

Vendor Code of Conduct and Ethics

Delta Natural Gas Company, Inc. (“Delta” or “the Company”) and its affiliates’ mission is to provide premier natural gas services while having a positive impact on customers, employees and shareholders. Critical to achieving our mission is our relationship with vendors, which includes suppliers and outside service providers. We appreciate the service you provide Delta. Our vendors continue to be an important part of our ongoing success and we value our shared commitment to conduct business with integrity, honesty and respect. Vendors should let their workforce, agents and subcontractors know that Delta expects them to understand and comply with the standards established in this Vendor Code of Conduct and Ethics and that non-compliance can alter their business relationship with Delta and could result in the termination of the business relationship.

Delta was founded in 1949 by Harrison D. Peet, who developed a culture of commitment to act with integrity and ethics. This culture remains intact and we do not and will not compromise the laws and regulations that govern our business. Through our Code of Ethics and Business Conduct policy, Delta has established company standards that include ethical business practices and regulatory compliance. These standards apply to all Delta employees, directors, and officers. Similarly, Delta expects its vendors to embrace this commitment to integrity by complying with and training its employees on the Delta Vendor Code of Conduct and Ethics. The Vendor Code of Conduct and Ethics is based on the standards that apply to all Delta employees. The Company expects its vendors to adhere to these standards.

VENDOR BEHAVIOR

Vendors are required to:

- have the appropriate qualifications, resources, reputation, responsiveness, employee relations, and dependability to perform the required work within the scope of a given contract;
- maintain a proper health, safety, and environmental program which complies with all applicable federal, state, and local laws, and follows safe work practices; and
- provide workers with fair compensation and fair benefits, for the required work, based on market conditions.

Vendors are responsible for following all environmental, health, and safety regulations issued by the Occupational Safety and Health Administration (OSHA), and the Environmental Protection Agency (EPA), as set forth in the Code of Federal Regulation (CFR); as well as treating their work force fairly and equitably.

Vendors must be free from the influence of alcohol and/or illegal drugs while working for Delta or its employees. Alcohol or illegal drugs (including prescription drugs used for other than their prescribed purpose) are not permitted while on Delta property, job sites or working with Delta employees.

Delta will not tolerate behavior that might discriminate, intimidate, harass, disrupt or interfere with anyone performing work for, or on behalf of, Delta. Examples of prohibited behavior include remarks, jokes or pictures that create or contribute to an offensive or discriminatory work environment.

BUSINESS PRACTICES AND ETHICS

Delta vendors must conduct their business interactions in an ethical manner including, but not limited to the following scenarios.

- **Business Records:** Accurate records and disclosures (financial, regulatory, etc.) are critical to Delta’s success and reputation. Delta requires that internal controls over operational and accounting records are adhered to and that all transactions, including invoices, billings and other supporting records are in compliance with all accounting standards, applicable laws and regulations. Delta expects that vendors never misstate facts or information related to business performed for, or on behalf of, Delta.

If granted access through electronic or physical means to Delta’s non-public information to perform Delta related work, the information may only be used for Delta business. Such use must be in accordance with all applicable laws, regulations and contractual obligations. Non-public information provided by Delta could include, but is not limited to, financial, customer, employee or other business information. Non-public information accessed by vendors must be limited to only that information that is required to perform the contracted work.

- **No Improper Advantage or Influence:** Bribes or other means of obtaining undue or improper advantage including corruption, extortion and embezzlement are not to be offered or accepted. Behaviors or actions that may negatively influence, or appear to influence, decisions to hire or retain vendors shall be avoided, as should any improper reciprocal agreements.

CONFIDENTIAL INFORMATION

Confidential and protected information is Delta’s proprietary or third-party information intended for use within Delta that, if disclosed to or modified by unauthorized individuals, could result in the risk of financial loss, productivity loss or damage to Delta’s reputation. Vendors shall maintain and protect the confidentiality, integrity and availability of information entrusted to it by Delta, except when disclosure is legally mandated or permitted by an officer of Delta. Confidential and protected information contained in electronic or physical form must be appropriately secured and protected. Vendors will not make any announcements or release any information on behalf of Delta, to any member of the public, press, official body, business entity or other person, or claim or imply any endorsement by Delta or Delta employees without the prior and appropriately authorized written consent of Delta.

Confidential and protected information includes legal documents, contracts, proposals, information about a specific employee or customer (including name, address, Social Security number, phone numbers, contact names and billing data), intellectual property and trade secrets (e.g., competitive strategy, trading, investment, costs, vendor name/contract/pricing information, finance methods).

- **Computer and System Security:** Vendors who have access to Delta’s information systems are responsible for ensuring the security of those systems by identifying and complying with Delta’s standard practice on information technology.

