

1. OBJECTIVE & SCOPE

It is the policy of AltaLink, L.P. (“AltaLink”), and each of its majority or wholly-owned Canadian subsidiaries and affiliates (individually, an “AltaLink Company” and collectively with AltaLink, the “AltaLink Companies”), to strictly comply with all laws and regulations that apply to any of their activities and operations, or that may give rise to the risk of liability for AltaLink, its U.S. parent, Berkshire Hathaway Energy Company (“BHE”), or Berkshire Hathaway Inc., their subsidiaries or persons employed by any of them.

This Policy applies to all officers, directors and employees of the AltaLink Companies. Each such person shall comply with this Policy, strictly abide by all applicable laws and regulations, and exercise great care not to take or authorize any actions that may create even the appearance of illegal conduct or other impropriety. Persons who violate this Policy shall be subject to appropriate disciplinary action.

2. COMPLIANCE WITH CANADIAN, U.S. AND FOREIGN LAW IS REQUIRED

This Policy (1) identifies certain specific anti-corruption and trade laws and regulations that may apply to the AltaLink Companies’ operations, and (2) sets forth the minimum standards that must be followed to ensure compliance with those laws and regulations. The applicable laws and regulations include not only federal, state and local laws and regulations of Canada and the United States, but also laws and regulations of any foreign countries in which the AltaLink Companies conduct business.

This Policy is not exhaustive, and there may be additional laws and regulations that apply to the AltaLink Companies’ operations that are not discussed here. Even if a particular law or regulation is not discussed here, it is the policy of the AltaLink Companies to ensure compliance with that law or regulation. This Policy addresses certain issues that are also covered by ***AltaLink’s Code of Ethics and Business Conduct***. The Policy and ***AltaLink’s Code of Ethics and Business Conduct*** are cumulative and if there is a conflict between them, the more restrictive provisions shall apply.

3. PROHIBITED OFFERS OR PAYMENTS

A. INTRODUCTION

As a subsidiary of a U.S. corporation (BHE), each AltaLink Company is not only subject to the anti-bribery legislation of Canada, including the Canadian *Criminal Code* and *Corruption of Foreign Public Officials Act* (“CFPOA”) and the United States, including the *Foreign Corrupt Practices Act* (“FCPA”), but also the anti-bribery laws of any host country where the potential bribe may occur. In recognition that Canadian companies active in the U.S. capital markets are subject to the FCPA, the subsequently implemented CFPOA incorporates many of the FCPA’s concepts and language, and therefore, operates in parallel, rather than conflicting, with the FCPA. If there are differences in certain anti-bribery obligations, requirements or exemptions under the applicable legislation, whether Canadian, U.S. or foreign, the more strict or onerous standard shall prevail for the purposes of this Policy. **Notwithstanding the foregoing, this Policy**

expressly prohibits the offering or payment of bribes or kickbacks to any person under any circumstances, whether the recipient is domestic or foreign and whether or not the recipient is a domestic or foreign public official.

B. CANADIAN LEGAL REQUIREMENTS

The *Criminal Code* prohibits bribes to Canadian public officials, including bribes made to judicial and criminal enforcement officers and officials; however, the *Criminal Code* does not contain specific provisions dealing with the corruption or bribery of foreign public officials. As a member of the Organization for Economic Co-operation and Development (“OECD”), the Government of Canada implemented the CFPOA in 1999, to put into effect the obligations it committed to, along with other members of the OECD, under the *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*, thereby specifically addressing the corruption or bribery of foreign public officials not addressed in the *Criminal Code*.

As AltaLink Companies routinely engage the services (including the purchase of goods and supplies) of domestic and foreign-based contractors and suppliers, it is a policy that AltaLink Companies and its agents strictly comply with the anti-bribery provisions of the *Criminal Code* and the CFPOA.

Criminal Code

The *Criminal Code* is extensive in its coverage of corruption of officials of the governments of Canada and the provinces. AltaLink Companies and their agents are prohibited, whether directly or through intermediaries, from giving, offering or agreeing to give or offer to an official or to any member of his family, or to any one for the benefit of an official, a loan, reward, advantage or benefit of any kind as consideration for cooperation, assistance, exercise of influence or an act or omission in connection with:

- the transaction of business with or any matter of business relating to the government; or
- a claim against Her Majesty or any benefit that Her Majesty is authorized or is entitled to bestow;

whether or not the official is able to cooperate, render assistance, exercise influence or do or omit to do what is proposed.

The *Criminal Code* also sets out several offences relating to money laundering and the financing of terrorism that apply to every person in Canada.

Corruption of Foreign Public Officials Act

The focus of the CFPOA is on anti-bribery provisions that prohibit the promise, payment or giving of a loan, reward, advantage or benefit of any kind to any “foreign public official” for the purpose of obtaining or retaining business or gaining an improper advantage. A foreign public official, as defined under the CFPOA, includes, for example, an elected representative or a governmental official of a foreign state (which includes an official working for all levels and subdivisions of government), as well as an official or agent of a public international organization, such as the United Nations.

