

CODE OF BUSINESS CONDUCT AND ETHICS

Effective December 8, 2022

Table of Contents

OUR CULTURE 3
Who We Are 3
Our Responsibility 3
How to Seek Guidance or Raise a Concern 4
OUR RELATIONSHIPS 5
Avoid Conflicts of Interest 5
Know the Rules on Gifts, Bribes, and Kickbacks 7
A Positive Workplace Culture 7
RF and the Community 8
OUR ASSETS AND INFORMATION 8
Protect RF Assets 8
Keep Accurate Records 9
Safeguard Confidential Information 9
CONCLUSION 10
Our Policies 10
Code Updates 10

OUR CULTURE

Who We Are

ReliabilityFirst's (RF) mission is to preserve and enhance the reliability and security of the Bulk Power System across our footprint, which includes 13 states and the District of Columbia.

RF has established the following core values:



In accordance with these values, RF is committed to conducting its activities in a manner conforming to the highest ethical and business standards. Our Code of Business Conduct and Ethics (the "Code") covers a wide range of business practices and is intended to increase awareness of potential conflicts of interest and establish a procedure for reporting them. However, since it is not practicable to specify requirements for business conduct and ethics for application in every possible situation, an awareness and understanding of our values is essential.

Our Responsibility

Who does our Code apply to?

1. Board Directors, Officers, and Employees

2. Other RF Representatives. While the Code is specifically written for RF employees and Board members, we expect members of our extended workforce (temporary employees, interns, vendors, and independent contractors) and others who may be representing RF (on committees, organizational groups, working groups or task forces) or temporarily assigned to perform work or services for RF to follow the Code in connection with their work for us.

Failure of a member of our extended workforce or other covered service provider to follow the Code can result in termination of their relationship with RF. We will refer to those persons who are required to comply with this Code as "RF Representatives."

What is your role as an RF Representative?

Embody our values. As an RF Representative, you are responsible for reading and understanding the Code and embodying our values. Please read the Code and our values and follow both in spirit and letter; and keep in mind your personal responsibility to incorporate, and to encourage other RF Representatives to incorporate, the principles of the Code and values into your everyday work.

Comply with all valid laws and regulations. It is RF's policy to comply with all relevant laws and regulations and to conduct its affairs in keeping with the highest moral, legal, and ethical standards. Every RF Representative should be aware of the laws affecting his or her responsibilities and should seek guidance on any matter on which there is a question. If a law conflicts with a policy in this Code, each RF Representative must comply with the law; however, if a local custom or policy conflicts with this Code, each RF Representative must comply with the Code.

Practice ethical business conduct. The law is a base, and ethical business conduct should normally exist at a level above the minimum required by law. This includes the obligation to avoid any actual or apparent conflicts of interest in personal and professional relationships. RF will not condone ethical violations for the sake of personal gain, personal advantage, expediency, or actual or perceived business advantage.

How to Seek Guidance or Raise a Concern

Resources and reporting concerns?

RF makes various resources available for any question or concern. You are always encouraged to seek guidance. Your immediate manager is usually the best place to start, but when it is not possible to raise or resolve an issue, you may raise it with your director, Human Resources, the Legal department, or other members of the executive leadership team.

Any RF Representative who reasonably believes there has been a material violation of this Code is expected to report it immediately by either following the *Whistleblower Policy* or consulting with your supervisor, a member of the executive leadership team, the Finance & Audit committee chair or Human Resources. RF employees may refer to the *Employee Handbook* for more detail on reporting specific workplace instances.

What will be the result?

If an investigation leads to a conclusion that a material violation of the Code has occurred, RF will take appropriate corrective action, which may include removal from a position as Board director or company officer or the termination of a relationship, including that of an employee of RF.

What are sample invalid excuses for violating the Code?

"A supervisor demanded that I do the illegal, unethical or improper act."
"I thought the conduct was standard practice in our industry."
"It would have cost more to act properly."
"I misinterpreted the law or this Code and did not seek the advice of my supervisor."

Will there be consequences for speaking up?

Only RF Representatives who make complaints in bad faith are subject to disciplinary action such as dismissal because RF recognizes the potentially serious impact of a false accusation.

What if there is retribution in the workplace after I report?

RF does not tolerate retribution against persons who, in good faith, report suspected violations of this Code. RF Representatives who retaliate against others who report suspected violations will themselves be subject to adverse consequences, which may include removal from a position as Board director or officer, or termination of a relationship, including that of an employee of RF.

OUR RELATIONSHIPS

Avoid Conflicts of Interest

All RF Representatives should avoid conflicts of interest and circumstances that reasonably present the appearance of a conflict. Any direct or indirect conflict of interest between RF and any RF Representative is prohibited unless otherwise consented to by RF.

What is a conflict?

