

**TEEKAY LNG PARTNERS L.P.
TEEKAY GP L.L.C.
STANDARDS OF BUSINESS CONDUCT POLICY**

WHY TEEKAY HAS STANDARDS OF BUSINESS CONDUCT

As responsible business leaders, it is not enough to do things right; it is also important to do them in the right way. The business decisions and actions of Teekay LNG Partners L.P. (or *Teekay*) must be ethical and in full compliance with legal requirements. These Standards of Business Conduct (or the *Standards*) are an extension of the Teekay Core Values of our affiliate Teekay Corporation (or *TC*) and reflect our continued commitment to ethical business practices and regulatory compliance. By following the standards provided in this document, we are acknowledging our responsibilities to manage our business activities with integrity as we pursue our Core Purpose: *To be the first choice of our customers in the LNG shipping industry; and to uphold the Teekay Standard as a respected symbol of quality. In fulfilling this purpose, we will create enduring value for our unitholders.*

HOW TO USE THE STANDARDS OF BUSINESS CONDUCT

These Standards summarize the regulatory requirements and business practices that guide our decision-making and business activities. These Standards contain basic information about our policies as well as information on how to obtain guidance regarding a particular business practice or compliance concern. It is important that all employees take the time to review this document and make a commitment to uphold its requirements. To the extent that Directors of our general partner, Teekay GP L.L.C., are involved in activities relating to our business, these Standards also apply to those Directors.

Although these Standards do not cover the full spectrum of employee activities, they are indicative of Teekay's commitment to maintain high standards of conduct, and are considered to be descriptive of the type of practices expected from employees in all circumstances. These Standards do not replace other more detailed policies and guidelines, including employee handbooks and individual business unit standards of professional conduct. Divisional or local policies will generally provide additional detail to these Standards or cover a situation specific to a particular location or business unit. If a divisional or local policy conflicts with these Standards, these Standards shall take precedence.

THE STANDARDS

Compliance with Law

Teekay is aware of and strictly obeys the laws and regulations that govern the management of our business. We are responsible for understanding these laws and regulations as they apply to our jobs and for preventing, detecting and reporting instances of non-compliance to Teekay's Internal Audit department.

There are no circumstances at Teekay that would allow us to disregard any law or regulatory requirement in the conduct of our business and no such activity will be tolerated.

Privacy of communications

Teekay will abide by all applicable legal requirements protecting the privacy of a customer's or employee's personal information. We must all ensure that appropriate processes and systems are in place to safeguard access to this type of information.

We respect customer and employee related information and protect its security, confidentiality and integrity. All customer and employee personal information is confidential and may not be disclosed except as permitted by law and applicable regulations. Access to customer and employee personal information is strictly controlled on a 'need to know' basis and is used for legitimate business purposes only.

Integrity

Individually and collectively, our personal integrity supports the honest use of time, funds and property in ethical dealing with employees and others. Business needs take priority in the allocation of our time at work. Use of company time and property is for business purposes only, unless otherwise authorized by management.

We consciously set high standards of courtesy, professionalism, respectfulness and honesty in our interactions with our customers, unitholders, suppliers, employees and the community.

We establish and maintain an ethical workplace. We treat people fairly and respect human rights. We take allegations of harassment and unlawful discrimination seriously and address all such concerns that are raised regarding these policies.

Company Assets

Company Information

In the course of employment with Teekay, employees are provided with access to certain records, reports, processes, plans, bids, proposals, and other documents, databases or software that are considered to be proprietary or confidential information. Unauthorized disclosure or misuse of this information could have serious consequences. For example, we could be placed at a competitive disadvantage, our financial stability could be affected, we could be exposed to legal liability, or our reputation could be compromised. Employees are therefore prohibited from discussing or disclosing any confidential information about Teekay unless properly authorized to do so. This would include sharing information with any external third-party, as well as limiting the sharing of information within Teekay on a "need to know" basis only. This requirement remains in effect during and after employment with Teekay.