In addition, the CFPOA establishes measures to prohibit the establishment of off-the books accounts, the making of off-the-books or inadequately identified transactions, the recording of non-existing expenditures, the entry of liabilities with incorrect identification of their object, as well as the use of false documents by companies or destroying accounting records, for the purpose of bribing foreign public officials or hiding such bribery.

Offense of Bribery

AltaLink Companies are prohibited from, whether directly or through intermediaries, giving, offering or agreeing to give or offer a loan, reward, advantage or benefit of any kind to a foreign public official for the purpose of obtaining or retaining an advantage in the course of business, by:

- providing consideration for an act or omission by the foreign public official in respect of the performance of that official’s duties or functions; or
- inducing a foreign public official to use their position to influence the acts or decisions of the foreign state or public organization for which such official performs duties or functions.

Direct or Indirect Payments. The CFPOA makes it clear that the offense includes bribes made directly or through third parties, as a result, agents of any AltaLink Company that commit an offense would expose an AltaLink Company to prosecution under the CFPOA.

Requirement of Knowledge. As no particular mental element (intent or knowledge) is stated in the CFPOA, Canadian common law principles of criminal culpability would apply. For example, a bribe made by an overseas agent of an AltaLink Company without the knowledge of such entity on whose behalf the agent is acting, would not necessarily result in criminal liability for that entity unless they were willfully blind to the true facts. However, the agent would be criminally liable under the CFPOA.

Under Canadian common law, liability may be attributed to a corporation when an offence is committed by a “directing mind” of that corporation. As a result, a corporation could be held criminally liable if one or more of the directing minds of that corporation acted intentionally, recklessly, or with willful blindness.

Facilitation Payments

As of October 31, 2017, those payments formerly known (and previously permitted) under the CFPOA as “Facilitation Payments” are ***no longer permitted under any circumstances***, and as such are not permitted under this Policy. A Facilitation Payment is defined as the provision of any loan, reward, advantage or benefit of any kind to a foreign public official in order to expedite or secure the performance by the official of any act of a routine nature that is part of the official’s normal duties or functions. Examples of such acts include the issuance of a permit, license or other document to qualify a person to do business, the processing of official documents such as visas and work permits, the provision of services normally offered to the public such as mail pick-up and delivery, telecom services and power and water supply, and the provision of services normally provided as required, such as police protection, loading or unloading of cargo, the protection of perishable products or commodities from deterioration or the scheduling of inspections related to contract performance or transit of goods.

Affirmative Defenses

Not all payments to foreign public officials are considered bribes under the CFPOA.

Payments required under the Laws of a Foreign State. Payments that are considered lawful under the laws of the foreign state or public international organization for which the foreign public official performs duties or functions are an affirmative defense under the CFPOA. However, as a practical matter, this defense will be of limited applicability as most foreign states have laws prohibiting the payment of bribes to their public officials.

Reasonable Expenses. The CPFOA also provides the affirmative defense if the loan, reward, advantage or benefit was made to pay the reasonable expenses incurred in good faith by or on behalf of the foreign public official and were directly related to the promotion, demonstration or explanation of products and services or to the execution or performance of a contract with the foreign state.

Offence of Inaccurate Accounting Records

Under this Policy, AltaLink Companies and their agents are prohibited from:

- establishing accounts, which do not appear in any of the books and records, that a company is required to keep in accordance with applicable accounting and audit standards;
- making transactions that are not recorded in those books and records or that are inadequately identified in them;
- recording non-existent expenditures in those books and records;
- entering liabilities with incorrect identification or their object in accounting books and records;
- knowingly using false documents; or
- intentionally destroying accounting books and records earlier than permitted by law;

for the purpose of bribing a foreign public official (including for purpose of hiding that bribery).

In addition to other laws, regulations and policies applicable to preparing accounting books and records, the AltaLink Companies have a clear obligation to keep accurate records and accounts in reasonable detail, and failure to do so or establishing off-the-books “slush funds” will expose such entities to potential prosecution or liability under the CPFOA.

Offences Committed Outside of Canada

A person who commits an act or omission outside of Canada, that would, if such act or offence were committed in Canada, constitute an offence of bribing a foreign public official, or an accounting offence for the purpose of bribing a foreign public official, will be deemed to have committed such act or omission in Canada if that person is (i) a Canadian citizen, (ii) a permanent resident, who after commission of the offense is present in Canada, or (ii) a corporation, company, partnership, firm, society or public body formed or organized under the laws of Canada or a province.

