California ISO

Shaping a Renewed Future

Employees Code of Conduct and Ethical Principles

3.5.3 Gifts and Gratuities

You shall not accept directly or indirectly, any gift, favor, meal, transportation, discount, or service ("Gift") that would tend to affect, or give the appearance of affecting, your judgment in the performance of your corporate duties.

The following Gifts ("Exempt Gifts") will be generally presumed to not affect that judgment and thus may be accepted:

(a) Gifts not from a "business related source" as defined below;

(b) meals and beverages, provided in connection or conjunction with a business related events, including social events and celebrations to the extent they are in conjunction with a business related event;

(c) inexpensive non-cash Gifts such as pens, calendars, items of clothing provided as promotional items for a special occasion;

(d) Gifts from immediate family members; and

(e)   Gifts from other relatives and personal friends that are traditionally exchanged on a personal basis.

A "business related source" means:

(a) A market participant;

(b) An existing vendor or contractor or a vendor or contractor seeking the business of the ISO;

(c) Any entity in the business of the distribution, marketing or development of electric energy;

(d) Any company that is a service provider or supplier to a market participant.

A Gift is deemed to be indirectly received from a business-related source if it is from one or more of its directors, officers, employees or agents, its subsidiary or parent company, or from any company, trade group or non-profit organization owned, controlled by or that receives a substantial amount of its revenues or funding from one or more business-related sources.

In addition to Exempt Gifts listed above, and subject to the limitations in this paragraph, you may receive a Gift from a business-related source so long as its receipt would not tend to affect, or give the appearance of affecting, your judgment in the performance of your corporate duties. You shall keep a record of every such Gift with a market value exceeding fifty dollars. The record must include the donor, the Gift value, and receipt date. A current, cumulative record shall be available upon request of the ISO. You shall not knowingly accept Gifts, other than Exempt Gifts, totaling more than ~~two~~ one-hundred ~~and fifty~~ dollars from any single business-related source in a twelve-month period. You shall not accept cash gifts from any business-related source other than an immediate family member.

You shall not accept compensation or expense reimbursement for any action taken in your corporate capacity from a source other than the ISO, except that you may accept, or be reimbursed for, tuition, meals, transportation, lodging, and incidental expenses related to the attendance of a course or conference, facility tour, or other business gathering if the acceptance is consistent with and furthers the purposes of the ISO. The nature and an estimated of value of this compensation shall be reported to the Corporate Secretary in advance of attendance and shall be limited to the reasonable value of business expense reimbursement for such an event. You must obtain the approval of the ISO before accepting this compensation. The actual value of the compensation shall be reported to the Corporate Secretary within ten days after its receipt.

REVISION HISTORY

VERSION NO.	DATE	DESCRIPTION
1.0	5/6/97	Code of Conduct adopted by Board of Governors
2.0	1/25/2007	Code of Conduct and Ethical Principles adopted by.Board of Governors
3.0	3/26/2010	Code of Conduct and Ethical Principles amended by Board of Governors
3.1	2/8/11	New logo
4.1	10/27/11	Code of Conduct and Ethical Principles amended by the Board of Governors re: gift limit