



Embarq Code of Conduct

Competing
with Integrity

Dear Colleagues:

Embarq has an exciting new business plan that includes practical innovation and a competitive spirit. Along with Embarq's ambitions, we share important values that we have demonstrated throughout our hundred-year heritage. The most important of these values is: we do the right thing. Integrity permeates how we treat our stakeholders: customers, teammates, regulators, suppliers, communities and shareholders.

Integrity is one of Embarq's values, and there should be no doubt about our commitment to conduct business with the highest ethical standards. As we establish our new competitive spirit to innovate, to work as a team, and become involved in our communities, we will do so in a manner that will reflect our commitment to integrity. This is not only the right thing to do – it makes good business sense. By acting with integrity, we earn the trust of our stakeholders.

Each of us needs to be familiar with the **Embarq Code of Conduct**, and we need to follow its principles. You may be the only contact our stakeholders may have with our company. You are Embarq to them. I hope you will take this responsibility very seriously.

Thank you for your support of the Code and for the spirit of integrity that guides everything you do to support our company.

Sincerely,



Dan Hesse
Chairman and CEO



Table of Contents

2	Letter to Colleagues
5	History and Future
5	Overview of the Competing with Integrity Program
5	What You Should Know About the Code
6	Why Should We Follow the Code?
6	Contacting the Competing with Integrity Program
7	When You Reach the Integrity Helpline
7	The Ethics Litmus Test – When in Doubt, Ask Yourself...
8	Violations and Their Consequences
8	Non-retaliation and False Reports
8	Waivers
	Competition
9	We Are Committed to Competing Ethically in the Marketplace
9	Antitrust and Fair Competition Laws
10	Trade Associations
10	Competitive Intelligence
11	Dealing with the Government
	Innovation
12	Protecting Embarq Assets
12	Intellectual Property
12	Proprietary Information
13	Procurement Practices
	Teamwork
14	Diversity and Inclusion
14	Respect and Fair Treatment
15	Customer and Employee Privacy
15	Health and Safety
16	Computer and Network Security

Table of Contents

Community Involvement

- 18 Corporate Community Activities**
- 18 Personal Community Activities**
- 18 Political Involvement**
- 18 The Environment**
- 19 Honest Communications**
- 19 Inquiries from the Media**

Integrity

- 20 Conflicts of Interest**
 - 20 Loans
 - 20 Disclosure
 - 21 Board Memberships
 - 21 Doing Business with Relatives and Friends of Employees
 - 22 Supervising Relatives and Employees
 - 22 Corporate Opportunity
 - 22 Outside Work and Activities
 - 22 Gifts, Entertainment and Travel
- 23 Investments and Financial Opportunities**
 - 23 Investments in Competitors
 - 24 Investments in Other Companies
 - 24 Initial Public Offerings or Preferential Allocations
- 24 Insider Trading**
- 24 Books and Records**
 - 24 Accuracy of Business Records
 - 25 Reporting of Financial and Non-financial information
- 26 Index**

History and Future

Looking toward a promising and exciting future, Embarq does so with the mindset that integrity is a priority as we have demonstrated in our well-established history. As a stakeholder, you should know that our commitment to doing the right thing is unwavering. Our values speak to the needs of our customers and focus on driving their first choice to be Embarq to serve their total communications needs within our communities.

Overview of the Competing with Integrity Program

Integrity is the foundation of all our values. We are in business to attract and retain customers with the best products and services. We will compete as a team, compete with innovation, compete in our community and compete with integrity.

The goals of Embarq's Competing with Integrity Program (Program) are to promote a culture that encourages ethical conduct and a commitment to the laws that govern our work, and to always choose to do the right thing. An important component of the Program is the Embarq Code of Conduct (Code).

The Embarq Board of Directors has charged the Chief Ethics Officer with implementing the Program, managing the Integrity Helpline, and developing policies, procedures and training.

The tone is set at the top. Embarq's senior leaders are actively involved with the regular review of the Program to assess and remedy ethical risks and to ensure the Code lives and breathes in everything we do.

What You Should Know About the Code

The Code is a guide to help us apply our values into real-life situations and it applies to all Embarq employees and Board Members. The Code addresses some of the most common ethical issues and dilemmas we may face, but it cannot cover every situation and is not meant to do so. As a condition of employment, all Embarq employees are required to comply with the Code.

The Code is a starting point and is meant to provide guidance. Embarq has policies and procedures and an Employee Guide that supplements the Code and may apply to your job. You are responsible to consult the policies in the specific areas that apply to your job.

Embarq employees and Board Members are responsible for:

- Complying with the letter and also the spirit of all applicable laws, rules and regulations
- Displaying high ethical standards when conducting business on Embarq's behalf
- Asking questions when in doubt about whether or not a situation is appropriate

- Reporting known or suspected violations of any applicable laws, rules, regulations, policies and procedures
- Certifying their familiarity and compliance with the Code

The Code is organized around our values:

- Competitiveness
- Innovation
- Teamwork
- Community Involvement
- Integrity

In the pages that follow, you will see a series of conduct and ethical guidelines, including examples of the Code in real life.

Why Should We Follow the Code?

As a company, it is important that we follow the Code so that our brand promise is strengthened, we earn and maintain the trust of our stakeholders, we have the opportunity to be recognized as a valued corporate citizen and we comply with the laws that govern our work. This will help create a place where we can take pride in our company and the work that we do.

As employees, we can feel proud to work for Embarq because of the importance that is placed on integrity. We can be assured that employees at all levels will be held accountable for unethical behavior.

Contacting the Competing with Integrity Program

To live up to our commitment of integrity, as individuals we should speak up about potential ethical or compliance issues and report violations. If you have questions ask for guidance. You can discuss matters with your supervisor, Human Resources, the Law Department or the Integrity Helpline. The Integrity Helpline is staffed 24 hours a day, seven days a week, by individuals trained to respond to your questions and concerns.

