



# Delta Natural Gas Company, Inc.

## Standard Practices

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SUBJECT CODE OF ETHICS AND BUSINESS CONDUCT  
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ISSUED BY John Brown APPROVED BY Glenn R. Jennings  
DATE EFFECTIVE May 31, 2018 CANCELING All Previous

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### CODE OF ETHICS AND BUSINESS CONDUCT OF DELTA NATURAL GAS COMPANY, INC.

#### **Introduction**

Delta has a longstanding reputation for doing business with integrity and in accordance with the highest ethical standards. Maintaining this reputation depends on the collective conduct of all employees, adherence to our core values, and commitment to acting in a safe, legal, and ethical manner at all times. As such, the Company has established this Code of Ethics and Business Conduct to define the policies and practices that govern ethical conduct and related compliance issues.

#### **Our Core Values**

- **Safety**
- **Community**
- **Trust**
- **Customer Commitment**

#### **Ethics and Compliance – Our Shared Responsibility**

##### ***Purpose of the Company Code of Ethics and Business Conduct***

This Code of Ethics and Business Conduct (this “Code”) is intended to:

- Educate you about the laws and regulations that affect our business
- Serve as a guide when you face legal or ethical questions
- Define expected employee behavior
- Inform you where to go for advice and to report possible misconduct.

Every effort has been made to make the Code as complete as possible; however, it cannot address every issue that you may face. If you have questions about a particular situation, you should review any additional policies that may apply, seek guidance from your immediate supervisor, contact Employee Services or contact a member of the Ethics & Compliance Committee. Delta is represented on this committee by John Brown, President.

##### ***Code Applicability***

The Code applies to all employees, officers, and agents of the Company, all of which are referred to as “employees” in this Code.



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### ***Responsibility for Ethical Behavior***

Each of us has a responsibility to comply with Company policies and procedures, and all applicable laws and regulations. We are expected to behave with respect, honesty, and decency with everyone affected by our business.

Those that supervise others have the additional responsibility to set an example with their own ethical conduct. Supervisors and managers are expected to ensure that employees under their supervision complete assigned training and have adequate knowledge to adhere to the requirements and expectations established by this Code.

### ***Reporting Concerns***

All employees are expected to report legitimate concerns of unethical behavior, illegal activities, fraud, misuse of Company assets, or violations of Company policies, procedures or legal requirements. Employees are encouraged to report any such concerns to their supervisor, the Employee Services Department, or any member of the Ethics & Compliance Committee.

If you are not sure who to speak with, or would prefer to report a concern anonymously, you may contact the Ethics Line. The Company has contracted with an independent provider of ethics and compliance line services to ensure confidentiality. This service provider will not attempt to identify any person calling the Ethics Line, but will create a transcript of your report that will be transmitted to the Ethics & Compliance Committee to facilitate the Company's corresponding investigation and any corrective action as merited.

You may report a concern to the Ethics Line 24 hours a day via telephone toll-free at 1-877-472-2110, via email to [reports@lighthouse-services.com](mailto:reports@lighthouse-services.com), or on the web at <http://www.lighthouse-services.com/peoples-gas>.

Often, the investigation of a reported concern will indicate that additional training or communication is the appropriate course of action. In other cases, the investigation of an ethics or compliance issue may reveal that a violation of this Code has occurred that justifies appropriate disciplinary action, up to and including termination of employment. An action that violates this Code may also violate other applicable standards and may lead to consequences applicable under those other standards. For example, depending on the nature of the violation, other consequences may include referral for criminal prosecution, and/or request for reimbursement to the Company for any losses or damages that may be incurred by the Company as a result of the violation.

### ***Protection from Retaliation***

The Company does not tolerate retaliation against any employee who in good faith reports suspected unethical conduct or violations of laws, rules, regulations, or Company policies or procedures. Any



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retaliatory action should be reported to Employee Services, a member of the Ethics & Compliance Committee, or to the Ethics Line.

### **Our Commitment to Ourselves and Our Fellow Employees**

#### ***Safety***

Safety is a core value and, as such, all of us have a shared responsibility to resolve unsafe conditions and maintain a safe work environment for all employees, customers, and the general public. All employees should immediately report any unsafe situations so that appropriate action can be implemented.

The use, possession, sale, distribution or purchase of alcohol or illegal drugs or other controlled substances (except for approved medical purposes) while on company business (except for the use of alcohol at approved social events), or while operating Company equipment, machinery, or vehicles is strictly prohibited.

#### ***Environmental Regulations***

The Company is committed to environmental stewardship. We strive to avoid causing any negative impact on the environment of the communities that we serve.

#### ***Employee Relations***

Each employee and officer should promote diversity, inclusiveness, and understanding in the workplace by valuing the individuality and creativity that every employee brings to the Company. The Company is committed to hiring, placing, and promoting employees on the basis of their ability and merit, and to evaluating all employees on a fair and consistent basis.

#### ***Harassment***

Harassment of any kind seriously undermines the integrity of the employment relationship and respect for human dignity. As such, the Company is committed to providing a work environment free from harassment, intimidation, and coercion. Each employee has a responsibility to uphold the Company's commitment to provide a workplace free from harassment of any kind.

#### ***Protection of Employee Information***

All Company employees have an ethical and legal obligation to preserve the privacy, confidentiality, and security of personal employee information. Those employees in a position with the authority to access confidential personal information shall be forbidden to disclose such information to anyone inside or outside the Company who does not have a business need to know.



