

## Attachment I

## 12.1 Introduction

This Code of Conduct shall apply to the ISO's Directors, Officers, and Employees (collectively, "ISO Employees") and provides policies, rules and procedures to be followed in carrying out the ISO's responsibilities. The provisions relating to covered contractors and consultants are set forth in Section 12.13 below.

The ISO Employees shall take all reasonable actions within their authority under the ISO Tariffs and Agreements<sup>1</sup> necessary to:

- (1) comply with all laws including, without limitation, the following: federal and state environmental laws; Federal Power Act, FERC Rules and Regulations, FERC Order Nos. 888 et. seq. and 889 et seq.; 18 C.F.R. § 37.1-37.4; federal securities laws; and copyright, trademark and patent laws; Attachment F
- (2) provide Transmission Service pursuant to the ISO Open Access Transmission Tariff ("OATT"), acting as the Responsible Party,<sup>2</sup> as defined in Order Nos. 889 et. seq. for all Transmission Owners that are signatories to the ISO Agreement and operate the OASIS in accordance with Section 12.2, below;
- (3) refrain from Energy Transactions in accordance with Section 12.3, below;
- (4) treat commercially sensitive, proprietary, or regulated information as Confidential Information in accordance with Section 12.4, below;

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<sup>1</sup> The "ISO Tariffs and Agreements" consist of the ISO OATT, the ISO Services Tariff, the ISO Agreement, the NYSRC Agreement, the ISO/NYSRC Agreement, and the ISO/TO Agreement. The term "ISO Tariffs" consists of the ISO OATT and the ISO Services Tariff.

<sup>2</sup> The term "Responsible Party" as defined in Order No. 889 means the Transmission Owner or an agent to whom the Transmission Owner has delegated the responsibility of meeting the requirements of 18 C.F.R. §37 concerning the operation of the OASIS.

- (5) protect the integrity of ISO Records<sup>3</sup> in accordance with Section 12.7, below;
- (6) protect the ISO's assets including property, facilities, equipment and supplies in accordance with Section 12.12, below; and
- (7) avoid contact with Market Participants<sup>4</sup> which could cause or appear to cause a conflict of interest under Section 12.8, below.

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<sup>3</sup> ISO Records consist of all documents submitted to, or generated by, the ISO that pertain to ISO business. Examples of ISO Records include, without limitation, requests for Transmission and Ancillary Services, service agreements, system impact studies and facilities studies developed by the Transmission Owners and forwarded to the ISO, audit records, and ISO annual reports.

<sup>4</sup> Market Participant is any person (natural or legal) transacting with the ISO to buy, sell or schedule electric generating Capacity and/or Energy, Ancillary Services or Transmission Services. The term includes, but is not limited to, Power Exchanges, power brokers, power marketers, Buyers, Sellers, Transmission Owners, Non-Utility Generators, Independent Power Producers, load aggregators, Load Serving Entities, and municipalities or groups of these entities.

## **12.4 Treatment of Confidential and Transmission System Information**

This section deals with Confidential Information, including Transmission System Information. Confidential Information consists of: (1) data designated as such in NYPP Operating Policy OP-18 (or its successor); (2) any commercially sensitive information including, without limitation, trade secrets, equipment specific information (*e.g.*, Generator specific data such as heat rates, etc.), and business strategies, affirmatively designated as Confidential Information by its supplier or owner; and (3) Transmission System Information (“TSI”) that has not yet been posted on the OASIS or provided in some public forum such as a FERC filing. TSI is information: (1) that is commercially valuable and (2) access to which is necessary to buy, sell or schedule Energy, Capacity, Ancillary Services or Transmission Service. Examples of TSI include, but are not limited to, the following:

- Available Transfer Capability;
- Total Transfer Capability;
- Information regarding physical Curtailments and Interruptions;
- Information regarding Ancillary Services;
- Pricing for Transmission Service; and
- Discounts offered.

In the course of responding to requests for Energy, Capacity, Transmission Services or Ancillary Services, the ISO shall not disclose Confidential Information to any Market Participant. The ISO shall disclose data that is not Confidential Information, and information required to be disclosed by FERC, by posting the information on the OASIS. If an ISO Employee improperly discloses TSI to any Market Participant, the ISO shall immediately post the information on the OASIS and notify the Commission.

