



CODE OF BUSINESS CONDUCT

ONTARIO POWER GENERATION IS AN ONTARIO-BASED ELECTRICITY GENERATION COMPANY WHOSE PRINCIPAL BUSINESS IS THE GENERATION AND SALE OF ELECTRICITY IN ONTARIO. ETHICAL BUSINESS CONDUCT BY EMPLOYEES, CONSULTANTS, CONTRACTORS, AND BUSINESS PARTNERS IS A CRITICAL COMPONENT OF OUR OPERATIONS.

TABLE OF CONTENTS

	Introduction	3
	Our Principles	4
	Standards of Business Conduct	5
	INTEGRITY	
1.0	Conflict of Interest	7
1.1	Business Gifts and Hospitality	8
1.2	Outside Business Activities	9
1.3	Relationships with Non-Profit and Professional Organizations	11
1.4	Political Participation	11
2.0	Sensitive Information	12
3.0	Purchasing	13
4.0	Suppliers	13
5.0	Proper Use of Assets	14
6.0	Business Expenses	14
7.0	Accounting, Finance, and Business Reporting	15
8.0	Fair Competition	15
9.0	Conducting International Business	15
	CITIZENSHIP / EXCELLENCE	
10.0	Health and Safety	16
11.0	Sustainable Development	16
12.0	Diversity	17
13.0	Harassment and Violence Free Workplace	17
	IMPLEMENTATION	
14.0	Disclosure, Training and Sign-Off	18
14.1	Declaration of Actual, Perceived, or Potential Conflict of Interest	18
14.2	Reporting Violations or Potential Violations of the Code	19
14.3	Confidentiality	19
14.4	Anonymous Reporting	19
14.5	When the Code Does Not Have the Answer	19
14.6	Consequences	19
15.0	Accountabilities	20

INTRODUCTION

Our Code of Business Conduct (the “Code”) is an important part of our journey at Ontario Power Generation as we continue to evolve as an organization. Its principles of integrity, excellence and citizenship guide our decisions and actions each and every day.

While we have built a strong foundation of performance, we can always strive for new levels of excellence. We like to define excellence as the ability to consistently deliver results that meet or exceed expectations – both our own and our stakeholders’.

To make that happen, the Code’s values make us all accountable for the way we perform our jobs, the way we interact with one another, and the way we represent ourselves and OPG in the communities where we work and live. While anyone can work to succeed, doing so in an ethical and honourable way has and will continue to be what sets OPG apart. We need to constantly assess *what* we are doing to reach our goals and *how* we are reaching them.

While the Code is there to set a standard, it does not have all the answers. If we could provide a rule book that defines the “dos” and “don’ts” of business behaviour, it would be much easier. Instead, the Code asks each one of us to step up to the plate and take on a leadership role. Ethical leaders demonstrate ownership for every task they encounter and take accountability for their decisions.

Take time to read the Code, and continue to turn to it whenever you encounter a challenging situation. Ask yourself, and those around you, the tough questions that will help ensure you make good decisions.

In our business, it is not enough to meet business targets that are measured with numbers. We also need to do what it takes to maintain the trust and confidence of the residents of Ontario. It is our responsibility to follow the Code and to remind agents, consultants, contractors and business partners about its policies and procedures.

When you are not exactly sure what to do in a situation, you are not alone. Talk to your supervisor, your Human Resources Consultant and/or the Chief Ethics Officer.



OPG is made up of many different employees, but we are working towards the same goals and we work under the same Code. Let it be a guide and a reminder of our ethical work environment.



Tom Mitchell
President and CEO

Jake Epp
Chairman



OUR PRINCIPLES

Integrity, excellence, and citizenship. These are Ontario Power Generation's ethical principles. They point the way to business conduct that results in successful individuals and a successful company.

INTEGRITY

- Conduct business lawfully and ethically.
- Avoid conflicts of interest.
- Honour all applicable laws, statutes, regulations, and contractual obligations.
- Never disclose sensitive or confidential information inappropriately.
- Never engage in practices that seek to reduce the openness and fairness of competition.
- Protect the company's assets and use them responsibly.

EXCELLENCE

- Commit to provide excellence in generation.
- Strive for continuous performance improvement.
- Upgrade our skills and develop the talents and abilities of others.
- Work collaboratively with colleagues.

