



Trans Mountain Pipeline ULC Capacity Incentive Code Of Conduct ("CI Code" or "Code")

1. Purpose of the Code

The purpose of this Code is to establish guidelines to govern interactions between Trans Mountain and Shippers in relation to the provision of transportation services during the period of time that a capacity incentive is in place pursuant to the 2019 - 2021 Incentive Toll Settlement ("2019-2021 ITS").

Capitalized terms not otherwise defined herein shall have the meanings given to them in the 2019-2021 ITS and the Tariff.

2. Objectives of the Code

The objectives of the Code ("**Objectives**") are to:

2.1. create a set of guidelines to be followed by Trans Mountain and Shippers interacting for the purpose of providing and receiving transportation services on the System.

2.1.1. Shippers will comply with all terms of the Petroleum Tariff, and understand the scope and goals of the service standards ("Service Standards") and the commodity approval process ("Commodity Approval Process") on file with the NEB and available on the Trans Mountain website at:

<https://www.transmountain.com/tolls-tariffs>.

2.1.2. Trans Mountain will comply with all terms of the Petroleum Tariff and will continue to implement the Service Standards and the Commodity Approval Process.

2.2. achieve incremental capacity without willfully or significantly impacting Petroleum quality. In the event that the achievement of incremental capacity results in significant and willful degradation of Petroleum quality, the capacity incentive may be terminated. To terminate, Trans Mountain and Shippers shall review the results of the capacity incentive for the prior calendar year on or before the end of February for each year of the Term. If either Trans Mountain, or the Shippers acting collectively, decides to terminate the capacity incentive, such termination will be effective January 1 of the current calendar year. For clarity: Annual review of the 2018 capacity incentive achieved is:

Step 1: Such review to occur before the end of February 2019;



Step 2: If, after such review, either party decides to terminate the capacity incentive, the termination shall be effective January 1, 2019;

For each subsequent calendar year, Trans Mountain and Shippers shall meet and follow the same process as set out in steps 1 and 2.

2.2.1. Trans Mountain will continue to provide, at a minimum, the same level of service and responses to Shippers requests that was in place January 1, 2019. This current level of service generally exceeds the minimum service standard as contained in Trans Mountain's Service Standards. Specifically, Trans Mountain will endeavor to maintain existing Petroleum segregation and transportation services that existed January 1, 2019, as may be revised from time to time as outlined in Section 5.2.7 below.

3. General Provisions

3.1. Compliance

3.1.1. Trans Mountain is committed to upholding the Objectives.

3.1.2. Shippers are committed to upholding the Objectives.

3.2. Term of the Code

The Code will become effective January 1, 2019 or as soon thereafter as NEB approval of the 2019-2021 ITS is received and termination will be coincident with termination or expiry of the 2019-2021 ITS.

4. Equal Access and Treatment

4.1. Enforcement of the Tariff and Equal Access

Trans Mountain will provide transportation services impartially and without undue preference to any Shipper and in accordance with the Petroleum Tariff.

5. Responsibilities

5.1. Shippers

5.1.1. Shipper's responsibilities and rights are embodied in the Petroleum Tariff; the Code does not override the Petroleum Tariff, the Service Standards or the Commodity Approval Process but is a reinforcement of those responsibilities. Some of those responsibilities are:

- a. Unless otherwise requested by the Carrier, Shippers shall, on a best efforts basis, make all volumes available on a ratable basis and

capable of being delivered to Trans Mountain to meet scheduled batch requirements;

- b. Shippers will interact and communicate with Trans Mountain's customer service representatives in a timely and respectful manner;
- c. Shippers will work with Trans Mountain's customer service representatives to request and resolve individual scheduling and service requirements to meet the terms of the Petroleum Tariff, the Service Standards and the Commodity Approval Process;
- d. Shippers will communicate to Trans Mountain as soon as is practical any disruption of service, including but not limited to Force Majeure events, unplanned or planned refinery downtime that materially impact service and any event that may interrupt the scheduled delivery of volumes on the System; and
- e. Shippers must provide sufficient notice to Trans Mountain when requesting service for a new commodity or a new service from a feeder pipeline. Such notice must permit sufficient time to develop and construct infrastructure improvements as may be required (approximately 2 years) or sufficient time for Trans Mountain to conduct a comment period with existing Shippers when requesting comingled service (4 to 6 weeks). Provision of the characteristics of a new commodity must follow the Commodity Approval Process. Shippers commit to work reasonably and collaboratively with Trans Mountain to understand the impacts of new commodities on the System.

5.2. Trans Mountain

5.2.1. Trans Mountain's responsibilities and rights are embodied in the Petroleum Tariff, the Service Standards and the Commodity Approval Process; the Code does not override the Petroleum Tariff but is a reinforcement of those responsibilities. Some of those responsibilities are:

- a. All volumes will be received and delivered as set out regularly in the delivery schedule available on Trans Mountain's scheduling system, "Vista";
- b. Trans Mountain will interact with and communicate with Shippers in a timely and respectful manner;
- c. Trans Mountain will work with Shippers to understand and resolve individual scheduling and service requirements to meet the terms of the Petroleum Tariff, the Service Standards and the Commodity Approval Process;

d. In the event of any disruption of service (including material changes to quality), Trans Mountain will communicate to Shippers as soon as practical following the disruption of service, including but not limited to Force Majeure events, unplanned or planned maintenance activities that materially impact service and any event that may interrupt the scheduled delivery of volumes on the System;

5.2.2. Trans Mountain will review the Operational Capacity Incentive Adjustment with Shippers annually. Trans Mountain understands that the capacity incentive is an opportunity to achieve incremental revenues but it is not a guarantee of such revenues; and

5.2.3. Trans Mountain and its Shippers shall meet as required to review the capacity incentive and any proposed changes to enhance System capacity and to review potential changes to the Service Standards or Commodity Approval Process that may result from such discussion.

In the event, that the need for new tankage is identified, Trans Mountain will work with Shippers to identify potential solutions. If such a solution impacts Trans Mountain's costs, such new costs will be dealt with under the New Business Development provision of the ITS.

6. Compliance with the Code

6.1. Trans Mountain will ensure that Trans Mountain personnel are aware of their obligation to comply with the contents of the Code.

6.2. Shippers will ensure that Shippers personnel and delivery point recipients are aware of their obligations to comply with the Code.