND INQUIRIES..... 20

8.1 Filing 20

8.2 Processing..... 21

8.2.1 Acknowledgment..... 21

8.2.2 Disposition 21

8.3 Referral to the NEB..... 21

9 NON-COMPLIANCE WITH THE CODE 22

9.1 Non-Compliance 22

9.2 Consequences for Non-Compliance with Code..... 22

SCHEDULE A..... 23

MACKENZIE VALLEY PIPELINE PROJECT CODE OF CONDUCT

1 PURPOSE AND OBJECTIVES OF THIS CODE

1.1 Purpose

The purpose of this Code is to establish standards and conditions for interaction between the Mackenzie Valley Pipeline Project and its Owners and their Affiliates, in relation to the provision of Mackenzie Valley Pipeline Services. The Code sets parameters for transactions, information sharing and the sharing of services and resources, which protect the Mackenzie Valley Pipeline Project's customers from inappropriate inter-Affiliate behaviour and practices. These parameters also allow the Owners and the Mackenzie Valley Pipeline Project to engage in inter-Affiliate relationships and transactions to achieve operating efficiencies from economies of scale and scope, in a manner that agrees with the objectives of the Code.

1.2 Objectives

The objectives of this Code are:

- i) Create a clearly defined set of rules to enhance transparency, fairness and senior management accountability with respect to interactions between the Mackenzie Valley Pipeline Project and its Affiliates.
- ii) Provide an environment in which inter-Affiliate economies and efficiencies can legitimately occur for the mutual advantage of the Mackenzie Valley Pipeline Project's customers and Owners.
- iii) Develop support and respect for the Code by the directors, officers and employees of the Owners and the management and staff of the Mackenzie Valley Pipeline Project to promote ratepayer confidence in the application of the Code.
- iv) Create regulatory processes and cost efficiencies through the consistent application of a clear set of standards and reporting requirements for transactions between the Mackenzie Valley Pipeline Project and its Affiliates, enhanced by a practical, resolution driven dispute process.

1.3 Respect for the Code

The Mackenzie Valley Pipeline Project is committed to upholding the spirit and intent of the Code. Individuals to whom the Code applies to are expected to adhere to and respect the Code in providing Mackenzie Valley Pipeline Services.

2 GENERAL PROVISIONS

2.1 Definitions

In this Code the following words and phrases have the following meanings:

“Affiliate” means with respect to the Mackenzie Valley Pipeline Project:

- i) an Owner;
- ii) an affiliate of an Owner, as defined in the *Canada Business Corporations Act* (CBCA);
- iii) a unit or division within an Owner or any Body Corporate referred to in clause (ii) above;
- iv) a partnership, joint venture, or Person in which an Owner or any Body Corporate referred to in clause (ii) above has a controlling interest or that is otherwise subject to the control of an Owner or such Body Corporate, and that has or that the Mackenzie Valley Pipeline Project reasonably expects to have a commercial or operational arrangement with the Mackenzie Valley Pipeline Project, and an Owner or any Body Corporate referred to in clause (ii) above that owns more than 10% of the votes necessary to elect directors;
- v) any partnership, joint venture, or Person deemed by the National Energy Board (NEB) to be an affiliate of the Mackenzie Valley Pipeline Project for the purposes of this Code; and
- vi) an agent or other Person acting on behalf of any Body Corporate, unit, division, partnership, joint venture or Person referred to in clauses (i) to (v) above.

“Affiliated Party Transactions Summary” means in respect of any period of time, unless otherwise directed by the NEB, a summary overview of each type of business transaction or service performed by an Affiliate of the Mackenzie Valley Pipeline Project for the Mackenzie Valley Pipeline Project or by the Mackenzie Valley Pipeline Project for an Affiliate. The summary will contain a general description of the transactions and services, the parties involved and the approximate aggregate value of each type of transaction or service during the said period.

“Body Corporate” means a body corporate as defined in the CBCA.

“Code” means this Mackenzie Valley Pipeline Project Code of Conduct.

“Compliance Officer” shall have the meaning given in Section 7.3 herein.

“Compliance Plan” means the document to be prepared and updated by the Mackenzie Valley Pipeline Project pursuant to Section 7.5 herein.

“Compliance Plan Committee” means a committee that will meet at least quarterly and be comprised of at least the following Mackenzie Valley Pipeline Project representatives:

- the Project Manager
- the Controller
- the Compliance Officer

“Compliance Report” shall have the meaning given in Section 7.6 herein.

