



**American States**  
Water Company  
and its subsidiaries

# Code of Conduct

## TABLE OF CONTENTS

|   | <u>Page</u> |
|---|-------------|
| 1. INTRODUCTION .....   | 1           |
| 2. PROCEDURAL MATTERS .....   | 2           |
| 2.1 Responsibility and Administration .....                         | 2           |
| 2.2 Conduct Violating This code.....                                | 2           |
| 2.3 Sarbanes-Oxley Act, Section 406.....                            | 2           |
| 3. REPORTING .....  | 2           |
| 3.1 Reporting Violations .....                                      | 2           |
| 3.2 Confidentiality.....  | 2           |
| 3.3 No Retaliation.....   | 2           |
| 4. INSIDER TRADING.....   | 3           |
| 4.1 Company Securities.....   | 3           |
| 4.2 Securities of Other Companies .....                             | 3           |
| 4.3 Securities Laws.....  | 3           |
| 4.4 Penalties.....  | 3           |
| 5. POLITICAL ACTIVITIES AND POLITICAL CONTRIBUTIONS .....           | 3           |
| 6. ANTI-CORRUPTION AND BRIBERY .....                                | 4           |
| 7. GIFTS AND ENTERTAINMENT .....                                    | 4           |
| 8. ENVIRONMENT, HEALTH AND SAFETY .....                             | 5           |
| 9. GOVERNMENT INVESTIGATIONS .....                                  | 5           |
| 10. PERSONAL AND PROFESSIONAL CONDUCT.....                          | 6           |
| 11. CONFLICTS OF INTEREST.....                                      | 8           |
| 12. FINANCIAL MATTERS; RECORDKEEPING .....                          | 9           |
| 12.1 Books and Records.....   | 9           |
| 12.2 Record Retention and Destruction .....                         | 9           |
| 12.3 Financial Statements.....                                      | 10          |
| 12.4 Periodic Reports and Other Disclosure Documents .....          | 10          |
| 12.5 Dealings With External Auditors and Internal Audit Staff ..... | 10          |
| 13. EMPLOYMENT.....   | 10          |
| 13.1 Discrimination .....   | 10          |

**TABLE OF CONTENTS**  
**(continued)**

|   | <b><u>Page</u></b> |
|---|--------------------|
| 13.2 Workplace Harrassment .....  | 11                 |
| 13.3 Workplace Violence .....   | 11                 |
| 13.4 Substance Abuse -- Illegal Drugs, Controlled Substances, and Alcohol ..... | 11                 |
| 13.5 Gambling, Solicitation, and Fundraising.....                               | 11                 |
| 14. CONFIDENTIALITY OF INFORMATION .....  | 11                 |
| 14.1 Confidential Information Defined .....                                     | 12                 |
| 14.2 Confidential Information About Individuals .....                           | 12                 |
| 14.3 News Reporters or the Press.....   | 12                 |
| 14.4 Confidential Information of Third Parties.....                             | 12                 |
| 14.5 Information You Develop or Create.....                                     | 12                 |
| 14.6 Continuing Post-Employment Obligation to Maintain Confidentiality .....    | 12                 |
| 15. UNAUTHORIZED USE OF COMPANY PROPERTY OR PROPERTY OF<br>THIRD PARTIES .....  | 13                 |
| 15.1 Proper Use of Company Assets and Resources.....                            | 13                 |
| 15.2 Offensive Content or Use .....   | 14                 |
| 15.3 Ownership of Information; No Expectation of Privacy .....                  | 14                 |
| 15.4 Software.....  | 14                 |
| 15.5 Copyrighted Materials and Intellectual Property Belonging to Others .....  | 14                 |
| 16. OTHER PROVISIONS.....   | 14                 |
| 16.1 Amendments; Waivers; Public Disclosure.....                                | 14                 |
| 16.2 Enforcement .....  | 14                 |
| 16.3 Audit Procedures .....   | 15                 |
| 16.4 At Will Employment .....   | 15                 |
| 16.5 Interpretation .....   | 15                 |
| 16.6 Clarification .....  | 15                 |

# AMERICAN STATES WATER COMPANY AND ITS SUBSIDIARIES

## CODE OF CONDUCT

### 1. INTRODUCTION

American States Water Company and its subsidiaries (collectively the “**Company**”) are firmly committed to conducting business in compliance with the letter and spirit of the law and in accord with the highest ethical standards. The Company seeks to conduct business fairly and honestly and never through unethical or illegal business practices. The Company’s funds, services, and assets must not be used for any unlawful or improper purpose.