Where authorization for disclosure of information to a non-affiliated third-party has been given, the employee involved must ensure that an appropriate confidentiality or non-disclosure agreement has been executed.

Communications or files created by an employee during the course of business are the property of Teekay and not the private property of the employee. Teekay may, at any time, bypass applicable personal passwords to inspect, investigate or search computerized files or email, if it is deemed to be in our best interests to do so or if required by law.

Business Records & Financial Transactions

Our books and records must reflect in an accurate, fair and timely manner, the transactions and the assets and liabilities of the company. A case of fraud may occur through the falsification of any company books and records including employment applications, records, invoices, time, expense reports and company credit cards.

Company Property

Any employee who possesses or is provided with access to company property shall exercise care while using such property and ensure its proper maintenance, security, handling and operation. An employee may be held financially and criminally responsible for any losses due to fraud or mistreatment of property.

Misuse of company property may include personal use, removal of property from company premises, copying of copyrighted or licensed materials (including software), inappropriate use of the property or misappropriation of company funds.

Use of Information Technology

Use of company provided information technology and the access to its contents are authorized only for legitimate Teekay business related purposes.

The Workplace

A safe and clean work environment is important to the well being of our employees. Teekay is committed to complying with applicable safety and health regulations and appropriate practices.

Conflicts of Interest

All Teekay employees should avoid any activity that creates an actual or potential conflict of interest - *i.e.*, any situation in which their actions or loyalties are divided between personal interest and Teekay's interests or between Teekay's interests and those of another. If you are unsure whether a conflict exists, you should consult Legal or Internal Audit.

The following activities are prohibited unless prior approval is received by Teekay's General Counsel:

- Owning, operating, or being employed by any business (other than TC or its affiliates) that competes, directly or indirectly, with Teekay.
- Engaging in a business transaction with Teekay except in connection with our regular employee programs.
- Having a direct or indirect personal financial relationship with a competitor, customer, or supplier (this does not include the purchase of publicly traded shares unless a controlling or significantly influential interest is acquired).
- On Teekay's behalf, awarding a contract or entering into any other financial transaction with a former employee or family member.
- Engaging in any other employment or extensive personal projects during work hours (other than for TC or its affiliates), or using Teekay property in other employment.

- Soliciting or entering into any business or financial transaction with an employee you supervise, either directly or indirectly.
- Solicitation and distribution of materials by a third party to Teekay employees on company property, without previous authorization from a senior manager of the department or division.

Gifts and Entertainment

Gifts include physical objects, services, favors or other items of value. Some business situations call for giving gifts or receiving gifts. Gift giving and receiving practices vary among cultures. In all cases gifts given or received by Teekay employees must be legal and reasonable. Teekay employees must never pay or receive a bribe, or accept anything that would or would make it appear that their judgment to act in the best interests of Teekay could be compromised.

Teekay employees may accept or provide entertainment (*i.e.* activities where a representative of both parties is present), provided such activities or entertainment advances Teekay's interests and is reasonable in the context of that business. Accepting entertainment that may appear inappropriate should be discussed with local management or with the Vice-President, Risk Management, Internal Audit and Chief Compliance Officer (Internal Auditor), in advance, if possible, and if not possible, then promptly after the event has occurred.

In some instances it may be impractical or harmful to refuse or return a gift. In those cases the employee should disclose the circumstances and the gift to local management and to the Internal Auditor.

Community

Citizenship & Community Service

The improvement of society as well as the communities we serve and in which we operate is important to us. We encourage the support of charitable, civic, educational and cultural causes. Every Teekay employee should be aware, however, that if he or she seeks appointment or election to public office such activity might create an actual or potential conflict of interest. As above, if you are unsure whether seeking public office might create such an actual or potential conflict, you should consult a member of Teekay management, Legal or Internal Audit.