You may contact us in any of the following ways:

Telephone: 888.788.5769 (domestic)

Fax: 913.523.1974

E-mail: integrityhelpline@embarq.com

Mail: Competing with Integrity Program
5454 W. 110th Street
Box 7935
Overland Park, KS 66251

Online: Type “Integrity” (without quotes) into your Web browser and select “Integrity/Compliance Feedback Form.”

Does the Code explain *all* the standards I need to know?

The Code is the cornerstone of our commitment to integrity. It is a starting point. The Code cannot describe every law, regulation or Embarq requirement that may apply to you. There are additional standards, instructions and processes to further implement the principles in the Code. Make sure you know and understand the rules that apply to you.

When You Reach the Integrity Helpline

You may call the Integrity Helpline for guidance and/or to make reports on either an anonymous or named basis. The Helpline is managed by members of the Program and by a third party to maintain confidentiality and, when requested, anonymity. However, you may need to disclose your identity in certain instances for the Helpline professionals to initiate an effective investigation. Also, when you reach the helpline:

- You will be treated with respect
- Your concerns will be taken seriously
- All communications are confidential

The Program has oversight responsibility for matters reported through the Integrity Helpline and matters forwarded to the Program. Each matter requiring further investigation is logged and assigned to the relevant department (e.g. Corporate Security, Human Resources, Law Department or Internal Audit) or to independent outside advisors, depending on the nature of the matter and the expertise required. When an investigation is complete the Program and stakeholders are notified.

The Ethics Litmus Test -- When in Doubt, Ask Yourself...

- Could it harm Embarq's reputation?
- Is it ethical and legal?
- Does it comply with the Embarq Code of Conduct?
- Is it in line with Embarq's values?
- How would it look in the newspaper?
- What would my family and friends say?
- How would my actions appear to others?
- Does it feel right?

We face issues and confront decisions every day that require us to weigh our options and make reasoned judgments. Some of these decisions are easy to make. Some are not as clear and require careful consideration. These guidelines will assist you:

- Evaluate the relevant facts or issues
- Refer to the Embarq Code of Conduct, our values, and applicable Embarq policies and procedures
- Determine your responsibility
- When in doubt, contact your supervisor, Human Resources, the Law Department or the Integrity Helpline

“Everybody does it.”

“Maybe just this once...”

“No one will ever know.”

“It won’t matter in the end.”

Exercise caution when you hear yourself or someone else make these types of comments. These are signs to stop, think through the situation and seek guidance. Most important, do not ignore your instincts. Ultimately, you are responsible for your actions.

Violations and Their Consequences

Failure to comply with the Code will compromise the reputation of Embarq and may result in disciplinary action, up to and including termination of employment. Unethical and illegal acts cannot be justified by saying that they benefited Embarq, or that they were directed by a higher authority in the organization. You are never authorized by Embarq to commit, or direct someone to commit, an unethical or illegal act. Additionally, you cannot use a supplier, agent, consultant, broker, distributor or other third party to perform an unethical or illegal act.

Employees are obligated to report violations of the law, the Code or any other Embarq policy or procedure. If you have questions about violations or potential violations of the Code, applicable laws, rules, regulations, policies and procedures please contact your supervisor, Human Resources, the Law Department or the Integrity Helpline.

Non-retaliation and False Reports

Any employee, who in good faith seeks advice, raises a concern or reports misconduct is following the Code, and is doing the right thing. Embarq will not tolerate retaliation against this person.

We take claims of retaliation and false reports seriously. Allegations of retaliation or false reports will be investigated and appropriate action will be taken. Anyone responsible for reprisals against individuals who report suspected misconduct or other risks to the business or provide a false report will be subject to disciplinary action, up to and including termination.

Waivers

Embarq does not expect to grant waivers of provisions of the Code to employees or Board Members. If a question about a potential waiver arises for an executive officer, including the Chief Ethics Officer, or a Board Member, the Board of Directors will consider and resolve that question. If a question about a potential waiver arises for any other employee, the Chief Ethics Officer will consider and resolve that question. Disclosure of a waiver, if any, will be made as mandated by applicable laws and regulations of the Securities and Exchange Commission, the laws and rules of the New York Stock Exchange or any other exchange or quotation system applicable to Embarq.

The Code in Real Life

The Action: My neighbor works for one of our competitors. On occasion, she discusses their marketing and pricing strategies and will ask about our strategy plans. How should I respond to this?

The Decision: Sharing marketing and pricing information may violate antitrust laws. In addition, discussing these strategies with our competitors gives them insight into Embarq’s proprietary information. Make it clear that you believe these discussions are improper.

The Action: My team has an opportunity to earn the business of a big account – but only if we partner with one of our competitors. Can we work together without violating the competition laws?

The Decision: Partnering with a competitor for a specific project may be permissible when the result is an improvement in the solution offered to the customer - for example, when both companies together can provide an offering that neither would be able to supply separately. You should seek advice from the Law Department before agreeing to work with a competitor on a joint proposal.

Competition

We Are Committed to Competing Ethically in the Marketplace

Embarq is dedicated to competing honestly and ethically in the marketplace. We secure business by offering the most compelling product suite that our customers want, discussing how it fits their needs and completing their requests only as directed. We are committed to acting responsibly in our relationships with customers, suppliers and competitors. We take pride in our brand history of competing honestly and fairly in all of our business dealings.

Antitrust and Fair Competition Laws

The antitrust laws of the United States were developed to promote fair competition in a free market and to protect consumers from anti-competitive behavior. We promote open and fair competition, and we must comply with all applicable antitrust and fair competition laws. These laws generally prohibit unfair competition or agreements between Embarq and our competitors that affect terms or conditions of sale or prices to our customers. The Code provides guidelines on avoiding unfair competition and business conduct problems. You should seek advice of the Embarq Law Department if questions arise. Violations of certain antitrust laws are felonies that could expose you to substantial monetary fines and imprisonment. Such violations may also subject Embarq to fines, injunctions and substantial monetary damages.