This Code of Conduct (“**Code**”) sets forth the policies and business practices that apply throughout the Company. The Code is based on the Company’s core values:

- Integrity – Building trust through honest communication and doing what is right.
- Teamwork – Maximizing efficiency through collaboration and individual strengths.
- Respect – Valuing diversity and treating all stakeholders with fairness.
- Excellence in Service – Striving for excellence and quality in everything we do.
- Accountability – Taking ownership of one’s actions.

Failure to comply with this Code and applicable laws, rules, and regulations could severely harm the Company. Every employee, officer (including principal financial officer, principal accounting officer, and persons performing similar functions), and Board of Directors of the Company (“**Covered Persons**” or “**you**”) must abide by this Code and applicable laws and regulations.

This Code does not cover every issue that may arise, but sets out basic principles and guidelines. If a law conflicts with a policy in this Code, you must comply with the law. If another policy of the Company conflicts with this Code, you must comply with this Code. If you have any questions about the application of this Code to any particular situation, or if you are in a situation that you believe may violate or lead to a violation of this Code, Covered Persons should ask a supervisor, a manager/director, an officer, or Human Capital Management, about how to handle the situation. You also may ask any questions or report any concerns to the Company’s **Fraud, Waste, and Ethics Hotline: 888-373-8817**, or to the Company’s internet ethics resource: [www.ethicspoint.com](http://www.ethicspoint.com).

Anyone who violates this Code will be subject to disciplinary action, up to and including termination of employment, and other consequences. Disciplinary action also may be taken if supervisory employees ignore misconduct or fail to correct it. Any supervisory employee who becomes aware of possible violations of this Code, including discrimination, harassment, and any other misconduct, must report the situation to a manager/director, an officer, or Human Capital Management at once. The Company will promptly investigate all reported incidents and take proper action.

## 2. PROCEDURAL MATTERS

- 2.1 **Responsibility and Administration.** The Company's senior management is responsible for communicating and implementing this Code throughout the Company.
- 2.2 **Conduct Violating This Code.** Conduct violating this Code is considered outside the scope of your employment. No one is authorized by the Company to engage in any conduct that violates this Code.
- 2.3 **Sarbanes-Oxley Act, Section 406.** This Code is intended to comply with the requirements of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules adopted by the U.S. Securities and Exchange Commission to implement that section of the Act.

## 3. REPORTING

- 3.1 **Reporting Violations.** We encourage and expect you to bring suspected misconduct or violations of the Code promptly to the attention of your supervisor through normal reporting channels or by reporting them through the procedures set forth in this Code, including the reporting of any concerns of illegal or unethical behavior.

**Reporting suspected violations of this Code may also be accomplished by calling the Fraud, Waste, and Ethics Hotline. The Company has retained an independent third party to administer the Hotline. The Hotline is available twenty-four hours a day, seven days a week. Call the toll free number at 888-373-8817. To file a report online, from any computer having internet access, please go to [www.ethicspoint.com](http://www.ethicspoint.com).**

When you call the Hotline or use the internet to report a concern or ask a question, you may do so anonymously – you do not have to give your name. However, if you decide not to provide this information, we may not be able to investigate the matter fully or take appropriate action.

No adverse action will be taken against an employee making a report in good faith, whether or not the report proves well-founded. Good faith does not mean that the employee has to be right. It does mean that the employee believes he or she is providing truthful and accurate information. On the other hand, the Company will not tolerate reports made maliciously to harm the Company or another employee, or with the intent of providing false information.

- 3.2 **Confidentiality.** Any good faith communication of possible violations will be treated in as confidential a manner as we determine is possible under the circumstances and consistent with any obligation by the Company to investigate.
- 3.3 **No Retaliation.** Our policy prohibits intimidation or retaliation against anyone who reports a compliance concern in good faith, or participates in good faith with any investigation or other proceeding related to such a report. Our policy against retaliation applies to reports made through the Hotline and those made through any of the other resources identified in the Code or in any other appropriate matter. We take claims of retaliation seriously. Allegations of retaliation will be investigated and appropriate action taken.

## 4. INSIDER TRADING

Because people who buy or sell securities on the basis of “inside information” have an unfair advantage over other investors, such actions are unlawful and could subject you and the Company to great harm, risk and embarrassment. All non-public information about the Company should be considered confidential information. If you have any questions, please consult the Chief Financial Officer.

The Company has adopted a comprehensive Insider Trading Policy setting forth more detail about issues relating to buying and selling Company securities. It is posted on our internal website (<http://scwc6/>). The following is a brief summary of that document. You should consult the Insider Trading Policy for more detailed information about purchases or sales of the Company’s Securities.

