



# CODE OF CONDUCT

*ATC's good reputation is a reflection of the expertise and honesty displayed by our employees and contractors in the performance of their work on behalf of ATC.*

*This makes it possible to establish a relationship of trust when dealing with everyone with whom we do business.*

*And that is an essential element in achieving our vision and mission - a point of FOCIS for all of us.*

Helping to keep the lights on,  
businesses running  
and communities strong®



# A LETTER FROM JOHN PROCARIO

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Dear colleague:

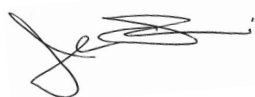
Our Code of Conduct has been updated to help guide us all as we work to significantly grow our business by having stakeholders choose us.

Our reputation is built on the trust we develop with our stakeholders – customers, regulators, vendors, landowners – everyone with whom we come in contact. Following our Code of Conduct ensures honest and ethical behavior in all our business transactions.

Please take a few moments to read through this important resource and consider how it applies to your work here at ATC.

Thank you for your contribution to making ATC the premier electric transmission utility.

Sincerely,



John Procario

# DOING WHAT'S RIGHT

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## Introduction

**Stakeholders choose us**, ATC's vision, builds on our reputation for being an expert company that acts with integrity. Our success in achieving our mission to grow our business depends on our ability to maintain the trust and confidence of our customers, investors, regulators, alliance partners, vendors and landowners.

Generally, it is easy to determine what is right and wrong, but occasionally there are business situations where we need some guidance; the purpose of ATC's Code of Conduct is to provide this guidance. This Code of Conduct outlines the minimum standards that ATC expects all employees and contractors to follow when conducting business on behalf of ATC. This Code of Conduct is not intended to cover every situation that employees may face or provide detailed rules for every situation. Employees are strongly encouraged to seek advice or clarification promptly when unsure about proper actions or practices. When in doubt, employees should contact their supervisor, Human Resources, or a member of ATC's Policy and Ethics Committee for guidance.

ATC's reputation is on the line every day, and we have to maintain our reputation as we move forward with our mission to significantly grow our business, provide value to our investors, and serve our customers well.

## Responsibilities

ATC and all of its employees and contractors have responsibilities to uphold the Code of Conduct. ATC will provide a work environment in which we foster, recognize, and follow the highest standards of ethical behavior.

### ***In order to accomplish this, ATC will:***

- Provide employees and contractors with appropriate training opportunities on ATC's Code of Conduct.
- Provide resources for employees and contractors to go to for advice on appropriate workplace conduct or to report issues and concerns.
- Maintain an Ethics and Compliance Hotline for anonymous reporting of violations.
- Investigate all reported misconduct in a timely and appropriate fashion.
- Respond with appropriate disciplinary action – up to and including termination of employment – if misconduct is identified through investigation.
- Prohibit retaliation against anyone who reports a known or suspected violation of the Code of Conduct or provides truthful information during an investigation.

<sup>1</sup> Contractors, as referred to throughout the Code of Conduct, refer to contracted personnel with assigned workstations at ATC facilities.

## Responsibilities *(continued)*

Furthermore, ATC will require employees and contractors to:

- Provide employees and contractors with appropriate training opportunities on ATC's Code of Conduct.
- Read, understand, and follow ATC's Code of Conduct and the policies and procedures that relate to it.
- Complete Code of Conduct training.
- Follow all rules, regulations, and laws that govern ATC, and support and encourage fellow employees and contractors to do the same.
- Fully and honestly cooperate with all compliance-related investigations.
- Be vigilant of any situations that could result in violating this Code of Conduct or ATC's policies.
- Promptly report any known violation of the Code of Conduct or other conduct of a dishonest, unethical, or illegal nature.
- Seek assistance when in doubt of how to handle a situation that could potentially conflict with this Code of Conduct or ATC's policies.

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# EMPLOYEES AND THE WORKPLACE

## **Non-Discrimination and Anti-Harassment**

The diversity of ATC personnel is an asset. ATC is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment based on race, color, religion, sex, national origin or any other protected class. Unwanted or hostile physical contact, threats of violence, and menacing or harassing behavior will not be permitted. Retaliation against ATC employees who report perceived harassment or who participate in investigations also violates the law and ATC's policy.

