

# Code of Conduct and Ethics

Updated February 2011



AGL Resources™

# Our Code of Conduct and Ethics

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## Setting the standard

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Dear Fellow Employee:

You've made a decision, and you're ready to put it into action. But what if your decision was discussed at the dinner table in front of your children—would you be proud of your decision or would you find yourself looking down at your shoes?

Our dealings with each other and with suppliers, customers, regulators, shareholders and the public should always be fair and honorable, whether or not our behavior will become widely known. The personal behavior of each of us—good and bad—reflects on all of us and on our company.

In the worst cases, the integrity and even viability of a company can be undermined by the actions of one or a handful of employees. Events over the past several years have shown us examples of jobs lost and companies destroyed because one or more employees thought they were above the law. In these cases, if an employee had been willing to come forward and report suspected violations of the law or ethical standards, the outcome may have been entirely different.

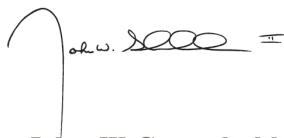
Responsible employees should always be willing to report a suspected violation of the law or ethical standards. The company strictly prohibits retaliation for a report made in good faith.

That's why this document is so important. Our Code of Conduct and Ethics helps ensure that we always comply with the laws that apply to the company. In cases where a clear governing law does not exist, our Code helps guide each of us in making good decisions. It helps us set the standard for appropriate behavior. That's why this Code is so important.

Our Code reminds us of what we have all learned growing up—that there truly are right ways and wrong ways to do things. In most cases, we know what the right way is. Using our common sense is a trustworthy guide in most situations.

No code can address every situation, and we don't try to do so here. We live in a complex world, and the ethics or even the legality of many of our day-to-day decisions aren't always obvious. The Code does provide guidance on many subjects, some general and others very specific. When in doubt, ask—your supervisor, someone in Human Resources or someone in the corporate compliance or the legal department can provide a good sounding board for determining the best thing to do. You may also ask your question anonymously, if you wish, through the Ethics and Compliance Helpline.

Please read this document in its entirety. Your understanding and commitment to upholding our Code of Conduct and Ethics is vital to your personal and our collective success.



John W. Somerhalder II  
Chairman, President and CEO

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# Who must follow AGL Resources' Code of Conduct?

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This Code of Conduct and Ethics (the Code) applies to all employees of AGL Resources Inc. and its subsidiaries (the company). Where noted, this Code of Conduct and Ethics also applies to the members of the AGL Resources Inc. Board of Directors in the context of their company-related activities. The company also expects all of its suppliers and contractors to conduct their business with, or on behalf of, the company in a manner that is consistent with this Code.

The Code is a statement of policies for individual and business conduct and does not, in any way, constitute an employment contract or an assurance of continued employment. Nothing in this Code affects your status as an at-will employee.

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## Our Corporate Values

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**Ethical Conduct** We strive to treat others as we wish to be treated: with honesty, integrity, respect and fairness.

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**Honesty:** We are truthful, forthright and sincere in all of our relationships, conversations and actions. We value and strive to preserve our good reputation.

**Integrity:** We adhere to our Code of Conduct's principles, performing our work in compliance with applicable laws and regulations, and assuming responsibility and accountability for our actions and inactions. We want our customers, shareholders, communities, regulators and legislators to have unwavering trust and confidence in our leaders and employees.

**Respect and fairness:** We value the richness that diversity brings to our workforce and communities. We are committed to cultivating an environment where the contributions of every employee, customer, and supplier are respected, and all are treated fairly.

**Stewardship:** As employees and leaders, we have responsibility and accountability to be diligent caretakers of our businesses and assets, and to serve our customers, shareholders, other important stakeholders and each other.

**Value-seeking:** We are a public company, answerable to our shareholders, customers, communities, regulators and legislators. By doing our best each day, by examining each operational and financial decision, AGL Resources' employees find value where others don't.

**Generosity of spirit:** AGL Resources supports and encourages both individual and corporate efforts to give back to the communities we live in and serve. Writing a check is nice, but giving our time and effort reflects the spirit of the gift, not just the end result.

# We comply with laws and regulations

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**Why it matters:** We've all read the headlines and seen the pictures: visible examples of illegal behavior that destroy a company's reputation, shareholder value and the job security of hard-working employees. Every employee plays a critical role in helping to assure that we stay in compliance with all of the laws and regulations that govern our company and reporting possible violations. Meeting those obligations honors the trust of our employees, customers, regulators and communities and helps to maintain our reputation as a great company.

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## Setting the standard

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At AGL Resources, our goal is to comply with all of those laws and regulations that govern the way we do business. Every employee has the responsibility to be familiar with the laws and regulations that apply to his or her job, and to conduct our business accordingly. As a company, we are committed to being truthful with and responsive to regulators and other governmental officials who oversee our business. If we discover instances of noncompliance, we will take responsible corrective action.

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**Question:** Every month, my group reports the leak response time for my utility to the public service commission. This month, the data doesn't look accurate to me. For several days during the month, our systems were down, and the service representatives were working orders on paper. The data shows that we missed the commission's standard of responding in under 60 minutes. Since I'm pretty sure that the data isn't accurate, is it okay for me to adjust the numbers and submit a report to the commission that shows we're in compliance with the commission's standard?

**Answer:** Absolutely not. As a good corporate citizen, we have a responsibility to provide honest and complete information to the commissions that oversee our businesses. If you are concerned about the integrity of our data, talk to your supervisor so that a team can investigate and definitively determine whether the data is accurate. Falsely reporting information to regulators could bring serious, unwanted consequences for the company, and it's simply not the right thing to do.