- 4.1 **Company Securities.** Buying or selling Company securities owned by you when you know material non-public information, or giving such information to other people, is against Company policy. You must not communicate material, non-public information about the Company to other persons (except for an authorized Company purpose) and must not recommend to anyone the purchase or sale of Company securities. Information is considered “material” if it could affect the market price of the securities of the Company or if a reasonable investor would think that the information is important in deciding whether to buy, sell or hold the securities in question. The Company has instituted a blackout period policy under which you may buy or sell the Company’s securities only during specified periods.
- 4.2 **Securities of Other Companies.** The same restrictions and policies apply to trading in the securities of other companies, or giving information to other people, if you have obtained confidential or non-public information about that company in the course of your duties for the Company.
- 4.3 **Securities Laws.** Improperly buying or selling stock is also covered by a number of federal and state securities laws.
- 4.4 **Penalties.** Penalties for violating these laws can range from having to give up your profits, fines, and a wide range of criminal penalties.

## 5. POLITICAL ACTIVITIES AND POLITICAL CONTRIBUTIONS

Political contributions or payments to governmental officials are highly regulated and restricted by law. There are several basic aspects of our policy with respect to such matters.

***Company Political Activities.*** You must not make any direct or indirect payment or contribution on behalf of the Company for the support of political parties or political candidates for any office (federal, state or local) in the United States or any foreign country, unless authorized in advance in writing by a senior officer.

***Your Own Activities.*** In any personal activity, you should make it clear that you are not acting on behalf of the Company. You may never contribute to, or spend money on behalf of, a candidate for public office in exchange for any official action by the candidate.

**Other Employees.** You must not exert any pressure, direct or implied, that restricts any employee from deciding whether, to whom, and in what amount, he or she will make a political contribution or render services to individual candidates or political committees where permitted by applicable laws.

## **6. ANTI-CORRUPTION AND BRIBERY**

You are prohibited from directly or indirectly giving or offering anything of value to government officials for any reason, including the improper purposes of gaining business, favorable government action, or to obtain restricted information from the government. Payments need not take the form of cash to be prohibited. Donations and gifts to a government official or on their behalf are also prohibited.

## **7. GIFTS AND ENTERTAINMENT**

You must never give to or accept anything of value from anyone, including a current or prospective supplier, vendor, consultant, customer, member of the public, public entity, landlord, lessee, or competitor of the Company (“**Third Party**”), when doing so might compromise – or appear to compromise – the objectivity of any business decision. Accepting gifts can appear to be an attempt to influence the recipient into favoring a particular supplier, vendor, consultant, or other Third Party.

You also must not engage in soliciting, directly or indirectly, any bribe, kickback or other payment, gift, tip, or benefit from anyone, including any Third Party.

With respect to non-government-related Third Parties, you may accept gifts and business courtesies, including meals and entertainment, so long as they are customary and commonly accepted business courtesies, not excessive in value and given and accepted without any express or implied understanding that the recipient is in any way obligated by acceptance of the gift. Any employee giving or receiving from any Third Party any amount of money (or equivalent, e.g., gift cards, gift certificates, cash or the like) is absolutely prohibited. Any employee giving or receiving from any Third Party any non-cash gifts or benefits valued at \$100 or more is absolutely prohibited without the express written consent of your respective Vice President. This includes, for example, transportation, lodging, trips, tickets to events, and any favors. You may accept gift baskets, flowers, and other customary holiday gifts within reason, as long as they are shared with your entire department whenever practical.

You must provide written disclosure with supporting documentation to, and receive approval from, your respective Vice President for all Third Party gifts or entertainment (not including meals) received in any one-year period if gifts and entertainment total more than \$100 (or equivalent) from a single source or \$250 (or equivalent) overall. The written disclosure must be submitted no later than 30 days from the date of receipt of the gift or entertainment. The one-year period is on a calendar year basis running from January through December of each year.

You may not provide gifts, transportation, lodging, entertainment or any other benefit on behalf of the Company, including to any charitable organization, unless approved by an officer and provided that the gift, transportation, lodging, entertainment or any other benefit supports the legitimate business interest of the Company and is of nominal value, reasonable, and appropriate under the circumstances.

## **8. ENVIRONMENT, HEALTH AND SAFETY**

We are committed to environmental, health and safety protection for our employees, customers, neighbors and others who may be affected by our products or activities. You are responsible for fully supporting our policy of compliance with applicable laws and regulations regarding health, safety, and environmental protection. If anyone asks you to ignore these rules, you should immediately contact a supervisor, a manager/director, an officer, or Human Capital Management.