*Please review the Affirmative Action/Equal Employment Opportunity Policy, the Non-Discrimination and Anti-Harassment Policy, and the Americans with Disabilities Act of 1990 Policy on Powerline.*

## **Health and Safety**

ATC strives to provide you with a safe and healthy work environment. You have the responsibility for following environmental, safety, and health rules and practices, and reporting accidents, injuries and unsafe equipment, practices or conditions. You must perform your ATC-related work in a safe manner, free of the influences of alcohol, illegal drugs or controlled substances. The possession, use, or transfer of illegal drugs, or firearms and other dangerous weapons in the workplace will not be tolerated.

*Please review the Security Access Control Policy, the Drug and Alcohol Free Workplace Policy, and the Workplace Violence Policy located on Powerline.*

## Q & A

**Q:** I was recently transferred to a new area of the company and a few coworkers were making derogatory comments about Muslims right in front of me. I found the comments very offensive and they made me feel uncomfortable. Their comments were not directed toward me, so can I say anything about it?

**A:** It doesn't matter who the comments are directed toward to be unacceptable in the workplace. You should report this matter to Human Resources or a member of the Policy & Ethics Committee. You may also report your concern anonymously via the Ethics and Compliance Hotline.

**Q:** I always carry a pocket knife around with me because it comes in handy throughout my work day. Is this considered a weapon?

**A:** No. A folding pocket knife that does not open by spring, thrust, or gravity that has a blade of 3 inches or less is not considered a "dangerous weapon" for the purposes of the Company's policy.

# CONDUCTING BUSINESS

## Conflicts of Interest

While performing services for ATC, you are expected to use your full capabilities and best judgment to serve the interests of ATC. A “conflict of interest” exists when your private interest interferes in any way - or even appears to interfere - with the interests of ATC. Examples include, but are not limited to:

- You are employed in some capacity or have a significant ownership interest in another company, which is currently dealing or planning to deal with ATC, or is a competitor of ATC.
- You participate in a commercial transaction on behalf of ATC that could personally benefit you, your relative, or significant other.

***Please review the Ethical Sourcing Practices Policy located on Powerline.***

## Outside Employment

Employees should use care and good judgment when accepting any outside employment to assure that the employment does not conflict with, or affect the performance of, their responsibilities at ATC.

You must not engage in any outside employment that could:

- Affect the objectivity or independence of your judgment or conduct in completing your duties and responsibilities to ATC.
- Compete with ATC for the provision of any services or goods in the marketplace.

If employees have any questions about the propriety of outside employment, they should discuss this matter with their supervisor or the Director of Human Resources.

## Integrity of Records and Information

You are responsible for helping to make sure that ATC’s books and records are fully and accurately prepared and retained per established retention schedules and applicable government laws, regulatory rules, accounting principles, legal holds, and orders. You must fully and accurately report your time, expenses, and project work.

## Political Contributions

We encourage our employees to become involved in civic affairs and to participate in the political process. This is a way in which we all can practice good citizenship and make meaningful contributions to our communities. However, any political activity on an employee’s own behalf must occur strictly in an individual and private capacity and not on behalf of the company.

## Q & A

**Q:** In my spare time, I do consulting work for a for-profit organization. Is this considered a conflict of interest?

**A:** That depends. If the organization you support has a direct working relationship with ATC, the Policy & Ethics Committee will work with you to ensure that appropriate segregation of duties exist. Such relationships should be disclosed on the annual Business Ethics Questionnaire.

**Q:** My supervisor left the building for a meeting, and a colleague needs his signature on an important form before they can leave for the day. I know my supervisor will want to sign, so I decide to sign my supervisor’s name and make a note to tell him that I did this. Was this appropriate?

**A:** No, never sign someone else’s name to a work document, unless it has been delegated to you by that person.

# CONDUCTING BUSINESS

## Commitment to the Environment

ATC is committed to conducting its business in an environmentally-responsible manner, as evidenced by its Green Tier certification achievement. In addition to complying with environmental laws and regulations, you should attempt to limit your work's impact on the environment.

