



TRANSCANADA AVOIDING BRIBERY AND CORRUPTION GUIDELINE FOR CONTRACTORS

INTRODUCTION

TransCanada complies with all applicable Anti-Corruption Laws of each country in which TransCanada conducts business, including Canada's *Corruption of Foreign Public Officials Act*, the United States *Foreign Corrupt Practices Act*, and Mexico's *Ley General del Sistema Nacional Anticorrupción*. TransCanada requires all Contractors also comply with all Anti-Corruption Laws in all work and activities that relates to TransCanada.

This Guideline supports TransCanada's Avoiding Bribery and Corruption Policy.

PURPOSE AND SCOPE

This Guideline applies to all Contractors in all work and activities that relate to TransCanada. TransCanada requires that all Contractors understand and comply with all applicable Anti-Corruption Laws, subject to any more restrictive requirements under this Guideline, in which case this Guideline must be followed. This Guideline is not intended to provide legal advice or provide a fulsome summary of all Anti-Corruption Laws. It is your responsibility to obtain appropriate advice and training about compliance with Anti-Corruption Laws.

DEFINITIONS

Anti-Corruption Laws means laws throughout the world combating Bribery and Corruption, including laws that apply to TransCanada's international activities. Examples of such laws are Canada's *Corruption of Foreign Public Officials Act* (CFPOA), the United States *Foreign Corrupt Practices Act* (FCPA) and Mexico's *Ley General del Sistema Nacional Anticorrupción*. Although the CFPOA and FCPA are national laws of certain countries, they apply to actions anywhere in the world. Prohibitions against Bribery and Corruption are also contained in the criminal codes of most countries, including Canada, the United States, and Mexico.

Bribery and Corruption means the offer, promise, or provision of a reward, advantage or benefit of any kind to a Government Official, directly or indirectly, to improperly influence that person's views or conduct in favour of TransCanada.



Corruption is the misuse of power by Government Officials for illegitimate private gain. Bribery and Corruption can take many forms, including, but not limited to, the provision or acceptance of:

- i. cash payments;
- ii. jobs or “consulting” relationships for the Government Official, his/her family or their businesses;
- iii. commissions or Kickbacks;
- iv. excessive gifts, entertainment or hospitality;
- v. payment of non-business related or lavish travel expenses; or
- vi. personal favours to the Government Official, his/her family or their businesses.

It is important to note that benefits to close relatives of Government Officials, such as spouses and children or other immediate family members, may be treated by enforcement authorities as benefits to the Government Official and, accordingly, may constitute violations of Anti-Corruption Laws. Any dealings with close relatives of Government Officials require careful scrutiny.

Contractors means any person or entity engaged by TransCanada to perform work or activities that relates to TransCanada, and in this Guideline a reference to Contractor will include the Contractor and all of the Contractor’s directors, officers, employees, and other personnel, and any subcontractors who are engaged to perform work or activities that relates to TransCanada and their directors, officers, employees, and other personnel.

Facilitation Payment means an unofficial payment of minimal value made solely to expedite or secure the performance of a routine government action which would otherwise be lawful and proper but does not include paying fees officially established by a government agency to expedite services.

Government Officials or **Officials** means any appointed, elected, or honorary official or any employee of a government, of a government owned or controlled company, or of a public or international organization. This definition encompasses officials in all branches and at all levels of government: federal, state/provincial or local. This definition also includes political parties and party officials and candidates for political office. For purposes of this Guideline indigenous officials are considered Government Officials. A person does not cease to be a Government Official by



claiming to act in a private capacity or by the fact that he/she serves without compensation.

Kickback means the return of a sum already paid or due to be paid as a reward for awarding or fostering business.

Something of Value means anything, tangible or intangible, financial or not, that provides a benefit or advantage of any kind to the recipient and given to improperly influence a Government Official. This includes, but is not limited to:

- i. cash or cash equivalents such as gift certificates;
- ii. stock, securities or other negotiable instruments;
- iii. cars, home improvements, jewelry or other consumer goods;
- iv. personal favours for the Government Official, his/her family members or their businesses, such as employment opportunity, immigration assistance, education or other assistance or favourable treatment; or
- v. the purchase of property or services at inflated or discounted prices.

TransCanada means the Company and its affiliates.