***Environmental laws.*** Federal, state and local environmental laws regulate the emission of pollutants into the atmosphere, the discharge of pollutants into surface and underground waters, and the handling and disposal of wastes. Other laws also safeguard health, safety and the environment. You must comply with the Company's policies and operating procedures to assure compliance with these laws and regulations and with permits issued pursuant to these laws.

***Health and safety rules.*** All employees (and contractors on the Company's premises) must abide by all safety rules and practices, assume responsibility for taking the necessary precautions to protect themselves and co-workers, and immediately report accidents and unsafe practices or conditions to a supervisor, a manager/director, an officer, Human Capital Management, or the Manager of Risk Services.

***Workplace violence.*** A safe and secure work environment also means a workplace free from violence. Threats (whether implicit or explicit), intimidation and violence have no place in the Company and will not be tolerated. Transporting, possessing, or using firearms, explosives or other dangerous weapons or material is not allowed at any time while working or on Company property, including parking lots, unless otherwise expressly authorized by law.

## **9. GOVERNMENT INVESTIGATIONS**

As a general rule, investigation and litigation matters are handled exclusively by the Company's Corporate Secretary or designee(s) of the Corporate Secretary, and any documents that relate to an investigation or litigation should be immediately referred to the Company's Corporate Secretary or designee(s) of the Corporate Secretary. The Company fully cooperates with all government investigations.

If a government representative contacts you with respect to an investigation, in most instances, you should politely advise the representative that the Company's policy is to cooperate fully in all government investigations and that responses must be coordinated through the Corporate Secretary or designee(s) of the Corporate Secretary. You should then immediately contact the Corporate Secretary or designee(s) of the Corporate Secretary to receive further advice. This process will help ensure the accuracy of the information that the Company provides to the government.

There may be instances where contact with government investigators is appropriate. If you have any doubt or concern about the appropriateness of speaking with a government investigator, you may seek guidance through a supervisor, a manager/director, an officer, or Human Capital Management. Please keep in mind that you are required to report any suspected wrongdoing to the Company, and the Company strictly prohibits retaliation against employees for making good faith reports of suspected misconduct.

Also keep in mind that you are never to destroy or alter documents in anticipation of a request for them from the government, and that you must always be honest in dealing with government agents and investigators.

## **10. PERSONAL AND PROFESSIONAL CONDUCT**

You must follow all applicable laws and observe high standards of professional behavior, exhibit integrity at all times, treat others with respect and comply with Company policies.

You are responsible for maintaining the Company's good reputation. With this in mind, never engage in any conduct or activity that could raise questions about the Company's honesty or integrity, or that might cause embarrassment to the Company.

Conduct that violates the rules and standards embodied in the Code, that interferes with the Company's operations, that brings discredit to the Company, or that is offensive to the Company's customers or employees is not tolerated and will subject those responsible to disciplinary action, up to and including termination.

Listed below are examples of prohibited conduct that will subject the individual involved to disciplinary action, up to and including termination:

- Violation of the Code of Conduct;
- Violation of the Company's Drug and Alcohol Policy;
- Violation of safety rules;
- Violation of the Company's Equal Employment Opportunity Policy, and Policies against Harassment and Retaliation;
- Falsification of, or withholding information from, any Company record or report, including but not limited to misrepresentation in employment applications, in obtaining employment benefits or privileges, expense reimbursement requests, and time sheets, including signing another person's name or any unauthorized alteration of a Company document;
- Dishonesty of any kind, including but not limited to theft of Company property or the property of others, or any act constituting a criminal offense whether committed on or off duty;
- Misuse or willful destruction of Company property or of another individual's property;
- Misuse of computer, telephone, mail, or other Company resources, including the use of Company property or services for personal gain or removing or disposing of Company materials, supplies, or equipment without proper authority;
- Possession or use of firearms, explosives or other dangerous weapons or material while working or on Company property, including parking lots;

- Threats, harassment, intimidation, coercion, abusive or insulting conduct or language directed toward fellow employees, subordinates, supervisors, Company officials, customers, or, when the Company's interests are affected, any others;
- Insubordination, including but not limited to refusal or failure to perform work properly or as assigned, to work overtime, or to comply with a supervisor's directions or instructions;
- Excessive or unexcused absenteeism, lateness, failure to report to work as scheduled, quitting early or excessive time away from employee's work area;
- Failure to comply with notice requirements for lateness or absences;
- Failure or refusal to cooperate in Company investigations;
- Fights, horseplay, practical jokes or other disorderly conduct that may endanger the well-being of any employee or Company operation;
- Violation of conflict of interest rules or principles of unauthorized use or distribution of Company information;
- Making or publishing false, vicious, or malicious statements concerning the Company, its employees, or its customers;
- Posting, defacing, or removing notices, signs or writing in any form on bulletin boards or Company property without Company authorization;
- Breach of confidentiality or using for personal gain or disclosing any information obtained on the job which is not readily available to the general public and which might damage the interests of the Company;
- Unauthorized entry onto Company property;
- Tape recording conversations with any other individual without their express permission; and/or
- Performance of work below required standards.