“Confidential Information” means any information obtained or compiled by the Mackenzie Valley Pipeline Project relating to a specific customer or potential customer of the Mackenzie Valley Pipeline Project, which in the process of providing current or prospective Mackenzie Valley Pipeline Services, is otherwise not publicly available.

“Cost Recovery Basis” with respect to:

- i) the use by the Mackenzie Valley Pipeline Project of an Affiliate’s personnel, means the fully burdened costs of such personnel for the time period they are used by the Mackenzie Valley Pipeline Project, including salary, benefits, vacation, materials, disbursements and all applicable overheads;
- ii) the use by the Mackenzie Valley Pipeline Project of an Affiliate’s equipment, means an allocated share of capital and operating costs appropriate for the time period the equipment is used by the Mackenzie Valley Pipeline Project;
- iii) the use by an Affiliate of the Mackenzie Valley Pipeline Project’s equipment, means an allocated share of the capital and operating costs appropriate for the time period the equipment is used by the Affiliate;
- iv) the use by the Mackenzie Valley Pipeline Project of an Affiliate’s services, means the complete costs of providing the services, determined in a manner acceptable to the Mackenzie Valley Pipeline Project, acting prudently;
- v) the use by an Affiliate of the Mackenzie Valley Pipeline Project’s services, means the complete costs of providing the services, determined in a manner acceptable to the Mackenzie Valley Pipeline Project, acting prudently; and
- vi) the transfer of equipment, plant inventory, spare parts or similar assets between the Mackenzie Valley Pipeline Project and a Regulated Affiliate, means the net book value of the transferred assets.

“Fair Market Value” means the price reached in an open and unrestricted market between informed and prudent parties, acting at arm’s length and under no compulsion to act.

“For-Profit Affiliate Service” means any service provided by the Mackenzie Valley Pipeline Project to an Affiliate on a for-profit basis, or by an Affiliate to the Mackenzie Valley Pipeline Project on behalf of the Mackenzie Valley Pipeline Project, on a for-profit basis.

“Information Services” means any computer systems, computer services, databases, electronic storage services or electronic communication media used by the Mackenzie Valley Pipeline Project relating to the Mackenzie Valley Pipeline Project customers or operations.

“Mackenzie Valley Pipeline” means a high-pressure natural gas transmission system that extends from the Inuvik Area facility near Inuvik, Northwest Territories to the NOVA Gas Transmission Ltd. System in northern Alberta.

“Mackenzie Valley Pipeline Project” means the joint venture formed by the Owners to develop, construct, own and operate the Mackenzie Valley Pipeline (ultimately to provide Mackenzie Valley Pipeline Services). The Mackenzie Valley Pipeline Project includes the project team assigned to develop and operate the Mackenzie Valley Pipeline by the entity, which from time to time manages such project.

“Mackenzie Valley Pipeline Service” means a service provided by the Mackenzie Valley Pipeline Project, the terms and conditions of which are regulated by the NEB.

“Manager” means an officer or senior project manager of the Mackenzie Valley Pipeline Project.

“Non-Executive Manager” means a manager of the Mackenzie Valley Pipeline Project who is not a senior manager of an Owner.

“Non-Regulated Affiliate” means an Affiliate that is not a Regulated Affiliate.

“Occasional Services” shall have the meaning given in Section 3.3.5 herein.

“Owner” means the owners from time to time of the Mackenzie Valley Pipeline Project.

“Person” means a person as defined in the CBCA.

“Project Restart” means the date upon which the Owners and the Government of Canada execute a fiscal agreement with respect to the Mackenzie Valley Pipeline.

“Regulated Affiliate” means an Affiliate whose tolls and tariffs are regulated by the NEB, the Alberta Utilities Commission or the Federal Energy Regulatory Commission.

“Services Agreement” means an agreement entered into between the Mackenzie Valley Pipeline Project and one or more Affiliates for the provision of Shared Services. The agreement shall provide for the following matters as appropriate in the circumstances:

- i) the type, quantity and quality of service;
- ii) pricing, allocation or cost recovery provisions;
- iii) confidentiality arrangements;
- iv) the apportionment of risk;
- iv) dispute resolution provisions; and
- v) a representation by the Mackenzie Valley Pipeline Project and each Affiliate party to the agreement that the agreement complies with the Code.

