

## INTERNATIONAL BUSINESS CONDUCT POLICY

### 1. INTRODUCTION

Alterra Power Corp. and its subsidiaries (collectively the “company”) expects its directors, officers, employees and every other person or entity representing the Company to conduct themselves properly in dealing with Foreign Officials (as defined below). The Company will not authorize, participate in, or tolerate any business practice that does not comply with, or violates the intent of this Policy.

This Policy sets forth principles and procedures designed to ensure that the Company complies with the requirements of various national laws prohibiting corruption and bribery, including the Canadian *Corruption of Foreign Public Officials Act* and the U.S. *Foreign Corrupt Practices Act*, as well as other guidelines and standards that comprise best business practices.

The term “Foreign Officials” include, but are not limited to:

- any officer or employee of, or any person representing or acting on behalf of any foreign government, or any department, ministry, agency, authority or instrumentality (including corporations or similar entities owned or controlled or operated for the benefit) of such foreign government or of any governmental authority (such as a state, authority, district or municipality) thereof or therein;
- any public international organization (such as the United Nations, the World Bank and the International Finance Corporation) and any official, employee or representative thereof;
- any foreign political party, party official or candidate; and
- a child, spouse, parent or sibling of a Foreign Official.

### 2. PERSONS TO WHOM THIS POLICY APPLIES

This Policy applies to:

- the Company;
- all subsidiaries of the Company;
- all directors, officers and employees of the Company and its subsidiaries; and
- all persons, whether or not employees, who are at any time acting as agents or representatives of the Company or its subsidiaries, or who have agreed to comply with this Policy.

### 3. PERSONS RESPONSIBLE FOR IMPLEMENTATION OF THIS POLICY

This Policy has been reviewed and approved by the board of directors of the Company (the “board”).

The board has designated its governance and nominating committee as the committee responsible, among other things, for reviewing the adequacy and appropriateness of this Policy and reporting periodically to the board hereon.

The audit committee of the board is responsible for monitoring compliance with this Policy and reporting periodically to the board thereon.

The Chief Executive Officer of the Company is responsible for ensuring that the Company and its subsidiaries conduct business in accordance with this Policy. The Chief Executive Officer may delegate primary responsibility for the administration of this Policy to the General Counsel of the Company.

#### **4. COMPLIANCE WITH LAW**

All persons subject to this Policy are required to comply with all local laws in the jurisdiction where they are conducting business, and in the case of any proposed payment or transaction shall (following consultation with the responsible officers of the relevant business unit) take advice from qualified local counsel to assure that such payments or transactions also comply with all applicable local laws.

#### **5. PROHIBITED PAYMENTS**

Except as permitted in Section 6, no person subject to this Policy shall give or pay, or offer, promise or agree to give or pay, or authorize the giving or payment, directly or indirectly, of money or any Thing of Value (as defined below) to any Foreign Official for the purpose of:

- influencing an official act or decision (or as consideration therefore);
- inducing such Foreign Official to do or omit to do any act;
- inducing such Foreign Official to use his or her influence to affect or influence any governmental or official act or decision; or
- securing any other improper advantage,

in each case in order to (i) obtain (whether for such person, his or her employer or any other person or entity) a contract or other business, (ii) direct a contract or other business to any person or entity, (iii) retain business or (iv) obtain or retain any advantage in the course of business.

“Thing of Value” includes, but are not limited to, money, gifts, entertainment (not including certain permitted payments, for example, in connection with travel expenses of a Foreign Official being paid by the Company), kickbacks, loans, rewards, the provision of facilities or services at less than full cost, and an advantage or benefit of any kind (whether constituting, or derived from, corporate funds or assets, or personal or other funds or assets).

Any such offers, gifts, payments promises, agreements and authorizations made indirectly through a third party are also prohibited.

Any such offers, gifts, payments, promises, agreement and authorizations by a person subject to this Policy to a person other than a Foreign Official are also prohibited if such person subject to

this Policy knows that the Thing of Value is for the benefit of a Foreign Official. “Knowing” for this purpose means more than actual knowledge. A person subject to this Policy will be deemed to “know” that the Thing of Value is for the benefit of a Foreign Official if he or she has acted with conscious disregard or avoidance of warning signs or grounds for suspicion, or with deliberate ignorance.

No payments to a third party shall be made in cash other than documented petty cash disbursements. No payments should be made (a) outside the country where the recipient resides or (b) to bank accounts held in a name other than the name of the party to which the payment is owed, without prior written approval of the Chief Executive Officer or the General Counsel.

## **6. PERMISSIBLE PAYMENTS**

Certain payments to Foreign Officials are permissible, provided that such payments are only to be made with the prior written approval of the Chief Executive Officer or the General Counsel.

The following payments to Foreign Officials are permissible:

**(a) *Reasonable and bona fide expenditures or reimbursements***

This includes payment of or reimbursement for reasonable and bona fide expenditures such as travel and lodging expenses incurred by or on behalf of a Foreign Official, provided that (i) such expenses were directly related to legitimate business purposes and (ii) payment by businesses for such expenses is widely accepted, customarily practiced, and permissible under local law.

