

TITLE: Conflicts of Interest and Gifts Policy					
Policy Number	Issued Date	Effective Date	Revision Date	Last Reviewed/ Approved Date	Issuing Department
LE 2011-1	January 1, 2011	January 2011	July 2020	July 2020	Legal
Approved by:	Heather Grahame, Vice President - General Counsel, Regulatory and Federal Government Affairs; Bobbi Schroepel, Vice President - Customer Care, Communications & Human Resources; Michael Nieman, Chief Audit & Compliance Officer; Robert C. Rowe, President & CEO				

I. Statement of Policy

It is the policy of NorthWestern Energy to ensure all employees avoid conflicts of interest.

II. Objective

It is the objective of this policy to promote ethical organizational behavior by providing guidelines to employees regarding appropriate relationships, including accepting or giving gifts that may cause a conflict between an employee’s personal interest and his or her job performance or the company’s interests.

III. Scope

This policy applies to all employees and their immediate family members, applicants for employment, consultants, vendors, contractors, or any other parties with a business relationship with NorthWestern Energy.

IV. Definitions

Conflict of Interest: When personal interests or activities interfere, or appear to interfere, with the ability to objectively and effectively perform one’s job.

Immediate Family Member: a spouse, domestic partner, parent, child, grandparent, grandchild, sibling (whether these relationships are full, step, or in-law), uncle, aunt, niece, nephew, cousin, or co-habiting couples.

Nominal Value: Insignificant or small enough value to avoid impairment of objectivity. Requires prudent judgment depending on the circumstances, for example, gifts that total less than \$250 annually are generally considered to have nominal value.

Outside or Secondary Employment: Includes any services, work, tasks, duties, or consulting performed by the employee for another entity or individual, including the employee themselves.

V. Policy Provisions

In business affairs, an employee's primary commitment and duty are to NorthWestern Energy. If personal pursuits create obligations or interests that are not compatible with NorthWestern Energy's objectives or responsibilities, a conflict of interest arises. An employee must put the company's interests ahead of his or her personal interests while performing his or her job. An employee should not use his or her position with the company or information acquired through his or her position for personal gain. An employee must avoid relationships—personal, financial, or business—that are opposed to NorthWestern Energy's interests or that might cause a conflict, or even the *appearance* of a conflict, with job performance.

When a conflict of interest or the reasonable appearance of a conflict of interest arises or cannot be avoided, an employee should immediately disclose the circumstances to his or her supervisor and the Chief Audit and Compliance Officer.

A. Outside Financial Interests

1. Financial interests in outside affairs that could interfere with an employee's duties and obligations to NorthWestern Energy are not allowed.
2. Outside business interests that could discredit or jeopardize NorthWestern Energy's interests or could interfere with company operations are not allowed.

B. Outside or Secondary Employment

1. Any outside business activity, such as a second job, self-employment, or volunteer activities, must be kept separate from employment with NorthWestern Energy. An employee should avoid any activity or personal financial interest that interferes with his or her ability to effectively perform work for NorthWestern Energy; adversely affects the independence or objectivity of the employee's judgment; or could conflict with, or reasonably appear to conflict with, NorthWestern Energy's interests.
2. Employees who choose to engage in outside or secondary employment must ensure that NorthWestern Energy is not adversely impacted in any way, including but not limited to:
 - a. Unacceptable job performance
 - b. Unacceptable productivity
 - c. Negative impacts on Fitness for Duty
 - d. Failure to adhere to an established work schedule which includes absenteeism, tardiness, leaving early or refusal to work,
 - e. Refusal to work overtime or different hours,
 - f. Refusal to travel,
 - g. The use of NorthWestern Energy property, equipment or time on non-NorthWestern Energy business

3. Active employees who wish to take outside or secondary employment with NorthWestern Energy vendors, business partners, or competitors should ensure that the position does not create a Conflict of Interest with NorthWestern Energy. It is the employee's responsibility to ensure there is not a Conflict of Interest by contacting the Chief Audit and Compliance Officer, or Vice President-Customer Care, Corporate Communications, and Human Resources.
4. It is never acceptable to utilize company resources to conduct non-NorthWestern Energy business activities. Company resources include, but are not limited to: time, labor, name or influence, assets, equipment, mobile or smart phones, office phone number, fax number, company email address, computer networks and hardware, funds, materials, or facilities.
5. Employees on Short Term Disability (STD) and/or on leave under the Family and Medical Leave Act (FMLA) are prohibited from engaging in outside or secondary employment that requires actions or activities prohibited or restricted by a medical provider. Engaging in restricted duties or activities while receiving NorthWestern Energy leave benefits constitutes fraud and may result in disciplinary action up to and including immediate termination of employment from NorthWestern Energy and loss of benefits.
6. It may be acceptable to utilize NorthWestern Energy resources for appropriate volunteer activities in accordance with other company policies and the Code of Conduct and Ethics. Employees should seek pre-approval prior to utilizing NorthWestern Energy resources for volunteer activities from their supervisor, a Vice President, Human Resources or the Chief Audit and Compliance Officer.
7. Employees must not disclose any confidential NorthWestern Energy information in the course of outside or secondary employment. Any intellectual property developed within the scope of employment at NorthWestern Energy is the property of the company. The use of any of NorthWestern Energy intellectual property, including that developed by the employee, outside of NorthWestern Energy's intended business use is prohibited.
8. Employees must notify their supervisor of any outside or secondary employment.
9. Employees must report any outside or secondary employment accurately when completing company insurance forms and when providing other information related to employment status.
10. Before an employee, an employee's immediate family member, or a business in which an employee has a significant financial interest can provide outside services or products to the company, the employee must obtain written approval from the Chief Audit and Compliance Officer. In providing such approvals, the following questions, along with other relevant information and questions, will be considered:

- Does the employee’s job involve the products or services provided by the outside business?
- Would the employee have any involvement on NorthWestern Energy’s behalf in decisions about contracting for the products or services provided by the outside business, or in the administration of any resulting contracts or purchase orders?
- Would the purchase of the products or services provided by the outside business create the appearance of impropriety?
- Does the employee have access to information that would provide a competitive advantage to the outside business?
- How involved is the employee in the daily activities of the outside business?

C. Gifts

Building business relationships is important and valuable. A business gift can create goodwill, but it also can create a conflict of interest. Therefore, caution is required when giving or accepting a business gift.

1. An employee must not accept a gift, entertainment, or anything of value that might create a sense of obligation or compromise his or her professional judgment.
2. Giving or accepting a gift or entertainment with more than a nominal value may be appropriate if it is normal and customary in the industry and is consistent with the nature and expectations of the employee’s position. An employee must obtain approval from his or her supervisor and the Chief Audit and Compliance Officer before accepting or giving any gift of greater than nominal value.
3. An employee must disclose to the Chief Audit and Compliance Officer the receipt of any gift or entertainment that might be deemed inappropriate. Disclosure is required. If in doubt, disclose.
4. The exchange of business courtesies, such as reasonable entertainment or gifts of nominal value, is generally permissible.
5. Accepting an invitation to working meals or receptions is generally acceptable. Accepting an invitation to a non-working dinners or sporting events may also be acceptable, if nominal and infrequent. Before accepting, an employee should ask the following questions and if in doubt consult with his or her supervisor.
 - Is the entertainment directly related to business?
 - Would NorthWestern Energy reciprocate in this manner?
 - Is the entertainment in the bounds of good taste, moderation, and common sense?
 - Does the entertainment violate the law or business regulations of the persons involved?
 - Is there implicit pressure to steer business to you or solicit proprietary information from you?

- What is the timing of the event? Is a bid anticipated, or is there a contract about to be signed?
- What would the supplier's competition think?
- How would this look in the newspaper or on the news?

6. Inappropriate gifts include:

- Anything that could influence a business decision.
- Anything that would give the appearance of impropriety.
- Items with more than a nominal value.
- Entertainment that is excessive in value, not business related, in an inappropriate setting, or intended to gain favor or influence.
- Bribes, kickbacks, loans, money, special privileges, unusual hospitality.
- Discounts that are not available to all company employees.
- Gratuities.

7. Stricter rules apply to government officials, and these rules vary from state to state. Contact the Chief Audit and Compliance Officer or VP-General Counsel, Regulatory and Federal Government Affairs for guidance on these rules.

D. Procurement

1. An employee who is involved in the procurement of equipment, materials or services on behalf of NorthWestern Energy must be especially careful when accepting a gift.
2. An employee involved in procurement must avoid conduct that could create a conflict of interest or the reasonable appearance of a conflict of interest with vendors, contractors, consultants, suppliers, or service providers. Maintaining an arm's-length relationship is required.

E. Political Activity

Subject to obtaining advance approval from the Chief Audit and Compliance Officer, an employee may be permitted to hold public office if it does not interfere with the performance of his or her job, avoids conflicts with, or the reasonable appearance of conflicts with, NorthWestern Energy's interests; and potential conflicts of interest created by public service are thoroughly discussed.

F. Hiring of Employees or Former Employees of Independent Accounting Firm

To ensure the independence of the independent auditor, NorthWestern Energy will not hire any individual who is a former or current independent auditor partner, principal, or professional employee into any position with an accounting or financial reporting oversight role at NorthWestern Energy without the express written consent of the Audit Committee of the Board of Directors.

VI. Corporate Policy Provisions

- A. Nothing in this policy is intended to limit an employee's rights under the National Labor Relations Act (NLRA).
- B. If any of the provisions of this policy conflict with federal or state law, the provisions of the federal or state law prevail.
- C. If any of the provisions of this policy conflict with those of a collective bargaining agreement (CBA) for covered employees, the provisions of the CBA will prevail.
- D. All employees are expected to comply with this policy. Failure to do so may result in disciplinary action up to and including termination of employment.
- E. The existence of this policy does not create a contract or vested right of employment implied or otherwise. NorthWestern Energy is an at-will employer in South Dakota, Nebraska, and Wyoming.
- F. NorthWestern Energy reserves the right to amend, terminate, or otherwise modify this Policy at any time. The effect of any amendment or modification, however, will be prospective, not retroactive.

VII. Additional Resources

- A. Code of Conduct and Ethics
- B. Anti-Fraud Policy
- C. Related Persons Transactions Policy
- D. Political Contributions Policy
- E. Employee Use of Company Equipment or Property Policy
- F. Solicitation Policy
- G. Employee Participation in Community Service and Event Opportunities Policy