“Shared Service” means any service provided on a Cost Recovery Basis or as a For-Profit Affiliate Service between the Mackenzie Valley Pipeline Project and an Affiliate.

“Shipping Affiliate” refers to a Non-Regulated Affiliate that has, or reasonably expects to have, a shipping arrangement with the Mackenzie Valley Pipeline.

2.2 Interpretation

Headings are for convenience only and shall not affect the interpretation of this Code. Words importing the singular include the plural and vice versa. A reference to a statute, document or a provision of a document includes an amendment or supplement to, or a replacement of, that statute, document or provision of that document.

2.3 To Whom this Code Applies

The Mackenzie Valley Pipeline Project and its Affiliates, to the extent they interact with the Mackenzie Valley Pipeline Project, are obligated to comply with this Code.

2.4 Coming into Force

This Code will come into force 90 days after the latter of (i) approval of this Code by the NEB; or (ii) a Project Restart occurs, provided that, any existing agreements or arrangements in place between parties to whom this Code applies are brought into compliance with this Code within 60 days of this Code coming into force.

2.5 Amendments to this Code

This Code may be reviewed and amended from time to time by the NEB on its own initiative, or pursuant to a request by any party to whom this Code applies or by any interested party.

2.6 Exemptions

The Mackenzie Valley Pipeline Project may apply to the NEB for an exemption with respect to compliance with any provision of this Code. Any such application will specify if the requested exemption is in respect of a particular transaction, series of transactions, for a specified period of time, or is for a general exemption from a particular provision.

2.7 Authority of the NEB

This Code does not detract from, reduce or modify in any way the powers of the NEB to deny, vary, approve with conditions, or overturn, the terms of any transaction or arrangement between the Mackenzie Valley Pipeline Project and one or more Affiliates that may be done in compliance with this Code. Compliance with the Code does not eliminate the requirement for specific NEB approvals or filings required by statute, regulation, or by an NEB decision, order or direction.

3 GOVERNANCE AND SEPARATION OF BUSINESS

3.1 Governance

3.1.1 Separate Operations

The commercial business and affairs of the Mackenzie Valley Pipeline Project will be managed and conducted separately from the commercial business and affairs of its Non-Regulated Affiliates, except as required to fulfill corporate governance, policy, and strategic direction responsibilities of a corporate group of businesses as a whole.

3.1.2 Separate Management

Within 60 days of this Code coming into force, the Mackenzie Valley Pipeline Project must establish a separate management team from its Affiliates. Subject to Sections 3.1.3 and 3.1.4 herein, the Mackenzie Valley Pipeline Project must have separate managers from the Mackenzie Valley Pipeline Project's Shipping Affiliates. However, the Mackenzie Valley Pipeline Project may share management team members with other Regulated Affiliates of the Mackenzie Valley Pipeline Project.

3.1.3 Separate Management Exception

Managers of the Mackenzie Valley Pipeline Project may also be managers of any Affiliate, as may be required to perform corporate governance, policy, and strategic direction responsibilities of an affiliated group of businesses. However, this exception shall not allow a Non-Executive Manager in a commercial or operational role to be a manager of a Non-Regulated Affiliate that has, or reasonably expects to have, commercial or operational arrangements with the Mackenzie Valley Pipeline.

3.1.4 Dual Capacity

Notwithstanding Sections 3.1.1, 3.1.2 and 3.1.3 herein, an individual shall not act as both a member of a management team of the Mackenzie Valley Pipeline Project and as a director, officer, or member of a management team of any other Affiliate (thereby acting in a dual capacity), unless the individual is able to carry out their responsibilities in a manner that preserves the form, spirit and intent of this Code. In particular, an individual:

- (a) shall not agree to act in a dual capacity if the individual, acting reasonably, determines that acting in a dual capacity could be detrimental to the interests of the Mackenzie Valley Pipeline Project customers; and
- (b) if acting in a dual capacity, shall abstain from engaging in any activity that the individual, acting reasonably, determines could be detrimental to the interests of the Mackenzie Valley Pipeline Project customers.

3.2 Degree of Separation

3.2.1 Accounting Separation

The Mackenzie Valley Pipeline Project shall ensure accounting separation of the Mackenzie Valley Pipeline Project from all Affiliates and maintain separate identifiable financial records and books of accounts.