The Company has the right to terminate an employee's employment at any time, with or without cause and with or without notice, subject to the applicability of any governing law or contract of employment. Depending upon the circumstances surrounding a given situation, the Company maintains the right to carry out whatever disciplinary action is deemed appropriate and to report any criminal activity to the proper authorities where the Company deems it advisable or required.

If you detect or suspect conduct on the part of anyone inside or outside the Company that violates this Code, it is your responsibility to report it immediately to your supervisor, Human Capital Management, the Internal Audit Manager, senior management, or the Fraud, Waste, and Ethics Hotline (888-373-8817), or the Company's internet ethics website ([www.ethicspoint.com](http://www.ethicspoint.com)).

## 11. CONFLICTS OF INTEREST

The Company considers its reputation for integrity a priceless asset. To protect the Company's reputation and our own personal integrity, we must ethically handle conflicts of interest and even the appearance of a conflict. Unless approved in advance by the Company in accordance with guidelines approved by the Board of Directors or its Audit Committee, you must not engage in any transaction or take any action that creates an actual or potential conflict of interest.

A conflict of interest occurs when you have a personal or outside interest that may interfere with, or is contrary to, the interest of the Company. A conflict of interest situation can arise from any type of relationship, arrangement, or situation that impairs your ability to make decisions on behalf of the Company objectively and effectively. Conflicts of interest may also arise if you or a member of your family receives improper personal benefits as a result of your position in the Company. (The definition of "family" includes your spouse, grandparents, parents, stepparents, children, stepchildren, siblings, stepsiblings, grandchildren, uncles, aunts, nephews and nieces, and any spouses or persons in a committed relationship with you or any of the foregoing persons. On conflicts questions you are not responsible for learning about the activities of family members who do not reside with you, but if you in fact know about their activities, you must take them into account in these matters.)

The responsibility to handle conflicts ethically requires that you always fully disclose any conflicts situation to a supervisor, a manager/director, an officer, or Human Capital Management, and abide by any conditions placed on you to control or eliminate the conflict. If it is not possible to disclose an actual or potential conflict before it arises, then you must make full disclosure as soon as possible under the circumstances.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with a supervisor, a manager/director, an officer, or Human Capital Management.

Set forth below are examples of situations where conflicts may arise. It is impossible to specify every situation where a conflict could arise or when it might appear to others that a conflict exists. As a result, the following is not a comprehensive list of all possible conflicts of interest.

- ***Work for third parties.*** Employees are not allowed to work for a competitor, customer or supplier as a consultant, board member, officer, agent, employee, or in any other capacity. Other outside employment is permissible for non-managerial employees if it does not interfere with your duties or create a conflict of interest. Because a management position with the Company represents a full-time commitment to the Company, an employee who holds the position of "Manager" or above may not have any outside employment or business interests without notice to Human Capital Management and advance written approval by the appropriate Vice President.
- ***Causing the Company to do business where you or a family member stands to gain.*** You must not cause the Company to do business with any business in which you or a member of your family directly or indirectly stands to gain personally.

- ***Investments; Family businesses.*** You and your family need to be careful that your investments do not create conflicts of interest, or the appearance of conflicts of interest, that would impair your ability to make proper decisions on behalf of the Company. Family businesses or other businesses in which you participate as an owner, a partner, director, officer, employee, consultant or shareholder that may create a conflict of interest or may interfere with your duties to the Company must be disclosed in writing to Human Capital Management and reviewed and approved by the appropriate Vice President. The Vice President will decide an appropriate course of action, which might require you to dispose of such investments.
- ***Hiring or retaining family members.*** Employees with hiring authority must not cause the Company to retain or employ a family member as an employee or consultant or in any other capacity.
- ***Former employment.*** Employees may not favor their former employers when conducting business with the Company, and any such transactions must be disclosed to Human Capital Management, and reviewed and approved in advance by the appropriate Vice President. The Company will not conduct business with or enter into any working relationship with any entity where a former employee or officer of the Company directly or indirectly is involved, absent review and approval by the appropriate Vice President.
- ***Diverting corporate opportunities.*** You must not (a) take for your personal benefit business opportunities that properly belong to the Company or are discovered through the use of corporate property, information or position; (b) use corporate property, information or position for personal gain; or (c) compete with the Company.
- ***Selecting Suppliers.*** All purchases from Suppliers must be in accordance with the Company's purchasing/procurement policy, a copy of which is available on the Company's internal website.