Guidelines to Follow:

Avoid discussing or exchanging information with competitors to:

- Fix prices, including setting minimum or maximum prices, or “stabilizing” prices
- Discriminate on prices, including offering certain prices only to certain customers
- Fix terms related to price, pricing formulas, credit terms, etc
- Divide up markets, customers or territories
- Rig a competitive bidding process, including arrangements to submit false bids
- Disclose confidential bid proposals

Other activities may raise competitive issues. You should contact the Law Department before:

- Entering into joint ventures, mergers and acquisitions, marketing, purchasing or similar collaborative arrangements with competitors
- Establishing exclusive dealing arrangements (e.g. contracts that require a company to buy only from Embarq)

The Code in Real Life

The Action: At a trade association meeting, I was present during a conversation where competing companies discussed profit margins and discounts. They stated they wished they could do something about all the deep discounts. I nodded my head, but did not comment. However, over the next few weeks the companies raised their prices. Was the discussion wrong? Should I have acted differently?

The Decision: A court might conclude that everyone present during the conversation, whether they said anything or not, had engaged in price fixing – even though there was never an explicit agreement, it can be inferred. Because of this risk, if you find yourself present during a discussion of prices with competitors, you should try to break away from the discussion in a way that makes it clear that you consider it improper, and promptly advise the Law Department.

At Embarq, we are committed to avoiding even the appearance of improper information gathering. If you even suspect that competitive information might be considered confidential by a competitor you should check with the Law Department before using the information in any way.

- Tying or bundling together different products or services (e.g. contracts that require a buyer or distributor who wants one product also to buy a second ‘tied’ product)
- Setting resale prices with resellers
- Terminating or refusing to sell to existing distributors, dealers or resellers

Our customers depend on us to be accurate and truthful with them. Take particular care when describing the quality, features or availability of Embarq’s products and services, or when describing those of a competitor. You should always try to avoid making a claim about Embarq’s products or services without factual support.

Trade Associations

Trade association meetings and other industry gatherings usually serve legitimate and worthwhile purposes. However, these meetings also bring together competitors who might discuss matters of mutual concern that could potentially cross the line of non-compliance with antitrust and competition laws. You should avoid discussions or activities that could lead to the allegation or appearance of improper behavior. Even passive participation in a meeting where a questionable discussion is taking place can put us at serious risk. If you find yourself in this type of situation, you should make it clear that you believe the discussion is improper, refuse to discuss the matter and leave the conversation immediately, and you should promptly inform the Law Department. If you are a member of a trade association, you should be familiar with the trade association anti-trust guidelines.

Competitive Intelligence

To compete in the marketplace, it is entirely proper for us to gather competitive information. However, we are committed to competing fairly and avoiding even the appearance of improperly acquiring this information.

At Embarq, we will collect competitive information by:

- Conducting rigorous, lawful competitor intelligence through competitive research
- Using only available literature, industry resources and other publicly available sources to understand business, customer and supplier directions, technology trends, regulatory proposals and developments and existing and expected actions of suppliers and competitors

We will gather this information fairly and legally. Some forms of information gathering are always wrong.

In conducting Embarq business, we should:

- Never use theft as a means to gather information

The Code in Real Life

The Action: I have done business for more than five years with an elected government employee. Can I occasionally buy lunch or take him to a golf tournament?

The Decision: It depends. There are many complex rules governing our relationships with local, state, and federally elected officials, and rules covering gifts and hospitality are even more complex. Talk to the Law Department or the Integrity Helpline before offering gifts or hospitality to any elected officials or other government employee.

The Action: While waiting to attend a proposal meeting, I overheard a conversation that a government procurement officer had with one of our competitors. The competitor told the officer about his product's specifications and costs. Can I still attend the meeting? Can I write a similar proposal and send it to the officer with a lower bid?

The Decision: The answer is no to both questions. You cannot take advantage of the information in any way. You should politely excuse yourself from the meeting and contact the Integrity Helpline or the Law Department and avoid any disclosure of the information to individuals connected with the proposal. As an individual, you will probably have to withdraw from the bid team, but you have done your best to protect the ability of Embarq to go forward.

- Never use trade secrets, confidential or proprietary information that new hires may possess from prior employers - in any form
- Never misrepresent who we are
- Never use electronic eavesdropping
- Never gather, obtain or otherwise use the trade secrets of others. Trade secrets may include customer lists, operational data, technical or product development, marketing and sales strategies or pricing information

Dealing with the Government

When dealing with government officials and employees, you should avoid even the appearance of impropriety. Any attempt to influence a government official or employee by means of payments, gifts or other favors is strictly prohibited. Any sale (or offer of sale through a response to request for information, bid, quotation or information, etc.) of our products or services to any government entity should be approved in advance and in writing by the Law Department.

Public concern with the relationship between industry and the U.S. Government resulted in complex laws and regulations that control the government procurement process. Embarq employees who deal with the U.S. Government you need to understand the rules the Government has established for itself and for its suppliers. These laws and regulations generally have three purposes:

- To obtain the best possible products and services at the best value
- To promote full and open competition based on specifications and evaluation criteria that allow interested suppliers to respond
- To eliminate waste, fraud and abuse

We are also committed to complying with the United States Foreign Corrupt Practices Act (FCPA), and other applicable anti-bribery laws. These rules apply to our employees, agents and suppliers. The FCPA often raises difficult issues relating to the maintenance of books and records, and the prevention of bribery. Non-compliance can lead to significant fines and other penalties for Embarq and individual employees. Any questions about the policies, procedures, or guidelines for complying with the FCPA should be directed to the Law Department.

