

Issue Types and Descriptions

Accounting, Auditing and Financial

Accounting – The improper recording of any business or financial transaction, including the improper recording of revenues, expenses, assets, regulatory deferred accounts, liabilities or equities.

Audit – Any intentional misrepresentation of information to, undue influence over or independence concerns relating to interactions with external or internal auditors, including the appropriate oversight of audit functions or activities.

Financial Reporting – Failure to comply with the financial reporting standards established by applicable financial standard setting bodies or any untrue statement of fact or failure to state a fact that could make the financial statements misleading.

Fraud – Any incidence of fraud, whether or not material, by any person, including, but not limited to, those with accounting or financial reporting responsibilities in connection with financial disclosures or reports.

Internal Controls – Any disregard, misapplication, misreporting, violation or override of Company internal controls.

Other Financial Concerns – Any concerns not specifically addressed by the other reporting categories that are financial in nature or that could affect the Company's financial reporting.

Company Assets and Records

Theft or Misuse of Company Assets – Theft of Company assets or use of company assets for nonbusiness reasons and in violation of Company policy. Company assets include but are not limited to vehicles, equipment, office supplies and Company owned information. Includes use of electronic equipment in violation of Company policy.

Falsification of Contracts, Reports or Records – Falsifying or altering any Company record or document relating to Company business, including but not limited to financial records, time records, records related to payments or receipts, expense reports, personnel records or medical records. Company records include paper documents, emails, electronic files or any other medium that contains company information.

Records Management – Destruction or retention of records other than in accordance with Company policies.

Confidentiality and Misappropriation

Failure to Maintain Confidentiality – Failure to protect Company, employee or third party non-public information or to use such information only for legitimate business purposes. Includes improper access to or disclosure of personally identifiable data of employees (including benefits, compensation, personnel and medical information), customers and other third parties in possession of the Company.

Misappropriation of Intellectual Property – Unauthorized or improper use of the Company's or a third party's intellectual property rights, including patents, trademarks, copyrights and trade secrets.

Conflicts of Interest

Contractor and Supplier Procurement and Relationships – Failure to select a contractor based on objective criterion, such as experience, price, quality, and suitability to meet NW Natural's needs, inappropriate relationships with or conduct with respect to a supplier or contractor (such as favoritism based on personal relationships).

Financial Interest – Employees or their employee's family has a material financial interest in a supplier, contractor, vendor or other party that does business with NW Natural where the employee has the ability to influence the Company's business with the other party, and the relationship has not been disclosed to the Company.

Gifts and Entertainment – Offering, soliciting or accepting of gifts or entertainment from vendors, customers or other third parties other than as allowed by Company policy.

Other Potential Conflicts of Interest – Any other situation in which an employee has a private or personal interest that influences or appears to influence the objective exercise of his or her official duties. Examples include outside business interests or employment that may interfere with duties to NW Natural and taking advantage of opportunities available to NW Natural for personal gain.

Legal and Regulatory

Anti-Trust and Competition – Agreements or understandings with competitors or other business parties to fix prices, boycott specific suppliers or customers, exchange competitively sensitive information or discuss price, costs, competition, marketing or production plans or studies or other confidential information.

Environmental – Violation of any environmental law, regulation, corporate policy or procedure with respect to the handling and disposal of hazardous materials or with respect to other matters that affect the environment.

FERC – Any conduct or action that potentially violates any Federal Regulatory Commission regulation, law or order applicable to NW Natural’s business. This would include things such as FERC’s open access regulations applicable to transporting natural gas on U.S. interstate pipelines (i.e., Shipper-Must-Have-Title requirement, the buy-sell prohibition, and the capacity release regulations), market manipulation, reporting requirements, Mist Operating Statement compliance, and compliance with the certificate, orders and regulations applicable to NW Natural in the provision of Mist Interstate Storage Services.

Government Inspection or Investigation – Concealing, destroying, altering documents, making misleading statements or failing to cooperate in connection with an inspection or investigation by a governmental agency. Failure to immediately notify senior management and the Legal Department of requests for Company information in connection with a governmental inspection or investigation.

Improper Lobbying or Political Activity – Inappropriate activities in violation of federal and state lobbying and political action, including inappropriate contact with governmental officials or the contribution or acceptance of funds meant for another candidate or the improper use of contributed funds for personal gain.

Improper Payments – The direct or indirect offering or taking of any form of illegal or improper payments to obtain favorable treatment or retain existing business, including direct or indirect offering or authorizations of bribes, kickbacks, unreported facilitating payments, gifts or favors to any person for purposes of obtaining or retaining business or influencing an official act or decision.

State Public Utility Regulation – Any conduct or action that potentially violates any state law, regulation or order, including rules, regulations and orders of the Public Utility Commission of Oregon, the Washington Utilities and Transportation Commission and the California Public Utilities Commission.

Trading in Company Stock or Other Securities Violations –Buying or selling Company securities while in possession of material nonpublic information or disclosing such information to anyone outside the Company who trades in Company stock or other violations of the Company’s Inside Information and Trading Policy, or other violations of federal or state securities laws.

Other Legal and Regulatory Concerns – Any other known or suspected violation of any law, regulation or order.

Workplace Issues

Harassment or Discrimination – Uninvited and unwelcome verbal, physical or visual conduct directed at an employee because of his or her race, color, national origin, age, disability, sexual orientation, gender identity, ethnic or religious background, disability, marital status or any other status or characteristic protected by law, or the

improper use of an individual's status or characteristic protected by law in an adverse employment decision. Examples include slurs or other remarks, sexual advances or other conduct that may create an intimidating or otherwise offensive work environment, and discriminatory bias in hiring, compensation, promotion or termination.

Misconduct or Inappropriate Behavior – Misconduct, inappropriate behavior or other violation of Company policy not specifically addressed in another category.

Retaliation – Verbal, physical, visual or other inappropriate behavior directed toward an individual because he or she has made a good faith report regarding a compliance concern.

Safety – Failure to meet requirements needed to maintain a safe work environment, including hazardous conditions in the workplace, violations of safety work rules or practices.

Security – Security concerns such as unauthorized access to Company locations, sabotage, theft or vandalism of Company, employee or third party property, etc.

Substance Abuse – Suspected misuse of legal and illegal drugs, including alcohol and prescription medications.

Violence or Threat – Any act or threatened act of physical, verbal or written aggression or threat of any act of physical, verbal or written aggression that causes bodily injury or damage to property, or that could intimidate or cause a fear of imminent bodily injury or damage to property.

Other

Any concerns not addressed by the above categories.