VISION: Enriching lives through a safe sustainable energy future.

MISSION: Working together to deliver safe, reliable and innovative energy solutions that create value for customers, communities, employees and investors.

VALUES: Safety: We strive to do our jobs safely every day, without fail and without exception. We ensure the safety of our customers, the environment and the public through proper maintenance of our equipment and strict adherence to our belief in maintaining a safe working environment.

Excellence: We aim to achieve the highest levels of satisfaction, reliability and performance in everything we do. We’re always striving for improvement and questioning the status quo.

Respect: Every employee is treated with dignity and fairness. Personal advancement is related to personal performance.

Value: We are committed to providing shareholders with returns that are among the best in our industry. Value to our customers comes through the products and services we deliver at prices that illustrate our focus on quality, efficiency and productivity.

Integrity: We adhere to ethical business practices and are honest and transparent in our actions.

Community: Our success is tied to the success of each and every one of our communities. We aim to be a good corporate citizen through the contribution of our time, talent and resources to help our communities fulfill their vision of success.

Environment: We are committed to providing all customers with utility services that meet their current and future needs, while protecting and enhancing the quality of the environment. We will utilize our limited natural resources wisely and act responsibly to limit impacts on our air, water and land resources.

*Updates were made in October 2018 to pages 6 and 34, in the online version only, to recognize new Audit Committee Chair, Linda Sullivan.*
To my fellow NorthWestern Energy employee:

We at NorthWestern Energy are privileged to be stewards of essential infrastructure and to provide service across an extraordinary part of America—Montana, Nebraska, South Dakota, and Yellowstone Park—for more than 100 years. Taking care of our customers requires top-notch employees, and we’ve become a company where great people want to work.

At NorthWestern Energy, we work hard every day with a focus on safety, honesty, and respect, without taking shortcuts and by operating ethically and with integrity in all that we do. Our SERVICE values of safety, excellence, respect, value, integrity, community, and environment reflect and support our core commitments. These values are the foundation for how we do our jobs and how we live in our communities. The Code of Conduct and Ethics, together with our company policies, provides the guidance we need so that every one of us, in every location, can understand and demonstrate our SERVICE values.

Of course, our Code of Conduct and Ethics cannot address every possible situation. If you have a question or concern, visit with your supervisor. She or he will take your concerns seriously and help you find the answers to your questions. NorthWestern Energy’s leaders at all levels are responsible both for their own actions and for fostering an ethical culture. Be assured that no one will be subject to punishment or retaliation for making a good-faith inquiry or report concerning compliance, safety, or ethical matters.

Challenges to our integrity present themselves frequently. That is why I ask you to join me in reviewing the Code of Conduct and Ethics and committing to apply its principles in our daily work. Every day, we are the face of NorthWestern Energy.

Thank you for your ongoing commitment to delivering safe, reliable, and affordable gas and electric service—and doing so ethically and with integrity.

Very truly yours,

Bob Rowe
President and Chief Executive Officer

Our Code of Conduct and Ethics provides the guidance we need so that every one of us can demonstrate our SERVICE values.

— Bob Rowe
President and Chief Executive Officer
We ensure the company's integrity
What if I have a question or concern?  
How are reports handled?  
What are the consequences for violating the Code of Conduct and Ethics?  
Will there be repercussions for reporting?  
Guidelines for raising concerns
Guidelines for supervisors

Safety
We work safely
We provide a safe and secure working environment
We do not tolerate the use of illegal drugs or the misuse of alcohol

Excellence
We believe in our most valuable asset—our employees
We communicate directly and respectfully
We protect company resources
We manage our records
We diligently protect confidential information
We are vigilant about security
We use email, the internet and business technology appropriately

Respect
We do not tolerate harassment
We believe in the fair treatment of employees
We protect your personal information
We treat everyone with respect

Value
We maintain good relationships with our customers
We obtain goods and services fairly
We do not engage in insider trading
We avoid conflicts of interest
We commit to NorthWestern Energy
We do not give or accept inappropriate gifts

Integrity
We manage our business with integrity
We uphold a culture of compliance
Our record keeping is accurate and honest
We compete fairly
We respect our differences

Community
We are charitable and support our communities
We work to maintain good relationships with regulators and governmental authorities
We participate in political activities legally and ethically

Environment
We care for our environment

Certification
Contacts
We ensure the company’s integrity

Our ethics and values must be lived by every employee. Each of us is responsible for ensuring the company’s integrity. This means we not only comply with the Code of Conduct and Ethics, but also promptly report concerns or suspected violations. We also ask questions if something is unclear or if we are unsure about a situation.