3.2.2 Separation of Information Services

Where the Mackenzie Valley Pipeline Project shares Information Services with an Affiliate, all Confidential Information must be protected from unauthorized access by the Affiliate. Access to the Mackenzie Valley Pipeline Project's Information Services will include appropriate computer data management and data access protocols. Compliance with the access protocols will be periodically confirmed by the Mackenzie Valley Pipeline Project.

3.2.3 Financial Transactions with Affiliates

The Mackenzie Valley Pipeline Project shall ensure that any loan, investment, or other financial support provided by the Mackenzie Valley Pipeline Project to an Affiliate is provided on terms no more favorable than what that the Affiliate would be able to obtain as a stand-alone entity from the capital markets.

3.2.4 Physical Separation

The Mackenzie Valley Pipeline Project shall put appropriate measures in place to restrict physical access of representatives with commercial responsibilities for Non-Regulated

Affiliates to Confidential Information.

3.3 Resource Sharing

3.3.1 Sharing of Assets

The operational plant, assets and equipment of the Mackenzie Valley Pipeline Project will be separately identifiable from the operation plant, assets and equipment of other lines of business and separated in ownership from the operational plant, assets and equipment of other Affiliates.

3.3.2 Shared Services Permitted

Where the Mackenzie Valley Pipeline Project determines it is prudent in operating its business to do so, it may obtain Shared Services from an Affiliate or provide Shared Services to an Affiliate. The Mackenzie Valley Pipeline Project will periodically review the prudence of Shared Services Agreements and make necessary adjustments to ensure that the Mackenzie Valley Pipeline Project and its Affiliates each bears their proportionate share of the costs.

3.3.3 Services Agreement

The Mackenzie Valley Pipeline Project shall enter into a Services Agreement with respect to any Shared Services it provides or acquires from an Affiliate.

3.3.4 Sharing of Personnel

3.3.4.1 Mackenzie Valley Pipeline and its Affiliates

Subject to Section 3.3.4.2 herein, the Mackenzie Valley Pipeline Project may share personnel with an Affiliate on a Cost Recovery Basis, provided that the personnel to be shared are able to carry out their responsibilities in a manner that preserves the form, spirit and intent of this Code. In particular, personnel:

- (a) shall not be shared if it could reasonably be considered detrimental to the interests of the Mackenzie Valley Pipeline Project's customers; and
- (b) if being shared, shall abstain from engaging in any activity that could reasonably be considered detrimental to the interests of the Mackenzie Valley Pipeline Project's customers.

3.3.4.2 Personnel That May Not Be Shared

The Mackenzie Valley Pipeline Project may not share personnel with an Affiliate that routinely:

- (a) participate in making decisions with respect to the provision of Mackenzie Valley Pipeline Services or how Mackenzie Valley Pipeline Services are delivered;
- (b) deal with, or have direct contact with, the Mackenzie Valley Pipeline Project customers; and
- (c) are involved in commercial management of the business of the Mackenzie Valley Pipeline Project.

3.3.5 Occasional Services Permitted

Where the Mackenzie Valley Pipeline Project has otherwise acted prudently, it may receive or provide one-off, infrequent or occasional services (Occasional Services), to or from an Affiliate, on a Cost Recovery Basis. Occasional Services will be documented by way of a work order, purchase order or similar instrument. If Occasional Services become material in value, frequency or use of resources, the Mackenzie Valley Pipeline Project shall enter into a Services Agreement with the Affiliate for Shared Services.

3.3.6 Emergency Services Permitted

In the event of an emergency, the Mackenzie Valley Pipeline Project may share services and resources with an Affiliate without a Services Agreement, on a Cost Recovery Basis.

4 TRANSFER PRICING

4.1 For-Profit Affiliate Services

If the Mackenzie Valley Pipeline Project determines it is prudent business, it may obtain For-Profit Affiliate Services from an Affiliate or provide For-Profit Affiliate Services to an Affiliate.

If the Mackenzie Valley Pipeline Project intends to outsource a service to an Affiliate, the Mackenzie Valley Pipeline Project shall, in addition to any other analysis it may require to demonstrate the prudence of a For-Profit Affiliate Services Agreement, undertake a net present value analysis appropriate to the life cycle or operating cycle of the services involved.

The Mackenzie Valley Pipeline Project will periodically review the prudence of continuing For-Profit Affiliate Services Agreements.