C. UNITED STATES LEGAL REQUIREMENTS

Foreign Corrupt Practices Act

Bribery Prohibition. As a wholly-owned subsidiary(ies) of BHE, the AltaLink Companies must strictly comply with the U.S. law known as the *Foreign Corrupt Practices Act* (“FCPA”). In layman’s terms, the FCPA prohibits bribes, kickbacks and favors to foreign government officials to obtain an improper advantage, such as the awarding of a government contract.

Prohibited Purposes. To ensure compliance with the FCPA, neither an AltaLink Company nor its agents may corruptly provide or offer to provide anything of value to a foreign official for any of the following purposes:

- influencing the official;
- securing any improper advantage;
- affecting any official decision; or
- helping the entity obtain or retain business or direct business to any other person or company.

“Corrupt” Payments. The FCPA prohibits providing or offering to provide things of value if done “corruptly.” This means that the payor has an intent or desire to wrongfully influence the recipient and to get something in return, i.e., a quid pro quo. The word “corruptly” is used in the FCPA statute to make clear that the offer, payment, promise or gift must be intended to induce the official to misuse his or her official position.

Foreign Officials. Various types of foreign officials are covered by the FCPA. This includes:

- foreign government officials, such as customs employees;
- officials of a public international organization;
- foreign political parties and their employees; and
- candidates for foreign political office.

Under some circumstances, employees of state-owned or controlled entities (whether partially or completely state owned or controlled) may be deemed to be foreign officials under the FCPA. A company may be under government control even if it is publicly traded, and even if some of its stock is not owned by the government. In some countries, government control of publicly traded companies is common. This Policy prohibits providing or offering to provide anything of value to employees or agents of state owned or controlled companies for any of the prohibited purposes described above, even if those companies are engaged in purely commercial businesses.

Indirect and Direct Payments. The prohibition applies not only to direct payments or offers of payment, but also to indirect offers or payments made through any intermediaries or agents. Care must be taken to ensure that third party representatives of an AltaLink Company, such as sales representatives, consultants, advisors, lobbyists and other contractors, do not offer or provide anything of value to a foreign official for any of the prohibited purposes described above.

Anything of Value. The term “anything of value” is construed very broadly under the FCPA. Each of the following could constitute a “thing of value”:

- monetary gifts in any form (whether cash, check, wire, etc.);
- other types of gifts;
- meals (including drinks);
- entertainment, such as golf outings or sporting events; and
- travel, whether domestic or foreign.

The term also applies to intangible benefits such as contributions to an official’s favorite charity, offers of employment for an official’s friends or family, or other kinds of help or assistance to officials or their friends and family. This Policy applies equally to offers of payment and payments to relatives and family members of foreign officials, as to foreign officials themselves. If any question exists as to the propriety of any proposed transaction or payment, the matter should be referred to the AltaLink General Counsel prior to entering into the transaction or making the payment.

Nominal Gifts and Entertainment. There are circumstances under which providing inexpensive items to a foreign official may be permissible under the FCPA. For instance, providing gifts of nominal value such as pens or mugs with the company logo, without any intent to influence the official, is not unlawful.

Willful Blindness Is Not A Defense. The FCPA can apply to companies or individuals that are willfully blind to improper payments or offers of payment. Employees who suspect or see indications that corrupt payments or offers of payment are being made on an AltaLink Company's behalf must not "look the other way" or ignore the indications. For instance, if an employee becomes aware of facts suggesting that money being paid to a sales agent may be provided to a foreign official even if that is not the stated purpose, such concern should immediately be reported. Similarly, each employee should be alert to and promptly report concerns that other employees may be involved in such payments.

Bona Fide and Reasonable Business Expenses. The FCPA permits paying bona fide and reasonable travel and lodging expenses for government officials if the expenses relate directly to (1) the promotion, demonstration or explanation of products or services, or (2) the execution or performance of a contract. To ensure compliance with the FCPA, this Policy permits paying such expenses only upon the advance written approval of the General Counsel of AltaLink. Where such expenses are approved for payment, any payment should be made to the third party provider (for instance, an airline or hotel) rather than to the foreign official whenever practicable, and any such payments must be supported by receipts and be properly documented and recorded in the AltaLink Company's books and records. Under no circumstances shall *per diem* payments or allowances be provided to a foreign official, nor shall the AltaLink Company pay for any portion of expenses incurred by any spouse or other family member of a foreign official.

Facilitating Payments. The FCPA permits "facilitating or expediting payments" made in furtherance of routine governmental action. Examples of "routine governmental action" include processing visas or customs forms. Routine governmental action does not include discretionary acts such as a decision to award new business or to continue business with a particular party. Thus, paying an official a small amount to have the power turned on at a factory might be a facilitating payment under the FCPA, but paying an inspector to ignore the fact that the company does not have a valid permit to operate the factory would not be. Some countries have more restrictive rules regarding facilitating payments; for instance, under the U.K. *Bribery Act* and as previously mentioned the CFPOA, all facilitating payments are illegal. Regardless, any facilitating payments which are permitted by law may only be made with the advance written approval of the General Counsel of AltaLink.