Environment

Teekay is committed to the protection of the environment. To comply with this commitment, our policy is to meet or exceed all applicable laws and regulations. Employees must report any occurrence that is a breach of any law or regulation relating to the protection of the environment.

COMPLIANCE WITH THE STANDARDS OF BUSINESS CONDUCT

These Standards provide the overarching guidelines for business practices and regulatory compliance for all Teekay LNG Partners L.P. entities and all Teekay employees. Teekay does business globally, and our business operations are subject to the laws in different countries.

Failure to read or acknowledge these Standards does not exempt an employee from his or her responsibility to comply with these Standards, applicable laws, regulations and all Teekay policies and procedures that are related to his or her job.

Administration & Enforcement

Teekay's Internal Audit department is responsible for compliance auditing of these Standards.

These Standards have the endorsement and full support of the Board of Directors of our general partner, Teekay GP L.L.C. (or the *Board of Directors*).

If the Internal Auditor becomes aware of activities or proposed activities that, in the opinion of the Internal Auditor, may be in violation of these Standards, the Internal Auditor shall approach the employee or employees involved and attempt to resolve the issue. If the matter cannot be resolved to the satisfaction of the Internal Auditor, the Internal Auditor shall report the matter to the Audit Committee of the Board of Directors (or the *Audit Committee*) for resolution.

Violations of these Standards will not be tolerated. Consequences for such violations may include disciplinary action up to and including termination of employment. Employees who have willfully failed to report a violation of these Standards may also be subject to disciplinary action.

Resources for Guidance and Reporting

If you are proposing to give a gift or provide entertainment to a person on behalf of Teekay which has a value in excess of US\$500, or you receive a gift or participate in entertainment, or are invited to participate in entertainment which has a value in excess of US\$500, you must report the matter promptly to the Internal Auditor.

It is your right and responsibility to obtain guidance about a business practice or compliance issue when you are uncertain about what action you should take and to report instances of questionable behavior and possible violations of these Standards.

If you become aware of suspected violations of these Standards you should report such suspected violations promptly to the Internal Auditor or anonymously to the Business Conduct Hotline at 1-877-507-8685 (in Canada and US) or use the Business Conduct Reporting tool on the internal and external company websites.

To assist in the response to or investigation of the alleged violation, your report should contain as much specific information as possible to allow for proper assessment of the nature, extent and urgency of the alleged violation. Without limiting the foregoing, the report should, to the extent possible, contain the following information:

- The alleged event, matter or issue that is the subject of the alleged violation;
- The name of each person involved;
- If the alleged violation involves a specific event or events, the approximate date and location of each event; and
- Any additional information, documentation or other evidence available relating to the alleged violation.

Teekay encourages its employees to report contraventions of these Standards. An employee who refuses to engage in an activity that is in contravention of these Standards or reports an

activity that is in contravention of these Standards will be protected from reprisal, discrimination or disciplinary action.

If you need details on a specific policy or if you need guidance regarding a business practice or compliance issue or wish to report questionable behavior or possible violation, you should talk to your immediate supervisor, manager, another member of management, Legal department or Internal Audit.

Our Responsibilities

All Teekay employees are responsible to:

- Conduct business with integrity and in full compliance with these Standards;
- Understand and comply with these Standards, applicable laws, regulations and all Teekay policies and guidelines that are related to their jobs;
- Obtain guidance for resolving a business practice or compliance concern if he or she is uncertain about how to proceed in a situation; and
- Report possible violations of these Standards.

Requests for Waivers and Changes in the Standards

A waiver of a provision of these Standards may be requested whenever there is reasonable likelihood that a contemplated action will violate these Standards. Any waiver (including an implicit waiver) that constitutes a material departure from a provision of these Standards shall be publicly disclosed on a timely basis, to the extent required by applicable SEC or other rules, regulations and laws. In addition, any amendments to these Standards (other than technical, administrative or other non-substantive amendments) shall be publicly disclosed on a timely basis, to the extent required by applicable SEC or other rules, regulations and laws.

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