ISO Employees shall also report all improper disclosures of Confidential Information to the ISO compliance officer (as described in Section 12.11) or its designee immediately. In the case of an Emergency, the ISO may disclose such TSI, and then notify the Commission, posting the information on the OASIS as soon as practicable but no later than twenty-four (24) hours after the information is disclosed.

The procedures described in this section do not apply to the following:

- (1) communication of TSI between the ISO and the Transmission Owner's control centers, and other power pools or ISOs;
- (2) communication of non-public, operational information concerning natural gas-fueled generation from resources located within the New York Control Area between the ISO and the operating personnel of an interstate natural gas pipeline company for the purpose of promoting reliable service or operational planning;
- (3) communication of non-public, operational information concerning natural gas-fueled generation from resources located within the New York Control Area between the ISO and the operating personnel of natural gas local distribution companies ("LDCs") and/or intrastate natural gas pipeline companies for the purpose of promoting reliable service or operational planning, if such party has acknowledged, in writing, that it is prohibited from disclosing—or using anyone as a conduit for disclosure of—non-public, operational information received from the ISO to: (a) an employee other than operating personnel of that LDC and/or intrastate natural gas pipeline company, (b) a third party, or (c) any affiliate except for (i) the operating personnel of an affiliated interstate natural gas pipeline company, or (ii) the operating personnel of an intrastate pipeline which has a non-

disclosure agreement with the ISO. The operating personnel of an affiliated interstate natural gas pipeline company accepting non-public operational information pursuant to this section shall agree to comply with 18 CFR 284.12(b)(4)(ii). Unless otherwise authorized by the Commission, for purposes of this section LDC or intrastate pipeline “operating personnel” shall exclude employees engaged in marketing functions as defined by 18 CFR 358.3(c) or who make sales of natural gas;

- (4) communication of information from a Market Participant to the ISO;
- (5) information that is no longer Confidential Information because it was made public by posting it on the OASIS; or it was legally disclosed by a third party in good faith and without violating a trade secret, secrecy agreement or employment contract with a non-disclosure clause; or it was made public by a government agency, court or other process of law;
- (6) requests by a Market Participant for a report regarding the status of that Market Participant’s particular contracts or transactions. The ISO shall provide all Market Participants requesting a report the same type and level of detail of information;
- (7) information that is not listed in NYPP OP-18 and has not been designated by the supplier or owner as Confidential Information;
- (8) disclosures by the ISO that are authorized under ISO Services Tariff Attachment H Section 23.4.5.7 and its subsections (except as restricted in section 23.4.5.7.3.2);

- (9) identification of a Generator first entering service, becoming Retired, or entering into or returning from a Mothball Outage or ICAP Ineligible Forced Outage, including dates thereof; and
- (10) New York State Transmission System reliability impacts that would occur if a Generator were unavailable due to events such as becoming Retired or entering a Mothball Outage or ICAP Ineligible Forced Outage.

If Confidential Information is required to be divulged in compliance with an order or a subpoena of a court or regulatory body other than FERC or the Commodity Futures Trading Commission (“CFTC”), the ISO will seek to obtain a protective order or other appropriate protective relief from the court or regulatory body, provided, however, that the ISO staff shall not be required to do any additional analysis to produce such information. With the exception of requests for Confidential Information submitted to the ISO from FERC or the CFTC, the ISO shall provide advance written or electronic notice to the parties providing the Confidential Information as soon as practicable upon receipt of such an order or a subpoena from a court or regulatory body, and the ISO shall not be held liable for any losses, consequential or otherwise, resulting from the ISO divulging such Confidential Information pursuant to a subpoena or an order of a court or regulatory body.

The ISO shall establish procedures for handling Confidential Information that minimize the possibility of intentional or accidental improper disclosure.