# We protect the environment

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**Why it matters:** We know that as we conduct our business, our work can have an effect on the environment. We work hard to mitigate any adverse effects. We do so because it is important for us to meet the needs of the present generation without compromising the quality of life of future generations.

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## Setting the standard

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We comply with all environmental laws and regulations that apply to the company as well as our own internal environmental standards. When evaluating projects, products, processes and purchases—including acquisitions—we consider the environment. It's our duty as a responsible corporate citizen and part of our commitment to the communities in which we live and work. For additional information, please refer to the company's Environmental Policy and to the Environmental Procedures Manual.

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**Question:** I noticed an open drum of what looks like waste oil sitting by a tree at the edge of the parking lot at our company service center. It seems to have been sitting there for a while, and I am concerned that the company might not be safely storing and disposing of the waste oil. What should I do?

**Answer:** We are committed to complying with all environmental laws and regulations that apply to the company, and the company's Environmental Procedures Manual describes the appropriate handling and disposal of materials like waste oil. You should voice your concern to your supervisor, to the local manager or through the Ethics & Compliance Helpline. You also may obtain additional information and assistance by contacting the AGL Resources environmental specialist for your business unit.

**Question:** My crew opened a trench as part of a damage investigation. The area is known to contain old, but active gas piping that was wrapped with asbestos pipe wrap and might contain some PCBs from gas transmission into our city gate. The original work order only shows a repair. What should I do?

**Answer:** You must complete the investigation and repair in accordance with our Operations Manual and Environmental Procedures Div. III (11) and (4). We comply with all applicable environmental laws, standards and requirements to protect our employees, customers, community and the environment. The company has special procedures and requirements which apply to both asbestos and PCBs. Appropriate personnel who may come in contact with asbestos or PCBs in their job must be trained for this type of work. If there is any spill or release of asbestos or PCBs as a result of the damage, removal of damaged equipment or as a result of the repair, follow the procedures closely. For additional assistance, contact the AGL Resources environmental specialist for your business unit.

# We maintain a safe and healthy workplace

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**Why it matters:** You've been working at your service center for years. You know the ins and outs of our operations, and you think about safety in doing your work. So, you don't need the safety training, right? Not so. Carelessness is our biggest safety risk, and safety training helps assure that we avoid accidents. The safety of our employees is of the utmost importance, and training is absolutely essential.

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## Setting the standard

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**A safe work environment:** Without proper safety procedures and training, operating natural gas facilities can be a dangerous business. We protect ourselves and others by following safety procedures, completing safety training in a timely fashion and using our common sense. For additional information, please refer to the company's Safety Manual.

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**A peaceful workplace:** The use or possession of weapons or explosives anywhere on company property or while conducting company business is strictly prohibited. Other threats or potential threats to employees such as acts of violence, intimidation or coercion, and willful destruction of company property or the property of others, have no place at AGL Resources. Employees acting in this manner are subject to immediate suspension, dismissal or criminal charges. If you become aware of any of these or similar situations, please report them immediately to your supervisor, Corporate Security or the appropriate law enforcement personnel. You could be saving someone's life. For additional information, please refer to the company's Employee Handbook.

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**A drug-free workplace:** It is a well-known fact that alcohol, drugs and medications – prescription or otherwise – can impair decision making and motor skills. The company prohibits the misuse of drugs, both legal and illegal, while on company premises or while conducting company business. Specifically, the company prohibits the use, possession, distribution, or sale of illegal drugs (including controlled substances not used according to a medical prescription) on its premises, in its vehicles, or while conducting company business. Additionally, any employee who is under the influence of alcohol and engages in inappropriate conduct while conducting company business may be subject to disciplinary action. Alcohol may not

be served or consumed on company property without advance approval from an officer of AGL Resources Inc., or one of its subsidiaries. However, even then, employees should drink responsibly and must avoid excessive consumption that could impair judgment or driving, or create an appearance of impropriety. The company also prohibits the use or possession of alcohol in company vehicles. No employee may operate a company vehicle while under the influence of alcohol or other drugs that impair his or her ability to drive. If you need to take any drug or medication that may impair your ability to perform your assigned duties safely, you must advise your supervisor. For additional information, please refer to the company's Policy on Drugs and Alcohol.

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**Question:** When my coworker arrived at work this morning, she smelled of alcohol, her eyes were bloodshot and she was acting strangely. What should I do?

**Answer:** You should immediately notify your supervisor or Corporate Security. Remember, being under the influence of alcohol while at work may pose a safety risk for your coworker and for others. That's why it's important to raise this concern as soon as possible and to raise the concern to an authority close at hand who can respond quickly.

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**Question:** My doctor prescribed a medication for me that makes me drowsy, but I have to complete a report for my manager today. Even though I'm not supposed to drive while taking this medication, shouldn't I come into the office and finish the report?

**Answer:** Completing reports on time is important, but your safety and the safety of others come first. You should always follow the advice of your doctor and pharmacist about your medications, which means that if you are not supposed to drive after having taken a medication, you shouldn't drive. Company policy requires you to notify your supervisor or manager if you are taking a medication that could impair judgment, coordination, or other senses which are important to safe and productive work performance. Let your supervisor know about your doctor's recommendations before starting work for the day so that he or she can determine whether or not to impose any restrictions on your work while you are taking the medication. If you drive a company vehicle, talk with your supervisor before operating the company vehicle.

# We promote a positive work environment

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**Why it matters:** Aretha Franklin probably said it best: “All I’m asking for is a little respect.” It’s a basic human need. Every employee wants and deserves to feel valued and respected. It’s in an atmosphere of mutual respect that we are able to do our best work, resulting in benefits for employees, our customers and the company.