The FCPA's Accounting and Internal Control Provisions. The FCPA requires that issuers of U.S. securities and their majority-owned subsidiaries (1) have procedures in place to ensure that all transactions and dispositions of assets are accurately reflected in the company's books and records, and (2) devise and maintain a system of internal accounting controls sufficient to assure management's control, authority and responsibility over the company's assets. It is the policy of the AltaLink Companies that all transactions be recorded in a timely, consistent and accurate manner in terms of amount, accounting period, purpose and accounting classification. Furthermore, the AltaLink Companies must abide by the following rules:

- Each transaction or disposition of assets by an AltaLink Company must have proper authorization. Receipts must be obtained and kept for any travel, gifts or entertainment provided to a government official.

- No secret or unrecorded fund or asset of an AltaLink Company shall be created or maintained, and no accounting balances shall be created or maintained that do not have documentary support, are fictitious in whole or in part, or have no reasonable basis in fact.
- No checks of a AltaLink Company may be written to “cash,” to “bearer,” or to third-party designees of a party entitled to payment. Other than documented petty cash transactions, no cash transactions may be made, unless such transaction is evidenced by a receipt bearing the signature of the recipient and the recipient is a party with whom the AltaLink Company has a written contract.
- Access to systems of accounting or financial records shall not be given to individuals without proper authorization. Destruction or removal of an AltaLink Company’s records may be undertaken only in compliance with the BHE Company’s internal record retention policy.

Any individual who has reason to believe that a violation of the foregoing rules may have occurred at any AltaLink Company (including that a payment to a foreign official was mischaracterized in the AltaLink Company’s books and records) should promptly report that concern to the General Counsel of AltaLink at the contact information described at the end of this Policy. Any inquiry from the internal or independent auditors of the Company must be responded to fully and promptly.

D. ALL IMPROPER PAYMENTS PROHIBITED

While the CFPOA and FCPA apply only to bribes and kickbacks paid to foreign public officials, improper payments to other persons may violate other Canadian (the *Criminal Code* for example), U.S. laws or the local law of the country in which such payments are made. This Policy expressly prohibits the offering or payment of bribes or kickbacks to any person under any circumstances, whether the recipient is domestic or foreign and whether or not the recipient is a foreign or domestic public official. Thus, for example, AltaLink Company employees must not offer or pay anything of value to customers or prospective customers or their employees to induce them to award business to an AltaLink Company or to obtain any other improper advantage. They must also not receive such payments from any person or company in return for providing an improper advantage such as awarding business to such person or company.

E. WHAT TO DO?

Before providing even nominal gifts to a public official, domestic or foreign, employees of AltaLink Companies must confirm with the Law Department that doing so is permitted by local law. A description of the gift and the circumstances of the giving shall be documented in writing. Some countries prohibit providing anything of value to government officials, even gifts of nominal value; in those countries, this Policy prohibits providing gifts of any kind to foreign officials.

Where permitted by local law, gifts to foreign public officials may be made under this Policy only when they are (1) made to promote general goodwill and not as a quid pro quo for any official action, (2) of very modest value, (3) not in the form of cash, (4) customary in type and value in the country where made, (5) given openly and not secretly, and (6) accurately reflected in the AltaLink Company's accounting books and records.

4. PROHIBITED TRANSACTIONS WITH CERTAIN COUNTRIES AND PERSONS

Each AltaLink Company and its employees must strictly comply with all export controls, economic and trade sanctions, embargo programs and all related company directives as set out in this section (the "Controls").

The Controls encompass the laws of both Canada and the U.S. and prohibit dealings both directly and indirectly with specified products, people and entities. Compliance requires careful monitoring of the specified restrictions set out in this section due to their ever evolving nature.

Additionally, to aid in compliance with all applicable laws, certain transactions require the express prior authorization of the General Counsel of AltaLink as set out throughout this section, and as summarized in Part C hereof.

Compliance with the Controls can be extremely complex and is ever evolving. All AltaLink Company employees are strongly encouraged to contact the law department when dealing with matters and transactions which involve any of the Controls.

A. CANADIAN TRADE RESTRICTIONS

ECONOMIC SANCTIONS

There are five federal statutes under which the Government of Canada imposes economic sanctions and trade restrictions on certain designated persons or within targeted sectors of specified foreign jurisdictions.

1. *Criminal Code*

Part II.1 of the *Criminal Code* prohibits dealing in property of terrorist groups, including certain entities identified in the *Regulations Establishing a List of Entities*. Public Safety Canada publishes a list of entities designated under these regulations on its website which can be accessed [here](#).

