

## **1) Purpose & Application**

### *a) What is the primary purpose of the Code of Business Conduct and Ethics?*

The Code of Business Conduct and Ethics (the "**Code**") for Veresen Inc. (Veresen Inc. and all wholly owned subsidiary corporations and partnerships being collectively referred to as the "**Company**") contains clear and concise statements regarding the Company's expectations and philosophy with respect to business conduct by all Contractors (as defined below). The Company recognizes the importance of retaining the trust and confidence of its shareholders, debentureholders, employees, Contractors and others with whom it contracts and does business, as well as the communities in which the Company conducts business.

This Code contains important information about the conduct expected of every Contractor in respect of services performed for and on behalf of the Company and is intended to reinforce the Company's business standards to ensure that all Contractors are performing services for the Company in accordance with these business standards.

Contractors have a personal responsibility to ensure compliance with the Code and the laws and standards that apply to the performance of their services for the Company.

## **2) Who does the Code apply to?**

This Code applies to all Contractors where the term "Contractor" means any person (whether individual, partnership, limited partnership, incorporated entity or unincorporated body or association) that is engaged by or on behalf of the Company to perform services as an independent contractor (and not as an employee) for the Company. For the purposes of this Code, "Contractor" shall include its principals, partners, officers, directors, employees, consultants and agents, as applicable, to the extent that such individuals participate in the performance of services for the Company.

A separate policy governs the duties of directors, officers and employees of the Company.

## **3) Principles & Standards of Business Conduct**

### **a) Principles**

Business conduct at the Company shall be guided by the principles of integrity, honesty, fairness and mutual respect. The Company is committed to the highest standards of business conduct and ethics in its dealings with all stakeholders, including, but not limited to, its shareholders, employees, Contractors, consultants, landowners, suppliers and shippers, as well as all levels of government, representatives of the First Nations and the public.

### **b) Standards**

#### *i) Laws and Regulations*

All Contractors are expected to comply with the laws and regulations of any jurisdiction(s) applicable to the supply of services by the Contractor. No Contractor shall encourage another individual to circumvent applicable laws or regulations nor shall they condone any such violation.

*ii) Fair Treatment of Individuals*

When conducting business on behalf of the Company, Contractors shall treat all individuals with respect, dignity and equality. The Company is committed to fair employment and equal opportunity for all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, age, marital status, national origin, disability or veteran status. The Company is committed to providing a workplace free from all forms of discrimination, including sexual and other forms of harassment and the Company expects all Contractors to perform services in accordance with these principles and to treat each other in a professional way, based on mutual respect, trust and individual dignity.

**4) Conflicts of Interest**

As a general principle, Contractors shall not engage in any services that place the Contractor in a position of a conflict of interest with the Company. In particular, unless such information has been disclosed to the Company and the Company has provided its written consent, Contractors shall not:

- a) act as an officer, director, employee, partner, agent or consultant for any company that is known, or should reasonably be known, by the Contractor to be a competitor of the Company. The Contractor shall cooperate with the Company in providing such information as is reasonably requested by the Company to determine the extent (if any) of a conflict or potential conflict;
- b) directly or beneficially, hold a financial or other interest in any business or organization with which the Company has business dealings where that Contractor or their family could receive a benefit from transactions with the Company;
- c) participate in a venture where the Company has expressed a business interest; and/or
- d) acquire an interest in property (such as real estate, patent rights, securities or other properties) where the Company has, or might have, an interest and where such interest is known or ought reasonably to have been known to the Contractor.

In addition, Contractors shall not accept a gift, favour, loan, special service, payment or special treatment of any kind ("**Benefit**") from any individual or organization during the course of performing services for the Company if the receipt of such Benefit is not consistent with good business practice, could be construed in any way as a business inducement, is not of nominal value or if public disclosure of such Benefit would be of detriment to the Company and its stakeholders. See "Gifts and Other Benefits".

If the Contractor becomes aware of a conflict, or a potential conflict, it shall disclose the conflict or potential conflict to the Company.

**5) Limitations on Authority**

Contractors are not authorized to make or execute any contract, agreement, warranty or representation on behalf of the Company or to create any obligation, express or implied, on behalf of the Company, unless specifically directed to do so by the Company.

**6) Confidential Information**

Proprietary or confidential information concerning the Company, its shareholders and associates, whether generated internally or externally, shall not be disclosed to any party unless expressly authorized by the Company. Further, confidential information that is proprietary to third parties with whom the Company conducts business shall also be maintained in confidence and not disclosed to any third party except as may be permitted in accordance with the applicable contract. For further direction in this area, see the Disclosure Policy which is posted on Veresen Inc.'s website (the "**Disclosure Policy**").

**7) Insider Information / Investment Activity**

The Company shall obey all laws designed to protect the investing public with respect to disclosure of material information, including "material facts" and "material changes". A "material fact" includes any information concerning Veresen Inc. or its shareholders which significantly affects, or could reasonably be expected to have a significant effect, on the market price or value of the securities of Veresen Inc. A "material change" includes any change in the business, operations or capital of Veresen Inc. that would reasonably be expected to have a significant effect on the market price or value of the securities of Veresen Inc.