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## Setting the standard

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**Valuing diversity:** Drawing from our core values of honesty, integrity and respect, we cherish the richness that diversity brings to our workforce. Diversity makes our company better and the communities we serve stronger. We are proud of our efforts to maintain a workforce that represents many backgrounds and lifestyles, and we are deeply committed to cultivating an environment where the thoughts and contributions of every employee, customer and supplier are respected. This commitment is reinforced by our ongoing efforts in the areas of employment and promotion, training, community relations and supplier diversity. For additional information, please refer to the company’s Employee Handbook and Philosophy on Diversity.

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**Workplace harassment:** Harassment is offensive conduct that singles out an employee or class of employees in a negative way because of their race, color, gender, religion, national origin, age, disability or sexual orientation. Harassment can also mean:

- Conduct that creates an uncomfortable situation, such as inappropriate comments, jokes, intimidation or physical contact
- Derogatory comments in the form of ethnic, racist, sexist or other slurs
- Unwelcome advances, such as requests for sexual favors and other verbal or physical conduct of a sexual nature
- Taking action against an employee for failure to provide sexual favors

Because we are committed to maintaining a positive work environment where employees can fully perform their duties and responsibilities, harassment in the workplace is strictly prohibited. If you experience or witness harassment, report it right away. For additional information, please refer to the company’s Employee Handbook.

**Non-discrimination and equal employment opportunity:** We treat employees and applicants fairly. We are committed to hiring, training, promoting and paying based on merit and experience. Our employment processes are as open and transparent as possible, promoting understanding and trust. For additional information, please book.

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**Question:** My friend and I both have a Polish heritage, and we enjoy swapping jokes aimed at Polish people. Although we are proud of our heritage, shouldn’t we be able to “laugh at ourselves” when we work together or share our lunch break?

**Answer:** Jokes like this are not appropriate at work because, even if the jokes do not offend you or your friend, they may hurt the feelings of someone who hears your conversation.

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**Question:** My friend and I are both African-American. We have been working together for a long time and we are almost like family – so we know when we can kid each other. Sometimes when she teases me about something at work, I will jokingly refer to her using a racial slur associated with one of African descent. The other day, one of our Caucasian coworkers overheard us talking and said that we made him feel uncomfortable. He asked me how I would feel if he called me by that name. Isn’t he overreacting?

**Answer:** By using the racial slur, you made him feel uncomfortable. That’s one of the reasons why the company prohibits the use of racial slurs regardless of the race of the employee who is speaking. We are committed to maintaining a positive work environment for all of our employees.

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**Question:** My coworker is very impatient and has a bad temper. Sometimes, even if I am only five minutes late for a meeting, he yells at me and the whole department can hear him. Should I have to put up with this behavior?

**Answer:** You’re right that yelling at a coworker is disrespectful. At the same time, coming to a meeting late may also be disrespectful. Make every effort to arrive on time and apologize if you are late. Ask your coworker to express his concerns in a calm and respectful way. If the discussion fails to resolve the conflict, you should speak with your supervisor.

# We steer clear of conflicts of interest

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**Why it matters:** Let's say you are responsible for hiring the contractor who provides janitorial services for the company's local office and that your brother-in-law owns a company that provides janitorial services. Is it all right for you to hire your brother-in-law's company?

The answer is, "It depends." Buying goods and services on behalf of the company from one of your relatives is a possible conflict of interest and will certainly appear to many to be a conflict. In making your choice, you will need to understand and abide by the Conflicts of Interest section of the Code and with the company's Supply Chain Policy. You should speak with your manager about the situation. A "conflict of interest" exists any time the personal interests of an employee or Board member interfere with the interests of the company. When acting on behalf of AGL Resources, it's important for us to make business decisions based on the best interests of the company, not on personal considerations or relationships. Conflicts of interest can undermine business judgment, threaten the reputation of the company and its employees, and lead to unnecessary legal risks. Even the mere perception of a conflict of interest could cause the intent of your actions to be questioned.

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## Setting the standard

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Employees and Board members should protect the company's property and interests and avoid even the appearance that their actions are not in the best interest or conflict with the interests of the company. Employees should disclose any potential conflicts of interest to their managers. The company can then determine whether to permit the conduct or transaction, and can implement appropriate safeguards to protect the company's interests. The company retains the right to prohibit membership by employees on any board of directors or trustees where such membership might conflict with the best interests of the company. While not all-inclusive, the following is a guide to the types of activities that might cause a conflict of interest. For additional information, please refer to the company's Employee Handbook.

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**Outside employment:** Employees who hold second jobs or financial or management interests in another company should make certain that these activities do not create a conflict of interest or undermine the confidence that the public has in the company. A conflict of interest exists when outside employment or an interest in another company:

- Embarrasses or discredits AGL Resources
- Affects your objectivity or efficiency in performing your duties
- Involves the use, possible use, or disclosure of proprietary, confidential or nonpublic information of the company or that of business associates of the company
- Is conducted during, or conflicts with, your normal work times
- Involves the use of company equipment, supplies, software or other resources
- Is conducted while you are away from work due to an approved leave, other than vacation, (whether paid or unpaid), such as sick leave
- Conflicts or competes in any way with the work, products, or services provided by AGL Resources
- Creates the appearance of impropriety

If the company reasonably suspects that an employee's outside employment or financial or management interest present a potential conflict of interest or have some other negative effect on the company, the company may investigate and take appropriate disciplinary action, up to and including termination of employment, if the investigation confirms an violation of the Code.