2. *United Nations Act*

The Government of Canada enacts into Canadian law sanctions adopted by the UN Security Council through regulations made under the *United Nations Act*. Currently, regulations under the *United Nations Act* impose sanctions in respect of the following jurisdictions:

Central African Republic	Libya
Democratic Republic of the Congo	North Korea
Lebanon	Somalia
Iran	South Sudan
Iraq	Sudan
Mali	Yemen

The sanctions imposed under the *United Nations Act* regulations vary depending on the target jurisdiction or group and generally include arms embargos, trade restrictions and prohibitions against providing financial services or technical assistance in respect of such covered activities. In addition, the regulations prohibit dealings with persons designated under the UN Security Council resolutions or their property.

Two additional regulations made under the *United Nations Act* implement the UN suppression of terrorism sanctions and sanctions against Taliban, ISIL (Da'esh) and Al-Qaida.

The Canadian authorities do not maintain a consolidated list of all designations under the *United Nations Act* regulations. However, the UN publishes a consolidated list of all designations under the UN Security Council resolutions on its website which can be accessed [here](#).

3. *Special Economic Measures Act*

Absent a UN Security Council resolution, the Government of Canada has authority under the *Special Economic Measures Act* (“SEMA”) to impose sanctions on foreign jurisdictions and persons where the government is of the opinion that a grave breach of international peace and security has occurred that is likely to result in a serious international crisis. SEMA also authorizes regulations to implement a decision of an international organization (other than the UN) of which Canada is a member.

Currently, there are regulations under SEMA imposing sanctions in respect of the following jurisdictions:

Burma	South Sudan
Iran	Syria
North Korea	Ukraine
Russia	Zimbabwe
Venezuela	Libya
Nicaragua	Belarus
China	

The SEMA regulations generally prohibit dealings in the property, including the financial assets, of individuals and entities designated under the regulations. A comprehensive list of individuals and entities that are designated under the SEMA regulations is maintained through the Consolidated Canadian Autonomous Sanctions List maintained by Global Affairs Canada which can be accessed [here](#).

4. Freezing Assets of Corrupt Foreign Officials Act

The *Freezing Assets of Corrupt Foreign Officials Act* (“FACFO Act”) permits the Government of Canada to make orders directing that the property in Canada of a politically exposed foreign person (“PEFP”) be seized, frozen or sequestered when there is internal political turmoil in a foreign state. The FACFO Act also allows the government to make orders restricting the dealings with designated PEFPs.

Currently, regulations have been introduced under the FACFO Act in respect of individuals associated with the former regimes in Ukraine and Tunisia.

Individuals designated under the FACFO Act are set out in the regulations which can be accessed [here](#) and [here](#).

5. Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)

The *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)* (“SML”) was introduced in October 2017 to authorize the Government of Canada to designate foreign nationals who, in the government’s view, are responsible for, or complicit in, gross violations of internationally recognized human rights. A designation under SML may also be made in respect of foreign public officials (or their associates) who, in the government’s view, are responsible for, or complicit in, acts of significant corruption. Designations under SML are made through the *Justice for Victims of Corrupt Foreign Officials Regulations*.

Currently, the designations under SML target nationals of Russia, Venezuela, South Sudan, Myanmar, and Saudi Arabia.

A comprehensive list of individuals and entities that are designated under the regulations is maintained through the Consolidated Canadian Autonomous Sanctions List maintained by Global Affairs Canada which can be accessed [here](#).

BLOCKING AND ANTI-BOYCOTT LEGISLATION

Foreign Extraterritorial Measures Act

The Government of Canada has authority under the *Foreign Extraterritorial Measures Act* (“FEMA”) to make orders protecting Canadian interests against the extraterritorial application of foreign laws in Canada. There are currently two blocking orders issued under FEMA.

- First, the *Foreign Extraterritorial Measures (United States) Order, 1992*, blocks the extraterritorial application in Canada of the U.S. embargo against Cuba.
- Second, the *Certain Foreign Extraterritorial Measures (United States) Order, 2014*, prohibits any person in Canada from complying with U.S. “Buy America” requirements in relation to the redevelopment of premises in northern British Columbia that were leased by the State of Alaska.

EXPORT AND IMPORT CONTROLS

Export and Import Permits Act

The *Export and Import Permits Act* imposes export and import trade controls on specific goods or goods from certain jurisdictions. These controls have an impact on a wide range of cross-border shipments and transactions. The controls are implemented primarily through the following three lists:

- *Area Control List* (“ACL”) which can be accessed [here](#)
- *Export Control List* (“ECL”) which can be accessed [here](#)
- *Import Control List* (“ICL”) which can be accessed [here](#)

The ACL is a list of countries to which the government has deemed it necessary to control the export of any goods. Currently, North Korea is the only jurisdiction listed in the ACL, and a permit is required to export goods to that country.