In addition, there are numerous other requirements that apply to foreign governments and international law. They include, but are not limited to, export control, transactions with prohibited persons and entities and anti-boycott requirements. These laws are complex and employees should take extra care and contact the Law Department when dealing or working with foreign governments or international transactions.

The Code in Real Life

The Action: One of our products will soon have a new feature that will really give us an edge with our competitors. A big customer of mine is pressing me to describe the new feature to her now, because she needs to make her buying decisions this week. I know that Embarq wants to patent the feature, but I'm not sure the application has not been filed yet. Can I show the customer the new feature?

The Decision: The Law Department should be contacted first, because showing the feature to the customer before a patent application is filed could result in the loss of our right to obtain a patent.

The Action: A good friend of mine works for a competitor of Embarq. When we go out for dinner or drinks we trade stories about the telecom industry and new products our company's are developing. Could this be a problem?

The Decision: You should not discuss new product development with a competitor. Information regarding development of new products is proprietary information that Embarq has invested time and money to develop. In general, you should not share proprietary information unless there is a legitimate business need and both parties have signed a non-disclosure agreement.

Innovation

Protecting Embarq Assets

Embarq assets are provided to help you achieve Embarq's business goals. You are responsible for using good judgment so that our company assets are not misused or wasted. Embarq's intangible assets include Embarq's intellectual property: patents, trademarks, copyrights, trade secrets and other proprietary information. Embarq's hard assets also include computers, materials and work time. Please also refer to the Computer and Network Security section of the Code or the Employee Guide for more information.

Intellectual Property

Embarq's intellectual property is one of our most valuable assets. To enhance our position in the marketplace, we encourage the development of new and improved products and services that meets our customers' needs. Embarq owns the intellectual property rights created by employees within the scope of employment. Intellectual property consists of:

- Patents
- Copyrights
- Trademarks and service marks

It is also important that we respect the valid intellectual property of others. Unauthorized use of others' intellectual property can expose us to civil lawsuits and damages, including significant fines and criminal penalties. To protect our intellectual property and prevent the unauthorized use of others' intellectual property, we should ensure the timely and responsible review by the Law Department of new Embarq products, services, processes and software for possible patentable inventions, trade secrets and infringement of intellectual property rights of others.

Proprietary Information

Each of us has to protect our confidential and proprietary information. We should take care to mark all proprietary information with approved proprietary markings. We should only accept proprietary information from others or disclose Embarq proprietary information if there is a substantial and legitimate business need. We should make sure that an appropriate non-disclosure agreement has been signed by both parties before disclosing any proprietary information. Employees are obligated to follow these guidelines even after leaving Embarq.

Some examples of proprietary information are:

- Sales, marketing, customer lists and other corporate databases
- Marketing strategies and plans
- Personnel records

- Research and technical data
- Proposals and contracts
- New product development
- Formulas
- Trade secrets of any sort

Procurement Practices

Embarq believes in doing business with suppliers who embrace and demonstrate high principles of ethical business behavior. Embarq does not knowingly use suppliers who do not adhere to applicable laws or regulations.

Procurement decisions should be founded in obtaining the best value for Embarq. Securing competitive bids, verifying quality and service claims and confirming the legal and financial condition of suppliers are all important steps in reaching a sound procurement decision.

In addition, Embarq is committed to:

- Providing fair and equitable treatment of all persons or firms involved in Embarq purchasing
- Procuring products and services efficiently and effectively
- Providing opportunities for certified diverse suppliers

Teamwork

We understand that to be a successful company we should work together, frequently transcending organizational and geographic boundaries to meet the changing needs of our customers.

We want all of our colleagues to contribute to the best of their ability - individually and collectively. Teamwork improves the quality of decisions and increases the likelihood that good decisions will be acted upon. Teamwork sustains a spirit of excellence, fulfillment, pride and passion for our business, and it positions us to succeed in the marketplace.

Diversity and Inclusion

We Support an Inclusive Workplace

Embarq is a company with thousands of employees operating in many states. Our strength is the diversity of our people and we are committed to fostering a diverse and inclusive culture. The rich mix of individuals, viewpoints, talents, experiences, backgrounds, perspectives and beliefs found at Embarq is respected and valued. Our Human Resource policies aim for the highest standard of fairness and equal opportunity, covering recruitment, hiring, promotions, compensation, job assignments and opportunities, training programs, benefits and all other aspects of employment.

We recognize the importance of a work environment of mutual trust in which diversity and inclusion are valued, and where everyone who works for Embarq is treated with dignity and respect. Employees will be recruited, selected, developed and advanced on merit and we do not discriminate, irrespective of race, color, religion, creed, gender, gender identity, sexual orientation, age, disability, national origin or ancestry, citizenship, marital, veteran status or any other legally protected basis.

Respect and Fair Treatment

We Support a Harassment-Free Workplace

Our people deserve to be treated fairly and in a manner that protects each individual's dignity. Any behavior that undermines an employee's dignity is off limits at Embarq. We value our people and strive to protect them.

Any type of harassment – where words, actions or behavior create an intimidating, hostile or offensive environment – is prohibited at Embarq. Remarks, comments, jokes or gestures of an offensive nature will not be tolerated. This includes harassment based on a person's race, color, religion, creed, gender, gender identity, sexual orientation, age, disability, national origin or ancestry, citizenship, marital or veteran status, whether physical, verbal, written, printed or contained in inappropriate objects or images.

The Code in Real Life

The Action: As a hiring manager, I believe I have no prejudices in this area, but I feel certain the job opening in my department requires too much travel time for an employee with small children. I only agreed as a courtesy to interview such candidates.

The Decision: If such an assumption was made, you would be violating company policy and in some areas possibly breaking the law. Equal opportunity means just that – a fair chance for everyone.