#### **12.4.1 Information Provided to NYSERDA Consistent with Article 8, Title 9 of New York Public Authorities Law, Section 1854(19)**

Article 8, Title 9 of New York Public Authorities Law, Section 1854(19) directs NYSERDA to, on its own or through a qualified entity, develop and administer a generation attribute tracking system. Consistent with Section 1854(19), the ISO will provide to NYSERDA

or its designee the following generation, delivery, and consumption data that is otherwise required to be maintained in confidence pursuant to this tariff: (i) generator output data; (ii) load consumption data; and (iii) import and export transaction data. The data provided will be summed to the monthly level, except where hourly data is required to support the generation attribute tracking system. The ISO shall provide this information pursuant to a confidentiality agreement with NYSERDA and/or its designee. The ISO shall, consistent with state rules or regulations that may provide for protected treatment of such information, request that Confidential Information be withheld from public disclosure by NYSERDA unless presented in masked or aggregated form. The ISO shall not be held liable for any losses, consequential or otherwise, resulting from the ISO divulging such Confidential Information pursuant to the ongoing electronic delivery.

After Confidential Information has been provided to NYSERDA or its designee, the ISO shall immediately notify any affected Market Participant(s) when it becomes aware that a request for disclosure of such Confidential Information has been received by NYSERDA or its designee, or a decision to disclose such Confidential Information has been made by NYSERDA or its designee, at which time the ISO and the affected Market Participant(s) may respond before such information would be made public, pursuant to state rules or regulations that may provide for protected treatment of such information.

#### **12.4.2 Information Provided to FERC Pursuant to FERC Order No. 760, or to the CFTC**

The ISO is required to provide data and information to the FERC or its staff, pursuant to



FERC Order No. 760,<sup>1</sup> that is otherwise required to be maintained in confidence pursuant to this section. FERC Order No. 760 requires the ISO to engage in the ongoing electronic delivery of data related to physical and virtual offers and bids, market awards, resource outputs, marginal cost estimates, shift factors, TCCs, internal bilateral contracts, interchange pricing, capacity markets and uplift charges and credits. The ISO shall provide the data described in FERC Order No. 760 to the FERC or its staff on a continuous basis.

If the FERC or CFTC or their staff, during the course of an investigation or otherwise, requests information, in addition to the ongoing electronic delivery pursuant to FERC Order No. 760, from the ISO that is otherwise required to be maintained in confidence pursuant to this section, the ISO shall provide the requested information to the FERC or CFTC or their staff within the time provided for in the request for information. In providing the ongoing electronic delivery or additional requested information to the FERC or its staff or information requested by the CFTC, the ISO shall, consistent with any FERC or CFTC rules or regulations that may provide for privileged treatment of that information, request that the information be treated as confidential and non-public by the FERC or CFTC and their staff and that the information be withheld from public disclosure. The ISO shall not be held liable for any losses, consequential or otherwise, resulting from the ISO divulging such Confidential Information pursuant to the ongoing electronic delivery or an additional request under this paragraph.

After Confidential Information has been provided to the FERC or CFTC or their staff, the ISO shall immediately notify any affected Market Participant(s) when it becomes aware that a request for disclosure of such Confidential Information has been received by the FERC or CFTC

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<sup>1</sup> *Enhancement of Electricity Market Surveillance and Analysis Through Ongoing Electronic Delivery of Data From Regional Transmission Organizations and Independent System Operators*, Order No. 760, 139 FERC ¶ 61,053 (2012) (“Order No. 760” or “the Order”).

or their staff, or a decision to disclose such Confidential Information has been made by the FERC or CFTC, at which time the ISO and the affected Market Participant(s) may respond before such information would be made public, pursuant to the FERC's and CFTC's rules and regulations that may provide for privileged treatment of information provided to the FERC or CFTC or their staff.

## **12.5 Insider Trading**

This section defines insider trading, explain the duties of ISO Employees and describes behavior that is prohibited under securities laws.

### **12.5.1 Insider Information:**

Federal laws prohibit the purchase or sale of any publicly traded security by a person in possession of important information about the security or its issuer that is not publicly known. These laws have special significance to the ISO because ISO Employees routinely learn of Confidential Information about Market Participants and others. This circumstance creates two duties for all ISO Employees: (1) a duty not to trade while in possession of “material, nonpublic information,” also known as “inside information” or “insider information,” as defined below, and (2) a duty not to communicate such information to anyone outside of the ISO, also known as “tipping.” It has been and remains the policy of the ISO that there be scrupulous compliance with each of these duties.