What if I have a question or concern?

Asking questions can help us avoid violations of the Code of Conduct and Ethics. It is important to ask questions or report concerns sooner rather than later. This helps us to address problems early while they are smaller and easier to fix. It might seem easier to look the other way, but doing nothing can have serious consequences—for you and for the company.

Speaking directly and respectfully with an appropriate person is the best way to get advice or resolve a concern. When possible, talk to your supervisor first.

If you are uncomfortable talking to your supervisor, seek guidance from one of the resources listed. Ignorance or failure to ask a question does not excuse bad conduct.

Bring questions or report suspected violations to any of the following:
1) Your supervisor
2) Your HR generalist
3) Anyone in the legal department
4) Internal audit or the chief audit and compliance officer
5) Any officer, director, or manager
6) Our Compliance Line

If your concern relates to accounting, financial reporting, internal controls, or auditing matters, you may report to the chairman of the audit committee of NorthWestern Energy’s board of directors. If your concern relates to any federal energy regulatory requirement or NorthWestern Energy’s related procedures, in addition to the resources listed above, you may contact our FERC compliance officer.

Contact information for these resources is on page 34.

In addition to the guidance in this document, ask yourself these questions when faced with an ethical dilemma:
• How would I feel if it were in tomorrow’s news?
• How would my friends, family, colleagues or a customer react?
• Could I sleep at night?
• Would I feel guilty?
• Is it illegal?
• Would it violate company policy, or do you think it might?

If it feels wrong, it usually is wrong.

The Compliance Line is staffed by a live operator from an outside company 24 hours a day, seven days a week. Calls are free, confidential, and may be made anonymously. More information about the Compliance Line is available on iConnect.

Make a Compliance Line report by calling (877) 781-7286 or online at www.integrity-helpline.com/NW.jsp.
How are reports handled?

All reports are taken seriously, reviewed objectively, handled confidentially to the extent possible, with appropriate actions taken to address the issue raised. No matter what reporting method is used, or the manner in which the company becomes aware of a potential violation, if the concern is related to our Code of Conduct and Ethics it is referred to the chief audit and compliance officer, who will investigate the allegation in accordance with our Investigation Policy. This includes assigning an impartial, objective investigator and conferring with legal counsel as appropriate.

Investigations are thorough, fair, and confidential. All employees have a duty to cooperate in any investigation.

Reports made through the Compliance Line are also referred to the chairman of the audit committee of the board of directors. The audit committee receives a report quarterly of all reported allegations and the results of all investigations and the actions taken.

If it is determined that a violation of our Code of Conduct and Ethics did occur, the relevant functional supervisor and human resources representative will take appropriate steps regarding corrective action in accordance with the company’s Employee Discipline Policy. We strive for consistent and fair treatment of all employees. It is important to remember that NorthWestern Energy does not disclose coaching and discipline, and each situation has its own unique set of facts and circumstances.

Good faith: an honest belief, the absence of malice, and freedom from intention to defraud or seek an unconscionable advantage. A good-faith report is one made without malice or consideration of personal benefit. It also means you have provided all the information you have and you believe it to be true.

Bad faith: A report not made in good faith that may include, for example, a report not prompted by an honest mistake, or a report made for personal reasons, self-interest, or a sinister motive.

Retaliation: an adverse action in response to a good-faith report. An example of retaliation would be an employee who is fired only because he or she made a protected, good-faith report.

Confidential: maintaining strict privacy and limiting involvement to persons with relevant information or those needing to act on the complaint or findings.

Our SERVICE Values apply to all of us and remind us that how we do our jobs each and every day is just as important as what we do. Doing the right thing matters. On behalf of the Board of Directors, we thank you for your continued commitment to living up to our Code of Conduct and Ethics and performing your important jobs with honesty, integrity and ethics.