4.2 Pricing For-Profit Affiliate Services

4.2.1 Acquiring For-Profit Affiliate Services

In acquiring For-Profit Affiliate Services, the Mackenzie Valley Pipeline Project shall

pay no more than Fair Market Value for such services. The onus is on the Mackenzie Valley Pipeline Project to demonstrate that For-Profit Affiliate Services have been acquired at a price that is not more than the Fair Market Value.

4.2.2 Providing For-Profit Affiliate Services

The Mackenzie Valley Pipeline Project will not charge less than the Fair Market Value for For-Profit Affiliate Services. The onus is on the Mackenzie Valley Pipeline Project to demonstrate that the For-Profit Affiliate Services have been charged at a price that is not less than the Fair Market Value of such services.

4.3 Services Agreement

The Mackenzie Valley Pipeline Project shall enter into a Services Agreement for For-Profit Affiliate Services it acquires or provides.

4.4 Asset Transfers

Assets transferred, mortgaged, leased or otherwise disposed of by the Mackenzie Valley Pipeline Project to a Non-Regulated Affiliate shall be at Fair Market Value.

4.5 Determination of Fair Market Value

In demonstrating that Fair Market Value was paid or received, pursuant to a For-Profit Affiliate Service Agreement or a transaction contemplated by Sections 4.1, 4.2 and 4.4 herein, the Mackenzie Valley Pipeline Project, subject to any prior or contrary direction by the NEB, may use any method to determine Fair Market Value that it believes is appropriate in the circumstances, including competitive tendering, competitive quotes, benchmarking studies, catalogue pricing, replacement cost comparisons or recent market transactions. The Mackenzie Valley Pipeline Project shall bear the onus of demonstrating that the methodology or methodologies used in determining the Fair Market Value of the goods or services was appropriate in the circumstances.

4.6 Asset Transfers Between Mackenzie Valley Pipeline Project and Regulated Affiliates

Where operational efficiencies between the Mackenzie Valley Pipeline Project and Regulated Affiliates can be obtained through the use of common facilities (such as shared warehousing or field offices), combined purchasing power or through the use of other cost saving procedures, individual assets or groups of assets used in the Mackenzie Valley Pipeline Project's and Regulated Affiliates' operations (such as equipment, plant inventory, spare parts or similar assets) may be transferred between the Mackenzie Valley Pipeline Project and the Regulated Affiliates at net book value or other reasonable standard acceptable to the Board. All such transactions shall be properly accounted for by

the Mackenzie Valley Pipeline Project.

5 EQUAL TREATMENT WITH RESPECT TO MACKENZIE VALLEY PIPELINE SERVICES

5.1 Impartial Application of Tariff

The Mackenzie Valley Pipeline Project shall impartially apply and enforce all tariff provisions relating to Mackenzie Valley Pipeline Services in the same time frame and without preference in relation to its Affiliates, other customers or prospective customers.

5.2 Equal Access

The Mackenzie Valley Pipeline Project shall not favour any Affiliate with respect to access to information concerning Mackenzie Valley Pipeline Services or to obtaining or scheduling Mackenzie Valley Pipeline Services. Requests by an Affiliate or an Affiliate's customers for access to Mackenzie Valley Pipeline Services shall be processed and provided in the same manner as would be processed or provided for other customers or prospective customers of the Mackenzie Valley Pipeline Project.

5.3 No Undue Influence

The Mackenzie Valley Pipeline Project shall not condition or otherwise tie the receipt of Mackenzie Valley Pipeline Services to a requirement that a customer must also deal with an Affiliate. The Mackenzie Valley Pipeline Project shall ensure that its representatives do not explicitly or implicitly suggest that an advantage will accrue to a customer in dealing with the Mackenzie Valley Pipeline Project if the customer also deals with an Affiliate of the Mackenzie Valley Pipeline.

5.4 Affiliate Activities

The Mackenzie Valley Pipeline Project shall take reasonable steps to ensure that an Affiliate does not imply in its marketing material or otherwise, favored treatment or preferential access to Mackenzie Valley Pipeline Services. If the Mackenzie Valley Pipeline Project becomes aware of any such inappropriate activity by an Affiliate, it shall:

- (a) immediately take reasonable steps to notify affected customers of the violation;
- (b) take necessary steps to ensure the Affiliate is aware of the concern; and
- (c) inform the NEB in writing of such activity and the remedial measures taken by the Mackenzie Valley Pipeline Project.