GUIDELINE

Bribery and Corruption in any Form is Prohibited

Bribery and Corruption is strictly prohibited. TransCanada prohibits the payment of Something of Value, Kickbacks, or Facilitation Payments to Government Officials in order to influence such Government Official's decisions or actions in TransCanada's favour or to secure an improper advantage for TransCanada.

Contractors are prohibited from offering, paying, promising or authorizing Something of Value, a Kickback, or Facilitation Payment to any Government Official, directly or indirectly, to influence a Government Official's decisions or actions in TransCanada's favour, or to otherwise secure any contract, concession or other improper advantage for TransCanada. Such action is prohibited even if the intent is not to influence the Government Officials, but it could appear to be improper.

If there is any doubt about whether providing Something of Value a Kickback or Facilitation Payment is prohibited under this Guideline or applicable Anti-Corruption Laws, Contractors shall not provide or agree to provide it. Contractors shall instead



contact TransCanada's [Corporate Compliance Department](#) for interpretation and guidance.

Gifts, Meals, Entertainment, Travel, and Other Business Hospitality Expenses for Government Officials

Contractors must not provide gifts, meals, entertainment, or other business hospitality to Government Officials except where permitted under local law and when approved in advance and in writing by a TransCanada Vice-President.

In accordance with the Mexico *General Law of Administrative Responsibilities (GLAR)*, and the strict requirements therein, Contractors are strictly prohibited from providing any gifts, entertainment, or travel to a Government Official of Mexico. Where reasonable, customary meals may be provided to a Government Official of Mexico when approved in advance and in writing by a TransCanada Vice-President.

For any gifts, meals, entertainment, or other business hospitality for Government Officials that exceeds, in aggregate, CAD\$50 per person in any calendar year, specific written pre-approval must be obtained in advance in writing from an applicable and appropriate TransCanada Vice-President.

Contractors are strictly prohibited from providing travel and related expenses for Government Officials, except where permitted under local law and approved in advance and in writing by a TransCanada Vice-President.

Per diems for Government Officials are not permitted under any circumstances.

All expenses for Government Officials must be accurately and separately described with complete detail in all invoicing submitted to TransCanada. Contractors must provide the names of the applicable Government Officials for which specific expenses were incurred.

Political Contributions

Contractors are strictly prohibited from making political contributions on behalf of TransCanada, or relating to TransCanada.

Avoiding Bribery in the Private Sector

Bribery in the private sector is illegal and is strictly prohibited. In performing services or work for TransCanada, Contractors must not provide bribes or Kickbacks to anyone, regardless of whether or not they are a Government Official.



Reporting of Potential Bribery and Corruption

Contractors are required to report any violations or suspected violations of Anti-Corruption Laws or this Guideline which arise in the provision of work or other activities for TransCanada or in the course of their duties acting as agent of TransCanada. This includes reporting of any request that the Contractor make a bribe, Kickback, Facilitation Payment, or other type of payment or other provision of a benefit which is prohibited under applicable Anti-Corruption Laws or this Guideline, as well as any offer to the contractor of a bribe, Kickback, Facilitation Payment, or other provision of a benefit which is prohibited under applicable Anti-Corruption Laws or this Guideline. All such incidents shall be immediately reported to TransCanada's [Corporate Compliance Department](#).

All Contractors are required to cooperate with any investigation by TransCanada relating to the potential offer, payment, or receipt of a Kickback, or Facilitation Payment, or any other violation or suspected violation of this Guideline or any applicable Anti-Corruption Laws.

Imminent Risk of Personal Harm Payments

Nothing in this Guideline prohibits the making cash or in kind payments to Government Officials or anyone else when the life, safety, or health of any person are at imminent risk. The making of any such payments must be immediately reported to TransCanada's [Corporate Compliance Department](#) and accurately recorded in the Contractor's books and records.

No such payments may be made for the purpose of protecting property.

Contacting TransCanada's Corporate Compliance Department

Any questions regarding this Guideline, including any requests for further information or direction as may be required pursuant to the provisions of this Guideline, should be directed via email to TransCanada's [Corporate Compliance Department](#).

COMPLIANCE

Contractors must comply with all aspects of this Guideline and support others in doing so. Contractors are responsible for promptly reporting suspected or actual violation of this Guideline, applicable law, or any other concern, through available channels so that it can be appropriately investigated, addressed and handled.



REFERENCES AND LINKS

- [Corporate Compliance Department Contact](#)
- Avoiding Bribery and Corruption Policy