## 12. FINANCIAL MATTERS; RECORDKEEPING

We are a publicly traded company. Public investors rely upon the quality and integrity of our financial reports and press releases. Accordingly, it is imperative that the Company maintain accurate books and records and report its financial results and condition accurately.

12.1 **Books and Records.** False, misleading, incomplete or inaccurate record keeping is unacceptable. All assets, liabilities, expenses and transactions must be recorded in the Company's regular books of account in a manner consistent with the Company's internal controls and accounting policies. Documentation of all material business transactions must accurately describe the essential information.

12.2 **Record Retention and Destruction.** You must retain or destroy Company records only according to (a) the Company's record retention policies, as they may be amended from time to time and (b) applicable laws and regulations. You may not destroy, alter or

falsify any document that may be relevant to a threatened or pending lawsuit or governmental investigation. If you are aware of pending or threatened litigation or governmental investigation, consult the Corporate Secretary or designee(s) of the Corporate Secretary before destroying or altering any documents or records directly or indirectly related to that matter.

- 12.3 **Financial Statements.** Knowingly misrepresenting or withholding material facts related to preparing financial statements, financial data or other Company records is strictly prohibited by Company policy and the law.
- 12.4 **Periodic Reports and Other Disclosure Documents.** We are committed to providing full, fair, accurate, timely and understandable disclosure in periodic reports we file with the U.S. Securities and Exchange Commission (“**Periodic Reports**”) and in all other disclosure documents filed with or submitted to the U.S. Securities and Exchange Commission or provided to the Company’s investors or prospective investors (“**Disclosure Documents**”).
- 12.5 **Dealings With External Auditors and Internal Audit Staff.** Employees who communicate with our external auditors and internal audit staff must adhere to the guidelines set forth below.
- Be candid and forthright in all dealings with the Company’s external auditors or internal audit staff, and you must not knowingly misrepresent facts or knowingly fail to disclose material facts.
  - Do not take, or direct any other person to take, any action to fraudulently influence, coerce, manipulate, or mislead any auditor engaged in the performance of an audit of the Company’s financial statements for the purpose of rendering such financial statements materially misleading.
  - Do not make false or misleading statements to an accountant or auditor in connection with any audit or examination of the Company’s financial statements.

### 13. EMPLOYMENT

In all matters relating to employment or any other way the Company and its employees interact, we are committed to compliance with all applicable laws. You are encouraged to report suspected violations of this policy to a supervisor, a manager/director, an officer, Human Capital Management, the Hotline (888-373-8817), or the Company’s internet ethics resource ([www.ethicspoint.com](http://www.ethicspoint.com)). The Company has adopted many policies governing your employment, all of which are available on the Company’s internal website, and you must abide by all such policies.

- 13.1 **Discrimination.** Every decision made concerning hiring, promotion, compensation, training, assignment of job responsibilities, termination, or any other aspect of the employment relationship is to be made without regard to race, color, national origin, ancestry, religion, age, gender, sexual orientation, marital status, disability or veteran’s status, or any other legally impermissible factor. All such discrimination is unlawful and

will not be tolerated. The Company is committed to taking reasonable steps to prevent discrimination from occurring.

- 13.2 **Workplace Harassment.** We prohibit any unwelcome or unwanted conduct based upon an individual's race, color, national origin, ancestry, religion, age, gender, sexual orientation, marital status, disability or veteran's status, or any other legally protected status that is made an explicit or implicit term or condition of an individual's employment, or unreasonably interferes with job performance, or creates an intimidating, hostile or offensive working environment. The Company will not tolerate any such unlawful harassment, and is committed to taking reasonable steps to prevent harassment from occurring.
- 13.3 **Workplace Violence.** We will not tolerate violence of any kind in the workplace. We expect employees to resolve their differences through discussion and, if necessary, through the assistance of a supervisor, a manager/director, an officer, or Human Capital Management.
- 13.4 **Substance Abuse -- Illegal Drugs, Controlled Substances, and Alcohol.** Reporting to work under the influence of any illegal drug or alcohol, or using, possessing or selling illegal drugs or alcohol while on the job is prohibited and may result in immediate discharge and/or other sanctions or consequences. Consumption of alcohol at after-hours Company functions is also prohibited unless expressly authorized by a manger/director or an officer. You also may not use or be under the influence of any prescription drug while working other than as medically prescribed.
- 13.5 **Gambling, Solicitation, and Fundraising.** Gambling, solicitation, and fundraising distract from work time productivity, may be perceived as coercive, and may be unlawful. You may not gamble or participate in any games of chance (including raffles, sports pools or lotteries) on Company premises, on Company systems or while conducting Company business. Periodic collection or pooling of funds by employees is also prohibited.