**Material:** Much of the information obtained about Market Participants and any of their Affiliates may be material information under the law. Information is material if a reasonable investor would consider it important in determining whether to buy or sell the securities of the company involved. The information may be either positive or negative. If the information would affect the price of the stock, it is material. If the information makes you or anyone else think about wanting to buy or sell the stock, that is probably the best indication that it is material. Some examples of information that could be considered material are key personnel changes, earnings information, fines or assessments that the ISO imposes on the company, and Confidential Information (as described in Section 12.4) including information relating to future generation capacity. If in doubt, one should assume that any information which could have any

significance to an investor is material and not purchase or sell or allow anyone else to purchase or sell the securities in question until such information has been made public.

Nonpublic: Information that has not been disclosed to the public generally is nonpublic. To show that information is public, one should be able to point to some evidence that it is widely disseminated. Information would generally be deemed widely disseminated if it has been disclosed, for example, in the Dow Jones broad tape; news wire services such as AP or Reuters; radio or television; newspapers or magazines; the OASIS; or widely circulated public disclosure documents filed with the federal Securities and Exchange Commission (“SEC”), such as prospectuses or proxies.

Although it is natural to “talk shop,” no Confidential Information should be given to outsiders; for this purpose “outsiders” include one’s immediate family (as defined in Section 12.8), relatives, friends and anyone else other than those working on the matter at the ISO. In general, ISO matters should not be discussed with any outside individuals. Particular care is necessary in discussing ISO matters in elevators, restaurants, taxicabs, trains, commercial aircraft and other public places where names and other scraps of information might be overheard. Care should also be taken not to expose nonpublic papers in such places or leave them lying around in conference rooms or other places even within the ISO.

### **12.5.2 Penalties for Trading on Insider Information**

It is against ISO policy and a violation of law to make use of insider information for personal advantage in securities trading or to disclose such information to an outsider. ISO Employees who have any knowledge of insider trading activities or improper disclosure committed by other ISO Employees must immediately notify the ISO compliance officer (as described in Section 12.11) or his designee. ISO Employees who have engaged in insider

trading or have provided insider information to outsiders will be terminated immediately. In addition, both the ISO and the ISO Employee may be subject to severe civil and criminal penalties as a result of insider trading by the ISO Employee or by an outsider who has received insider information from the ISO Employee.

## **12.6 Training**

The ISO shall develop procedures to train ISO Employees soon after their hiring or appointment on the Code of Conduct, and to assess the effectiveness of the Code of Conduct in preventing insider trading and conflicts of interest. All ISO Employees will receive annual training thereafter for as long they remain associated with the ISO. All personnel receiving this training shall sign a Compliance Certificate stating that they attended the training, understand the Code of Conduct, and will not violate it.

## **12.7 ISO Records**

The ISO shall develop and maintain procedures for the handling, safeguarding, use, storage and retention of ISO Records. The ISO shall require all ISO Records to be accurate.

## **12.8 Conflicts of Interest**

Certain contacts between ISO Employees, or their immediate family members (*i.e.*, spouse or minor children), and Market Participants may constitute or appear to constitute a conflict of interest. Potential conflicts of interest and the ISO's ability to restrict actions and duties to avoid potential conflicts are discussed below.

### **12.8.1 Financial Interests and Associations:**

#### **12.8.1.1 Prohibited Securities**

"Prohibited Securities" shall mean the Securities<sup>1</sup> of a Market Participant that has been active in the ISO Administered Markets in the preceeding twelve months or the Securities of its Affiliates, in either case, if:

- (1) the primary business purpose of the Market Participant or its Affiliate is to buy, sell or schedule Energy, Capacity, Ancillary Services or Transmission Services as indicated by an industry code within the "Electric Power Generation, Transmission, and Distribution" industry group under the North American Industry Classification System ("NAICS") or otherwise determined by the ISO;
- (2) the total activity in the ISO Administered Markets (purchases and sales) for all Market Participants affiliated with the publicly traded company during its most recently completed fiscal year is equal to or greater than 0.5% of its gross revenues for the same time period; or
- (3) the total activity in the ISO Administered Markets (purchases and sales) for all Market Participants affiliated with the publicly traded company during the prior

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<sup>1</sup> The term "Securities" refers to stocks, stock options, bonds and any other instruments of debt or equity.



calendar year is equal to or greater than 3% of the total ISO Administered Market activity (purchases and sales) for the same time period.