Under securities legislation, Contractors may be considered to be in a "special relationship" with certain shareholders and partners of Veresen Inc. As such, Contractors shall not be permitted to utilize undisclosed material information (including material facts and material changes) concerning Veresen Inc. or its shareholders or partners to their personal advantage or the corresponding disadvantage of others in the securities market. The Company also prohibits a Contractor with such information providing it to others, or "tipping", so that such other person may improperly make use of the information. For a more detailed explanation of the restrictions on insider trading and communication of material information, Contractors are referred to the Disclosure Policy.

All information requests from financial analysts and advisors with respect to the Company or its shareholders or any of its operating entities should be handled in accordance with the Disclosure Policy.

**8) Gifts and Other Benefits**

Contractors shall not, during the course of performing services for the Company, give or offer, directly, anything of value to a business associate or government official to influence or reward an action. No monetary gifts or loans whatsoever shall be given or received, either directly or indirectly. No other gifts or benefits shall be given or received where such items could be viewed as creating an obligation or influencing a business decision. Where usually accepted business practices permit, and where appropriate to the business responsibilities of the individuals, provision of occasional meals, entertainment or promotional gifts of a nominal value is acceptable. If a Contractor is uncertain regarding the appropriateness of a proposed business gift they are encouraged to speak with the President and Chief Executive Officer or any Vice President.

The payment or receipt of bribes or "kickbacks" is expressly prohibited. Any such activity will result in the immediate termination of the Contractor's service contract and the business relationship with any other parties involved.

**9) Company Assets**

The Company's assets (including, but not limited to, equipment, supplies and vehicles) and intellectual property

are to be used for the advancement of the Company's business and are not to be used for personal use or benefit.

Unless otherwise stated in the applicable contract for services, any work products, inventions or technological improvements which are developed or generated by a Contractor during the performance of services for or on behalf of the Company shall be the property of the Company. Such developments shall be disclosed to the Company immediately, and any patents or copyrights, if required in the view of the Company, shall be registered or applied for on behalf of the Company. Where the development is outside the Company's sphere of interest and the Company indicates in writing that it will not claim a proprietary interest in the development, the individual or entity concerned will be provided with a written statement to that effect by the Company.

#### ***10) Copyrights and Licenses***

Copyrights and other intellectual property protections, including those relating to software or hardware used by the Company, shall be respected. Unlicensed software or unauthorized copies of software shall not be installed or utilized. Reverse engineering of protected software or hardware shall not be permitted.

#### ***11) Political and Community Activities***

Contractors shall not use or permit the use of or contribute or permit the contribution of business time, funds or assets for the benefit of any political party, candidate or official except as may be permitted by law and authorized in advance by the Board.

If any Contractor holds a public office at the same time as performing services for the Company, such Contractors are expected to refrain from taking a position on any issue related to the Company or any of its business activities.

#### ***12) Integrity of Financial Information***

To the extent applicable to the type of services performed by a Contractor, full, prompt and accurate recording of financial information, in accordance with Internationally Financial Reporting Standards, is required. No secret or unrecorded funds or assets shall be established or maintained. Provision of intentionally erroneous or misleading documents or invoices to accommodate other parties is also prohibited. Documentation supporting transactions and other accounting entries is to be retained and co-operation with the Company's auditors is expected as all times. All activities conducted by or on behalf of the Company are subject to audit. Such audit may include a review of any related hard copy documentation or electronic records maintained by the Contractor. For a more detailed discussion regarding the communication and safeguarding of material information, Contractors are referred to the Disclosure Policy. Complaints or concerns regarding accounting, internal accounting controls or auditing matters may be made utilizing the Whistleblowing Procedures posted on Veresen Inc.'s website.

#### ***13) Interpretation and Compliance***

##### ***a) Clarification Regarding the Code***

Should further guidance or interpretation of the Code, or its application, be desired, Contractors are encouraged to contact the Vice President, Human Resources. Any Contractor who considers their actions or activities to be in conflict or potential conflict with the Code are encouraged to discuss the matter with the President and Chief Executive Officer.

***b) Waivers of Provisions of the Code***

Any waiver of a provision of the Code must be in writing and authorized by the President and Chief Executive Officer.

***14) Violations or Suspected Violations***

All Contractors are required to strictly adhere to this Code and to any other policies of the Company which are posted on the website of Veresen Inc. as being expressly applicable to Contractors. Failure to do so may result in an investigation and termination of the Contractor's service contract and the business relationship with any other parties involved.

Known or suspected violations of the Code or other Company policies must be reported to the President and Chief Executive Officer or any other Vice President of the Company. Discussions and inquiries will be held in strict confidence to the extent appropriate or permitted by law. Those reporting violations or suspected violations may do so anonymously through the use of the Whistleblowing Procedures posted on Veresen Inc.'s website, although they are encouraged to identify themselves in order to facilitate the investigation process. No retaliatory action will be taken against any Contractor for making a good faith report of any type of violation. However, in the event that a Contractor reporting a violation participated in the improper activity, the Contractor may be subject to an investigation and, if deemed appropriate by the Company, the Contractor's service contract may be terminated, although the decision to report the improper activity will be taken into consideration in such cases.

***15) Notice of the Code***

Each Consultant shall be provided with a copy of the Code on or before the date of commencement of services for the Company.

***16) Amendments***

The Company reserves the right to modify or amend these procedures at any time, as it may deem necessary, and without notice. Contractors are responsible for maintaining up-to-date knowledge of all Company's policies and procedures that are applicable to them and the performance of services for the Company.

Revision History:

January 7, 2013	Rev 001	Original released
-----------------	---------	-------------------