## Gift Giving and Receiving

Gift giving and receiving is a standard business custom; however, at times, gift giving and receipt may be construed as inappropriate or designed to garner favor with the recipient. You must disclose on the annual Business Ethics Questionnaire whether you or a member of your immediate family or significant other directly or indirectly received compensation, gifts, loans, or personal services from anyone doing business with or soliciting business from ATC. Excluded from this disclosure requirement are vendor-sponsored social/entertainment events at which vendor personnel are present and during which gifts given to you are valued at less than or equal to an annual cumulative total of \$100. You must turn over gifts above a nominal value to Corporate Communications for ATC use or donation.

You must not engage in soliciting, receiving, or accepting, directly or indirectly, any bribe, kickback or other payment or benefit from any current or prospective ATC vendor, supplier, landlord, competitor, or other person or entity with respect to any matter related to ATC.

***Please review the Gift Giving and Receiving Policy on Powerline.***

## Q & A

**Q:** I gave a gift basket with all sorts of gourmet coffees and chocolates to a supplier at a vendor outing to show my appreciation. Is this an appropriate gift?

**A:** It depends on the value of the gift. Providing gifts of nominal value (under \$100) for legitimate business purposes is acceptable.

**Q:** A supplier asked me to attend a golf outing they are hosting. I'm assuming that the cost is over \$100. Is it permissible for me to attend?

**A:** It would be acceptable to attend such an event if you disclose the circumstances to a Policy & Ethics Committee member (in advance of the event) and the Committee concurs that there are no financial incentives on either end as a result of your attendance.

# PROTECTING THE INTERESTS OF ATC

## Compliance with Laws, Rules, and Regulations

Obeying the law is the foundation upon which ATC's ethical standards are built. In the course of providing services to or on behalf of ATC, you must respect and obey the applicable laws, rules and regulations of the federal government, states, and local government. When in doubt about the legality of a particular action, seek advice from the Policy and Ethics Committee.

## Protection and Proper Use of ATC Property and Services

You must protect and ensure the efficient use of ATC property, including but not limited to ATC equipment, office and field supplies, credit cards, phone, internet access, work time, and scrap material such as copper and aluminum. Theft, carelessness, and waste have a direct impact on ATC's ability to manage costs effectively. ATC's assets are intended to be used for legitimate ATC business purposes, not for your personal purposes.

*Please review the Electronic Resources Acceptable Use Policy, the Vehicle Lease Policy, and the Wireless and Desktop Phone Service Policy on Powerline.*

## Fair Competition

Antitrust laws promote fair competition among businesses. You must deal fairly with ATC's customers, suppliers, competitors, and other ATC personnel. Treat all customers the same, without preference.

## Privacy

ATC respects the privacy of all its employees, business partners, and customers. You must handle personal data responsibly and in compliance with all applicable privacy laws.

Employees who handle the personal data of others must:

- Act in accordance with applicable laws and regulations;
- Act in accordance with any relevant contractual obligations;
- Collect, use, and process such information only for legitimate business purposes;
- Limit access to the information to those who have a legitimate business purpose for seeing the information; and
- Take care to prevent unauthorized disclosure.

## Q & A

**Q:** I witnessed a co-worker load company equipment into their personal vehicle. When I confronted the employee to ask what they were using it for, the employee was caught off guard and responded in a very nervous manner that it was for an offsite meeting the next day. I'm not sure if the employee was telling the truth. What should I do?

**A:** You should report this matter immediately to your supervisor, Human Resources, or a member of the Policy & Ethics Committee. You may also anonymously report the incident via the Ethics and Compliance Hotline. Employees are responsible for reporting known or suspected violations to the Code of Conduct. It is better to report a suspicion that turns out not to be an issue than to ignore a potential violation to the Code of Conduct.

# PROTECTING THE INTERESTS OF ATC

## Confidential Information

On a daily basis, you receive or are exposed to information, the majority of which is confidential. Examples include but are not limited to:

- Information that relates to the electric transmission system or industry, or to the electric distribution or generation facilities.
- Critical Energy Infrastructure Information.
- Market information relating to ATC's business practices and strategies, or customers' confidential information, including information about their customers.
- Financial or system information not yet made public.

As with any ATC resource, you must only use ATC information for ATC business. While ATC encourages an inclusive and collaborative environment, you are responsible for not disclosing confidential information to persons who are not authorized to receive it, even if they are fellow employees. Improper disclosure or receipt of confidential information can create business risks and expose ATC to legal liability. When in doubt, assume the information is confidential and do not disclose or request information until you check with the information's owner or other appropriate personnel.