Solicitation during work time (defined as the work time of either the employee making or receiving the solicitation), the distribution of literature in work areas at any time, or the use of Company resources (emails, fax machines, computers, telephones, etc.) to solicit or distribute is prohibited. Non-employees may not engage in solicitation or distribution of literature on Company premises. The only exception to this policy is where the Company has sponsored the activity or authorized communications relating to benefits or services made available to employees by the Company.

## 14. CONFIDENTIALITY OF INFORMATION

Except as required by your job, you must not disclose to others or use any "Confidential Information" relating to the Company or any of the Company's customers or suppliers. You should consult the Corporate Secretary or designee(s) of the Corporate Secretary if you believe you have a legal obligation to disclose or use Confidential Information in a manner not permitted by Company policies.

- 14.1 **Confidential Information Defined.** You must treat as confidential all information that you obtain, gain access to, or encounter during the course of your relationship with the Company that has not been officially or publicly disclosed or is not common knowledge. **“Confidential Information”** includes, but is not limited to, information regarding business plans and strategies, revenue, expenses, capital investments, financial data and projections, marketing information, personnel information, rate cases or applications, sales data, vendor or customer lists, systems, formulas, models, spreadsheets, techniques, and other types of confidential data that you come in contact with in the course of your employment. It also includes such information not only about the Company but about regulators, customers, suppliers, and other parties with whom we do business. It also includes all Personal and Identifying Information as those terms are defined in the Company Identity Theft Prevention Program Policy. It also includes confidential information that might be deemed Inside Information under our Insider Trading Policy.
- 14.2 **Confidential Information About Individuals.** All medical information, personnel documents, and all other information pertaining to the performance evaluations, promotability, and compensation data of our employees must be maintained in a confidential manner for the protection of individual privacy, as required by law.
- 14.3 **News Reporters or the Press.** You must not talk to the press or be a source of information for the press concerning any matters relating in any way to the Company unless you have been expressly authorized as a spokesperson by the Company. The Company has adopted a disclosure policy that is available on the Company’s internal website and you must abide by those policies in connection with any public disclosures. Any press inquiries should be directed immediately to an officer and the Community and Customer Relations Manager.
- 14.4 **Confidential Information of Third Parties.** You must not improperly take proprietary information from other parties, use trade secret information of other parties without the owner’s consent, or induce such disclosures by past or present employees of other companies. In your previous employment or before joining the Company, you may have learned, or been given access to, confidential information belonging to your prior employer, or its customers or suppliers, and you may have entered into certain enforceable agreements. You are required to honor any such agreements and abide by all applicable laws, including those regarding: (1) disclosure or use of confidential information; (2) hiring/soliciting from the prior employer; and, (3) soliciting the prior employer’s customers.
- 14.5 **Information You Develop or Create.** Confidential Information you develop during the course of your employment with Company resources is the property of the Company.
- 14.6 **Continuing Post-Employment Obligation To Maintain Confidentiality.** After your employment or other relationship with the Company ends, you are still bound to maintain the confidentiality of Confidential Information and abide by this Confidentiality Policy.

## **15. UNAUTHORIZED USE OF COMPANY PROPERTY OR PROPERTY OF THIRD PARTIES**

15.1 **Proper Use of Company Assets and Resources.** You have a responsibility to protect the Company's assets, and resources, including physical, electronic, and information assets and resources, and to ensure that they are used efficiently. Theft, carelessness, and waste have a direct impact on the Company's profitability. Therefore, you must:

- Acquire assets in compliance with Company policies;
- Use Company information and property only for business purposes, and only for legal and ethical activities;
- Safeguard assets from damage, waste, loss, misuse, and theft; and
- Dispose of assets only with proper approval.

Unless otherwise expressly prohibited by an employee's supervisor, reasonable, appropriate, and legal incidental use of Company's telephones, cell phones, computers, copy machines, fax machines, and other electronic equipment is permitted. These electronic Company assets and resources are meant for Company business, but limited personal use may be acceptable. Personal use of Company assets and resources must:

- Comply with all laws and corporate policies;
- Only be occasional use and not result in excessive costs;
- Not interfere with work responsibilities or service to customers;
- Not interfere with required business communications;
- Not be used in the support or operation of a business other than that of the Company; and
- Never be used in a manner or for a purpose that would reflect unfavorably upon the Company's reputation, such as use in pursuit of illegal, unethical or otherwise questionable goals.