**(b) *Payment or reimbursement for consultants or advisors***

This includes payment or reimbursement for consultants or advisors as part of an arm’s length legal business arrangement or contract negotiation, provided that (i) no part of any such payment or reimbursement is being applied to make any improper payment and (ii) the consultant or advisor makes representations and agreements regarding compliance with applicable law and the absence of any improper payment.

**(c) *Payments required by local law***

This includes payments required by local law that would otherwise be prohibited by this Policy, provided that the Chief Executive Officer or the General Counsel has, following receipt of local law advice satisfactory to him or her, confirmed that he or she agrees that such payment is required by local law.

A payment otherwise prohibited by this Policy but is permitted under local law remains prohibited by this Policy.

**(d) *Facilitating payments***

This includes facilitating payments to low-ranking Foreign Officials that are necessary to expedite or secure performance of a routine administrative action from the officials or employees who ordinarily perform such actions, provided that (a) the payment is a modest payment to a relatively low-level official, such as a customs officer or clerk; (b) the

person receiving the payment must be the person performing the desired act; (c) the act for which the facilitating payment is made must be routine; and (d) the act for which the facilitating payment is made must not be discretionary.

Facilitating payments never include payments made to assist in obtaining, retaining or directing business or securing any improper advantage.

Facilitating payments are to be made only under exceptional circumstances and must be approved by the manager of the relevant business unit and reported to the Chief Executive Officer or the General Counsel.

**(e) *Political contributions***

This includes making political contributions in foreign countries in which the Company and/or its subsidiaries is conducting business activities, provided that such contributions are not unlawful, conform to local practice, are appropriate in amount, and are properly recorded in the accounting records of the Company.

**(f) *Charitable contributions***

This includes contributions in the form of goods or services, technical assistance or training, or financial support, provided that the recipient charity is a bona fide charity, regulated and supervised as such in the jurisdiction and there is no reason to believe that the charity itself may be operated directly or indirectly for the private benefit of any Foreign Official.

**7. FINANCIAL CONTROLS AND ACCOUNTING**

The Company and its subsidiaries shall:

- (a) make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of such company; and
- (b) devise and maintain a system of internal accounting controls sufficient to provide for reasonable assurance that
  - i. transactions are executed in accordance with management's general or specific authorization;
  - ii. transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and to maintain accountability for assets;
  - iii. access to assets is permitted only in accordance with management's general or specific authorization; and
  - iv. the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Compliance with this Section 7 shall be conducted as part of, and in accordance with, the requirements relating to financial controls and accounting generally, and as provided in applicable policies of the Company.

## **8. COMPLIANCE AND TRAINING**

### **(a) *Consequences of failure to comply***

The Company will terminate contracts with consultants, agents, representatives and any other third parties who are unwilling or unable to represent the Company in a manner consistent with this Policy.

Violation of this Policy can result in criminal penalties against the Company and its subsidiaries, including large fines and being barred from doing business with the U.S. government, and fines against, and imprisonment of individuals. In addition, failure of employees to comply with this Policy will be grounds for termination or other disciplinary action.

### **(b) *Training***

The Company and its subsidiaries shall conduct training of employees, representatives and contractors reasonably designed to inform them of this Policy, assist them in understanding how this Policy would apply to situations and fact-patterns relevant to them and how to deal with situations in which conduct prohibited by this Policy may be solicited or encountered.

### **(c) *Annual certificate of compliance***

Officers of the Company and its subsidiaries, together with managers and employees designated from time to time by the Chief Executive Officer or the General Counsel, must certify at the commencement of their employment, and annually thereafter, that they have read this Policy and have complied with its provisions (see Schedule A attached).

## **9. DEALING WITH SUSPECTED VIOLATIONS**

### **(a) *Reporting and complaints***

All employees shall report violations of this Policy of which they become aware. Any employee or other person may submit a complaint or concern regarding the matters covered by the Policy, in accordance with, and subject to the protections afforded by the Company's whistleblower policy. The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to good faith reporting of concerns regarding compliance with this Policy.

### **(b) *Investigation***

The Chief Executive Officer or the General Counsel shall take swift action to investigate all allegations or suspicions of violations of this Policy and make a preliminary decision

on whether or not there is a sufficient likelihood that a violation of this Policy has occurred so as to merit further investigation.

The Chief Executive Officer or the General Counsel may initiate a formal investigation with the assistance of an independent external counsel.

**(c) *Reporting to and cooperation with authorities***

If a formal investigation is launched and the matter involves violations of law, the Chief Executive Officer or the General Counsel shall consult with external counsel in the relevant jurisdiction(s) with a view to determining whether or not to then make voluntary disclosure of the investigation to the competent authorities.

**(d) *Avoidance of recurrence***

Following any discovered violation of this Policy, the Chief Executive Officer or the General Counsel shall review this Policy and all related compliance practices and procedures with a view to identifying changes that are necessary or desirable to avoid a recurrence of such, or a similar, violation. Such review, and his or her recommendations, shall be submitted for review and action to the governance and nominating committee and/or the audit committee of the board.