# We steer clear of conflicts of interest (continued)

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**Serving on a board of directors:** If you have an opportunity to serve as a director (or any similar function) of a for-profit business, or for a not-for-profit organization, you should consider whether such service creates a conflict of interest. If you think there might be a conflict of interest, obtain approval through your manager.

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**Gifts and gratuities:** The occasional exchange of gifts, meals and entertainment is a common business practice intended to build goodwill and sound working relationships. However, it's important to use good judgment when determining the appropriateness of a gift, meal or entertainment. Employees and Board members may accept gifts, meals and entertainment from other business professionals that are voluntarily offered, for a legitimate business purpose, are reasonable and do not compromise business judgment. On occasion, we should make reasonable reciprocation, as appropriate, at the company's expense to prevent the appearance of obligation. Because we always strive to act with integrity in all our business dealings, the company prohibits any gifts, meals or entertainment that could compromise sound judgment or the ability to make objective and fair business decisions. Money in any form is never an acceptable gift.

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**Question:** For the past several months, I have been helping my brother establish a business as a plumber by doing some record keeping for him like bookkeeping and tracking his inventory of water heaters and parts. Now business is booming and he wants me to go on the payroll. He wants me to work in the office on Saturdays and to help him respond to service requests on Sundays. What should I do?

**Answer:** You can take a paid position with your brother as long as the second job meets some key criteria. First, the business can't compete with the business of AGL Resources'. Second, the job can't conflict or interfere with your responsibilities or job duties for AGL Resources. For example, you cannot use AGL's equipment or supplies. If you have any questions you should discuss them with your supervisor or manager or call the Ethics and Compliance Helpline.

**Question:** A vendor gave me a shirt and hat with his company logo on them. Can I keep these gifts?

**Answer:** Yes, you may keep them. Generally, it's okay to accept gifts that are of a nominal value from suppliers and business partners.

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**Question:** I responded to a leak call late last night. It was a complicated situation so I was on site at the customer's house for over an hour. The customer was very grateful for the quick response and quality of service, so she offered me a sandwich and a \$25 gift card. I thanked her for the sandwich but told her I couldn't accept the gift card. Did I do the right thing?

**Answer:** Yes. It's perfectly fine to accept something to eat or drink from a grateful customer. But it's not appropriate to accept cash, gift cards, gift certificates or other forms of gifts from our customers. We want our customers to understand that our commitment to them is just part of what we do as good corporate citizens.

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**Bribery and gifts to state, local or federal government officials:** As a responsible corporate citizen, maintaining high ethical and professional standards in our dealings with government officials and members of the private sector is critical. The giving or receiving of any bribe, influence payment, kickback or other similar unlawful payment designed to secure favored or preferential treatment for or from the company is absolutely prohibited.

We must take special care when dealing with government customers, regulators and other government officials. For example, it is a violation of the Federal False Claims Act for anyone to knowingly submit, or cause someone else to submit, false claims for payment of government funds. Many states have similar laws. Activities that might be appropriate when working with private-sector customers may be improper and even illegal when dealing with government employees. That's true even when we provide goods and services to another customer who, in turn, will deliver the company's product to a government end user. There are many laws that apply to our business as we interact with governmental customers so be sure to be well acquainted with the laws that apply to your area. We cannot even discuss employment possibilities with government employees while doing business with the government without obtaining the approval of the Legal Department.

## We steer clear of conflicts of interest (continued)

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With some limited exceptions, the company is specifically prohibited from providing gifts and travel, including meals and tickets to events, to members of Congress and Congressional staff, including U.S. Representatives and Senators and members of their staffs. There are special and detailed gift rules applicable to officials and employees in the Executive Branch of the federal government. If you have any questions about this subject, contact the Legal Department.

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**International anti-bribery compliance:** We are committed to complying with the laws of every country in which we operate. As a U.S. company, we are required to comply with both the U.S. Foreign Corrupt Practices Act (the “FCPA”) and the local anti-bribery laws of the countries where we do business. All employees and board members must comply with the FCPA. The FCPA prohibits payments or gifts to foreign government officials intended to influence the official’s business decision or give us an unfair advantage. The FCPA also prohibits payments made indirectly through third parties, such as distributors, consultants, contractors, sales representatives and joint venture parties, if we know or should know that the payment will be used for corrupt purposes. Most countries have anti-bribery and corruption laws, some of which are even stricter than the FCPA.

It is our policy not to give or promise money, gifts, gratuities, meals, entertainment or anything of value to a foreign government official or employee, political party or candidate intending to influence that person’s decisions so that we will obtain or retain business or gain an unfair advantage. It is also our policy not to employ third parties knowing that a foreign official will ultimately receive an improper benefit, or that it is highly probable that a foreign official will receive an improper benefit.

Certain types of minor facilitating or expediting payments to low-level foreign government officials may be acceptable under the FCPA if the purpose is to expedite routine government action and if the payment is properly identified in our books and records. Reasonable and bona fide expenditures, such as travel and lodging, associated with promoting or showing our products to a government official may also be acceptable, provided they are allowed under local law and are not intended to improperly influence that official’s decisions. **Before directly or indirectly making any payment or gift to a foreign government official, even a facilitating payment, and before providing any meals, entertainment, travel or lodging to an official, you must first consult with the Legal Department.**

The FCPA also requires us to keep our books and records accurately and to establish appropriate internal controls. It is our policy that our books and records must fairly and accurately reflect the facts of a transaction and give enough information to provide a complete understanding of the transaction. It is also our policy to maintain a system of internal financial controls that will provide reasonable assurance that transactions are properly authorized, executed and recorded.