**FERC Standards of Conduct:** You may have access to information about the status of the electric transmission, generation or distribution system, such as outage and repair schedules. In order to provide a level playing field in which all the companies that buy and sell power have the same information about the condition of ATC's transmission system, the Federal Energy Regulatory Commission ("FERC") has issued Standards of Conduct ("SOC") which are rules that regulate who can have this information. You must complete annual mandatory FERC SOC training. If in doubt about a specific situation, seek advice from ATC's Manager of Operational Compliance.

## Q & A

**Q:** I was participating on a conference call with both internal and external parties and someone asked a question about the status of the transmission system. How should I have responded?

**A:** You should decline to answer unless all participants are authorized personnel and sharing the information is needed to maintain transmission system reliability.

# PROTECTING THE INTERESTS OF ATC

## External Communications

Only approved spokespeople can represent ATC with the media. Employees or contractors working on behalf of ATC who are contacted by a media representative should refer reporters to Corporate Communications or to the company's Media Line, (877) 506-6117. Under no circumstances should employees or contractors initiate contact with commercial media representatives (including TV or radio talk show producers, hosts, or on-air personalities); reply to media queries; provide images, video, illustrations or other assets; or represent themselves as subject matter experts and/or a source of company information.

Employees may not act as a spokesperson for the company by way of posting information or responding to other posts about the company on social media outlets unless expressly authorized to do so by Corporate Communications.

Additionally, any type of public communications with public policy implications, from or about our regulators (applies to regulatory and/or governmental bodies at the federal, state, and/or local level and includes invitations to appear and/or testify) should be discussed in advance with the Public Affairs department.

***Please review the External Communications and Social Media Policy on Powerline.***

## Q & A

**Q:** I have a Facebook account, and sometimes my "friends" make comments on my Facebook page about seeing ATC in the news. If my response is on my own Facebook page, I'm not acting as a company spokesperson, am I?

**A:** Employees who may use social media on their personal time with their own devices may be viewed as a company representative when their personal profile or other information on these sites identifies them as an ATC employee. In such cases, employees can only provide information about the company that is already available on the company's external websites (i.e. [atcllc.com](http://atcllc.com), [atc-projects.com](http://atc-projects.com), [atc10yearplan.com](http://atc10yearplan.com), etc.) when responding in the social media environment.

# REPORTING POTENTIAL NON-COMPLIANCE

Each ATC employee and contractor has a responsibility to comply with this Code of Conduct and to promptly report any known violation or dishonest, unethical, or illegal conduct. This can be accomplished by talking to the employee's supervisor, the Director of Human Resources, or a member of the Policy and Ethics Committee.

If consulting an ATC employee is inappropriate (due to his/her involvement in the matter), call the Ethics and Compliance Hotline at (877) 888-0002.

Reporting violations will be investigated in the most confidential manner feasible, and appropriate action will be taken.

**Accountability:** Violation of this Code of Conduct is grounds for disciplinary action up to and including termination of employment. Additionally, ATC may pursue applicable civil or criminal actions against violators. Furthermore, employees who knowingly make false accusations or provide false information during an investigation are subject to disciplinary action up to and including termination of employment.

**No Retaliation:** ATC prohibits retaliation against anyone who reports a known or suspected violation of this Code of Conduct or provides truthful information during an investigation. Retaliation is grounds for disciplinary action up to and including termination of employment.

***Please review the Ethics and Compliance Program manual and Whistleblower Policy on Powerline.***

## Q & A

**Q:** Who operates the Ethics and Compliance Hotline?

**A:** A third-party vendor operates the Ethics Hotline. This is designed to make you comfortable reporting anonymously. The vendor generates a report that is forwarded to the Policy & Ethics Committee for investigation. A reference code will be given to you to follow-up on concerns raised.

**Q:** I reported what I believed to be a Code of Conduct violation. It was investigated and found to be without merit. I was very happy to hear that, but ever since then my supervisor has alienated me from departmental activities and has been openly criticizing my work. I feel that I am being retaliated against for making the report. What should I do?

**A:** You should report any suspected retaliation to Human Resources, a member of the Policy & Ethics Committee, or anonymously via the Ethics and Compliance Hotline.