The ISO shall compile a list of the Prohibited Securities traded publicly and distribute this list to ISO Employees.

In order for the ISO to remain truly independent, free of any control, or appearance of control, of decision-making by any individual Market Participant, ISO Employees must strictly observe the following rules regarding financial interests in Prohibited Securities:

No ISO Employee or his/her immediate family member shall own, control, or hold with power to vote, Prohibited Securities; *provided, however,*

- (1) an ISO Employee or his/her immediate family member may transfer to a single blind trust Prohibited Securities that qualify under Section 12.8.2 to this Attachment F;
- (2) any matching contributions made in the Securities of a Market Participant in connection with any savings, pension, or 401(k) plans of a former employee of a Market Participant shall be permitted until the completion of the transfer, spin off and merger of assets and liabilities of such plans to new plans maintained by the ISO;
- (3) this provision shall not apply to any purchase of Prohibited Securities by a spouse of an ISO Employee who was, as of the effective date of the ISO OATT, employed by a Market Participant or any Affiliate of such Market Participant and is required to purchase Securities of such Market Participant or Affiliate as a part of his or her employment. Any such purchases by a spouse must be disclosed to the ISO Board which shall have the authority to consider appropriate limitations

on the duties of the ISO Employee, including changing his or her duties, to avoid an appearance of a conflict of interest; and

- (4) Ownership of mutual funds by ISO Employees that contain Prohibited Securities is permitted provided: (i) the fund is publicly traded; (ii) the fund's prospectus does not indicate the objective or practice of concentrating its investment in Market Participants or their Affiliates; and (iii) the ISO Employee does not exercise or have the ability to exercise control over the financial interests held by the fund.

An ISO director shall make an appropriate disclosure to the ISO Board if the director is aware that he or she, or an immediate family member, has a financial interest in a Market Participant or its Affiliate that is the subject of a matter before the ISO Board. The Chair of the ISO Board Governance Committee and ISO legal counsel shall consult with the director to determine whether the director should be recused from Board deliberations and decision making regarding the matter.

#### **12.8.1.2 Prohibited Associations**

No ISO Employee shall be Associated with any Market Participant. For the purposes of this paragraph, an ISO Employee shall be deemed "Associated" with a Market Participant or its Affiliate if: (1) the ISO Employee is an officer, director, partner, or employee of a Market Participant or any of its Affiliates; (2) the ISO Employee is a former executive officer of a Market Participant, which Market Participant together with its Affiliates has three (3) percent or more of the voting shares on the Management Committee, or of any Affiliate of the Market Participant, and the ISO Employee is receiving continuing benefits under an existing employee benefit plan (other than a defined benefit pension plan or other plan pursuant to which the

benefits are independent of the financial condition of the Market Participant and pension payments are distributed to the former employee by a trustee, not as compensation but in accordance with the rules of the pension plan), arrangement or policy of the Market Participant or any of its Affiliates; or (3) the ISO Employee has a material ongoing business or professional relationship with a Market Participant or any of its Affiliates; *provided, however*, that no ISO Employee shall be deemed to have a material ongoing business relationship with a Market Participant or any of its Affiliates solely as a result of being served as a retail customer by a Market Participant or its Affiliates.

#### **12.8.1.3 Consultants**

The ISO Board will establish reasonable guidelines with respect to the financial interests of covered consultants or contracts, in accordance with Section 12.13.

#### **12.8.2 ISO Policy on Divestiture or Transfer to a Blind Trust of Financial Interests:**

Except as provided in Section 12.8.1, if an ISO Employee or his/her immediate family member owns, controls or has the power to vote Prohibited Securities, the ISO Employee or his/her immediate family member must, within the timeframe set forth below, either (i) divest the Prohibited Securities or (ii) transfer the Prohibited Securities to a single blind trust if they qualify for this option unless material hardship would result. The ISO shall develop a procedure establishing the conditions under which the divestiture or transfer would result in material hardship.

For purposes of this Section 12.8.2, a “blind trust” is a legally binding arrangement pursuant to which a third-party fiduciary, as the trustee, has full management discretion over the assets contained in the trust, and the ISO Employee or his/her immediate family, as the trust

beneficiary, has no visibility regarding the specific assets contained in the trust.

