



## **Code of Conduct and Business Ethics**

It is right that our employees are aware of the standards of behaviour that the Company expects from them and that they follow them. This reflects the Company's approach to the way we do business and the conduct that is seen as being appropriate on the part of our employees. This statement summarises the Company's position on a number of significant aspects of employee conduct including the standards of behaviour and ethical behaviour that is expected.

Ethical behaviour is defined as being a matter of spirit and intent characterised and applied in accordance with principles of honest dealing, respect for natural justice and constant regard for the good name of the business. It is relevant to all business practices and personal conduct.

### **The Employee's Duty**

All employees of the Company have a duty to give their best and always act so as to protect the Company's interests. Everyone is expected to carry out all reasonable instructions from their managers and supervisors, and to observe Company policies, procedures and rules that are laid down. This is to ensure efficient working and to secure the safety of themselves, fellow employees and the public.

All employees have an obligation to our customers, MidAmerican Energy Holdings Company, fellow employees and to the public generally, and are expected not to do anything that could adversely affect the good name and reputation of the Company or of colleagues.

Employees must at all times observe the laws and regulations of the country and jurisdiction in which they work.

### **Private Interests**

Where any matter arises in which an employee has a personal or private interest, they should consider very carefully whether there may be conflicting interests between the Company and themselves.

The private interest need not necessarily be a business or financial one. Kinship, friendship, membership of an Association or Society, trusteeship and many other kinds of relationship can influence, or may appear to influence, their judgement. Employees should ask themselves whether others would think the private interest close enough and important enough to influence someone in their position. If this may be the case, or there is any doubt, they must disclose the interest to their supervisor/manager so that a decision can be made on whether any further action needs to be taken.

### **Appointments**

Employees who are involved in advising or deciding on the appointment of other employees, suppliers or consultants must not allow subjective personal or other preferences to adversely influence their judgement. They must recommend the person or firm they think will best serve the Company after considering costs, quality, efficiency and

ability. Employees may be required, from time to time, to make a formal declaration in writing that there is no conflict of interest.

### **Confidential Information**

Every employee during the course of their work may have access to information that is private or confidential to the Company, fellow employees, customers or suppliers. They must ensure that such information is only made available to those who need to know it in carrying out Company work and that it is never disclosed to anyone else, however tempting it may be to pass on “inside” information.

If employees have any doubt as to whether a person is entitled to confidential information, they must first check with their supervisor. Employees must never give confidential information over the telephone unless the caller is known to them – if in doubt, they should take the caller’s phone number and arrange to phone back.

Employees should also guard against careless or thoughtless talk that may damage the Company’s business or that of any of our customers.

It is a serious breach of trust for any employee to use confidential information for the advantage of themselves or anyone else or to disclose it to anyone.

In addition to the above, special rules apply to information that is required by law, or by the contracts that we have entered into, to be kept confidential. Particular care is needed in any area where IUS is in competition with other service providers. It is important that IUS does not have access to information from within the Company that would not be available to its competitors. If employees are in any doubt, they should contact the Regulation team who will advise on specific cases.

### **Securities Transactions**

Employees should not deal in the securities of any company, when, by virtue of their position, they are in possession of information likely upon publication to affect the market price of those securities. This includes shares or debentures, or options to subscribe for shares or debentures. Specific Company procedures exist for any transactions concerning Northern Electric preference shares, whereby additional restrictions are imposed on Directors and certain designated employees.

### **Public Disclosure of Company Information**

All employees involved in supplying any information, financial or otherwise, to external bodies (for example regulatory or public bodies or audit companies) shall make disclosures that are full, fair, accurate, timely and understandable. This would include all staff involved in the preparation of any financial or other reports. Employees should not knowingly conceal or falsify information, misrepresent material facts or omit material facts necessary to avoid misleading the Company’s independent public auditors or investors.

### **Business Controls**

Employees will assist the Company in maintaining an appropriate internal control structure. In particular, all managers and employees with roles in the internal control activities of the Company must ensure that the controls for which they are responsible are properly maintained and operated.

Such internal controls cover financial areas (including controls to prevent fraud, to ensure accuracy of financial reporting and appropriate accounting etc) and non-financial areas (including controls relating to health & safety, operations, environment, customer service, consumer protection etc).