Appropriate anti-bribery due diligence should be conducted before engaging a third party who may interact with a foreign government official on our behalf and before acquiring or making a significant investment in a business outside the United States. You should consult with the Legal Department for guidance on conducting due diligence. **Before retaining a third party to provide services involving interaction with a foreign government official, a written agreement approved by the Legal Department should be signed.**

**If you become aware of any violations of this policy, please contact the Legal Department, or the Executive Director of Ethics and Compliance at 404.584.3408, or contact our anonymous Ethics and Compliance Helpline at 800.350.1014, or at [www.mycomplianceport.com](http://www.mycomplianceport.com), using the access ID “AGL.”**

For additional information, please refer to the company’s Foreign Corrupt Practices Act Compliance Policy.

## We steer clear of conflicts of interest (continued)

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**Political contributions:** We strongly encourage employee involvement in the political process. In fact, the company has established several political action committees (PACs), funded by voluntary employee and board member contributions, in order to aid political candidates or political parties who support policies that are beneficial to the company.

However, campaign contribution laws are complex and subject to change. For example, federal law prohibits contributing, directly or indirectly, any company funds or assets to candidates for federal political office. The laws governing political contributions vary from jurisdiction to jurisdiction so it's important to ask the company's General Counsel or Executive Director of Ethics and Compliance any questions that you may have before approving or making a political contribution on behalf of the company or any of its subsidiaries. All employees and board members are expected to comply with laws concerning campaign contributions.

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**Corporate opportunities:** When acting on behalf of the company, it's important for us to make decisions based on the best interests of AGL Resources, not on personal considerations or relationships. As employees and Board members, we owe a duty to the company to advance its business interests when opportunities arise. Additionally, employees are not permitted to use the company's property, information or position for personal gain.

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**Question:** I gave some money to support a political candidate in my community who is aligned with AGL Resources' positions on energy. Will the company reimburse me for my contribution?

**Answer:** No. AGL Resources encourages all employees to be active in their community and the political process. However, AGL Resources will not reimburse any employee for personal contributions to a political candidate, campaign or party. This includes tickets to dinners, rallies or other functions.

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**Question:** A vendor gave me a shirt and hat with his company logo on them. Can I keep these gifts?

**Answer:** Yes, you may keep them. Generally, it's okay to accept gifts that are of a nominal value from suppliers and business partners.

**Question:** A company vendor invited me to fly to its factory so that I can see its gas equipment first-hand. The vendor would like for AGL Resources to promote the use of its equipment. The vendor has offered to pay all of my expenses for the trip. Can I accept?

**Answer:** Generally speaking, the company should pay the cost of transportation to and from vendor-sponsored events and, generally, employees may accept from vendors reasonable accommodations during the business portion of vendor-sponsored events. In this case, the company should pay for your airfare and it is appropriate for the vendor to pay the cost of reasonable accommodations during your visit to the factory. If you decide to spend the weekend in the area after your business meetings conclude, you will need to pay for your own accommodations during that time.

# We protect company assets

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**Why it matters:** One of our keys to success is cost discipline. We manage the company's resources as if they were our own. The protection and proper use of company property and other resources reflect our commitment to acting with integrity and, importantly, helps us by keeping our costs in check, helps our customers by keeping our utility rates low and helps our shareholders by improving earnings.

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## Setting the standard

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Theft, carelessness and waste have a direct impact on the company's profitability and on the rates that our utilities must charge their customers. But protecting company assets goes far beyond these fundamentals of good resource management. We will use company assets only for legitimate business purposes. Here are some specific examples of appropriate use of company property and resources:

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**Computer resources:** The company makes significant investments in computer resources (such as computer hardware, software, network connections and telephone equipment) because technology plays an important role in our ability to advance the company's goals. Employees benefit from access to tools that allow them to be productive and excel in their work. Given this investment, it is important for all employees to follow our operating and security policies that protect our computer environments.

For example:

- Computer software, whether purchased from a supplier or developed by the company, typically is protected by patent, copyright or as a trade secret. All employees are expected to comply with the terms and conditions of applicable license agreements, including provisions not to copy or distribute materials covered by these agreements. Reproducing these protected materials for personal use is strictly prohibited.
- E-mail is a powerful communication tool. However, it's important to use it wisely. As company policy, we do not send unsolicited commercial e-mail messages and we do not send mass or bulk e-mails without prior approval.

For additional information, please refer to the company's Computer Use Policy, Information Security Policy, Laptop Policy and Wireless Device Policy.

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**Question:** Most of my family lives in another state. Is it okay for me to keep in touch with them by using the company's e-mail system?

**Answer:** It's okay to use company resources such as e-mail, phones and Internet access on occasion, as long as the use doesn't interfere with your work, create additional cost for the company or violate any laws or company policies. It's not acceptable to use these company tools for your own personal gain or in a manner that is offensive to others. By law, any e-mail you send or receive at work belongs to the company. If you want personal e-mail kept private, send or receive it using computer resources owned by you.

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**Question:** I own a small catering business. May I keep records of that business, like my customer list and catering menus, on my AGL Resources laptop so that I can work with those records at the office during my lunch break?

**Answer:** No, you should not keep the records of another business, nor should you work on those records using an AGL Resources computer. Occasional personal use of the company's computer resources is fine. Reasonable use at appropriate times of the company's computer resources for the benefit of a school or charity is also acceptable. However, you should not use the company's computer resources to promote or benefit another business, even if you are only working on that business on your "own time." When in doubt, speak with your manager or supervisor about the appropriate use of company computer resources.

# We protect company assets (continued)

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**Question:** I use social media to keep in touch with both business and personal contacts. Can I install applications onto my company computer that enhance my social media experience?