When considering a course of action, ask yourself whether the action you're considering could create an incentive for you, or appear to others to create an incentive for you, to benefit yourself, your friends or family or a third party. If the answer is "yes," the action you're considering is likely to create a conflict of interest situation, real or apparent, and you should avoid it. Because they hold positions of trust in RF, RF Representatives may not make a profit from RF because of their official position. All decisions shall reflect independent judgment and discretion. The divided loyalty that is present when an RF Representative has a conflict of interest could potentially lead to serious issues for RF.

It is not possible to describe every situation or occurrence that could lead to a conflict of interest between a RF Representative and RF. The following events are intended to describe, by way of example, situations that could occur that could lead to a potential conflict of interest with RF:

Relationships with Registered Entities or Vendors

Stock ownership and other financial interests or participation in any entities registered on the NERC Compliance Registry (Entity) or vendor of RF must be disclosed.

Indirect Interests and Relationships

A conflict of interest can arise because of the business activities of immediate family of a RF Representative. The RF Representative has a potential conflict of interest whenever their immediate family has a significant interest in a transaction or a significant relationship with any Entity or vendor of RF. The RF Representative should not make or influence any decision which could directly or indirectly benefit their immediate family; in order to protect the RF Representative and RF from the appearance of a conflict of interest, all relationships of this nature must be disclosed.[1]

Gifts, Loans and Entertainment

RF Representatives will not accept gifts from Entities or from anyone having or seeking business with RF, except that it is permissible to accept noncash gifts of nominal value (defined in *Fraud Policy* as less than $150) generally used for promotional purposes by the giver. Additionally, RF Representatives will not accept loans from any Entity or person having or seeking business with RF (other than loans from banks or financial institutions at prevailing market rates and terms).

Non-Business Activities

Participation in the activities of a trade association, professional society, charitable institution, or governmental institution, on a non-compensated basis, or holding a part-time public office (with or without compensation) will not generally create a conflict of interest in violation of this Code. However, if any RF Representative has a question they should seek guidance or report any concerns.

Personal Use of RF Property and RF Information

It is against RF policy for any RF Representative to use or divert any RF property, including services of other employees, for their own advantage or benefit.

> Corporate Property. No RF Representative may use corporate property, information, or position for improper personal gain. All RF Representatives owe a duty to RF to advance RF's legitimate interests when the opportunity to do so arises.
>
> Intellectual Property. Information is one of the most valuable RF assets. In addition to the protection of the information we are entrusted with, we also respect the intellectual property rights of others. Please seek advice from Legal if you have questions about using or accepting proprietary information.

[1] See the *Policy on Personnel Conflicts related to Entity Employment and Certain Financial Interests in Entities* for additional information regarding employee conflicts of interest in this area.

Board Member Conflict of Interest Disclosure and Recusal

Any member of the RF Board of Directors who has a potential conflict of interest on any matter brought before the Board or its Committees should notify the General Counsel and the Board, and recuse themselves from all deliberations or voting on the matter.

Prohibition on Board Member Advocacy for an Outcome on Audit and Enforcement Actions

RF requires members of the RF Board of Directors to refrain from discussions that may present a potential conflict. Specifically, RF stakeholder Board members should not advocate for a specific outcome to RF Personnel regarding their entity's open enforcement actions or open compliance engagements. Stakeholder members of the RF Board of Directors can have knowledge of or ask questions, but attempts to influence the outcome are not permitted. With the exception of the President and CEO, if RF Personnel are in a position where a stakeholder Board member is engaging in this type of advocacy, they should reference this Code of Conduct and Ethics and encourage the Board member to contact the General Counsel or CEO with any further questions.

Know the Rules on Gifts, Bribes, and Kickbacks

What is permitted?

- Nominal gifts offered in the normal course of business can be perfectly acceptable, but any offer that creates a sense of obligation or would appear improper is always inappropriate.
- The U.S. government has a number of laws and regulations regarding business gratuities that may be accepted by U.S. government personnel. State and local governments, as well as foreign governments, may have similar rules.

What is prohibited?

- Payments, gifts, or services of substantial value or lavish entertainment to government employees are prohibited regardless of amount or motive.
- Gifts or bribes for the purpose of influencing a decision are clearly improper and prohibited.
- It is strictly prohibited to make illegal payments to government officials of any country.

Relationships with public employees shall be conducted so that neither the official's nor RF's integrity would be compromised if the full details of the relationship became a matter of public knowledge.

A Positive Workplace Culture

Employees are RF's greatest asset, and it is RF's policy to treat employees fairly in all matters. RF commits to:

Select and promote employees based on performance.
RF is committed to equal opportunity in all aspects of employment and to full compliance with all laws applicable to hiring and promoting people. RF strictly prohibits unlawful discrimination.