The ECL and ICL are lists of goods that the government has deemed necessary to control for certain enumerated purposes. For example, Canada closely controls the export of military goods and technology to countries that pose a threat to Canada and its allies, are involved in, or under imminent threat of hostilities, or are subject to UN Security Council sanctions. The ECL also controls the export of any U.S. origin goods whether or not the goods are otherwise controlled by the ECL. A permit — whether a specific or general permit — is required to export or import goods identified on the ECL or ICL.

Prohibitions on Import of Forced Labour Produced Goods

The *Customs Tariff Act* currently prohibits the import of goods that are produced, wholly or in part, by forced/child labour, while the *Customs Act* makes it a criminal offense to possess, exchange, acquire, sell or dispose of goods that are prohibited for import under the *Customs Tariff Act*.

Additionally, Global Affairs Canada has issued an advisory on doing business with entities active abroad or with ties to Xinjiang, China (“Advisory”). The Advisory does not impose legal requirements but sets clear compliance expectations for Canadian businesses with respect to forced labour and human rights involving Xinjiang, including adoption of voluntary best practices.

The Government of Canada expects Canadian businesses with links to Xinjiang to examine their supply chains to ensure their activities do not support repression of ethnic minorities in Xinjiang and across China, including surveillance apparatus in Xinjiang, detention or internment facilities, or forced labour. Similarly, the Advisory encourages companies to closely examine end-users of their products and services to ensure that they are not being used to support these activities. Canadian businesses that operate in or have end-users in certain high-technology fields, such as those related to cameras, sensors and biometric devices, are expected to exercise the highest level of due diligence and caution when doing business in China as these products may be used to arbitrarily track Uyghurs and others in Xinjiang.

The Advisory also cautions companies to take steps to ensure their supply chains do not violate the prohibition in the *Customs Tariffs Act* against importing from any country goods produced, in whole or in part, by forced labour. In addition. Under the *Export and Import Permits Act*, controlled goods and technology cannot be exported from Canada where there is a substantial risk they could be used to commit or facilitate serious violations of human rights. The advisory states that all export permit applications for controlled goods and technologies will be reviewed for risk that the items could be used to commit or facilitate such violations.

B. U.S. TRADE RESTRICTIONS

The trade restrictions described below apply to “U.S. persons,” which includes all companies organized in the United States and their foreign branches, all companies and employees located in the United States, and all employees who are United States citizens or permanent resident aliens of the United States, wherever located. The U.S. trade restrictions against Cuba described below do not apply to the AltaLink Companies as Canada does not impose trade restrictions against Cuba. Outside of the situation with Cuba, the Controls set forth in this *U.S. Trade Restrictions* section of this Policy apply to all AltaLink Companies and AltaLink Company employees.

Transactions with Embargoed/Sanctioned Countries/Geographic Regions. The United States has issued comprehensive embargo and sanction programs against the following countries/geographic regions (the “Embargoed Counties”):

- Cuba
- Iran
- North Korea
- Syria
- The Crimea, Donetsk and Luhansk Regions of the Ukraine

These embargo and sanction programs prohibit U.S. persons from engaging in or facilitating virtually any commercial or financial transactions with an Embargoed Country. Examples of dealings that may be restricted include:

- imports into the United States of goods, technology or services from or originating in the Embargoed Country;
- exports from the United States to the Embargoed Country of goods, technology or services, either directly or through intermediaries;
- investment in the Embargoed Country
- brokering the sale of goods, technology or services to or from the Embargoed Country, even if the transaction is done entirely outside of the United States;
- providing insurance or reinsurance to businesses or property of the Embargoed Country or its nationals, or imports from or exports to the Embargoed Country or its nationals; and
- other transactions in which a financial institution or other person acting on behalf of the Embargoed Country has any interest.

As a result all AltaLink Companies and AltaLink Company employees are prohibited from conducting any activities with or within any Embargoed Country without the prior written approval of AltaLink's General Counsel.

Additionally, no AltaLink Company employee or representative may travel for business to any Embargoed Country without the prior written approval of AltaLink's General Counsel. If such travel is approved, it may be undertaken only in accordance with any conditions of the approval. Furthermore, regardless of whether the travel is for business or for personal reasons, no AltaLink Company employee may carry AltaLink Company issued devices into those countries (i.e., laptops, mobile phones, tablets or other mobile devices, etc.), and no employee's personal mobile device carried on such travel may include any application(s) that allow access to any AltaLink Company's email system or network.

Transactions with Venezuela. Due to ongoing and increasing concerns of the U.S. Government regarding political and social developments in Venezuela, various U.S. federal agencies have developed and implemented sanction programs relative to a variety of specific industries, government agencies, individuals and entities. The various sanction programs, when considered together in light of their breadth and complexity, make this a de facto embargo on dealings with Venezuela. As a consequence, AltaLink has a policy of not doing business with or in Venezuela, or with individuals or entities that are controlled by the government of Venezuela, without the prior written consent of AltaLink's General Counsel.