**Answer:** No, you should not install any applications onto your company computer without authorization from the IT department. Many social media sites do not inspect the applications that users upload. Therefore, the applications are at risk for containing malware—software, such as viruses, intended to damage or disable a computer system—that could be used to infect other company computers and to steal information.

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**Company vehicles and equipment:** The company provides vehicles and tools that enable us to serve our customers efficiently and safely. We use these vehicles and tools with care and must use them only for legitimate business purposes, according to company policy set out in the Safety Manual and the Vehicle Use Policy.

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**Travel and Entertainment:** Travel and entertainment are necessary expenses of any growing company. However, those expenses should be consistent with the business needs. Employees and board members are expected to use good judgment when spending the company's money. AGL Resources' intent is that employees and board members neither lose nor gain financially because of business travel and entertainment.

Employees who approve travel and entertainment expenses are responsible for the propriety and reasonableness of the expenditures and for ensuring that expense reports and company procurement card statements are submitted promptly and completely. For additional information, please refer to the company's Travel, P-card, and Expense Policy and Procedure.

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**Question:** I've been traveling on AGL Resources business for a week, representing the company at high-pressure meetings. It's been a stressful trip, and I'm having a hard time relaxing. Can I include a back massage in my expense report?

**Answer:** No, massages and other spa services are non-reimbursable expenses. According to the IRS, a business expense must be both ordinary and necessary. An ordinary expense is one that is common and accepted in our business. A necessary expense is one that is helpful and appropriate for our business.

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**Company name and logo:** The names and logos of AGL Resources and its family of companies are all valuable assets. Because they represent our company to the public, their protection and appropriate use is vital. For that reason, employees may use company names and logos for company business only; employees may not use them in connection with personal or other activities without prior written approval from a company officer (senior vice president or above). In all cases, the use of the company's names and logos must be in accordance with company standards and values.

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**Question:** I maintain accounts on several social media sites that I use to keep in touch with friends and family, and with business contacts. I'm proud to work for AGL Resources and I want to display the company logo on my site. Is use of the logo permitted?

**Answer:** No. All of the logos representing the AGL Resources family of companies may only be used on official, company-maintained web sites and social media sites.

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**Question:** My department has hired a contractor to complete a project for the company. The contractor wants to use a social media site to update project status and to file and post project reports. Is this ok?

**Answer:** No. Project status, files, and reports may contain company confidential information. You are not permitted to store this kind of information on a public social media site, even if the contractor is controlling account access and privacy settings. The project owner must work with the IT department to implement a secure solution for sharing project files, status, and reports.

## We protect company assets (continued)

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**Respecting intellectual property rights:** Did you know that intellectual property is an important company resource? We sometimes think of company resources solely in terms of buildings and equipment. Intellectual property is property that results from original creative thought. The law protects interests in intellectual property through patents, copyright, trade secrets and trademarks. Intellectual property is a key tool we use to create value for shareholders and, as such, needs to be safeguarded.

AGL Resources owns all rights in any intellectual property that employees create or develop in their work for the company, including any patents and copyrights. As part of our employment agreement with the company, we agree to disclose to the company all known works created and to assist the company in securing appropriate registrations. This may include ideas, concepts, business methods, technology, data, innovation, inventions, artwork, graphics and any other forms of expression.

Acting ethically means that we respect the intellectual property rights of others, too. We do this by:

- Not making copies of or distributing material from copyrighted books, magazines, newspapers, videotapes, Internet sites, electronic information, or computer programs unless authorized to do so
- Not copying or distributing software or related documentation without reviewing and complying with applicable license agreements
- Not using a third party's trademark or service mark without permission

It's important to note that violation of others' intellectual property rights may subject both you and the company to substantial liability, including criminal penalties. For additional information, please refer to the company's Information Security Policy.

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**Safeguarding confidentiality:** The energy business is competitive. Our ability to protect confidential information—of our own or that of our customers—is critical to our success in the marketplace. Confidential information includes all non-public information that might be of use to competitors, or harmful to the company or our customers if disclosed. As a general rule, you should presume that any information you receive about the company or its customers is confidential and, therefore, should be protected from disclosure. Employees and board members must take all reasonable steps to safeguard confidential information in their possession against accidental disclosure. This non-disclosure is, at times, an obligation we have within our contractual agreements with others. At times, employees and board members may be required to sign a confidentiality agreement, reinforcing the expectation of all employees and board members that they hold and use this information properly. For additional information, please refer to the company's Employee Handbook.

**HIPAA privacy:** Employees and board members who have access to health information covered by HIPAA (the Health Insurance Portability and Accountability Act) privacy rules must comply with such rules. Generally, these rules require that health information be used solely for the administration of health plans. For additional information, please refer to the company's Employee Handbook.

**Providing complete, accurate and truthful information regarding company benefits:** Acting with integrity means that we provide factual information in connection with our use of company benefit plans, including health and workers' compensation plans. We do not obtain company benefits to which we are not entitled by providing inaccurate or incomplete information or by withholding information.

# We maintain accurate and complete records

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**Why it matters:** As evidenced by recent stories on the nightly news, internal fraud in corporate America is a growing problem. At AGL Resources, we take our legal requirement and ethical obligation to prepare and maintain accurate and reliable business records seriously. Our shareholders, regulators, customers, employees and others are relying on us to do no less. Failing to keep good records could result in fines and penalties and would damage our business and reputation.

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## Setting the standard

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It's imperative that all employees prepare financial and other business records with care and honesty. This includes work orders, expense reports, purchase orders, requisitions, bills, payroll, reports to government agencies, and other reports, books and records. We do this to assure that information provided to regulatory authorities and in other communications is complete, fair, accurate, timely and understandable.