These controls are designed to:

- safeguard assets (including property, vehicles, equipment, inventory, office equipment and stationery etc);
- provide reasonable assurance regarding the efficiency and effectiveness of operations ( including financial and non financial business processes);
- provide reasonable assurance regarding the reliability of financial information and reporting (including reporting in the Company's financial statements, as well as that information included in records maintained by employees e.g. timesheets, expense claims etc);
- provide reasonable assurance regarding compliance with external laws and regulations (including all relevant legislation) and internal standards (including Codes of Conduct, policies and procedures etc) applicable to the Company.

These controls are described in a variety of documents, including policies and procedures, task guides and instructions, the company's financial control manual, the Control Risk Self Assessment Questionnaires, and the Risk and Control Matrices that have been created by Internal Audit.

All employees have a responsibility to raise any concerns relating to business controls with their managers or supervisors or, in extreme cases, in line with the Code of Practice, Guidance on Speaking Up.

### **Public Conduct**

All employees are reminded that they may represent the Company on the telephone, in a customer's home or premises, on the road, or in the street. At all times, employees are expected to be polite, considerate and helpful.

If a customer seeks advice, employees are expected to give them the best they can, or involve someone better able to do so. A dissatisfied customer is not in the Company's long-term interest.

### **Clothing**

Employees are representing the Company during working hours, and thus should ensure that they are appropriately dressed at all times for the work they are employed to perform.

### **The Company's Property and Time**

It is the responsibility of each employee to take good and proper care of the Company's property. The facilities provided by the company such as transport, computer equipment, telephones, stationery or secretarial services must not be used for personal purposes without authority. Similarly, personal interests or activities should not be pursued in the Company's time unless specifically authorised.

The Company's property also includes its proprietary information, which includes intellectual property such as trade secrets, patents, trademarks, and copyrights as well as business marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports.

Unauthorised use or distribution of this information would violate Company policy. It may also be illegal and result in civil or criminal penalties.

### **Claiming Expenses**

All employees should observe carefully the rules entitling them to claim expenses for performing approved duties while undertaking business on the Company's behalf.

### **Gifts and Hospitality**

Employees should never accept any gift, inducement, favour or hospitality which may put themselves, or appear to put themselves, under an obligation to any person or organisation doing, or seeking to do, business with the Company. Any approaches from contractors, suppliers or traders seeking favoured treatment must be firmly declined and reported to the appropriate manager or supervisor. It is the Company's rule that staff may not accept gifts at Christmas or at other times, except for small advertising tokens such as cards, pens or diaries, and staff must strictly observe this rule. Any gifts received should be politely returned or, if this is not practicable, donated to a charitable purpose after consultation, if possible, with the donor.

Working lunches, or other social activities, may be an appropriate way of doing business or marking a special occasion, but employees should refer the invitation to the appropriate senior manager before it is accepted. Business entertainment should be on a reciprocal basis and on a scale consistent with that which they, when host, would be authorised to arrange.

Similarly employees should not send any gift, other than of an insignificant nature such as a calendar or diary, value less than £10, to anyone employed by an outside organisation, Government Department or Local Authority or anyone else with whom the Company has or may have a business relationship.

### **Outside Employment**

Although we would encourage staff to take up interests outside work, employees should not take on another job or activity, voluntary or paid, which will conflict with or affect their ability to perform their duties with the Company. This should be discussed with their supervisor before taking on the additional commitment.

Whilst the business has no wish to dictate the personal conduct, morals and lifestyle of individual employees outside working hours it does, however expect its employees to be law-abiding and to conduct their personal affairs as good and responsible citizens. This is particularly relevant where any indiscreet or antisocial behaviour could affect the individual's performance or reflect badly on the business.

### **Serious Acts against the Company and its Employees**

The local police will be informed of any such acts perpetrated by employees, and they will decide whether the offender should be prosecuted. In all cases, whether the offender is prosecuted or not, disciplinary action may be taken.

### **Serious Acts Relevant to Employment**

This category would include criminal acts not directed against the Company or its employees but which affect others, calls into question the suitability of the employee to carry out their duties or reflects badly on the good name of the business. In such cases

disciplinary action may be taken. An example of this type of instance would be drug dealing.

### **Breaches of this Code and Speaking Up Code**

The Company is committed to achieving the highest ethical standards, which includes the establishment of a culture where any wrongdoing or violation of this code is not permitted. This includes unethical or illegal acts, malpractice or mismanagement (including suspected fraud, impropriety or environmental mismanagement). Each person has the responsibility to report any instances of wrongdoing or violation of this code in line with the Code of Practice, Guidance on Speaking Up.