



## **Code of Business Conduct for Directors and Officers**

### **GENERAL CONDUCT**

Directors and officers are required to act in the best interests of TransAlta Renewables Inc. (the "Corporation"). To discharge their duties, the Directors have adopted the following principles of business conduct and ethical behaviour. This Code of Business conduct also acknowledges the role of TransAlta Corporation (the "Corporation") pursuant to the management, administrative and operational agreement dated August 9, 2013, as may be amended from time to time (the "Management Agreement").

### **COMPLIANCE WITH LAW**

The Directors and Officers shall conduct all their business and affairs in compliance with applicable laws, rules and regulations and shall encourage and promote such behaviours for themselves as well as those employees of TransAlta that are responsible for managing, operating and administering the business of the Corporation.

### **CONFLICTS OF INTEREST**

Directors and Officers shall conduct their business and affairs in a manner that ensures their private or personal interests do not interfere or appear to interfere with the interest of the Corporation, including conflicts relative to personal, financial or other gain.

In addition to the foregoing, in the event that the interests of a Director or Officer come into material conflict with those of the Corporation as a result of their position with TransAlta in regard to any specific matter or transaction, such Director or Officer of TransAlta Corporation shall give notice to the Corporation briefly setting forth particulars of such conflict, and the Independent Directors (as defined in the Management Agreement) of the Corporation shall be responsible to take all such actions and make all such decisions relating to such matter as it pertains to the Corporation. Specifically, the approval of any acquisition and/or development opportunities for the Corporation involving a transfer of interests from TransAlta or its Affiliates to the Corporation must be supported and approved by a majority of the Independent Directors of the Corporation.

The Directors and Officers shall also comply with all applicable legislation pertaining to conflicts of interest, including those prescribed by the *Canada Business Corporations Act* and *Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions*.

### **FAIR DEALING**

The Corporation adheres to principles of fair dealing in all its undertakings. Taking unfair advantage through manipulation, concealment, abuse of privilege, misrepresentation and other unfair dealing practices is unacceptable. Directors are expected to deal fairly with the Corporation's customers, suppliers and competitors as well as the employees of TransAlta.

### **CONFIDENTIALITY**

Directors and Officers shall maintain the confidentiality of information entrusted to them except in circumstances where disclosure is authorized or legally mandated. Confidential information shall not be used for personal gain and Directors and Officers are subject to and shall comply with the Corporation's Insider Trading policy.

## **PROTECTION AND PROPER USE OF CORPORATE ASSETS**

Directors shall require that processes and policies are in place to safeguard the Corporation's assets and that the same are used for legitimate business purposes.

## **CORPORATE OPPORTUNITIES**

Directors and Officers owe a duty to advance the Corporation's legitimate interests whenever an opportunity arises and are prohibited from:

- a) Taking personal advantage of opportunities discovered through the use of corporate assets, property, information or their position;
- b) Using or deploying corporate assets, property, information or their position for personal gain; and
- c) Engaging in enterprises or dealings competitive to the Corporation.

Notwithstanding the foregoing, the Management Agreement also clearly provides that the TransAlta may engage in any business or activities whatsoever, including those in competition or conflict with the business carried on by, and/or the interests of, the Corporation.

## **INSIDER TRADING**

Directors and Officers of the Corporation are designated as "Insiders" and are subject to the blackout periods and the trading restrictions (including the restrictions relating to the monetization or hedging of the Corporation's securities) as set out in the Corporation's Insider Trading policy. The Corporation's Insider Trading Policy also requires that all Directors and Officers pre-clear with the Corporate Secretary of the Corporation, or the Assistant Corporate Secretary of TransAlta, any acquisition or disposition of the securities of the Corporation. Directors and Officers are also required by securities laws to file insider reports relating to each transaction involving the acquisition or disposition of the Corporation's securities within five calendar days of making the trade (not the settlement date).

## **INCIDENT REPORTING**

Directors and Officers will promote ethical behavior and take steps to foster an environment of ethical conduct through the implementation of policies and practices which endorse ethical behavior and encourage the reporting of violations of laws, rules, regulations or the TransAlta's Code of Conduct.

## **WAIVERS**

A situation may arise where a waiver of one or more provisions of this Code may be required. It is recommended that a Director or Officer who believes that a waiver may be appropriate must consult with the Chair of the Board of Directors of the Corporation. However, a waiver may only be granted by the Board of Directors as a whole and must be disclosed promptly as required by law and/or stock exchange requirements.

## **ANNUAL REVIEW**

Annually, each Director and Officer will review this Code of Business Conduct and satisfy him/herself that they have adhered to the stated principles and standards or, if they have failed to do so, to ensure such non-compliance is promptly reported to the Board of Directors.

**APPENDIX "A"**

**ANNUAL ATTESTATION**

I acknowledge that I have read and considered the Code of Business Conduct for Directors and Officers and agree to conduct myself in accordance with its contents.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (printed)