It's also vital that we appropriately retain our business records. In recent years, companies have been punished for not retaining records appropriately. Requirements for retaining business records are governed by various laws and regulations. You should refer to the company's Records Retention Policy to understand how to manage retention and destruction of records in accordance with applicable law and regulation.

What qualifies as a company record? Types of records vary depending on the type of work you do, but it can be a paper or electronic document, an audio or video recording, an e-mail or even your calendar of appointments. It's important to know that the location of the record—whether it's in the office, your vehicle or at home—doesn't change our record retention obligations. When in doubt about how our policy applies to a particular record, talk with your supervisor or with the Legal Department. For additional information, please refer to the company's Employee Handbook, Records Retention Policy and Travel, P-card, and Expense Policy and Procedure.

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**Question:** When a specific project is completed, may I throw out all the project documents?

**Answer:** Retention guidelines differ depending on the record type. Additionally, AGL Resources may have a legal obligation to retain documents related to an investigation, claim or lawsuit. Refer to the company's Records Retention Policy and talk with your manager or someone in the Legal Department or with the director of Records Management if you aren't sure what to do with your documents or when you can destroy them.

# We deal fairly with others

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**Why it matters:** The old saying, “You reap what you sow,” has been proven time and again throughout history. If we want others to deal fairly with us, we must always demonstrate our fairness to them. In doing so, our values of honesty, integrity and respect are not just words on a page, but how we live.

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## Setting the standard

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Employees and board members should strive to deal fairly with the company’s customers, suppliers, competitors and employees. Employees and board members should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

**Employees:** At AGL Resources, we value a strong, mutually beneficial relationship with our employees. We listen to our employees and seek solutions to their concerns. When conflicts arise, we encourage our employees to raise and address their concerns early and informally. The SHARE Program (Supporting Helpful Alternative Resolutions for Employees) has been designed to resolve workplace issues as impartially, quickly and fairly as possible. This program increases the avenues that employees have available to resolve employment-related issues by providing a roadmap for resolution. The SHARE Program director is available at any time to assist employees in examining the options available to them through SHARE and, when needed, to help keep the lines of communication open.

**Customers:** We are committed to developing and maintaining a highly talented team of professionals who provide excellent customer service. We work hard to promote trust and loyalty between our company and our customers.

**Regulators and government officials:** We are committed to providing complete and factual information to the regulators and government officials who oversee our business. Being a responsible corporate citizen means that we are honest and fair in all of our interactions. We do not lie or misrepresent facts in our dealings with regulators and government officials. In fact, at AGL Resources, we do not engage in any type of unfair or dishonest business practices.

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**Question:** My manager asked me to gather the monthly environmental readings while he’s on vacation. Before he left, he tried to save me some time by filling in the readings as they were last month. These readings may be accurate since they don’t generally change too much. What should I do?

**Answer:** You should always complete the report with actual readings. We must provide accurate and timely information to local, state and federal agencies for periodic reports. You should not submit a report which you believe to be or know is inaccurate. Environmental personnel with AGL Resources sign a certification when reporting that all information is accurate and complete. Severe penalties could be assessed if you knowingly file false information. So do your part in helping assure the company provides accurate information.

# We compete fairly

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**Why it matters:** Fair and honest competition is a cornerstone of our economic system. AGL Resources supports those public policies, laws and regulations that protect competition in the marketplace. In the end, these laws protect consumer interests.

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## Setting the standard

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At AGL Resources, we take pride in winning business on the basis of price, superior service and reliability—and not through any attempts to restrain or limit trade. Employees are expected to adhere to applicable federal and state antitrust laws. We strive to:

- Maintain the company's independence of judgment in all business matters, including the pricing, marketing, purchasing and selling of all products and services.
- Avoid even the appearance of agreements with competitors (including informal agreements) regarding prices, terms or conditions of sales, credit, bids, requests for proposals, intent to bid (or not bid) for a particular customer's business, intent to do business (or not) with particular suppliers or customers, dividing or restricting customers or territories, or plans to build or expand existing capacity.

The antitrust laws that apply to the company are complex. If you have any questions about an actual or proposed business practice, seek advice from the Legal Department, especially during the early stages of a specific activity or plan.

The consequences of violating the antitrust laws can be disastrous for you and for the company. Don't take chances. When in doubt, check first to avoid making a costly mistake.

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**Question:** Can I agree with a competitor not to buy storage capacity from a particular supplier if the cost goes above a certain dollar limit?

**Answer:** Absolutely not. Any agreement between competitors related to boycotting a particular company is against antitrust laws and regulations, regardless of whether or not various competitors believe the price is appropriate. AGL Resources makes its own decisions regarding who it will work with, not in consultation with any competitor.

# We do not purchase or sell securities based on inside information

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**Why it matters:** You've just discovered that AGL Resources is planning to announce a major acquisition. What are you going to do right away—buy stock in the company to be acquired? Tell your best friend to do the same? It may be tempting to “cash in” and make some “easy money” in a situation like this—but it's absolutely illegal and unethical.

Laws governing the selling and buying of stock were established to protect the interests of all market participants. As you've seen in the news, violating securities laws has serious consequences including the possibility of substantial fines and jail time. AGL Resources is committed to ensuring that our employees abide by these laws.

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## Setting the standard

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AGL Resources expects employees to comply with all laws governing the purchase or sale of securities. Even beyond that, our insider trading policy—with which every employee should be familiar—requires employees to avoid even the appearance of insider trading or stock tipping.