5.5 Access to Shared and Occasional Services

The Mackenzie Valley Pipeline Project is not required to provide non-Affiliated parties with equal access to Shared Services or Occasional Services.

6 CONFIDENTIALITY OF INFORMATION

6.1 Mackenzie Valley Pipeline Information

Subject to Section 6.2 herein, the Mackenzie Valley Pipeline Project shall not provide Non-Regulated Affiliates with information relating to the planning, operations, finances or strategy of the Mackenzie Valley Pipeline Project before such information is publicly available.

6.2 Management Exception

Managers of the Mackenzie Valley Pipeline Project who are also managers of an Affiliate, as permitted pursuant to Section 3.1.4 herein, may disclose, subject to the provisions of Section 3.1 herein, the Mackenzie Valley Pipeline Project planning, operational, financial and strategic information to the Affiliate to fulfill their responsibilities with respect to corporate governance, policy and strategic direction of an affiliated group of businesses, but only to the extent necessary and not for any other purpose.

6.3 No Release of Confidential Information

Subject to Section 6.5 herein, the Mackenzie Valley Pipeline Project shall not release Confidential Information relating to a customer or prospective customer to an Affiliate without receiving the prior written consent of the customer or prospective customer, unless disclosure of the Confidential Information is in connection with:

- (a) a court proceeding or a proceeding before a quasi-judicial body to which the customer is a party;
- (b) complying with a subpoena, warrant, or order issued or made by a court, person or body having jurisdiction to compel the production of information or with a rule of court that relates to the production of information;
- (c) a municipal or provincial police service investigation of an offence involving the customer, if the disclosure is not contrary to the express request of the customer;
- (d) law or by an order of a government or agency having jurisdiction over the Mackenzie Valley Pipeline; or

- (e) providing Shared Services or For-Profit Affiliate Services to the Affiliate or for the purpose of receiving Shared Services or For-Profit Affiliate Services from the Affiliate; provided appropriate measures are first put in place by the Affiliate to protect the Confidential Information and the Confidential Information is used by the Affiliate only for the purpose intended by the Mackenzie Valley Pipeline Project.

6.4 Aggregated Confidential Information

The Mackenzie Valley Pipeline Project may disclose Confidential Information when aggregated with the Confidential Information of other customers in such a manner that an individual customer's Confidential Information cannot be identified.

6.5 Release of Confidential Information to Regulated Affiliates

The Mackenzie Valley Pipeline Project may release Confidential Information as needed to a Regulated Affiliate that is operated by the same entity that operates the Mackenzie Valley Pipeline, or is operated by any Affiliate of the Mackenzie Valley Pipeline Project, provided that the Regulated Affiliate does not release the Confidential Information to any other entity without receiving the prior written consent of the customer.

7 COMPLIANCE MEASURES

7.1 Responsibility for Compliance

The Mackenzie Valley Pipeline Project shall be responsible for ensuring compliance with this Code.

7.2 Communication of the Code

The Mackenzie Valley Pipeline Project will:

- (a) communicate the contents of the Code and any modifications to each of its directors, officers, employees, consultants, contractors, agents and Affiliates; and
- (b) make the Code available on the Mackenzie Valley Pipeline Project's website.

7.3 Compliance Officer

The Mackenzie Valley Pipeline Project will appoint a Compliance Officer. The Compliance Officer will be a manager of the Mackenzie Valley Pipeline Project and have adequate resources to fulfill their responsibilities.

7.4 Responsibilities of the Compliance Officer

The responsibilities of the Compliance Officer will include:

- (a) providing advice and information to the Mackenzie Valley Pipeline Project for the purpose of ensuring compliance with this Code;
- (b) monitoring and documenting compliance with the Code by the Mackenzie Valley Pipeline Project, its managers, representatives, consultants, contractors and agents;
- (c) monitoring and documenting compliance with the Code by Affiliates of the Mackenzie Valley Pipeline Project with respect to the interactions of the Affiliates with the Mackenzie Valley Pipeline Project;
- (d) providing for the preparation and updating of the Compliance Plan for the Mackenzie Valley Pipeline Project, pursuant to Section 7.5 herein;
- (e) filing the Compliance Plan and any modifications or replacements with the NEB, posting the Compliance Plan on the Mackenzie Valley Pipeline Project's website, and promptly advising interested parties when the Compliance Plan, or any modifications or replacements, have been posted on the website;
- (f) performing an annual compliance review in accordance with the Compliance Plan and preparing an annual Compliance Report containing the information required in Section 7.6 herein. The Compliance Officer shall file the Compliance Report with the NEB within 120 days of the Mackenzie Valley Pipeline Project fiscal year-end for the immediately preceding fiscal year, post the Compliance Report on Mackenzie Valley Pipeline Project's website, and promptly advise interested parties when the Compliance Report has been posted on the website;
- (g) receiving and investigating internal and external disputes, complaints and inquiries with respect to the application of, and alleged non-compliance with, the Code in accordance with Section 8 herein;
- (h) recommending to the Mackenzie Valley Pipeline Project measures required to address events of non-compliance with the Code; and
- (i) maintaining adequate records for all aspects of the Compliance Officer's responsibilities.