Prohibited Securities shall qualify for a blind trust if: (1) the publicly traded company's NAICS code is not within the "Electric Power Generation, Transmission, and Distribution" industry group, and (2) the total activity in the ISO Administered Markets (purchases and sales) for all Market Participants affiliated with the publicly traded company during its most recently completed fiscal year is less than 0.5% of its gross revenues for the same time period. The ISO shall review each year whether the Prohibited Securities that previously qualified for inclusion in a blind trust continue to be qualified under this two-part test.

The timeframe to divest or transfer Prohibited Securities is as follows: (1) new ISO Employees must divest or transfer to a blind trust Prohibited Securities within six months of commencement of employment; (2) if ownership, control or the power to vote such Prohibited Securities results from an entity becoming a Market Participant, divestiture or transfer to a blind trust must occur within six months of receipt of the ISO's list of prohibited Securities referencing such Prohibited Securities; (3) if ownership, control or the power to vote such Prohibited Securities is as a result of a gift, inheritance, distribution of marital property or other involuntary acquisition, divestiture or transfer to a blind trust must occur within six months of the acquisition; and (4) if the ISO determines that Prohibited Securities that were previously qualified for inclusion in a blind trust are no longer qualified, divestiture must occur within six months of the ISO's notice to ISO Employees of this change.

### **12.8.3 Political Activities:**

Restrictions on the political activities of ISO Employees are limited only to the extent that ISO Employees may not engage in lobbying activities on behalf of a Market Participant. Beyond this political activity, ISO Employees are not restricted from participating in any legal

political activity so long as they do not purport, directly or indirectly, to represent the ISO without authorization.

ISO Employees are not precluded from holding public office so long as upon accepting public office the ISO compliance officer or designee is notified in writing. The ISO Employee's work in the public office must not detract from the ISO Employee's performance in connection with the ISO, and the ISO Employee shall not represent the ISO in his/her capacity as a public official and shall not use ISO resources for work related to the public office.

Any ISO Employee holding a public office shall abstain from voting or participating in any debate or matters relating to the ISO as part of his/her duties in public office.

#### **12.8.4 Secondary Employment:<sup>2</sup>**

ISO Employees shall not take Secondary Employment with a Market Participant or its Affiliate nor transact business with a Market Participant or its Affiliate other than as a retail customer. ISO Employees may take Secondary Employment with a non-Market Participant if the employment: (1) will not embarrass or discredit the ISO; (2) will not interfere with the duties or involve the use of ISO resources, materials or assets; (3) will not create a conflict of interest for the ISO or the ISO Employee; (4) will not result in any Market Participant receiving an advantage, real or apparent, over other Market Participants with respect to the ISO; and (5) is fully disclosed to the ISO prior to commencement of employment with a Secondary Employer and the ISO compliance officer or designee determines whether the criteria of (1) through (4) are met and then authorizes the Secondary Employment in writing.

Where an ISO Employee takes Secondary Employment with a non-Market Participant,

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<sup>2</sup> Secondary Employment refers to participation in (1) a second job (part-time, full-time or project related), or (2) an organization including, without limitation, a corporation, association, partnership or sole proprietorship.

that ISO Employee may not transact business with the ISO on behalf of the Secondary Employer.

An ISO Employee shall not serve as a representative of a member of the Executive Committee of the NYSRC.

#### **12.8.5 Other Conflicts of Interest:**

ISO Employees must not directly or indirectly request or accept any service (other than as a retail customer of a Market Participant receiving electric, gas or steam service for heating, etc.), money, gift, loan or discount from any Market Participant or any of its Affiliates. Gifts should be returned or offers declined with an appropriate explanation. If a gift is not returnable (*e.g.*, perishable), the gift should be given to the compliance officer for donation to a charity or destroyed. ISO Employees shall not accept meals or entertainment from actual or potential Market Participants, except when it would be socially humiliating to decline the meal or entertainment; if an ISO Employee accepts such a meal or entertainment, the ISO Employee shall promptly report such acceptance to the compliance officer.

Acceptance of an offer of anything of more than nominal value, including but not limited to vacations, property, loans, contributions or unpaid services by ISO Employees from a representative of a Market Participant or any of its Affiliates shall be considered a conflict of interest.