CITIZENSHIP

- Protect the health and safety of fellow employees, contractors, and the public.
- Treat fellow employees and all others with respect and dignity; value the diversity of human beings.
- Support the social and cultural fabric of the communities where we work, live and serve.
- Conduct business in an environmentally responsible manner.
- Be a socially responsible corporate citizen.



STANDARDS OF BUSINESS CONDUCT

THIS SECTION DESCRIBES THE STANDARDS OF BUSINESS CONDUCT THAT ONTARIO POWER GENERATION EXPECTS FROM EVERY EMPLOYEE AT EVERY LEVEL OF RESPONSIBILITY. THESE STANDARDS APPLY TO EVERY PART OF THE COMPANY AND TO ANY WHOLLY OWNED SUBSIDIARY, WHETHER OPERATING DOMESTICALLY OR INTERNATIONALLY. THE STANDARDS APPLY TO ALL ONTARIO POWER GENERATION EMPLOYEES AND ARE EQUALLY APPLICABLE TO OUR AGENTS, REPRESENTATIVES, CONSULTANTS, CONTRACTORS, AND BUSINESS PARTNERS.

WE HONOUR ALL APPLICABLE LAWS, STATUTES, REGULATIONS, AND
CONTRACTUAL OBLIGATIONS.



INTEGRITY





1.0 CONFLICT OF INTEREST

Definition

Any situation where your personal interest conflicts, appears to conflict, or could potentially conflict, in any way with the interests of Ontario Power Generation (OPG).

Guidelines for Avoiding Conflicts of Interest

There are some broad guidelines for avoiding conflicts of interest:

- Base any business decision on merit and strictly in the best interests of OPG.
- Derive no personal benefit, whether direct or indirect, as a result of making business decisions on behalf of OPG.
- Avoid any situation that may create, or even appear to create, a conflict of interest between your personal interests and those of OPG.
- Do not take part in, or in any way influence, any decision related to OPG that might result in a financial or other advantage for you, family members, or friends. Always ensure that these relationships do not impact your ability to make sound, impartial, and objective decisions on behalf of OPG.
- When in doubt, ask your manager or the Chief Ethics Officer.

Declaration of Actual, Perceived, or Potential Conflict of Interest

It is mandatory for employees to declare to their manager and the Chief Ethics Officer any actual, perceived, or potential conflict of interest, in writing, using the form entitled "Declaration of Conflict of Interest or Potential/Perceived Conflict of Interest". There are many reasons employees might need to complete the form. For example, employees might be directly or indirectly involved in an OPG business transaction such as a hiring process, a monetary decision, or a reporting relationship involving someone with whom they have a personal relationship. Please note that these examples are not an exhaustive list.

If in doubt about the situation, complete the Declaration form and give it to your manager.

Upon receipt of this form from their employee, managers should consult with their Human Resources Consultant or the Chief Ethics Officer for assistance in determining the appropriate course of action. This form is available on the Human Resources Ethics Intranet site.



1.1 BUSINESS GIFTS AND HOSPITALITY

Accepting gifts and/or hospitality may compromise or appear to compromise your ability to make business decisions that are in the best interest of OPG.

However, on occasion, it may be acceptable to give or receive a business-related gift or hospitality when there is a business benefit to OPG.

Employees must consult their manager for advice on the appropriateness of accepting or offering gifts and/or hospitality.

Gifts having a monetary value such as cash, gift certificates, loans, services, and discounts are not permitted. Gifts such as unsolicited advertising mementos of nominal value would usually be acceptable.

These requirements do not change during traditional gift-giving seasons.

Depending on the circumstances, unacceptable gifts should be returned with thanks and clarification of our policy, or suitably distributed in the community.

Accepting/giving a gift or hospitality

The term “gifts and hospitality” include such items as meals, beverages, and invitations to social or recreational outings, accommodation, and travel.

Before you offer or accept anything, ask yourself:

- Is the value of the item nominal, e.g., a calendar or pen?
- What will the business benefit be to OPG?
- Is the value and the reason for the gift or hospitality appropriate considering the situation, the people involved, and your role or function within OPG?
- Could it compromise or appear to compromise your ability to make a decision in OPG’s best interest?
- Would you be uncomfortable discussing it with your manager, peers, or family?
- Is it compatible with ethical and accepted business practice?