Russia/China Sanctions. In response to recent world events and human rights concerns (including concerns over the expansion of child/forced labour), the U.S. has recently placed significant sanctions and export restrictions on both Russia and China. Due to the complex and continually evolving nature of these programs involving Russia and China, no AltaLink Company or AltaLink Company employee shall conduct any activities with or within Russia or China without the prior written approval of AltaLink's General Counsel.

Transactions with Certain Blocked Individuals, Entities and Groups. The United States has also instituted economic and trade sanctions programs prohibiting certain imports, exports, offshore transactions and financial transactions with designated individuals, entities and groups, without prior U.S. government approval. The U.S. government identifies such individuals, entities and groups by putting their names on various lists.

Some lists include entities that have engaged in conduct that is inimical to U.S. national security and foreign policy such as “Transnational Criminal Organizations,” “Narcotic Traffickers,” “Terrorists Organizations”, proliferators of “Weapons of Mass Destruction”, and other conduct such as cyber-related crime, election interference, corruption, and human rights violations. A second type of list is comprised of persons, entities and groups within certain specified countries or regions, including the Embargoed Countries, the Balkans, Belarus, Burma (Myanmar), Central African Republic, the Democratic Republic of the Congo, Ethiopia, Hong Kong, Iraq, Lebanon, Libya, Mali, Nicaragua, Russia, Somalia, South Sudan, Sudan and Darfur, Ukraine, Venezuela, Yemen and Zimbabwe.

Collectively, the persons on these lists are known as “Specially Designated Nationals” or “SDNs,” and appear on the U.S. Office of Foreign Assets Control (“OFAC”) master list of “Specially Designated Nationals and Blocked Persons” (the “SDN List”). The SDN List is updated frequently and available on the internet at:

<https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists>

The OFAC website also offers a search engine for the SDN List at:

<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-list-search-tool>

Disclosure of Iran-Related Activities. After February 6, 2013, Section 13 of the U.S. Securities Exchange Act of 1934 requires that certain issuers registered with the Securities and Exchange Commission (“SEC”), including BHE, disclose in their public filings and in separate reports to the SEC if the issuer or any of its affiliates has knowingly engaged in certain specified activities related to Iran. For these issuers, quarterly and annual reports filed after February 6, 2013 must include disclosure on all of the reportable activities that occurred during the period covered by the report (e.g., for an annual report, during the fiscal year), even if the activities occurred before February 6, 2013. Disclosure is required regarding the activities of each of BHE’s subsidiaries, including the AltaLink Companies, which are considered affiliates under the law. A broad range of activities is reportable, generally relating to Iran’s energy sector, military capabilities and suppression of human rights. For instance, issuers must disclose when they or any of their affiliates knowingly engage in any of the following:

- certain activities relating to Iran’s petroleum industry, such as providing insurance or reinsurance contributing to Iran’s ability to import refined petroleum products or export crude oil;
- certain activities facilitating Iran’s ability to acquire or develop conventional weapons or weapons of mass destruction;

- certain activities supporting Iran's acquisition or use of goods or technologies that are likely to be used to commit human rights abuses against the people of Iran; and
- any other transactions or dealings with the Government of Iran.

In addition, the law requires that issuers disclose any transactions or dealings with any person designated as a global terrorist or proliferators of weapons of mass destruction on the SDN List (whether or not relating to Iran).

The required report must include detailed information such as the nature and extent of the activity, gross revenues and net profits (if any) attributable to the activity, and whether the company intends to continue the activity. Such information is made available to the public, and may result in an investigation or imposition of sanctions by the U.S. government.

To ensure compliance with the law, this Policy prohibits activities involving or relating to Iran or persons from Iran on the SDN List. If any employee of an AltaLink Company has reason to believe that any such activity has occurred, he or she must promptly report the matter to the General Counsel of AltaLink, so that a determination may be made as to whether the activity is of the type required to be disclosed by BHE under U.S. law. Because there is no materiality threshold for transactions subject to the disclosure requirement, it is important that the AltaLink Company and BHE be made aware of any and all such activities, even those that may seem minor or incidental.

Ongoing Compliance. As anti-terrorism and foreign policy programs evolve and related rules change, the nature and extent of permitted and prohibited activities could change; for instance, additional countries or persons could become subject to embargoes or sanctions programs, or existing embargoes could be lifted or sanctions programs relaxed. Also, additional or different requirements may be applicable to AltaLink Companies that are doing business outside of Canada. Each AltaLink Company should monitor applicable sanctions programs and other trade restrictions to ensure that its policies remain current. AltaLink Company employees should consult with the General Counsel of AltaLink to confirm compliance with applicable requirements before entering into any contractual or business relationship with persons or involving countries implicating potential anti-terrorism or foreign policy concerns, whether under U.S. or Canadian laws.