7.5 Compliance Plan

The Mackenzie Valley Pipeline Project shall prepare a Compliance Plan annually. The Compliance Plan shall detail the measures, policies, procedures and monitoring mechanisms that the Mackenzie Valley Pipeline Project will employ to ensure its full

compliance with the provisions of the Code and, as applicable, compliance by its managers, representatives, consultants, contractors and agents, and Affiliates of the Mackenzie Valley Pipeline Project with respect to the interactions of the Affiliates with the Mackenzie Valley Pipeline Project.

7.5.1 Responsibilities of the Compliance Plan Committee

The Compliance Plan Committee will meet at least quarterly and discharge its responsibilities as set out in the Compliance Plan by:

- (a) receiving and reviewing the documentation, including the certificates and reports required by the Compliance Plan;
- (b) making appropriate inquiries as to the sufficiency of the aforementioned certificates and reports;
- (c) making appropriate recommendations regarding the sufficiency of the processes and mechanisms intended to maintain compliance, as set out in the Compliance Plan; and
- (d) identifying any instances of non-compliance, as set out in the Compliance Plan, and ensuring that any such instance is treated as an inquiry under the Code (see Section 8).

7.6 Compliance Report

The Compliance Report will include the following information for the reporting period:

- (a) a copy of the Compliance Plan and any amendments thereto;
- (b) a corporate organization chart for the Mackenzie Valley Pipeline Project, its Owners and their respective Affiliates that have, or that the Mackenzie Valley Pipeline Project reasonably expects to have, a commercial or operational arrangement with the Mackenzie Valley Pipeline Project, indicating relationships and ownership percentages;
- (c) a list of all Affiliates with whom the Mackenzie Valley Pipeline Project transacted business, including business addresses, a list of the Affiliates' officers and directors, and a description of the Affiliates' business activities;
- (d) a list of all Services Agreements in effect at any time during the reporting period;
- (e) an overall assessment of compliance with the Code by the Mackenzie Valley Pipeline Project, including as applicable compliance by the managers, representatives, consultants, contractors and agents of the Mackenzie Valley Pipeline Project, and by Affiliates of the Mackenzie Valley Pipeline Project with

respect to the interactions of the Affiliates with the Mackenzie Valley Pipeline Project;

- (f) an assessment of the effectiveness of the Compliance Plan and any recommendations for modifications thereto;
- (g) a comprehensive description of any material non-compliance with the Code, and an explanation of the steps taken to correct the non-compliance;
- (h) subject to the confidentiality provisions of Section 8.1 herein, a summary of the disputes, complaints and inquiry activity during the year;
- (i) an Affiliated Party Transactions Summary;
- (j) a summary list of any exemptions granted to this Code or exceptions used, including the exception for emergency services; and
- (k) two certificates, each in the form of Schedule A attached to this Code, attesting to the completeness of the Compliance Report and compliance with the Code. One certificate will be signed by the Compliance Officer and the second certificate will be signed by the highest-ranking operating manager of the Mackenzie Valley Pipeline Project.

7.7 Documents to be Provided to the NEB

If required by the NEB, the Mackenzie Valley Pipeline Project shall provide the NEB with a copy of any document referred to in a Compliance Report or other supporting records and material.

7.8 Compliance Records and Audit

The records required to be maintained by the Compliance Officer, pursuant to Section 7.4(i) herein, shall be retained for a minimum of six years. Compliance records will be maintained in a manner sufficient to support a third-party audit of the state of compliance with the Code by the Mackenzie Valley Pipeline Project, its managers, representatives, consultants, contractors and agents, and by Affiliates of the Mackenzie Valley Pipeline Project with respect to the interactions of the Affiliates with the Mackenzie Valley Pipeline Project. Subject to the confidentiality provisions of Section 8.1 herein, all such records shall be made available for inspection or audit as may be required by the NEB.