Never offer, ask for, give, or receive:

- Any form of bribe or kickback.
- Any gift, gratuity, entertainment, hospitality, or benefit that may compromise or appear to compromise the ability to make business decisions in the best interest of OPG.



1.2 OUTSIDE BUSINESS ACTIVITIES

Serving as a Director or Officer of an Organization

You may not serve as a director or officer of any organization that:

- Supplies goods or services to OPG.
- Buys goods or services from OPG.
- Competes with OPG.

Any exceptions must have approval of the senior executive in your organization.

Investments

If you invest directly or indirectly in an entity that competes with or sells goods and/or services to OPG, you may be in a conflict of interest. This would include those situations when, although you may not directly hold the investment, you have control or direction over the investment. The following rules govern this situation.

Five Percent Limit

In general, you may not own or control, directly or indirectly, ownership interest in an entity of 5 percent or more. It is your responsibility to notify your manager and the Chief Ethics Officer in writing:

1. To obtain approval prior to exceeding the 5 percent limit.
2. When your ownership interest is less than 5 percent but could be perceived as a conflict of interest.

Working for Another Organization

Employees have the right to choose how to spend their non-working hours.

You may choose to work part time for another organization in addition to OPG. However,

- You must obtain OPG's prior approval if the work conflicts, appears to conflict, or potentially conflicts with your ability to perform your duties as an OPG employee. In order to obtain approval, you must complete the "Declaration of Conflict of Interest Form", describing the conflict, an appearance of conflict, or a potential conflict of interest with the interests of OPG, and forward it to your supervisor.

Working for Another Organization - Continued

The following rules apply when you are considering whether to perform work for an organization other than OPG.

You must submit a Conflict of Interest Declaration form for approval (see Section 1.0) if you:

- Perform work for a company that competes with OPG.
- Perform work for a company doing work for OPG or its competitors.
- Perform work that has the potential to assist a competitor of OPG in gaining competitive advantage e.g., acting as a supplier to competitors.
- Perform work for a supplier of OPG or sell products and/or services to OPG.
- Run a business that offers products and services that would compete for business with OPG.
- Use OPG's supplies, facilities, tools, personnel, or intellectual property while working for the other organization.
- Perform work for another organization during OPG's working hours.
- Promote the products or services of the other organization during your OPG working hours.
- Have colleagues or customers from the other organization contact you at OPG.
- Own shares in a company with whom you conduct business on OPG's behalf.
- Participate in or in any way influence OPG's purchasing decisions for products and services that relate to a business interest or employment interest that could benefit you directly or indirectly, e.g., a product or service from a company in which your spouse or other family member has an interest.



1.3 RELATIONSHIPS WITH NON-PROFIT AND PROFESSIONAL ORGANIZATIONS

Many of us have an interest in contributing to our communities and to professional organizations. However, this participation must not interfere with the performance of your duties for OPG.

- Your manager must approve any use of OPG time or assets to perform services for a community organization.
- If you act as a spokesperson for an organization, make it clear that you are speaking on behalf of that organization or yourself, and not as a spokesperson or representative of OPG.

1.4 POLITICAL PARTICIPATION

- As a private citizen, you may participate in all levels of political activity in non-working hours, provided these activities do not interfere or conflict with your duties and obligations as an employee.
- Your participation must be kept strictly separate from your association with OPG.
- Prior to running as a candidate in a federal or provincial election, you must apply for a leave of absence without pay.
- For municipal government elections, you are required to complete a Conflict of Interest Declaration form. See Section 1.0.
- OPG's supplies, facilities, tools, or other business assets such as network assets must not be used to support political activities.

2.0 SENSITIVE INFORMATION

Definition

Sensitive information includes information that is proprietary, technical, business, financial, personal, or requires confidentiality. Sensitive information is owned by, or has been entrusted to OPG and it must be kept confidential for reasons that include:

1. To preserve OPG's competitive advantage or commercial interests.
2. To comply with all legal, regulatory, or applicable contractual obligations.
3. To safeguard assets.
4. To preserve public safety.
5. To preserve the individual privacy and safety of employees and customers.