The Action: I recently witnessed a fellow supervisor in my work group make a sexual advance toward an employee who reports to him. I told the employee to consider reporting the matter to the Integrity Helpline. I don't know if the employee did. Since this person does not report to me, I have done all I am supposed to do, right?

The Decision: Not quite. You took the right first step, but you are required to report this matter to Human Resources or the Integrity Helpline.

The Code in Real Life

The Action: I overheard a supervisor make inappropriate comments about a co-worker's age and gender during a lunch meeting. I know this is wrong, but I am unsure what to do at this point.

The Decision: Making such statements that are inappropriate and inconsistent with Embarq's policy to create a harassment free work place should be reported to Human Resources or the Integrity Helpline. All employees have an obligation to report violations of the Code.

The Action: My family and friends e-mail me at work, keeping me up-to-date on events and funny stories. These are personal messages; can I expect them to remain private or does Embarq have access to these messages?

The Decision: Although you may use your Embarq computer for incidental personal use, you have no expectation of privacy in e-mail received in your Embarq inbox. Embarq owns both your computer and all information stored on it. We may review any of those materials at any time. E-mail creates a permanent electronic record. Be careful when using e-mail and avoid risky behaviors like using strong language, passing rumors or commenting on someone else's area of expertise in personal or business-related e-mails.

Please refer to the Employee Guide for more detail.

Reporting Unfair Treatment, Harassment, Discrimination or Retaliation

If you think that you or a co-worker has been harassed on the job (by an employee, supplier, customer, consultant or supplier), please notify your supervisor, Human Resources or the Integrity Helpline. Retaliation against employees who in good faith makes a complaint or participates in an investigation will not be tolerated. Please also refer to the Non-retaliation and False Reports section of the Code.

Customer and Employee Privacy

Confidentiality of Data

We respect the privacy and dignity of all individuals. We strive to protect the confidentiality not only of company and customer information, but also the personal information of Embarq employees, former employees, job applicants, customers and other persons. We take special care in protecting all information in our possession by following these principles:

- Employee and identifiable customer data is collected, processed, stored and transferred with precautions to ensure confidentiality. Access to the data is password protected, and passwords are updated frequently
- Customer data should only be used by employees with legitimate business purposes because of the confidential nature of the data
- Customer data can be disclosed outside of Embarq only with the customer's written consent, Law Department approval or through other lawful processes such as a subpoena, court order or search warrant
- If you are uncertain about responding to requests for confidential information consult your supervisor, the Law Department or Corporate Security

Please refer to the Employee Guide, the Privacy policy and the Customer Proprietary Network Information policy (CPNI) for more details.

Health and Safety

We Support a Safe and Healthy Workplace

Embarq provides a healthy and safe work environment for employees and for those who visit our work operations. Each of us is responsible for, and shares in the benefits of a safe and healthy workplace. We may minimize the chances of anyone being hurt or injured on the job by following common sense practices, Embarq policies and procedures, and applicable state laws.

At Embarq, we do not tolerate physical violence or the threat of physical violence. We also do not tolerate abusive language. Firearms and other weapons in the workplace are strictly forbidden. Consistent with applicable laws

we must never carry firearms or other weapons while involved in any Embarq activity, carry them in Embarq vehicles or carry them onto any Embarq property, including parking lots and garages.

Substance Abuse

Our ability to perform our jobs well requires that we work in a professional manner free from the influence of drugs or alcohol. The use of alcohol or illegal drugs while on duty or in the workplace undermines our ability to do our jobs effectively and our credibility with co-workers, customers and suppliers. These substances adversely affect our job performance and can risk our health and safety and that of others. We are dedicated to achieving a substance abuse-free environment for the health and well-being of employees and for the enhancement of our competitive position.

Embarq's formal policy and guidelines are compassionate, but firm. Our policy is designed to eliminate substance abuse. In addition to pre-employment drug testing, employees may be tested when they display unusual behavior or when there is a reasonable suspicion of drug or alcohol abuse. In addition, employees will be tested as required by law.

If you have a problem with alcohol or drugs, you are encouraged to seek assistance from the Employee Assistance Program (EAP). The EAP can be reached at 866.301.9553.

Computer and Network Security

We Use Electronic Communications Systems for Company Purposes

Computer technology – hardware, software, networks and the information that runs on them – is critical to business success. Everyone who uses a computer plays a role so that these resources operate as they should. This means all employees should:

- Use computers responsibly and primarily for legitimate business purposes – any personal use must be reasonable, kept to a minimum and not interfere with performance of job duties
- Protect the security of company computer systems
- Use other electronic communications systems - such as e-mail, intranet, Internet, voice mail, paging, instant messaging, facsimile and telephony services - primarily for Embarq business
- Protect information used to access company networks, including IDs and passwords, pass codes and building access key cards

Good judgment should guide your use of computers and Embarq's Acceptable Internet Use policy found on the company intranet and in the Employee Guide is a good resource.

The Code in Real Life

The Action: My co-worker has recently been coming into work with alcohol on her breath. While she doesn't seem impaired, I worry that she may be drunk on the job. I'm afraid to confront her. What should I do?

The Decision: If your co-worker has been drinking, she could be compromising her own and other employees' safety, and her ability to perform her job. If you feel that sufficient evidence exists that she is under the influence of alcohol while at work, you should speak to your supervisor, Human Resources, or the Integrity Helpline.

The Action: I was surfing the Web at lunch for my upcoming trip. In choosing a link, it took me directly to an inappropriate Web site. I immediately closed my browser and notified my supervisor. Am I in trouble?

The Decision: No, you handled this situation correctly. Embarq allows occasional personal Web usage as long as it does not interfere with your job performance. In addition, Web sites accessed for personal use must not contain material that would likely offend co-workers or would negatively reflect Embarq, and every effort is made to block inappropriate and unlawful Web sites.