Provide a safe, healthy, clean work environment for all employees.
Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries, and unsafe conditions. Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated.

Compensate employee contributions fairly.
RF intends to pay employees fairly in relationship to their contributions to RF, within the boundaries of industry standards and market conditions.

RF and the Community

RF recognizes and prioritizes its social and ethical responsibility as a nonprofit organization.

RF's Essential Purpose

RF's essential purpose is to serve the public good by protecting and enhancing the reliability, security and resilience of the electric grid and ensuring that electricity is provided to those who need it when they need it to preserve health and safety and safeguard the economy.

Volunteer Time

RF recognizes that participation in cultural, social, or volunteer organizations can be public service of a higher order. All RF Board directors, officers and employees are encouraged to participate during their non-working hours in public matters of their individual choice such as getting involved in their communities or lending their voluntary support to programs that help others. RF Representatives are also encouraged to participate in volunteer opportunities offered through RF and the Volunteer Time-Off program designed to encourage personal and professional development, and support employees giving back to their communities.

OUR ASSETS AND INFORMATION

Protect RF Assets

All RF Representatives should endeavor to protect RF's assets and ensure their efficient use.

Keep Accurate Records

RF believes in financial integrity and fiscal responsibility, which includes keeping accurate records. All RF Representatives will follow the highest ethical standards for all actions that involve accounting, financial reporting, internal accounting controls, auditing matters and disclosure obligations.

RF requires honest and accurate recording and reporting of information. All RF books, records, accounts and financial statements must be maintained in reasonable detail, appropriately reflect RF's transactions and conform to applicable legal requirements, generally accepted accounting principles and RF's system of internal controls.

Intentionally falsifying records is prohibited. No RF Representative is ever authorized to knowingly submit, enter or maintain false or misleading information in corporate books, records or reports. It is prohibited under law and RF policy to fraudulently influence, coerce, manipulate or mislead RF's independent public accountants for the purpose of obtaining a favorable opinion on RF's financial statements. Records should always be retained or destroyed according to RF's *Record Retention Policy*.

Disclosures should be full, fair, accurate, timely, and understandable. RF seeks to achieve full, fair, accurate, timely and understandable disclosure in all reports and documents and in any other public communications regarding RF's activities or financial condition.

Speak up. The expectation is to remain in full compliance with RF's system of internal controls and to not hesitate to ask questions. RF Representatives should follow the *Whistleblower Policy* for reporting complaints regarding accounting, internal accounting controls or auditing matters.

Safeguard Confidential Information

Safeguarding our proprietary information and the confidential information we are entrusted with as RF Representatives is of the utmost importance. All RF Representatives are expected to be in constant compliance with RF Information Classification and Handling Policy and the NERC Rules of Procedure on Confidentiality.

What is Confidential Information?

- "Confidential Information" means all confidential and restricted information, as those terms are defined in Section 1501 of the NERC Rules of Procedure and in Sections 4-5 of RF's Information Classification and Handling Policy, as may be amended from time to time, that a RF Representative receives in connection with any RF activities (including any information disclosed by either RF or any Entity).
- Confidential materials are all materials that contain any Confidential Information such as notes, diagrams, descriptions, memoranda, documents, plans, samples, drawings, specifications, notebooks, computer software, or copies.

Confidential Information does not include…

- Information that is or becomes generally available to the public other than by the fault of an RF Representative; or otherwise required to be disclosed by law.
- Aggregate statistics or information concerning implementation of and compliance with RF's Organizational Standards that is publicly available, so long as the aggregate statistics or information do not identify specific Entities.

How do RF Representatives protect Confidential Information?

- RF Representatives must maintain the confidentiality of the information entrusted to them by RF or its Entities. All Confidential Information must be received, held in confidence, and used only in accordance with the terms of this Code and the Information Classification and Handling Policy.
- Each RF Representative must use the same care and discretion to avoid disclosure, publication or dissemination of Confidential Information as the RF Representative uses with their own Confidential Information that they do not wish to disclose, publish, or disseminate.

CONCLUSION

Our Policies

Related Policies/Procedures	Whistleblower Policy, Policy on Personnel Conflicts related to Entity Employment and Certain Financial Interests in Entities, Employee Handbook, Fraud Policy, Information Classification and Handling Policy, Record Retention Policy.
Policy Owner	Legal Department
Policy Reviewers	Finance/Accounting, Human Resources, Legal, CEO, Board of Directors

Code Updates

Reason for Change	Date	Approved by
Updates throughout	6-1-2017	CEO, Board of Directors
Updated sexual orientation terminology in sections 3 and 4	12-15-2021	CEO
Updates throughout to streamline document, add prohibition against board member	12/8/2022	CEO, Board of Directors

advocacy on compliance and audit matters for their entity with RF staff.		