At the heart of improper securities trading is knowledge of “material non-public information” or “inside information.” Inside information may include news about:

- Our historical or projected financial results
- Pending or proposed acquisitions, dispositions, mergers or tender offers
- The gain or loss of a significant customer or supplier
- Senior management changes
- A change in dividend policy, the declaration of a stock split; an offering of securities and severe liquidity problems or impending bankruptcy

To uphold our commitment to operate legally and ethically, all employees are instructed to:

- Never buy or sell stock or other securities of any company while you have inside information about that company
- Never suggest or advise that anyone else sell, buy or hold stock or other securities of any company while you have inside information about that company

- Share inside information with other AGL Resources employees only if the employees have a need to know that information to do their job and only when you have no reason to believe they will misuse that inside information.
- Never disclose inside information to anyone outside of AGL Resources unless doing so is necessary to enable the company to conduct its business in an appropriate manner. Get advice from the Legal Department to determine whether to share inside information and the appropriate manner in which to share it.

For additional information, please refer to the company's Statement of Policy Regarding Securities Trades by company Personnel (Insider Trading Policy).

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**Question:** I have access to our earnings information before it is released. I know I can't give out the exact information before it's filed with the SEC, but if someone asks me about the results before the filing, can I give them a vague idea of the results?

**Answer:** No, any type of disclosure of material non-public information—even gestures or hints—is strictly prohibited. Material non-public information should only be discussed among employees who have a need to know in order to complete their job responsibilities.

# We report Code of Conduct and Ethics violations

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**Why it matters:** Reporting problems and concerns is part of being a responsible employee. Doing so shows respect for our Code of Conduct and Ethics and for fellow employees who abide by the Code. Employees who report suspected Code violations help to ensure the financial well-being and reputation of the company and our employees. Reporting concerns may not always be the easy thing to do ... but it is always the right thing to do.

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## Setting the standard

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When you become aware of a suspected or actual violation of this Code of Conduct and Ethics, you must report it. You must also cooperate in the investigation of possible violations. In fact, failure to report or cooperate is in itself a violation of this Code of Conduct. The company strictly prohibits retaliation against employees for reporting suspected violations of the Code in good faith or for participating in the investigation of potential violations

If you become aware of a suspected or actual violation of the Code, report it to your immediate supervisor or manager. If you have any questions about the appropriateness of a specific behavior or whether to report something as a violation of this Code, ask your supervisor or manager.

If, for any reason, you are uncomfortable reporting the concern to your supervisor or manager, you are encouraged to talk to one of the following:

- **Human Resources**
- **Ethics and Compliance Department:** The company's Executive Director of Ethics and Compliance is Anne Tkacs. She may be reached at 404.584.3408.
- **The Chief Ethics and Compliance Officer:** The company's General Counsel, Paul Shlanta, serves as the company's Chief Ethics and Compliance Officer. Employees may reach him at 404.584.3430.
- **The Ethics and Compliance Helpline:** Through the company's Ethics and Compliance Helpline, anyone who wishes to report or to seek guidance regarding a potential or actual Code of Conduct violation may do so anonymously or by name. The Ethics and Compliance Helpline is available 24 hours a day, seven days a week, at 800.350.1014 and at [www.mycompliancereport.com](http://www.mycompliancereport.com), using the access ID "AGL." Compliance Concepts, Inc. (CCI), an independent third party, administers the Ethics and Compliance Helpline. CCI assigns each call with a unique identification number that the caller may use during any follow-up calls or e-mails.

### **We will not tolerate retaliation against employees for reports made in good faith.**

The company prohibits retaliation of any kind against employees for reporting possible Code of Conduct and Ethics violations in good faith.

# We investigate and take appropriate action

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The company investigates all reports of suspected violations of this Code of Conduct and Ethics and treats reports confidentially to the extent reasonably possible. We inform the Audit Committee of the company's Board of Directors of the reports we receive and of the outcomes of the investigations of these reports. After receiving a report, we follow these steps:



We investigate and report to the Audit Committee any allegations of possible violations that involve auditing or accounting matters according to the company's Policy for Complaints Regarding Audit and Accounting Practices, as approved by the Audit Committee. It is important that reporting persons not conduct their own preliminary investigations. Investigations can involve complex legal issues, and acting on your own may compromise an investigation and could adversely affect both you and the company.

Employees who do not comply with this Code of Conduct and Ethics, or with other company policies and procedures, may be disciplined up to and including termination of employment. Please refer to the discipline procedures outlined in the Employee Handbook for details. Violations of the standards outlined in this Code could also result in criminal penalties or civil liabilities, or both. Please refer to the discipline procedures outlined in the Employee Handbook for details.

**Amendments and waivers:** Only the company's Board of Directors or a duly authorized committee of the board may amend this Code of Conduct and Ethics or approve any waiver of the Code for any of the company's executive officers or board members. To the extent required by law, the company will publicly disclose any such waivers for executive officers or board members.

**Certifications:** All employees are required to sign a certification stating that they have received a copy of the Code of Conduct and Ethics, that they will comply with all provisions of the Code applicable to them, and that they will report all violations of the Code of which they become aware, in accordance with the reporting procedures contained in the Code of Conduct and Ethics.

**Chief executive officer and other senior financial officers:** The company has adopted additional standards of conduct for the company's chief executive officer and for each senior financial officer of AGL Resources Inc. These additional standards of conduct are contained in the company's Code of Ethics for the Chief Executive Officer and the Senior Financial Officers.

**This Code does not create any rights:** This Code is a statement of the fundamental principles and key policies that govern the conduct of the company's business. It is not intended to and does not create any rights in any employee, client, supplier, competitor, shareholder or any other person or entity.



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