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### **Our Commitment to Customers and Business Partners**

#### ***Conflict of Interest***

In general, a conflict of interest occurs when a personal or family interest interferes with – or could be perceived to interfere with – our ability to make sound and objective decisions on behalf of the Company. Conflicts of interest can undermine business judgment and negatively affect the Company's reputation.

Employees and members of the Board of Directors shall not engage in activities or maintain significant financial or other interests that create an actual or perceived conflict of interest that may undermine their business judgment, or possibly result in improper personal benefits because of their position with the Company. While these interests are not absolutely prohibited, this Code requires potential conflicts of interests be discussed with your supervisor and fully disclosed in writing for review and approval by the Ethics & Compliance Committee.

As a general rule, employees may not accept or give gifts, services, discounts, or other items of more than nominal value from or to a vendor, customer, government employee, or other third party doing business or seeking to do business with the Company. Generally, during the course of maintaining proper business relationships consistent with the Code, employees may accept gifts or business entertainment having a value which is reasonable, not excessive and consistent with applicable business standards and practices. Examples of gifts or entertainment that would normally be deemed reasonable under the Code include tickets to a sporting event, an invitation to a golf outing, or a business meal. 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. The exchange of cash, securities, loans, services, employment, or any other material concessions are specifically prohibited.

Various laws, rules, and reporting requirements may apply when we interact with government officials and employees. Employees should not provide or accept any gifts or gratuities from government representatives, unless they have specific knowledge that the particular exchange is allowed under applicable policies, laws, and regulations.

Employees may engage in outside business activities that do not interfere with their duties and responsibilities at the Company. However, employees should fully disclose in writing any business, personal, or financial interest they or an immediate family member have in any business entity that does business, or is seeking to do business with the Company, or is in competition with the Company.



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### ***Regulatory Requirements***

All employees and agents are required to understand and comply with the regulatory requirements that apply to them when conducting activities on behalf of the Company. Violating the law can seriously damage the Company's reputation, subject the Company to liability, and subject the employee or officer to personal liability. Questions regarding any legal responsibility should be referred to the Chief Executive Officer, the President, or the Employee Services Department. Examples of significant laws and regulations include:

- Pipeline Safety Requirements
- Employee Health and Safety Laws and Regulations
- Environmental Laws and Regulations
- Labor and Employment Regulations
- Consumer Protection Regulations

### ***Fair Dealing***

Each employee, officer, and director should endeavor to deal fairly with the Company's customers, suppliers, competitors, and employees and shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

### **Our Commitment to the Company and Investors**

#### ***Accounting and Financial Reporting***

All financial transactions must be reported accurately, completely, fairly, and in a timely and understandable manner. The Company's officers are responsible for establishing and maintaining effective disclosure controls and related procedures, internal controls, and procedures for financial reporting. The data provided for the preparation of financial statements, regulatory reports, and publicly filed documents must comply with generally accepted accounting principles and the Company's internal control procedures.

#### ***Records Management - Confidentiality***

The Company maintains accurate and reliable records to meet applicable legal, financial, regulatory, and management requirements. As a Delta employee, you are responsible to ensure that all Company records, such as customer accounts and invoicing, financial reporting, company contracts, operations management, strategic planning, and similar business information are accurate and maintained in accordance with the applicable document and data retention policies. All Company personnel are expected to take appropriate precautions to safeguard confidential and proprietary information, both during and subsequent to their employment with the Company. Following termination of employment,



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all Company property, including but not limited to Confidential Information, must be returned to the Company.

### ***Protection and Proper Use of Company Assets***

Each employee has a responsibility to properly use Company property, facilities, and equipment. This responsibility includes protecting Company property from loss, theft, abuse, and unauthorized use. All Company assets should be used only for legitimate business purposes, unless a manager or officer of the Company has granted prior approval for personal use of Company assets.

### **Our Commitment to the Community**

#### ***Commitment to Excellence***

Each employee should represent the Company with dignity and in a respectful manner; strive for continuous improvement and maximize efficiency in his/her job; and work with others to achieve the common goal of quality service.

#### ***Community Relations***

The Company supports civic projects and community programs that contribute to the betterment of society, and we encourage employee participation in these activities.

#### ***Political Activity***

No contribution of money, property, or services may be provided to any political party or candidate on behalf of the Company, except through an approved political action committee. It is a violation of the Code for Company employees to individually contribute money or services to any political party or candidate on behalf of the Company.

The Company does encourage Company employees to become involved in the political process and exercise their rights as citizens. However, employees should take care that their own personal involvement is not attributed to the Company. It is a violation of the Code for Company employees to directly or indirectly require other employees to make personal contributions to any political candidate, party, or political action committee. Any questions regarding political contributions should be directed to a member of the Ethics & Compliance Committee.

#### ***Administration and Acknowledgement of this Code of Ethics and Business Conduct***

The Company's Code of Ethics and Business Conduct applies to all levels of the Company. The Ethics & Compliance Committee is responsible to ensure that the Code of Ethics and Business Conduct is adequately communicated to employees.



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Members of the Ethics & Compliance Committee include:

Kevin Acklin  
John Brown  
Joe Gregorini  
Mark Miller  
Preston Poljak

Each employee and each member of the Company's Board of Directors is required to complete the attached Acknowledgement Form. The Acknowledgement Form must be re-signed by each employee and each member of the Company's Board of Directors any time there is a material revision to this Code.



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### **ACKNOWLEDGEMENT FORM**

I have received and read the Code of Ethics and Business Conduct and I understand its contents. I agree to comply fully with the standards contained in the Code of Ethics and Business Conduct and the Company's related policies and procedures. I understand that I have an obligation to appropriately report any suspected violations of the Code of Ethics and Business Conduct.

Printed Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_