Employee Responsibilities

- Know what information must remain in confidence. Ask your manager when in doubt. Refer to the Corporate Records Office Standard that sets out the various security classifications applicable to sensitive information.
- Do not disclose sensitive information, except as required by law, to anyone outside OPG, without prior approval by your manager. This applies even after you have left OPG's employ.
- Within OPG, do not disclose sensitive information to others including your colleagues or other employees unless they need to know the information in order to carry out their OPG accountabilities.
- Protect sensitive information against theft, loss, destruction, unauthorized access/release, or misuse.
- Comply with any applicable insider-trading laws and regulations that govern your use of sensitive information.
- Advise your manager if you are aware of any attempt to obtain or disclose sensitive information by unauthorized means or misuse of such information.
- Follow the Corporate Privacy Program and Procedures when gathering, using, or discussing personal information.
- Comply with Corporate policies, standards, and guidelines governing the use of e-mail and information technology systems when storing and transmitting sensitive information.



3.0 PURCHASING

- Ensure all purchasing policies, procedures and required processes are followed.
- Ensure access for qualified vendors to compete for OPG business.
- Ensure that the procurement process is conducted in a fair and transparent manner.
- Make purchasing decisions honestly and with integrity, using such criteria as competitive pricing, quality, quantity, delivery, and service.
- Refuse to make purchasing decisions based on favouritism, prejudice, preferential treatment, or personal gain.
- Avoid conflict of interest, both real and perceived, during the procurement process and ensuing contract.
- Disclose your concerns and refuse involvement in any purchasing decision that could lead to a conflict of interest.

4.0 SUPPLIERS

- Treat suppliers courteously, fairly, and in a professional manner.
- Inform suppliers about the existence of the Code of Business Conduct and provide access to it.
- Inform suppliers they should contact OPG's Chief Ethics Officer and Corporate Security at Head Office (416-592-3146) should they have concerns regarding potentially unethical and/or fraudulent conduct by OPG employees.
- Deal only with suppliers who act with integrity and adhere to high standards of ethical behaviour.
- Inform suppliers they shall not engage in any conduct that would cause OPG or any of its employees to be in breach of any of the obligations set out in the Code of Business Conduct.
- Take appropriate action to address concerns with problem suppliers.
- Take steps to end OPG's relationship with a supplier if it continues to be unsatisfactory.

5.0 PROPER USE OF ASSETS

- Protect the company's assets, use them properly, and use them only for OPG business.
- Protect the company's assets from fraud, theft and destruction, e.g., by vandalism or neglect.
- Protect the company's intellectual property such as copyrighted information, trademarks and logos, patents, and trade secrets against loss or infringement, and use them only for OPG business.
- Do not misuse other companies' property entrusted to OPG.
- Only dispose of items having residual value according to the Corporate policy governing disposal of assets.
- Theft, fraud, forgery, and willful deceit will not be tolerated and will result in discipline up to and including termination.
- While company systems such as e-mail or Internet are intended for business purposes, limited personal use is permissible. Usage must be responsible, limited, and in accordance with OPG's policies, standards, and procedures. As a result of activities performed by the company for network management, security, investigations, or for monitoring in accordance with OPG's policies, standards, and procedures governing usage, privacy cannot be assured.

6.0 BUSINESS EXPENSES

Exercise integrity, prudence, and judgment when you incur and approve business expenses. They must be reasonable and necessary for business or commercial reasons.

Employees submitting expenses for reimbursement from the Company, and managers approving such expenses, must comply with OPG's Travel and Business Expense Policy.



7.0 ACCOUNTING, FINANCE, AND BUSINESS REPORTING

- Use OPG funds only for lawful and proper purposes in accordance with approved authorities.
- Never establish undisclosed funds or accounts.
- Handle all cash and bank account transactions in a manner that avoids any questions of fraud such as bribery, kickbacks, other illegal or improper payments, or any suspicion of impropriety whatsoever.
- Ensure that all OPG documents accurately and clearly represent the relevant facts or true nature of a transaction. These documents include but are not limited to timesheets, sales reports, financial reports, and expense reports.
- Individuals who are aware of conduct or practices that violate OPG financial accounting and reporting principles, or who have concerns regarding questionable accounting or auditing matters, are expected to report them to their manager and OPG's Chief Ethics Officer, or Chief Risk Officer.
- Alternatively, OPG has selected EthicsPoint, Inc. to provide a secure third-party reporting system that allows individuals to anonymously report concerns related to questionable accounting or auditing matters. EthicsPoint, Inc. can be reached by calling 1-866-294-8671 or by accessing its website at www.ethicspoint.com.