Revealing confidential or protected information obtained while working for Delta is a violation of this Code of Conduct, Delta contractual requirements and potentially the law. Vendors shall report any suspected data breach immediately to their contact at Delta or using any means described below in “Reporting Concerns”.

- **Privacy:** Delta retains the right to monitor its assets and work environment to determine compliance with applicable federal, state and local law. Vendors shall not expect privacy during use of a Delta work space, computers, voicemail or systems that create, access, transmit or store information. Such information is accessible to Delta even if it is password-protected, deleted by the user or in a locked area.

CONFLICTS OF INTEREST

Delta expects vendors to exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with Delta's interests, the appearance a conflict of interest or that may compromise the exercise of independent judgment during the execution of work for or on behalf of Delta. A conflict of interest arises when a vendor's interests or activities influence (or appear to influence) their ability to act in the best interest of Delta. Arrangements that may cause a conflict of interest may include, but are not limited to:

- Having a significant financial interest in another company in our industry.
- Having access to Delta's proprietary information while providing goods and services to competitors of Delta.
- Having family members working for Delta.

Additionally, while engaged in Delta-related work, vendors shall not accept any employment or engage in any activity that creates a conflict of interest, or the appearance of a conflict of interest, with Delta or in any way compromises the work that vendors are contracted to perform on behalf of Delta. A conflict of interest can arise if actions are taken or if there are interests that may make it difficult for vendors to perform Delta-related work objectively and effectively. Examples include, but are not limited to, working with Delta regulators, interveners, competitors or business performed for or on behalf of Delta by another division within the vendor's organization. Vendors should immediately disclose actual, potential or apparent conflicts of interest. Vendors who have family members working for Delta must be approved by the Chief Executive Officer or President.

GIFTS TO DELTA EMPLOYEES

Exchanging gifts and courtesies may be acceptable under certain conditions, but are never required to conduct business with the Delta, nor should these ever be requested by one of our employees. In fact, excessive business gifts and courtesies can raise ethical and legal questions that could harm vendors and Delta. Modest gifts, entertainment or courtesies are permissible if all the following criteria are met:

- They are consistent with accepted business practices and of routine value.
- Public disclosure would not reflect adversely on the companies or the people involved.
- The vendor's own Code of Conduct permits the gift or courtesy.
- Vendor gifts and courtesies to Delta should never suggest or imply a desire for special treatment such as awards for supply, work or other goods or service procurements.
- The item is customary and does not create any appearance of impropriety.
- The item imposes no sense of obligation on the receiver.
- The item results in no special or favored treatment.

Employees may accept gifts from third parties as long as such gifts do not compromise the employee's judgment, or do not in any way compromise or otherwise affect the employee's actions to properly perform their jobs and to represent Delta's best interests at all times. Any such gift or series of gifts received during any 12 month period by an employee in excess of \$200 in value shall **require written disclosure and approval by the Ethics & Compliance Committee**. "Customary business meals" are not considered gifts. These are routine meals, similar in cost to Delta employees' meals when they entertain

clients. Vendors shall not give Delta employees gratuities of cash, gift cards redeemable for cash or offer them loans or payments under terms that are not available to the general public.

ENGAGEMENT WITH EXTERNAL PARTIES

- **News Media:** No vendor, unless expressly authorized by an officer of Delta, shall represent itself to the media as speaking on behalf of Delta.
- **Social Media:** Vendors shall not make representations in any social media regarding Delta without prior written approval from an officer of Delta. This includes:
 - Posting content about Delta staff or personnel, shareholders, customers, vendors, affiliates or competitors.
 - Making business commitments involving Delta.
 - Posting photographs or video of non-public areas of Delta’s premises, processes or operations.
 - Use of Delta’s logo, trademark or proprietary graphics in a way that suggests representation of Delta.
- **Customers:** Delta is committed to ensuring that all its customers have a positive experience when working with company employees and vendors. While working for or on behalf of Delta, vendors must ensure that:
 - Clothing worn by workforce members is professional and appropriate to the type of work being performed.
 - All workforce members conduct themselves in a professional manner.
 - Customers and property owners are provided with accurate information.
 - Photo identification is carried at all times, with a willingness to show it to customers.

REPORTING CONCERNS

The standards of conduct described in this Vendor Code of Conduct and Ethics are critical to the ongoing success of Delta’s relationship with the Company’s vendors. To report questionable behavior or a possible violation of this Vendor Code of Conduct and Ethics, vendors are encouraged to work with their primary contact at Delta in resolving the concern. If that is not possible or appropriate, please contact the company’s Ethics Line. Complaints may be submitted anonymously to the Ethics Line by telephone at 1-877-472-2110, by email to reports@lighthouse-services.com or online at <http://www.lighthouse-services.com/peoples-gas> .

Delta prohibits retaliation against anyone who raises concerns or is involved in an investigation and will investigate any reports of retaliation and take the appropriate action. Anyone who reports a concern has the choice to remain anonymous.