U.S. Anti-Boycott Laws. U.S. anti-boycott laws require that U.S. companies and foreign subsidiaries they control refuse to participate in foreign boycotts that the United States does not sanction. Although the anti-boycott laws apply to all non-U.S.-sanctioned boycotts imposed by foreign countries, the Arab League's boycott of Israel is the principal foreign economic boycott affecting companies. It is the policy of each AltaLink Company to comply fully with all applicable U.S. anti-boycott laws provided they do not conflict with applicable Canadian laws. No AltaLink Company or its employees may take any action that directly or indirectly supports the boycott of Israel or any other foreign boycott not sanctioned by the United States. Any employee with concerns whether a transaction implicates U.S. anti-boycott rules, or the boycott or anti-boycott laws of any other country, should consult with the General Counsel of AltaLink and not proceed with the transaction until advised.

ITAR Compliance. The U.S. government controls the export, directly from the United States or indirectly through a foreign country, of any items and related technical data specifically designed, modified or configured for military, intelligence or space application through the *International Traffic in Arms Regulations* (“ITAR”). ITAR dictates that such information and material may only be shared with U.S. persons, absent a special exemption or authorization from the U.S. Department of State. It is the policy of the AltaLink Companies to comply fully with ITAR.

Prohibitions on the Impact of Forced Labour Produced Goods

The *U.S. Tariff Act of 1930* (“Tariff Act”) prohibits the importation of all goods, wares, articles, and merchandise, mined, produced or manufactured wholly or in part in any foreign country by forced labour.

Additionally, the U.S. has enacted the *Uyghur Forced Labour Prevention Act*, (“UFLPA”) which provides for a rebuttable presumption that goods mined, produced, or manufactured wholly or in part in Xingjang or by an entity listed on the UFLPA Entity List are prohibited from U.S. importation. This list can be accessed [here](#).

C. SPECIFIC TRANSACTIONS/DEALINGS REQUIRING PRIOR APPROVAL

In order to ensure compliance with all applicable anti-corruption and trade restriction legislation and directives, certain transactions or dealings involving AltaLink Companies require the prior written approval of AltaLink’s General Counsel or AltaLink’s Director of Internal Audit. Specifically:

- any transactions/dealings with or within an Embargoed Country, Venezuela, Russia or China, require the prior written approval of AltaLink’s General Counsel;
- the provision of any ransom payment in connection with any malware attack requires the prior written approval of AltaLink’s General Counsel (who will ensure the demanding party is not a “prohibited person” under the provisions of this policy; and
- the closing of any mergers or acquisitions requires the prior written approval of AltaLink’s Director of Internal Audit (who will complete and document an anti-corruption/trade compliance risk assessment which assessment will recommend the adoption of anti-corruption/trade restriction policies and procedures as appropriate).

5. SCREENING OF THIRD PARTIES

Prior to selecting, retaining and renewing any third party (including any consultant, distributor, commercial agent or joint venture partner) who will represent a AltaLink Company in financial transactions with customers or in interactions of any kind with government officials, the AltaLink Company shall conduct appropriate due diligence concerning the prospective third party. Each AltaLink employing the services of such third parties shall develop and maintain due diligence procedures appropriate to the risks presented. Such due diligence shall include, at a minimum, the third party’s character, qualifications, experience, reputation for integrity, and proven ability to provide the service for which it is being retained.

Factors weighing against retention of a third party include any unusual requests for compensation and any unusual payment, shipment or destination terms.

In connection with the foregoing due diligence, the Canadian Office of the Superintendent of Financial Institutions (“OSFI”) and the Department of Foreign Affairs, Trade and Development (“DFATD”) maintain lists (OSFI Lists and DFATD Lists) of individuals and entities designated under various sanctions laws discussed in this Policy. OSFI also offers an email subscription service which allows individuals and businesses to receive electronic updates when new notices are issued or when these lists are updated. This service can be a useful tool for businesses that may regularly be exposed to the risk of dealing with third parties. Both OSFI and DFATD Lists must be checked as neither covers all Canadian sanctions laws. Similarly, the U.S. OFAC master list of Specially Designated Nationals and Blocked Persons, referred to in this Policy, should be utilized.

It is important to note that unlike the list of designated persons maintained by the United States Office of Foreign Assets Control (“OFAC”), the OSFI and DFATD Lists do not normally include the names of individuals associated with international organized crime, particularly narcotics trafficking.

6. REPORTING AND INVESTIGATIONS UNDER THIS POLICY

Any AltaLink Company employee who has a question whether particular conduct could be illegal or involve any unethical or improper act must promptly report his or her concerns. In any situation where a question exists about what actions are permitted, AltaLink Company employees must seek guidance in advance, from the General Counsel of AltaLink:

Terry Knight
Acting General Counsel
Terry.knight@altalink.ca
403.267.4470