8.0 FAIR COMPETITION

Comply with all laws governing competition including the Federal Competition Act and Ontario's Energy Competition Act. For more detail on these laws, please refer to *Competition Legislation Compliance Guidelines for Preventing Anti-Competitive Behaviour*, available through Law and Regulatory Affairs.

9.0 CONDUCTING INTERNATIONAL BUSINESS

OPG's Code of Business Conduct applies to all of the company's operations including those carried out internationally.





10.0 HEALTH AND SAFETY

- Conduct business in a way that protects the health and safety of employees, contractors, and the public.
- Create and maintain a healthy and safe workplace.
- Comply with all applicable regulatory and OPG health and safety requirements, with the objective of moving beyond compliance.

11.0 SUSTAINABLE DEVELOPMENT

- Support sustainable development principles, balancing financial growth, social responsibility, and environmental leadership.
- Achieve environmental leadership through continued improvement in ecosystem protection, energy and resource use efficiency, and pollution prevention.
- Meet all legislative and voluntary environmental commitments, with the objective of moving beyond compliance.
- Strive to integrate environmental factors into planning, decision-making, and business practices.



12.0 DIVERSITY

- Value all individual differences.
- Strive to create a workforce that reflects the diverse populations of the communities in which we operate; in an environment that is respectful and inclusive of all employees.
- Do not discriminate in hiring and employment on grounds prohibited by applicable laws. These include race, ancestry, colour, place of origin, sex, ethnic origin, age, marital status, family status, disability, sexual orientation, creed, religion, and citizenship.

13.0 HARASSMENT AND VIOLENCE FREE WORKPLACE

- Treat all employees and persons with whom we do business with dignity and respect.
- Promote an inclusive, healthy and safe workplace that is free from harassment, discrimination, and workplace violence.
- Report any harassment or discrimination in a timely manner to the Chief Ethics Officer and either your manager, Human Resources, union representative (if applicable), or the Human Rights Office.
- Report any workplace violence issues immediately to your manager, the Chief Ethics Officer, and Corporate Security (416-592-3146).

Do not tolerate:

- Discrimination or harassment on the grounds prohibited by applicable human rights legislation, or any other harassment.
- Personal harassment, including behaviour that demeans, threatens, or humiliates a person or group of people.
- Comments or conduct that ridicule or disparage a group of employees or people with whom we do business even if they are not directed at a particular individual.
- Abusive, threatening, intimidating, or violent acts directed at an employee or anyone else an employee comes in contact with when carrying out his or her responsibilities.



14.0 DISCLOSURE, TRAINING AND SIGN-OFF

OPG is determined to be an ethical company. Our ethical principles of integrity, excellence, and citizenship are essential elements of our business success.

- All directors, officers, and employees of OPG must comply with the Disclosure Policy, which is accessible under the OPG Governance section of OPG's Intranet site.
- All employees must complete any required training on the Code of Business Conduct. Training on the Code of Business Conduct must be included in the orientation program for new employees.
- Management Group employees in Bands A to H are required to complete an electronic confirmation sign-off statement on an annual basis. This statement will acknowledge that they have read and are in compliance with OPG's Code of Business Conduct.

14.1 DECLARATION OF ACTUAL, PERCEIVED, OR POTENTIAL CONFLICT OF INTEREST

Employees must declare to their manager or to the Chief Ethics Officer any actual, perceived, or potential conflict of interest, in writing, using the form entitled "Declaration of Conflict of Interest." Refer to Section 1.0 for more information on this topic.

The manager must ensure that a copy of the form is forwarded to the Chief Ethics Officer, noting the action taken by management to address the issue.

14.2 REPORTING VIOLATIONS OR POTENTIAL VIOLATIONS OF THE CODE

Employees who are aware of conduct by others that violates or appears to violate the Code of Business Conduct are obligated to report it to their manager and to the Chief Ethics Officer. **There will be no reprisal against employees for making the report in good faith.**

Managers must immediately report a violation or suspected violation to the Chief Ethics Officer. In circumstances that require an immediate intervention by Security such as workplace violence, theft, and other security-related matters, contact Corporate Security at Head Office (416-592-3146). At locations with site/plant security staff, you may contact the local site/plant security group. Corporate Security will notify the Chief Ethics Officer on your behalf.