You must also abide by all security procedures and controls to protect the integrity and security of Company data and networks.

Company cars used by officers and other employees authorized for personal use of a vehicle by the Vehicle Management Policy, may be used for personal reasons when not required for business purposes. In addition, Company-owned computers, facsimile machines, cell phones and other equipment and property authorized to be used or kept by employees at their residence, or while traveling on Company business, may be used for personal reasons consistent with this Policy when not required for business purposes. When using Company assets or resources for personal use, you must exercise good judgment and keep personal use to a minimum.

Use of all other Company assets and resources, including vehicles, construction equipment, tools, and Company information, shall only be for Company purposes without prior proper approval. The Company reserves the right to examine, monitor, or search Company property and employee property that is on the Company's premises.

When on Company business, use good judgment. Keep business expenses reasonable and request reimbursement only for necessary, business related expenses in accordance with Company policies. You must report all expenses honestly and accurately.

- 15.2 **Offensive Content or Use.** Company resources, including email, copy and facsimile machines and other equipment and property, must not be used for the transmission or propagation of sexual, offensive, pornographic, racist or other inappropriate or unprofessional messages.
- 15.3 **Ownership of Information; No Expectation of Privacy.** No one can expect personal privacy with respect to documents and messages stored in or on Company files (either computer or paper), disks, storage areas or electronic voicemail and email systems. All information, documents or other material processed or stored on the Company's equipment are Company property, regardless of physical location, even if they are in a "personal" or similar file or protected by a password. Company information shall be deemed Company property regardless of where it is stored (examples include but are not limited to: personally-owned computer, laptops, emails, cell phones, Personal Data Assistants (PDAs), CDs, DVDs, etc). The Company reserves the right to search all such information at any time, without notice.
- 15.4 **Software.** The Company does not allow the use of unauthorized, pirated or unlicensed software or other licensed computer programs owned by third parties on Company equipment. For all software not installed by an authorized Company representative, employees are responsible for ensuring that they have an appropriate license for using any software that they have installed on any Company equipment.
- 15.5 **Copyrighted Materials and Intellectual Property Belonging to Others.** We respect the rights of intellectual property owners to their copyrighted materials and intellectual property. You may not make unauthorized copies of or modifications to copyrighted materials or download, use, or disseminate others' intellectual property, including music, photographs, film, or video, where we do not have the legal right to do so. You may not distribute or alter copyrighted materials owned by others without a valid license or other prior permission of the copyright owner or its authorized agent.

## 16. OTHER PROVISIONS

- 16.1 **Amendments; Waivers; Public Disclosure.** Amendments to this Code must be in writing and approved by the Audit Committee of the Board. In addition, any exception from or waiver of this Code for executive officers, Board of Directors, the Chief Financial Officer, the Controller or persons performing similar functions may be made only by the Audit Committee and must be promptly disclosed to shareholders.
- 16.2 **Enforcement.** All executive and management personnel are responsible for enforcing this Code. Such responsibilities include, but are not limited to, periodically distributing

to and discussing this Code with employees to ensure employee knowledge and compliance, and will be disclosed to the public as required by applicable law and exchange listing requirements.

- 16.3 **Audit Procedures.** The Chief Executive Officer, the Board of Directors or the Audit Committee may, at their discretion, from time to time, establish and disseminate (a) additional personnel policies and procedures, (b) accounting and financial policies, and (c) procedures to monitor and to test compliance with this Code.
- 16.4 **At Will Employment.** This Code does not create any contract of employment or express or imply a promise that employment may be terminated only for the reasons stated herein. Unless otherwise agreed to in writing by an authorized Company representative, Company employees are employed at will.
- 16.5 **Interpretation.** All questions regarding the interpretation, scope, and application of the policies set forth in this Code must be referred to the Chief Financial Officer or, in the case of executive officers and directors, to the Audit Committee.
- 16.6 **Clarification.** All employees are specifically directed to read and understand their obligations as set forth in this Code of Conduct, including information on our internal website. All employees are expected to perform their work with honesty and integrity in any area that is not specifically addressed by the Code of Conduct. A violation of this Code of Conduct may result in appropriate disciplinary action, up to and including termination of employment with the Company. This Code of Conduct articulates general principles designed to guide employees in making ethical decisions. It cannot and is not, intended to address every possible situation that may arise in the course of business. Therefore, nothing in this Code of Conduct prohibits or restricts the Company from taking disciplinary action on any matters relating to employee conduct whether or not they are expressly discussed in this document.