You can expect electronic communications at work are not private. Records of your electronic communications may be made and used for a variety of reasons. Subject to applicable laws, they may be monitored to verify that company policies and procedures on computer use are being followed. Keep this in mind and exercise care when you use electronic mail.

The Code in Real Life

The Action: I am heavily involved in my community and want to run for school board. How can I balance my involvement on the school board and my job with Embarq?

The Decision: While this is a personal decision to seek office, there are some simple guidelines to follow. Your involvement should not affect your job performance and must be done on your personal time. However, talk to your supervisor to make sure these time commitments will not interfere with your job duties. Throughout your candidacy and tenure in public office, you must ensure that any non business use of Embarq’s assets (including computer, phone and fax) is restricted to brief personal use.

From time to time, employees may decide to run for public office. Refer to the Board Membership section of the Code and specifically the Standards of Service and Not-For-Profit and Public Office sections for guidance. If elected to public office, employees should inform their supervisor and their director. Also, please note that potential conflict of interest and dealing with government situations could arise. Refer to both sections of the Code and contact the Competing with Integrity Program or the Law Department for guidance.

Community Involvement

We are committed to making the communities in which we live and work better places. Embarq believes it is important for everyone to make a difference and encourages community involvement as a company and as individuals.

Corporate Community Activities

To support our value of community involvement, Embarq will sponsor or support local non-profit initiatives and events in which employee time and/or financial support will be solicited. Employee participation in these events is strictly voluntary. If work time is needed to volunteer for these events you should receive approval from your supervisor.

Personal Community Activities

Embarq encourages you to be actively involved in the life of your communities and in community activities that interest you personally. Your choice of community involvement is a personal decision that is made as an individual and must not be represented as an Embarq-sponsored activity.

Political Involvement

We encourage employees to participate in the political affairs of their communities by voting, volunteering their personal time and supporting the candidates of their choice. When you speak on public issues, make sure you do so as an individual and that you are not representing or giving the impression that you are speaking on Embarq’s behalf.

Embarq has established various Political Action Committees (PACs). PACs are voluntary, non-profit, independent organizations that may accept contributions and make expenditures to elect candidates for public office, consistent with applicable laws. You may, where eligible, make contributions to an Embarq-sponsored PAC. You will not be pressured to participate in any PAC or PAC-related activity. You are not authorized to make any contribution on behalf of Embarq, and you will not be reimbursed for any such expense. Please refer to the Dealing with the Government section of the Code for more detail.

The Environment

Embarq is committed to protecting the environment of the communities in which we live and work. Each of us must strive to comply with all federal, state and local environmental laws, orders and ordinances. We should make responsible environmental management a priority. We should also expect the suppliers who work with us to follow appropriate environmental laws and guidelines. If you have any doubt or questions about your actions in relation to protecting the environment and complying with environmental laws, contact the Environmental, Health and Safety Group for guidance.

Honest Communications

Embarq is committed to factual, honest communications with all of its stakeholders. Your responsibilities may require you to communicate with customers, suppliers or partners and you should follow this commitment. If you have questions regarding Embarq's commitment to honest communications, contact your supervisor, Human Resources, or the Integrity Helpline.

Inquiries from the Media

Embarq has designated and trained spokespersons who are the only ones authorized to communicate with the media and the investment community on behalf of Embarq. Your supervisor can help direct you to the right spokesperson.

Integrity

Conflicts of Interest

A conflict of interest situation arises when we put our personal, social, financial, or political interests before the interests of Embarq, or even the appearance of putting these interests before Embarq. It is important that we understand the significance of conflict of interest situations because even the appearance of a conflict can damage the reputation and financial strength that we have worked hard to create. Our conflict of interest guidelines state:

- Base business decisions on Embarq’s best interests and not your personal interests
- Avoid financial or other outside relationships that might be adverse or appear to be adverse to the interests of Embarq
- Do not compete with Embarq
- Do not allow relationships with prospective or existing suppliers, customers, competitors, regulators or family and friends to affect your judgment on behalf of Embarq

We should all strive to do what is right and that includes not misusing confidential or proprietary information for our own purposes or benefit, or taking advantage of opportunities that may be afforded to us as Embarq employees, unless they are available to all employees. Any situation that creates or could reasonably appear to create a conflict of interest situation should be avoided and should be disclosed to your supervisor.

Loans

Personal loans by Embarq to executive officers, Board Members, or guarantors of such obligations, are prohibited by the Code to the extent they are prohibited by securities laws and regulations.

Disclosure

The best way to avoid a conflict of interest situation is to disclose all relationships that have the potential to be misinterpreted by others. Employees should complete a “Conflict of Interest Questionnaire” (available on the intranet under ethics and compliance) to determine if there is a conflict of interest situation and to satisfy the disclosure obligation. Contact your supervisor, Human Resources or the Integrity Helpline for guidance to determine if additional action is required. Please note that you should update the form any time your circumstances change.

We rely on the integrity and good judgment of our employees to avoid conflict of interest situations. If a question arises discuss it with your supervisor, Human Resources or the Integrity Helpline.

Rule of Thumb

A good rule of thumb is to assume that a potential conflict of interest situation exists anytime an observer of your actions could question whether you are acting in the best interest of Embarq or of someone else.

The Code in Real Life

The Action: I have been asked to sit on a supplier's advisory committee because of my position at Embarq and my knowledge and expertise in this area. The committee works with the supplier to ensure that the supplier meets the current and future needs of companies like Embarq. The company is offering a stipend and to pay for my travel. Can I participate?

The Decision: You should fill out a Board Membership Request for Information form and follow the approval process. You should decline the stipend and the offer of paid travel and accommodations because of the potential conflict of interest situation. Please refer to the Gift, Entertainment and Travel Policy for further clarification regarding non- Embarq paid travel.

The Action: I sit on the board of a local not-for-profit business council that my supervisor has approved. I know that Embarq has submitted an RFP for services that a colleague on the board can provide. Can I give my colleague advance notice of the volumes and pricing range?

The Decision: You are responsible for avoiding conflict of interest situations and you should not share information about the RFP and pricing range. You may contact Supply Chain Management's Sourcing department to ask that your colleague's company be considered for the RFP. You should disclose your relationship with the potential supplier to Supply Chain Management and their Law Department support.

Board Memberships

If you have the opportunity to serve on the board of directors, advisory committee or an advisory board of a company or organization, it is important to make sure your board service does not create a conflict of interest situation. Below is the standard for service and approval process to determine if a board service opportunity is acceptable.

Standard for Service

Employees and Board Members may serve on a board of directors provided:

- The company or organization does **not** raise the potential for a direct or indirect, significant conflict of interest situation. For example, serving on the board of certain competitors, suppliers or customers may pose a significant threat
- Board service does **not** diminish your ability to perform your duties for Embarq

Review and Approval Process for Employees

Before employees agree to become a member of a board of directors, advisory board or advisory committee and to determine if a conflict of interest situation or other problem could arise you should follow the review and approval process summarized below and detailed in the Board Request for Information form:

For-Profit and Advisory Board

- Complete a Board Membership Request for Information form (available on the intranet). Requires two levels of supervisory approval
- Contact the Competing with Integrity Program to submit the form for approval

Not-For-Profit and Public Office

- Discuss board service with your supervisor to determine your time commitment and if there is a conflict of interest situation (standard of service above). If you or your supervisor have questions, contact the Competing with Integrity Program for more information and guidance

Doing Business with Relatives and Friends of Employees

Employees should take great care when doing business or competing with organizations that either employ or are owned by relatives or friends because a conflict of interest situation could occur. If your position requires involvement in the procurement process or managing the business relationship in which a relative or friend is involved, you should immediately disclose the relationship to your supervisor.

Supervising Relatives and Friends of Employees

Embarq supports employment of relatives and friends. However, you must not be in a position to have a spouse, partner, relative or other person with whom you have a close personal relationship to be in a reporting relationship to you or have influence regarding hiring, work assignments, discipline, compensation or evaluations of such persons. Supervisor decisions should be made on merit and performance and not on relationships or friendships.

Corporate Opportunity

We should not take personal advantage of opportunities that our positions with Embarq create for us. This includes:

- Taking for personal gain opportunities that are discovered through the use of corporate property, information or position
- Accepting discounts on personal purchases of a supplier's or customer's products or services unless such discounts are offered to all employees
- Competing with Embarq for the same products and services

Outside Work and Activities

Each of us should strive to avoid potential conflict of interest situations when choosing work outside of Embarq. Outside work should not interfere with the effective performance of job responsibilities for Embarq and should not involve providing services to competitors, using company resources, personnel or company time.

Striving to avoid potential conflict of interest situations should be considered within Embarq as well. You should not have more than one job in the company and you generally should not accept compensation for services performed for Embarq outside of your regular job.

Gifts, Entertainment and Travel

Embarq has many business, customer and supplier relationships that are important to our company's success. These relationships are based on decisions that best meet Embarq's business objectives. Building and maintaining these relationships are important, but they can create conflict of interest situations. Please refer to the Embarq Gift, Entertainment and Travel Policy for more details. Below are some guidelines that can help you avoid most conflicts.

Usually Acceptable

Gifts and entertainment of *nominal* value that are reasonable in nature, and are *not* on a continual or multiple basis are usually acceptable. This includes both giving and receiving of gifts. Supervisor approval is not needed in this category.

- Occasional business meals

The Code in Real Life

The Action: I work closely with a supplier. The supplier invited me and a guest to attend a local professional sporting event at the supplier's expense. Can I attend?

The Decision: Yes, you can attend this event if it is of nominal value. It is a good idea to let your supervisor know.

The Action: I have regular monthly lunches with a supplier who insists on paying for my meals. Is this okay?

The Decision: No, occasional business meals that are *not* on a continual or multiple basis are usually acceptable. Since these meals are more than on occasion you should pay for your own meal.

- Occasional local sporting or cultural events
- Other reasonable gifts and entertainment

Never Acceptable

Below are some examples of gifts and entertainment that *cannot* be accepted or given. No one can approve these.

- Cash or stock
- Anything that is illegal including bribes, kickbacks, payoffs or improper payments
- Any gift, favor, travel or entertainment that reasonably compromises or could reasonably appear to compromise your independent judgment.

This applies to everything you do at Embarq. If you have questions regarding gifts, travel and entertainment please contact your supervisor, Human Resources or the Integrity Helpline.

Investments and Financial Opportunities

A financial investment that reasonably compromises or could reasonably appear to compromise your independent judgment or work at Embarq is a conflict of interest situation. A financial investment is stock, options to buy stock, other ownership interests or debt securities in a company. It also includes mutual funds or an exchange traded fund (ETF) focused solely on the telecommunications industry but does not include mutual funds or other investment portfolios where investment decisions are made by the fund manager.

We all need to be aware of the potential conflict of interest situations that an employee's investment decisions may create. As a general rule Embarq strongly discourages investments in competitors, suppliers and potential suppliers.

Embarq believes the following investment decisions can create a conflict of interest situation and should be avoided:

Investment in Competitors

Employees are strongly discouraged from making investments in competitors of Embarq. Pre-existing investments that are small should not be an issue but if the investment is substantial then contact your supervisor and if your supervisor is not a director-level employee, then also notify your director.

Note: The provisions of this section do not apply to equity or ownership rights in Sprint Nextel that existed before May 17, 2006.

Investments in Other Companies

Employees should not invest in current or prospective suppliers if they make or will be required to make business decisions about the selection or management of that supplier or company.

Initial Public Offerings or Preferential Allocations

Preferential allocations of stock or an offer to participate in an Initial Public Offering (IPO) from a company with whom Embarq either conducts or could be expected to conduct business can create or could reasonably appear to create a conflict of interest situation. You should contact the Program for review to determine if a potential conflict of interest situation exists.

Insider Trading

Securities law prohibits insider trading. Insider trading occurs when employees or Board Members buy or sell Embarq securities (e.g., stocks, bonds, options) while in possession of material, non-public information (“inside information”) or disclose the information to others who trade on the information prior to the public release of the information. These laws also apply to other publicly available companies.

If you believe you have access to material, non-public information, ask yourself: Could this information affect the average investor’s decision to buy or sell Embarq securities or would it alter the total mix of publicly available information? Examples of material, nonpublic information include but are not limited to:

- Sales and earnings figures
- Plans for stock splits or dividends
- Proposed acquisitions or mergers
- Major new products
- Gains or losses of substantial customers or suppliers

Please refer to the Embarq Securities Law Compliance Policy for more detail.

Books and Records

Accuracy of Business Records

Embarq relies on accurate information and reliable records to make responsible business decisions. Each employee should prepare and maintain all company records accurately and honestly. These records include but are not limited to financial, safety and personnel records.

The Code in Real Life

The Action: I have access to Embarq financial results prior to public release. A friend, who works in another group at Embarq, does not have access to these results. He mentioned that he heard our financial results are much better than expected. He knows that I cannot confirm this, but would like a hint if this is true because he is considering buying stock. What should I do?

The Decision: Remind your friend that the disclosure of material non-public information of any type is unacceptable - even asking for confirmation. Also, remind your friend that the Securities Law Compliance Policy and the law prohibits any person from purchasing or selling company stock while aware of material, non-public information concerning Embarq until the information is made public.

Always:

- Ensure all books, records and accounts accurately reflect transactions and events, and conform both to Generally Accepted Accounting Principles (GAAP) and to Embarq's system of internal controls

Never:

- Make false, artificial or misleading entries in any books, records, or accounts of Embarq
- Use company funds for any purpose other than as described in the documents supporting the payment

Reporting of Financial and Non-financial Information

We have an obligation to make and keep books, records and accounts that accurately and fairly reflect our transactions. We must also strive to prepare financial reports, financial statements, public communications and regulatory filings that are not false or misleading, and that present full, fair, accurate, timely and understandable disclosure. Each of us is responsible for any aspect of our internal control over financial reporting and financial tax-reporting systems and we should be vigilant in recording entries accurately and honestly in a manner consistent with all applicable legal requirements and Embarq policies and procedures.

Misrepresentation or omission of relevant financial or non-financial information, and improper or questionable accounting or auditing practices, may result in fraudulent, incomplete, inaccurate or untimely reporting. We should not undermine the integrity of reporting information for any reason. If you have any uncertainty about judgments concerning proper recording of our transactions, accounting or tax matters, discuss them with your supervisor, Human Resources or the Integrity Helpline.

In addition, it is illegal to fraudulently influence, coerce, manipulate or mislead any internal or external party engaged in the performance of an audit for the purpose of rendering misleading financial statements.

Any complaints or concerns regarding accounting, internal accounting controls or auditing or tax matters should be reported by calling the Integrity Helpline or writing to the Competing with Integrity Program, the Chief Ethics Officer, the General Counsel or to the Chair of the Audit Committee. All reports will be treated confidentially and investigated according to our Procedures for Complaints Regarding Accounting, Internal Accounting Controls and Auditing Matters. Federal law protects "whistleblowers" who report these types of complaints in good faith and prohibits retaliation against such individuals.

Code of Conduct Index

A

Accounting...25
Accurate business records...24
Antitrust...9
Audit Committee...25

B

Board Memberships...21
Board Membership Request for Information...21
Board of Directors...5, 21
Bribes...23

C

Chief Ethics Officer...5
Corporate Community Activities...18
Competing with Integrity Program...5
Competition...9
Competitive Intelligence...10
Computer use...16
Conflicts of Interest...20
Conflicts of Interest Questionnaire...20
Copyright Laws...12
Corporate Opportunity...22
Corporate Security...7, 15
Customer Privacy...15

D

Disclosure of Conflicts of Interest...20
Discrimination...15
Diversity...14
Drugs and Alcohol...16

E

Employee Assistance Program...16
Employee Privacy...15
Environment...18
Export Control...11
Ethics Litmus Test...7

F

False Reports...8
Financial Investments...23
Foreign Corrupt Practices Act...11
For-profit organizations...21

G

Gifts, acceptance of...22-23
Gifts, Entertainment and Travel...22-23
Gifts, giving of...22-23
Government Entities...11

H

Harassment...14
History and the Future...5
Honest Communications...19

I

Inclusive Workplace...14
Integrity Helpline-How to Contact...6
Initial Public Offerings (IPO)...24
Insider Trading...24
Intellectual Property...12
Internal Accounting Controls...25
Investments in Competitors...22
Investments in Other Companies...23

K

Kickbacks...23

M

Material Nonpublic Information...24
Media Inquiries...19

N

Network Security...16
Not-for-Profit Organizations...21

O

Obligation to Report...15
Outside Work...22

P

Patent Laws...12
Personal loans...20
Personal Community Activities...18
Political Involvement...18
Procedures for Compliance Regarding Accounting, Internal
Accounting Controls and Auditing Matters...25
Procurement Practices...13
Proprietary Information...12
Protecting Embarq Assets...12

R

Relatives and Friends of Employees...21
Reporting Financial and Non-Financial Information...25
Respect and Fair Treatment...14
Retaliation...15, 25

S

Securities Law Compliance Policy...24

T

Trade Associations...10
Trade Secrets...11-13
Trademarks...12

V

Values...5
Violations and Consequences of the Code...8
Violence...15

W

Waivers...8
Weapons...16
Whistleblower protection...25
Workplace Safety...15