Engaging in outside non-business activity that materially decreases the impartiality, judgment, or effectiveness of ISO Employees shall also be considered a conflict of interest.

## **12.9 Additional Controls**

The ISO shall establish a periodic audit process to verify compliance with the Code of Conduct and determine whether conflicts of interest exist. Except where prohibited by law or judicial order, the ISO may request that ISO Employees complete an annual conflict of interest survey requiring disclosure of the ISO Employee's or immediate family member's interests in Market Participants or their Affiliates.

The ISO shall require, as a condition precedent to association, that ISO Employees who will have access to Confidential Information agree to reasonable restrictions on future employment following termination of the association.

#### **12.10 Termination of Association**

Upon termination of association with the ISO, an ISO Employee with access to Confidential Information shall not disclose the information to any person outside of the ISO, nor use Confidential Information in any manner for personal benefit or for the benefit of a third party.



## **12.11 Violations of the Code of Conduct**

Any ISO Employee who violates the Code of Conduct or fails to report a known violation may be subject to disciplinary action including suspension or termination of employment, unless such violation involves insider trading whereby such violation will result in the termination of employment. In addition, any current or former ISO Employee that violates the Code of Conduct may be required to provide restitution to the ISO for financial injury suffered by the ISO as a result of the violation.

The ISO shall assign the responsibility of reviewing compliance with the Code of Conduct to the ISO compliance officer (*e.g.*, a senior staff member such as the ISO General Counsel) who will be responsible for interpreting the Code of Conduct; responding to questions regarding the Code of Conduct; advising the ISO Employees regarding potential conflicts of interest; overseeing the auditing process; and to follow-up on all suspected violations. The ISO compliance officer may designate one or more individuals to assist in carrying out these responsibilities. The ISO also shall establish a “hot-line” to provide a means to anonymously and confidentially report suspected violations over the telephone.

## **12.12 ISO Property and Other Assets**

ISO property and other assets shall be used only for ISO-related business.

### **12.13 Determination by the ISO Board as to Consultants and Contractors**

The ISO Board shall apply reasonable and objective criteria as conflicts-of-interest screening guidelines for consultants and contractors. In applying the guidelines to individual cases, the ISO Board will consider the nature of the services provided by the consultant or contractor, whether the consultant or contractor is engaged by the ISO on a substantially full-time basis, whether the consultant or contractor is required to comply with its own professional conflict of interest standard (*e.g.*, attorneys, accountants, etc.), and whether the consultant or contractor will have access to market information. The guidelines will be made known to the appropriate ISO Employees authorized to enter into contracts for outside services, and application of the Board's criteria by the ISO Employees will be monitored by the ISO compliance officer. The guidelines will preclude consultants or contractors from serving as a Member or a representative of a Member of the NYSRC Executive Committee. In the event that any entity disputes a determination regarding a consultant or contractor, the matter may be referred to ADR, as covered in Section 12.13 of the ISO OATT.

#### **12.14 Waiver**

Subject to Section 12.2, the ISO Board may grant a waiver of compliance with a specific provision of the Code of Conduct to a Director, or the ISO compliance officer may grant a waiver of compliance to a non-Director ISO Employee, in appropriate cases to avoid unjust or unreasonable results. Each waiver shall be properly disclosed along with an appropriate explanation.

## 12.15 Annual Compliance Certificate

I have received the Code of Conduct which I have read, been trained in, and fully understand. I will comply with the Code of Conduct during and after association with the ISO, to the extent required by the Code of Conduct.

I am    ☐ a Director                      ☐ an Officer                      ☐ an ISO Employee.

- a.     I have no financial interest in Prohibited Securities other than those I still have time to divest or transfer to a blind trust in accordance with the ISO's policy in Section 12.8.2 to this Attachment F (or if I do, I have been granted a hardship exception).
- b.     I have no other financial or business relationship with a Market Participant that would create a conflict of interest as defined in the Code of Conduct (or if I do, I have been granted a waiver by the ISO Board or compliance officer).
- c.     Since the date that I last signed a Compliance Certificate, I have complied with the rules and policies contained in the Code of Conduct, except the following matters which I disclose to the management of the ISO (if none, so state):

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name (print): \_\_\_\_\_

Title/Position: \_\_\_\_\_