8 DISPUTES, COMPLAINTS AND INQUIRIES

8.1 Filing

Disputes, complaints or inquiries from within the Mackenzie Valley Pipeline Project or from external parties respecting the application of, or alleged non-compliance with, the

Code shall be submitted in writing to the Compliance Officer, and may be made confidentially. The identity of the party making the submission to the Compliance Officer shall be kept confidential by the Compliance Officer unless the party otherwise agrees.

8.2 Processing

8.2.1 Acknowledgment

The Compliance Officer shall acknowledge all disputes, complaints or inquiries in writing within five working days of receipt.

8.2.2 Disposition

The Compliance Officer shall respond to the dispute, complaint or inquiry within 21 working days of receipt. The response shall include a description of the dispute, complaint or inquiry and the initial response of the Mackenzie Valley Pipeline Project to the issues identified in the submission. Except where the party making the submission otherwise agrees, the Mackenzie Valley Pipeline Project's final disposition of the dispute, complaint or inquiry shall be completed within 60 days of receipt of the dispute, complaint or inquiry.

8.3 Referral to the NEB

In the event:

- (a) the Mackenzie Valley Pipeline Project fails to abide by the process identified in Section 8.2 herein,
- (b) the Mackenzie Valley Pipeline Project or the party making the submission is unsatisfied with the resolution of a dispute, complaint or inquiry following the conclusion of the Section 8.2 process, or
- (c) of an urgent and significant matter, where there is a reasonable expectation that a party's position may be prejudiced by allowing the process contemplated by Section 8.2 to operate: then

the Mackenzie Valley Pipeline Project (subject to the confidentiality provisions of Section 8.1 herein) or a party with a dispute, complaint or inquiry may refer the matter to the NEB for consideration.

A referral to the NEB must be in writing and describe the dispute, complaint, or inquiry and must include the response, if any, of the Mackenzie Valley Pipeline Project to the submission.

9 NON-COMPLIANCE WITH THE CODE

9.1 Non-Compliance

Any non-compliance with the Code by any manager, personnel, consultant, contractor or agent of the Mackenzie Valley Pipeline Project, as applicable, or by an Affiliate (or any director, officer, employee, consultant, contractor or agent of an Affiliate) with respect to the interactions of the Affiliate with the Mackenzie Valley Pipeline Project will be considered to be in non-compliance by the Mackenzie Valley Pipeline Project.

9.2 Consequences for Non-Compliance with Code

Non-compliance with the Code by the Mackenzie Valley Pipeline Project shall subject the Mackenzie Valley Pipeline Project to the full range of powers and authorities of the NEB. Non-compliance with the Code by a manager, personnel, consultant, contractor or agent of the Mackenzie Valley Pipeline Project may subject the individual to disciplinary action by the Mackenzie Valley Pipeline Project.

SCHEDULE A

COMPLIANCE REPORT CERTIFICATE

To: The National Energy Board

I, _____ of the City of _____, in the Province of Alberta, acting in my position as a manager of the Mackenzie Valley Pipeline Project and not in my personal capacity, to the best of my knowledge do hereby certify as follows:

1. My position with the Mackenzie Valley Pipeline Project is _____, and as such I have personal knowledge of, or have conducted due inquiry of individuals who have personal knowledge of, the facts and matters herein stated.

2. Capitalized terms used herein (which are not otherwise defined herein) shall have the meanings given in the Mackenzie Valley Pipeline Code of Conduct (the Code).

3. I have read the Code, the Mackenzie Valley Pipeline Project Compliance Plan dated _____ and the Mackenzie Valley Pipeline Project Compliance Report dated _____.

4. The form and contents of the Compliance Report comply with the requirements of the Code and the matters reported therein are fully and accurately described.

5. I am not aware of any material non-compliance with the provisions of the Code by any director, officer, personnel, consultant, contractor or agent of the Mackenzie Valley Pipeline Project, or by any Affiliate of the Mackenzie Valley Pipeline (including any director, officer, employee, consultant, contractor or agent of the Affiliate) with respect to any interaction between an Affiliate and Mackenzie Valley Pipeline Project that is not fully and accurately described in the Compliance Report.

Name:

Title:

Date:
