



# Code of Ethics and Business Conduct

Piedmont Ethics Helpline, 1.800.481.6946  
[www.piedmontng.alertline.com](http://www.piedmontng.alertline.com)  
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## President and CEO's Message

Dear Teammates:

A company's good name and reputation is the foundation on which all else is built. At Piedmont, we have earned our excellent reputation because our decisions and actions are not guided merely by our economic interests, but by our core values. Our values of Integrity, Respect, Stewardship, Excellence and Health shape our day-to-day decisions and actions, and reflect the commitment we make to ourselves, each other and the public we serve.

Our first priority is maintaining a safe workplace and a safe natural gas delivery system, which has given us a reputation as a leader within the natural gas industry. We are a solid and consistently performing investment choice for our shareholders and act as a valued corporate partner within the communities we serve. We have earned this reputation by getting the right results the right way. Our decisions and actions are guided not only by economic considerations, but by legal, moral and ethical considerations as well. We treat our business partners in a fair manner.

I am enclosing with this letter Piedmont's Code of Ethics and Business Conduct. Please take time to read it carefully and use it as your guide in your day-to-day decisions and actions. It states clearly the foundation for our ethical responsibilities to our shareholders, our customers and other valued stakeholders. It is critical that each of us follow these principles in order to maintain the excellent reputation that Piedmont enjoys today. We will practice and exercise our core values each and every day.

In providing this document to you, I commit your Company's Board of Directors and management team to the highest ethical standards and ask that you commit to the same. I am proud to be your leader and I thank you for your continuing contributions to our Company.



Thomas E. Skains  
Chairman, President and CEO

## We Value Integrity, Respect, Stewardship, Excellence and Health

These values are more than words. They are daily reminders of the steps we need to take to achieve our Vision. They provide the foundation for our overall Culture of Accountability document – Energy that Shows – and should guide us through all aspects of our business. These values are reaffirmed and explained in this document – Our Code of Ethics and Business Conduct (the Code). The Code outlines ethical and business conduct we expect of one another based on our values and the laws and regulations governing us. The Code applies to all employees and to our Board of Directors as we carry out our duties to our shareholders.

### *Integrity*

- Communicate openly, honestly and directly
- Protect our reputation
- Show consistency between actions and words
- Seek help when needed
- Express opinions and support decisions
- Foster a culture of accountability and compliance

### *Respect*

- Place interest of team above self
- Encourage collaboration
- Give and receive feedback to improve results and effectiveness
- Foster mutual trust
- Celebrate each others' contributions
- Recognize and value diverse backgrounds, experiences, styles, approaches and ideas

### *Stewardship*

- Champion environmental responsibility
- Encourage employee engagement on the job and in the community
- Protect and enhance shareholder value

### *Excellence*

- Strive for quality in work-related processes
- Embrace openness to learning and change
- Encourage professional and personal development
- Take responsibility for achieving desired results
- Seek to continually improve in all we do

### *Health*

- Encourage a healthy balance between work and personal life
- Provide initiatives that support a healthy lifestyle
- Maintain a safe work environment for employees and customers

We also expect our suppliers and contractors to conduct their business on behalf of the Company in an ethical manner consistent with this Code.

## Fast Facts

- ▶ Our Code is adopted by all Piedmont employees and our Board of Directors through an annual certification. This certification states we have read the Code and are conducting ourselves and our business according to the Code.
- ▶ Our policy is to comply with all applicable laws and regulations. As teammates, we ensure this compliance every day – for ourselves and each other.
- ▶ The Code is intended to provide understandable guidelines for all of us to use as we perform our jobs for the Company and as we interact with Piedmont’s constituents. We cannot anticipate every circumstance we may find ourselves in or address every possible situation in this Code. But if we are familiar with our Code and use common sense, we should get the right results in the right way. If you are uncertain about a situation, seek guidance by asking questions of those listed on the following pages.
- ▶ Many topics in this Code are explained in greater detail in Company policies on our [Intranet](#). You will also find embedded links to applicable policies throughout the Code. If you cannot find what you need, please ask any of the contacts on the next page.
- ▶ This Code is not intended to create, nor does it create, any contractual rights related to employment.
- ▶ We expect our employees to report violations of laws, regulations or policies of this Code. We do not tolerate retaliation against an employee for doing so.
- ▶ Speaking up when you see something helps keep our culture of accountability alive. There is never a wrong time to bring up a concern or question. You should speak up when:
  - You have a question about the Code
  - You have a question about your own compliance with the Code
  - You believe there has been a violation of the CodeOnce a report in good faith has been made, you can expect respect, confidentiality and freedom from retaliation.

In the coming pages, we will discuss why it is important that we:

- seek answers to our questions
- obey the law
- compete fairly, honestly and ethically
- deal fairly, honestly and ethically with government entities
- are loyal to our shareholders and our customers
- are fair, honest and ethical in our dealings with each other
- care about our reputation with the public
- care about the safety and health of our employees and the environment in which we live
- report violations of the Code and any laws and regulations without fear of retaliation

## We Seek Answers to Our Questions

If you ever have a question about our Code or believe there has been a violation, you're encouraged to report your concern. If you feel you've been retaliated against, please speak up immediately, as you may be entitled to protection under law.

You also can choose to report a Code violation anonymously. The Ethics Helpline offers a way to report violations or express concerns while remaining completely anonymous. The CCO will also keep your inquiry or allegation completely anonymous if that is your choice.

Please review the following resources available to you:

### Your Supervisor

You are always encouraged to talk to your supervisor(s) about any concerns you may have, as we value open and honest communication among our teammates. If you are uncertain about the answer or advice your supervisor has provided, please reach out to our other resources.

### Human Resources 1.800.521.0802

Your HR Business Consultant and HR Management team are always happy to assist you. They have detailed knowledge of the Company's policies and procedures, including the Code.

### The Chief Compliance Officer (CCO) 704.731.4261

Call the Chief Compliance Officer when:

- You have a question about the Code
- You have a question about your own compliance with the Code
- You believe there has been a violation of the Code

### Ethics Helpline 1.800.481.6946 or [www.piedmontng.alertline.com](http://www.piedmontng.alertline.com)

If you do not wish to talk with the CCO or you want to remain anonymous, you can always call the Ethics Helpline. This reporting system allows you to anonymously and confidentially report incidents you believe to be unethical or criminal. The Ethics Helpline is managed by an independent third party. When you call, you may give your name or not – it is up to you. The Helpline operator will:

- Gather all of the facts about your concern – please give as many details as you know
- Assign you a case number
- Provide a call-back date
- Alert the CCO of the report

On or after your call-back date, you can call the Helpline and listen to a response provided to the Helpline by the CCO.

## We Obey the Law

It might seem obvious, but we have expectations of one another that we respect and obey all applicable laws and regulations. Consider the many different types of laws:

- ▶ Pipeline and employee safety
- ▶ Manipulation in the natural gas markets
- ▶ Fair competition and antitrust
- ▶ Privacy and personal information
- ▶ Discrimination and harassment

Regulations apply broadly to our operations as well – many of our [safety policies](#), for example, implement regulations issued by the Occupational Safety and Health Administration. Our pipeline and distribution integrity programs comply with, and are informed by, federal and state regulations.

### Expectation

Be familiar with the laws and regulations that apply to your role at Piedmont. Comply with them. Share instances of noncompliance with your supervisor, human resources, the CCO or the Ethics Helpline. This is very important, as we must take corrective action and often report to the government that we had an instance of noncompliance. Remember, we do not tolerate retaliation for reports made in good faith. And if you want to remain anonymous, you can!

### Accountability in Action

- Q** I am a natural gas trader, and I make sure we report all of our fixed-price deals to an index developer. One of our deals last week was for a really large volume, and it was a day when prices were high. I left it off of my report because I didn't want the data to look skewed. My manager is furious with me. I don't understand if what I did was wrong.
- A** This is an example of a very special area of the law applying to one portion of our business. It is an important law, and violating it carries extreme penalties of up to \$1 million per day. Not reporting the transaction could be interpreted as market manipulation, which is strictly prohibited. While you may not have meant any harm, you did not act with integrity consistent with our culture. This type of violation would result in a self-report to the applicable agency, in this case, the Federal Energy Regulatory Commission.
- Q** I am a Contact Center Representative, and I accessed my neighbor's account the other day because I suspect they are in financial trouble. I wanted to see if I could help, but my colleagues said I violated Company policy. How can that be when my intentions were good?
- A** Even when our intentions are good, accessing a customer's account, or even your own, for any reason other than a valid business one is a violation of our policy and risks privacy infringement. Your actions could be interpreted as disrespectful as well. Your colleagues are obligated to report your action, unless you did so yourself.



## We Compete Fairly, Honestly and Ethically

There are many laws that govern fair competition, including **antitrust laws** intended to promote and protect competition in the marketplace. Violation of antitrust laws subjects employees and the Company to criminal and civil liability and monetary penalties. The laws are complex – if you have questions, please call one of your teammates in our Office of the General Counsel.

Additionally, fair competition also means we buy and sell our products based on their value alone, not because of any outside influences, such as gifts. That is why we have a **Gifts, Gratuities and Entertainment Policy**.

### Expectation

#### Fair Competition

To help you navigate through the complexity of laws and regulations, we have set certain expectations of one another as to how we compete for business – always on the basis of the value of our services and products and of our price, and with honest and forthright information. We do not limit or restrain trade, make exaggerated statements or disparage our competitors. For example, discussing prices, terms and conditions, costs, marketing plans, customers or any other confidential information with a competitor of Piedmont's could be considered a restraint of trade under the antitrust laws. This is a complicated area of the law – please call the Office of the General Counsel if you need more information.

#### Gifts, Gratuities and Entertainment Policy

While we recognize that business courtesies build goodwill and sound working relationships among business partners, they should never be used to gain any special advantage in the relationship.

Accordingly, employees may not offer or receive personal favors or gifts that could be perceived as an attempt to improperly influence decisions by existing or potential suppliers or customers.

Giving and receiving of occasional modest gifts, services or entertainment is a common and respectable practice of promoting goodwill and building and maintaining legitimate business relationships. However, it is inappropriate to give or accept cash for any reason. It is also inappropriate to give or accept meals, refreshments, gifts or entertainment on a regular basis.

Acceptable forms of entertainment, both giving and receiving, include infrequent moderate hospitality such as meals, charity events, sporting events, sports outings, holiday gatherings or other celebrations, plays, concerts or cultural events.

All gifts, gratuities and entertainment that are given or received and valued above \$250 must be reported to the employee's supervisor, who is responsible for communicating with the appropriate Company Department Head.

It is noted that the Company may sponsor hospitality at events (such as golf tournaments, professional football, basketball, baseball, hockey and other leagues in our service territory) as part of the Company's responsibility to be a good corporate citizen, and may use such events to build business relationships with key customers and stakeholders.

As part of complying with this Code, employees must certify annually that they are complying with this Gifts, Gratuities and Entertainment Policy. Additionally, Officers are required to certify their compliance on a quarterly basis.

Call the CCO if you have questions about how to comply with this Policy or if you require guidance in a specific instance.

## Accountability in Action

- Q** I am interested in promoting our Service Plus business. Can I reach out to potential customers and tell them our competition will install a natural gas water heater for them, but they don't know what they are doing and they could likely end up with a natural gas leak? Only we know how to install a natural gas water heater safely; after all, we're the natural gas company.
- A** No. This type of exaggerated claim is dishonest, disparaging and not the way we do business. We sell Service Plus based on our solid reputation and the value we offer to customers. Remember, always act first from our values – integrity, respect, stewardship, excellence and health.
- Q** I have been talking with one of the other large utilities in the region. We're thinking of boycotting one office supplier because of their lack of integrity. Can we do it?
- A** Absolutely not. An agreement to boycott a supplier is a restraint of trade in violation of federal law. While we consider our business partner relationships carefully so our vendors reflect our own values, an agreement with another company to restrict business is illegal.
- Q** One of our contractors is hosting a suite at an upcoming playoff game and has asked some of our team to attend, free of charge. Can we go?
- A** Yes...as long as you report to your supervisor the value if it is over \$250, it is clear that there is no expectation of being awarded any services or contracts and this is an occasional occurrence with this contractor. If these requirements are met, then attending the game is consistent with promoting goodwill and building and maintaining legitimate business relationships.
- Q** One of our computer vendors invited me to attend an out-of-town conference to discuss the role of technology in the new economy. It is pretty clear that they expect us to send some business their way after the conference; in fact, they already have a meeting set up when we return to demonstrate their newest product. Is this a problem?
- A** Does this feel like it's consistent with our values? You seem like you already know the answer. If there is an expectation that the vendor would receive company business as a result of the free trip, then this is a violation of our Gifts, Gratuities and Entertainment Policy.

## We Deal Fairly, Honestly and Ethically with Governments

The Government regulators, legislators and other officials with whom we interact are among our many business partners. As such, our actions toward them are consistent with our values; we comply with all laws and regulations, and we cooperate with government enforcement investigations. Should you receive an inquiry from a law enforcement or government agency official on any matter, you should contact the Office of the General Counsel.

### Expectation

Living our values means we are honest with government officials. The Company is required to submit many documents and reports to the U.S. Securities and Exchange Commission and other regulators. The materials and any other public communications we provide are complete, fair, accurate, timely and understandable. We provide responsive, timely, complete and accurate responses to government officials on a routine basis or at their request.

We comply with all lobbying laws applicable to us – both federal and state. That means, among many things, we do not offer money or gifts to government officials in order to influence their actions.

We comply with all laws when making political contributions to candidates through the Piedmont Political Action Committee (PAC). Individual employees are expected to comply with all applicable laws when contributing financially to a political candidate. We encourage political involvement with the candidates of your choice on your own time and your own behalf. Please note your political activity must not interfere with your work for Piedmont and, unless it is your job, you are not to express political views on behalf of Piedmont.

### Responding to Requests from the Government

On occasion, Piedmont as a company or you individually in your role as a Piedmont employee may receive a subpoena from a court or a summons or other data requests from a Government entity. A government representative may even show up at your office location. If this happens, call the General Counsel's office immediately. They will ask that you send the subpoena or other document(s) to them for a review and response. If a government official is visiting in person, the General Counsel's office also will advise you as to your actions. Please take a minute to review our policy on these matters. [[link here](#)]

### Accountability in Action

**Q** I reclassified some O&M dollars that I spent to capital dollars because I understand we earn a return on capital spent during the rate case process and I figured I'd be helping the Company. Are my actions justified because they are in the best interest of the Company?

**A** No. Falsifying data and information that eventually goes into filings the Company makes to the government is wrong and unethical, and, in most circumstances, it also is illegal. The ends do not justify the means. At Piedmont, we want to get the right results the right way.

**Q** I know we are emphasizing a Job Hazards Analysis (JHA) before a job starts. But my crew got behind and I wanted to be efficient. So I just created the JHA after the fact. After all, nobody really looks at those JHAs, do they? What's the harm?

**A** The harm is that you falsified documents. This action could lead to your termination and it will create major problems for your teammates at Piedmont. Additionally, the point of creating a JHA is to keep your crew safe. By skipping this step, you put the entire team at risk of being hurt, which is inconsistent with our value of health. Careful attention to reporting and compliance with reporting forms is a critical part of our work at Piedmont.

## We Are Loyal to PNY Shareholders and Customers

We are here to serve our customers and provide value to our shareholders. As a valued service provider in the community, our good reputation among our neighbors and our investors is one of our greatest assets. To protect and enhance that reputation, we must use customer information only for legitimate business purposes, to ensure compliance with insider trading laws, to avoid actual or apparent conflicts of interest and to ensure that corporate opportunities are preserved for the Company.

### Expectation

We avoid conflicts of interest and self-dealing of any kind, we treat customers with courtesy and respect, and we hold our and our customers' information confidential. In fact, we must abide by regulations, known as "Red Flags," that are required by the Fair and Accurate Credit Transactions Act ([FACTA](#)). This law requires us to have a program to detect, prevent, monitor and mitigate identity theft. We also comply with federal insider trading laws that prohibit us from trading in the Company's or business partners' securities when we have material, nonpublic information, and we comply with our Insider Trading Policy. [\[link to new policy\]](#) We protect corporate opportunities and Company assets.

### Confidentiality of Information

Our success depends on our ability to keep information confidential and secure. Confidential information includes all nonpublic information that might be of use to competitors or harmful to the Company, its customers or its employees if disclosed.

Additionally, there is a Securities and Exchange Commission regulation, known as Reg FD, standing for "fair disclosure" that prohibits selective disclosure of material non-public information. To keep it simple, keep it safe and secure. It is best to assume any information you have about the Company, its employees or its customers, is confidential. Occasionally, we may be required to disclose confidential information. In those circumstances, guidance will be provided by the Office of the General Counsel. [\[add link to privacy policy\]](#)

### Insider Trading

Generally, insider trading, which is prohibited by federal law, is buying or selling of company stock (ours or another company's) when you are aware of material, nonpublic information relating to that company. If you provide a tip to someone else to buy the stock based on that same information, you have also violated the law. Examples of information that that could be considered "material, nonpublic" include:

- Financial results
- Pending or proposed mergers, acquisitions or tender offers
- Changes in senior leadership
- The addition or loss of a significant customer
- A change in the dividend policy

To keep it simple, if in your role at Piedmont you become aware of something that could be considered material, nonpublic information about Piedmont or another company, don't buy or sell Piedmont or that company's stock. Don't pass that information on to someone else or recommend they buy stock because you know information. Ask your teammates in the Office of the General Counsel if you are uncertain or need more information about Insider Trading. Please read the Insider Trading Policy [\[click here\]](#), as it contains specific restrictions on what you can do with your Piedmont stock, regardless of your position in the Company. Please note that effective in 2013, there is a new Insider Trading Policy and it does apply now to all Piedmont employees. Please take time to familiarize yourself with the Policy as it applies to you in your role at Piedmont. If you move to a new position, you will want to consider whether new requirements apply to you according to the Policy.

## Conflicts of Interest Policy

A conflict of interest is when your personal interests or activities appear to or do actually influence your ability to act in the best interest of Piedmont, our customers or our shareholders. We owe it to each other to avoid conflicts, regardless of our role at the Company.

If you believe you have a conflict, you must discuss it with your manager or supervisor, or call the CCO for guidance.

If you are a principal executive officer, principal financial officer, principal accounting officer or controller, or a person performing similar functions, then you must report any material relationship or transaction that reasonably could be expected to give rise to conflict of interest to the Chairman of the Company's Audit Committee as soon as you are aware of any such relationship or transaction. Consult the Audit Committee Chairman if you are not sure.

Conflicts of interest can include competing with Piedmont for the purchase or sale of property, service or other interest, or having an interest in a business that is a vendor, customer or competitor to Piedmont. They also can occur by using your position at Piedmont to gain improper benefits for yourself or a family member – loans or a guarantee of an obligation from a company doing business with Piedmont are examples of this type of conflict.

Conflicts also arise through outside employment.

### *Outside Employment*

When you work for another company in addition to your job at Piedmont, it is considered outside employment. It may create a conflict of interest. It always must be disclosed. Our outside employment [policy](#) requires an employee to obtain the approval of his/her Manager or Department head before taking an outside job, and it prohibits an employee from performing on nonworking time any services for existing or potential customers that are normally performed by Company personnel. This prohibition also extends to the unauthorized use of any company tools, equipment or resources and the unauthorized use or application of any confidential trade information or techniques. In addition, employees are not to solicit or conduct any outside business or business activities for personal gain during paid working time.

For example, Piedmont's Service Plus business installs natural gas and propane appliances in our customers' homes, both inside and outside our service territory. Competing with that business, either through your own business, through another contractor or even just on your own, is a conflict of interest.

## Corporate Opportunities

Exploiting Piedmont's business opportunities for your own benefit is a special type of conflict of interest. During the course of our work, we may learn of a Piedmont business opportunity that also is one we could gain from personally. We owe it to each other and to the Company to advance the interest of Piedmont over our own. We also may not use Piedmont property, information or position for personal gain.

## Protecting Company Assets

Effective cost management is a key to our financial success. Protecting company assets and using them appropriately is consistent with our values and reflects our commitment to our customers and shareholders to be efficient and to deliver value.

### *Computer Resources*

Our Information Technology Policy sets expectations for proper use of Company computers and information technology resources. It is important to understand that our technological resources are substantial investments necessary to meet our obligations to our customers, employees and shareholders. They are to be used primarily for business purposes. Documents, data, messages and other information created using IT resources belong to the Company; there should be no expectation of privacy regarding the use of any IT resource. If used appropriately, email and social media are powerful tools, but if used irresponsibly, they can cause problems for individuals, each other and our Company. Please review carefully our [policies](#) regarding IT resources, email and the use of [social media](#).

### *Company Records*

Complete and accurate records are a necessary part of doing business. For example, our shareholders and regulators depend on the accuracy of our information. Business records are everyone's responsibility. Utmost care must be taken in preparing business records, such as financial statements, work orders, expense reports, reports to government agencies and any other report, book or record. Once these records are accurately and carefully prepared, they must be controlled in accordance with our Records and Information Management [Policy](#) and our Records Retention [Schedule](#).

In particular, the Company's principal executive officer, principal financial officer, principal accounting officer or controller, and any other person performing similar functions, are responsible for full, fair, accurate, timely and understandable disclosure in reports and documents the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company.

### ***Company Name and Logo***

As representatives of Piedmont Natural Gas, we all must do our part to communicate our shared vision, mission and values and protect the Company's brand identity. We can achieve this by ensuring that all communications to our customers, shareholders, fellow employees and communities are easily identifiable, recognizable and consistent with established guidelines. On our Intranet, you will find the branding [guidelines](#) applicable to all internal and external communication pieces, regardless of the audience. This includes all advertising, communications and marketing materials.

### ***Intellectual Property***

Intellectual property is defined as work generated from original thinking. When it is created or developed in our work for Piedmont, Piedmont owns it, in the same way we own vehicles and buildings. There are many ways to protect intellectual property – through patents, trademarks and copyrights, for example. The Company's intellectual property is a key asset for our shareholders, and we must protect it.

We also respect the intellectual property of others. We cannot make copies of or distribute materials from copyrighted materials, such as books, magazines, trade periodicals or computer programs. Some limited "fair use" duplication is permissible, and we have some rights that we have purchased through the Copyright Clearance Center. Please call the Office of the General Counsel if you need to use a piece of work from another source and want to clarify your permission to do so.

Computer software used by the Company is under license from a variety of outside companies. As teammates, we owe one another the obligation to not copy or distribute software or related documentation outside of those licensing agreements. If you are in doubt, call the Office of the General Counsel.

## Accountability in Action

**Q** I heard that my favorite country music star lives in our service territory. Can I look up her customer address? I am so curious to drive by her house.

**A** Absolutely not. Customer records are to be accessed solely for the purpose of conducting legitimate business, and no other.

**Q** I am in the accounting department and have access to the quarterly financial information before we publish anything. The other day a friend, who is also one of our contractors with whom I have lunch regularly, asked me how the quarter was at the Company. I didn't say anything, just smiled really big and gave a thumbs-up. Now I'm concerned about that, do I have reason to be?

**A** Yes, your instincts are correct. You violated our Insider Trading Policy and may have violated federal insider trading laws. Even gestures and facial expressions can be interpreted as a disclosure of "material nonpublic information." Additionally, our contractors are prohibited by law from trading our stock based on information they receive from an "insider" or in the course of conducting their work for us. This information should be discussed only among employees who must know it to perform their jobs.

**Q** For years, I have worked on nights and weekends for a contractor who installs natural gas appliances and propane appliances outside of our service territory. I have never let it interfere with my work at Piedmont, but it is a nice way to pay for vacations and holidays. I hear that with Service Plus, I need to get out of the business. Is this true?

**A** Yes. We install natural gas and propane appliances at Piedmont – we call it Service Plus. Our employees cannot compete with that business. Doing so is a direct violation of our Outside Employment Policy and also is an example of taking a corporate opportunity for yourself. In fact, you should seek out opportunities like that for Piedmont's behalf.

**Q** A teammate got injured on the job. Is it okay for me to publish well wishes on my personal website or social media page?

**A** Given the strict rules to protect employee health information, it is best to refrain from publicly sharing this information. The sentiment is nice, but a private expression of well wishes, like a card, is the safe choice.

**Q** I noticed a service employee's truck parked with the computer screen open. Is this an issue?

**A** Yes. Leaving the computer screen up could provide an onlooker with the ability to see confidential information. Always use extra caution when using your computer in a public space, and protect it and the information on it at all times. Lock and close your screen so that it is password protected and information is protected.



**Q** Last year, a contractor dumped some dirt from a spoil pile on my supervisor's yard. He told me it was going to a landfill anyway. Should I have reported it?

**A** Yes. When in doubt, please report all incidents that may lead to environmental compliance issues. You do not know for certain whether the spoil pile contained hazardous substances. If you'd like, you can report it anonymously through our Ethics Helpline and not fear any retaliation for your good faith report.

**Q** For years, I've kept Company inspection records in my home garage because we've run out of room at the resource center. In addition, I am fearful that if we have a flood at the office the documents will be destroyed, so I wanted to keep them at home for safekeeping. Is this a problem?

**A** Yes. Company records must be stored in accordance with our RIM policy – in a designated place at work or in a contracted off-site storage. If you have any questions in this regard, read the RIM [Policy](#) and email [Recordsandinformationgmt@piedmontng.com](mailto:Recordsandinformationgmt@piedmontng.com).

**Q** It's time for Girl Scout cookies! Can I use my Piedmont email to solicit cookie orders? It's for such a good cause!

**A** No, you cannot. While some personal use of IT Resources is permitted within reason, use of Piedmont's resources to conduct unrelated business is not allowed. Please review the HR Solicitation [Policy](#) and the IT [Policy](#).

## We Are Fair, Honest and Ethical in Our Dealings with Each Other

We value one another as teammates and treat one another with respect. Our values of integrity, respect, stewardship, excellence and health began with a fundamental question – how do we want to relate to one another? Fair, honest and ethical dealings are at the core of who we are at Piedmont.

As you read through our HR Policies, focus your attention on policies such as [Respect for Individuals](#), [Open Communications](#), [Promoting Diversity](#) and Personnel Information and Privacy. These policies, and others like them, build open and respectful relationships at the Company.

### Expectation

We are committed to providing [equal employment opportunity](#) for all persons regardless of age, citizenship status, color, covered veteran status, disability, gender, marital status, national origin, race, religion, sexual orientation and all legally protected characteristics. Piedmont complies with federal and state equal employment opportunity laws and works toward keeping the workplace free from all forms of discrimination and [harassment](#). We will not tolerate any form of harassment of or by any employee.

Management creates and maintains a work environment free of discrimination and harassment, promptly reports complaints of discrimination or harassment and assists with investigations and takes corrective action to prevent prohibited conduct from reoccurring. Employees are expected to respect the rights of their co-workers, restrain from discriminatory or harassing conduct, report discrimination or harassment, and participate in any investigation of alleged discrimination and/or harassment.

We respect the privacy of personnel information. In collecting, maintaining and disclosing personnel information, Piedmont makes every effort to protect employees' privacy rights and interests, and prevents inappropriate or unnecessary disclosures of information from the record of a current or former employee. While complying with its governmental reporting and recordkeeping requirements, Piedmont ensures it handles all personal and job-related information about employees in a secure, confidential and appropriate fashion in accordance with the principles and procedures outlined below. Please ensure your actions aid us in this regard.

We also expect each other to be honest in all respects. For example, we do not falsify records, or steal or misappropriate corporate funds, assets or property. We also expect our workplace to be free of violence and threatening behavior.

## Accountability in Action

- Q** I've been with the Company for years. People here are like my family. I like to tell jokes – everybody knows it. Occasionally, they may be a bit off-color. I tell a lot of jokes that focus on age, since I am dealing with aging .parents and humor helps me. But nobody here takes me seriously. This harassment stuff has taken the fun out of the workplace – what's a little healthy teasing among family?
- A** A “little healthy teasing” with your Piedmont teammates can lead to plenty of trouble – for you and the Company. What you consider to be all in fun could be very offensive to a fellow employee. They might not even feel comfortable telling you that your words are offensive because you are a longtime employee and they just want to get along. Reach out to your supervisor for some coaching; we want employees to have fun and be free to laugh with one another in the workplace, but leave the inappropriate jokes at home. And if you have a personal situation that is causing you stress, drop the jokes but don't lose your sense of humor – a call to the Employee Assistance Program at 1.800.633.3353 may help and may keep you out of trouble.
- Q** I was using my laptop at the local coffeehouse and was reviewing my employees' personnel files. I suddenly got an uncomfortable feeling, like I was being watched. So I closed up “shop.” I am curious as to your opinion on my actions.
- A** Using public wireless connections and opening up confidential employee files where onlookers could see, or worse, jotting down private information that we must secure, is bad practice. We owe it to our employees to always keep their personnel and other private information secure. I am glad you trusted your instinct and even happier you raised it to confirm the best course of action. You did the right thing by adjusting your work space.

## We Care about the Safety and Health of Our Employees and the Environment in Which We Live

Safety is our highest priority. We always think safety first. We care about each other and our customers. After the work day is done, we want our employees to go home safely to see their families and friends. It's no accident our values include health and stewardship. We care about the environment and are committed to using practices that will protect it.

### Expectation

We are all responsible for our teams' safety, our customers' safety and for maintaining our assets in a way that ensures public safety. We have comprehensive policies addressing safety for our employees and our contractors. Above all else, we expect our work to be done safely. We also are committed to protecting the environment. We expect our teammates to contribute every day to the environmental quality and safety of our workplace. We also expect each and every employee to speak out for safety and environmental quality. Visit the [Safety and Environmental page](#) on our Intranet for a comprehensive view of our programs.

### Accountability in Action

- Q** I was out with a construction crew and noticed one of our teammates was down in a hole that must have been six feet deep getting ready to pinch off a line to do a repair. The hole did not look sloped or shored to me, and there was no trench box. Should there have been?
- A** Yes. It is imperative to stop the job in instances such as these. A hole that deep requires special treatment under OSHA regulations and is NOT SAFE. Mention to your teammate that you want to be safe, and you need to slope or shore up the trench. Call in someone with a trench box. If in doubt, get out of the hole until it is safe. Then review the incident at your next tailgate meeting so the whole team can learn from it.
- Q** A contractor I work with told me they are dumping slurry from a job site at an abandoned company site. This seems odd to me, but I asked my supervisor and he said that old site has been a company dump for years. I don't want to get anybody in trouble, but this just doesn't feel right to me.
- A** If it doesn't feel right, it probably isn't. We have policies for the proper disposal of our waste, and we must follow them. If we don't, we risk disposing of hazardous substances illegally, and that carries not only fines but possibly imprisonment. Any time you have a concern or question about an environmental issue, you should contact the CCO, your supervisor or our environmental program managers. They will assist you in keeping our commitment to comply with all environmental laws and regulations.

## We Care About Our Reputation with the Public

The Company's good reputation has great value to our shareholders. Just as we do with other Company assets, we need to safeguard our reputation. As valuable and visible members of our communities, our actions reflect on the Company both on and off the job.

### Expectation

We act in a manner that reflects well on the Company both on and off Company premises.

#### Accountability in Action

**Q** Driving home from work, I was tired, late and really irritated. I got into a nonverbal argument with another driver who was tailgating me. Then, I realized I had on a Piedmont shirt and hat. Should I be concerned?

**A** Yes. You owe it to your teammates to always drive carefully and with your full attention – and to use your Smith Driving System keys:

- Aim high in steering
- Get the big picture
- Keep your eyes moving
- Leave yourself an out
- Make sure they see you

Driving while angry is not safe under any circumstance. Your behavior while wearing a Piedmont uniform is problematic because it reflects very poorly on you and all of your teammates. We work hard to establish and enhance our reputation with the public – all of whom could be our customers. Our actions must reflect the trust they put in us.

## We Report Violations of the Code and Any Laws and Regulations Without Fear of Retaliation

Reporting violations of the Code or Company policies or of any laws and regulations is important so we can ensure the health and well-being of our teammates and our Company.

### Expectation

Good faith reporting of violations of the Code, laws and regulations, including fraud or other financially harmful actions, is a fundamental feature of compliance with our Code. It shows respect for your fellow teammates, our customers and our shareholders. Good faith reporting is critical to our success as a Company. Of course, knowingly reporting a fabricated violation to get someone else in trouble is itself a violation of the Code.

Retaliation against an employee for making a report in good faith is not tolerated.

**Reporting a violation is simple. Talk to your supervisor, your Human Resources Business Consultant or the CCO. If none of these options works for you, call the Ethics Helpline.**

If you are a principal executive officer, principal financial officer, principal accounting officer or controller, or a person performing similar functions (“Designated Officer”), then you must report any violations of this Code to the CCO or, if the violation is by a Designated Officer, to the Chair of the Audit Committee. Any Designated Officer who is found to have violated any provision of the Code shall, consistent with our HR Discipline policies and at the discretion of the majority of the Company’s independent directors, be subject to disciplinary action, up through and including discharge, depending on the circumstances.

Once a report is made, you and your teammates can expect that the CCO will take appropriate action. This may include an investigation, using HR resources and/or Internal Audit resources. Upon the completion of an investigation, the CCO may seek appropriate disciplinary action consistent with our HR Discipline policies, which may include termination. Failure to report a Code violation also may lead to disciplinary action.

If you or, in appropriate circumstances, a teammate disagree with the CCO’s decision, you may request for the Compliance Team to review the matter. The Compliance Team is the CCO, the Senior Vice President of Operations, the Senior Vice President of Corporate and Community Affairs and the Director of Internal Audit. Decisions of the Compliance Team are final. The CCO reports to the Audit Committee of the Board and provides a quarterly review of all Code violations and compliance issues.

Any waiver of this Code for a member of the Company’s Board of Directors or for a Designated Officer may be given only by a majority of the Board’s independent directors and will be put on our public website within four business days after the waiver is granted. Any waiver of this Code for any other executive officer can be granted only by the Chief Executive Officer, and waivers for all other employees can be granted only by the CCO.

## Accountability in Action

- Q** I am a new employee and I have seen some things happening that I am just unsure of. I think they may be Code violations, but I don't want to rock the boat – like I said, I'm brand-new.
- A** Even as a new teammate, you are expected to do the right thing and report violations of the Code or other policies. You can do so anonymously by calling the Ethics Helpline. Your call will trigger an inquiry by the right people as to whether or not your concerns are real violations. You will feel better about reporting, and the Company will be a better place to work because you made the report. Not all reports are Code violations, but they would at least provide us a lesson to share with our teammates.

## We Thank and Appreciate You

Thank you for taking the time to read our Code of Ethics and Business Conduct and to become familiar with your responsibilities and accountabilities under our Code. We value your time and input. If you have questions, concerns or suggestions on how we can improve this Code or our policies, please let us know. Together, we can achieve the right results, the right way – true to our values of integrity, respect, stewardship, excellence and health.