14.3 CONFIDENTIALITY

The identity of individuals making a report will be kept confidential to the extent permitted by law and the company's ability to address concerns.

14.4 ANONYMOUS REPORTING

For reports related to financial accounting or auditing concerns, individuals may choose to make anonymous reports through EthicsPoint Inc. They provide a secure third-party reporting system and can be reached by calling 1-866-294-8671 or by accessing its website at www.ethicspoint.com.

14.5 WHEN THE CODE DOES NOT HAVE THE ANSWER

There may be occasions when the Code of Business Conduct does not have the answer to the ethical question you are facing, or there may be a difficult judgment call to make with respect to the application of the Code. In these cases, consult with your manager, who will either provide guidance or refer you to the relevant policy or to the Chief Ethics Officer.

14.6 CONSEQUENCES

Those who do not comply with the Code of Business Conduct may be subject to disciplinary actions up to and including dismissal and/or legal action. OPG reserves the right to discipline anyone who knowingly makes a false statement or provides false information.



15.0 ACCOUNTABILITIES

Employees at all levels in the organization are accountable for:

- Understanding their responsibilities under the Code of Business Conduct and for being in compliance with the Code.
- Completing any required training on the Code of Business Conduct.
- Carrying out their responsibilities ethically, with integrity, and treating those with whom they do business with respect and dignity.
- Seeking advice when uncertain about the right ethical decision.
- Declaring all conflicts of interest, perceived conflicts of interest, and potential conflicts of interest, in writing, to their manager as soon as they are known; and reporting conduct that violates or appears to violate the Code of Business Conduct to their manager and Chief Ethics Officer.

Managers at all levels in the organization are accountable for:

- Providing their employees with the necessary tools to understand and comply with their responsibilities under the Code of Business Conduct;
- Ensuring that all of their employees complete any required training on the Code of Business Conduct;
- Ensuring that all of their employees in Bands A to H complete the required confirmation sign-off on an annual basis;
- Reporting suspected violations to the Chief Ethics Officer, as part of due diligence, as soon as they are known;
- Taking appropriate management action to investigate and address known or suspected violations of the Code of Business Conduct;
- Ensuring that their employees complete a written declaration of any potential conflict of interest and addressing any issues in consultation with the Chief Ethics Officer;
- Being concerned, knowledgeable, and reliable counsellors to whom employees can comfortably go for advice;
- Maintaining confidentiality of the identity of the individual raising concerns to the extent permitted by law and the company's ability to address the concern; and
- Creating a work environment based on respect that encourages ethical behaviour.



15.0 ACCOUNTABILITIES - Continued

Each Executive Management Team member is accountable for:

- Monitoring compliance with the Code of Business Conduct within their organizations.
- Submitting an annual due diligence report to the Senior Vice President, Human Resources and Chief Ethics Officer that confirms all of their employees have completed all required training on the Code of Business Conduct, employees in Bands A to H have completed the annual confirmation sign-off, and all known violations have been reported to the Chief Ethics Officer.

The **Chief Risk Officer** is accountable for:

- Providing periodic independent assurance to the Board that the control environment and the Code of Business Conduct are operating effectively.

The **Senior Vice President, Human Resources and Chief Ethics Officer** is accountable, on behalf of the President and CEO, for:

- Ensuring that the Corporate policy on the Code of Business Conduct is implemented within OPG;
- Preparing a Code of Business Conduct for Board approval;
- Reviewing the Code of Business Conduct on a regular basis to ensure it continues to meet all relevant OPG standards and external business standards;
- Tracking and reporting all violations of the Code of Business Conduct to the President and CEO, and the Compensation and Human Resources Committee of the Board of Directors on an annual basis;
- Providing advice and guidance with respect to the provisions of the Code of Business Conduct; and
- Ensuring that appropriate management action is taken to investigate and address known or suspected violations.





CODE OF BUSINESS CONDUCT

Ontario Power Generation
700 University Avenue
Toronto, Ontario, M5G 1X6
www.opg.com



June 2010
Design, Print, Distribution: OPG Office Services

ONTARIO**POWER**
GENERATION