— Linda Sullivan
Audit Committee Chair
What are the consequences for violating the Code of Conduct and Ethics?

The company may take corrective action against any employee who violates the Code of Conduct and Ethics, fails to report a known or suspected violation, or provides false or malicious information intentionally. The corrective action will vary with the nature of the violation. Corrective action may include any step outlined in the Employee Discipline Policy, up to and including termination of employment, referral to the appropriate governmental authorities, or both.

Supervisors have a special obligation to report behavior that they know—or should know—is illegal or violates NorthWestern Energy’s policies or the Code of Conduct and Ethics. Supervisors also must proactively encourage employees to report violations or suspected violations. Corrective action also may be applied to any supervisory employee who directs or approves violations or has knowledge of violations but does not act promptly to correct them.

Will there be repercussions for reporting?

No one will be retaliated against for making a good-faith report. NorthWestern Energy is committed to providing a work environment where good-faith concerns or reports of unethical, unprofessional, or illegal behavior can be reported, investigated, and resolved without fear of retaliation. Every supervisor must strive to create an environment where an employee can report concerns without fear. Any employee who retaliates against someone for seeking help, making a good-faith report, or participating in an investigation will face disciplinary action. Similarly, bad-faith reporting also may result in disciplinary action.

Bottom line, remember the Golden Rule: treat others as you would like to be treated.

— Mike Nieman
Chief Audit and Compliance Officer

Q: I was disciplined by my supervisor for something I did that violated the Code of Conduct and Ethics. I was upset, as some of my co-workers have done the same thing but were not disciplined. Why should I be disciplined when no one else was?

A: NorthWestern Energy does not disclose coaching and discipline decisions, and each situation has its own unique set of facts and circumstances. As a result it could be your co-workers were disciplined for the same thing and you just don’t know about it.

Or it could be that the company was not aware of the other violations, although it is important to remember that all employees of NorthWestern Energy have an obligation to report suspected violations of the Code of Conduct and Ethics or company policy. It could also be that the circumstances of your situation are not the same as your co-workers’. We strive to be fair and consistent in handling disciplinary issues.
Guidelines for Raising Concerns

Raising a concern may make you feel uncomfortable, but it is the right thing to do. These guidelines will help you and those who receive your concern address it appropriately.

- Discuss the issue calmly and directly. Be specific and factual. Include as much information as possible, such as names, dates, locations, and number of times something has occurred, or any supporting evidence.
- Acknowledge (when appropriate) that you may not have all of the information or facts relevant to the issue.
- Express any concerns that you may have about the confidentiality of your report, but understand that a proper investigation will require discussion of the issue with others. Recognize that if you share information about your report with co-workers, they might disclose that information to others.
- Cooperate fully and truthfully in any investigation.
- If you want to make your report anonymously, use our Compliance Line. The Compliance Line allows two-way communication between you and the company, while keeping your identity anonymous. In contrast, an anonymous letter makes it difficult to investigate the complaint and impossible to provide feedback to the reporter.
- Keep in mind that reports involving personal relationships between two employees are very difficult, if not impossible, to resolve anonymously. Contacting your human resources generalist is the reporting method most likely to resolve employee relationship issues if you are not comfortable approaching your supervisor directly.

Q: I think my supervisor is aware of a conflict of interest and is allowing it to continue. However, because my supervisor prepares my performance evaluations, I am afraid to raise the issue with him. What should I do?

A: Follow your instincts and raise the issue. Each of us has a responsibility to report a known or suspected violation of the Code of Conduct and Ethics or any company policy. It doesn’t matter who violates the Code – a co-worker, a supervisor, or one of your direct reports. If you know someone is doing something wrong, you must report it through one of the options described in this section. Being a passive observer and failing to report suspected violations of the Code of Conduct and Ethics or any company policy is not acceptable.

Q: Where do I find our company policies?

A: Company policies are available on iConnect under the Info Warehouse tab. You can ask your supervisor or Human Resources for a printed copy of any policy.
SAFETY

We strive to do our jobs safely every day, without fail and without exception. We ensure the safety of our customers, the environment and the public through proper maintenance of our equipment and strict adherence to our belief in maintaining a safe working environment.
We work safely.

Safety is one of our core values and an integral part of our mission. Our philosophy is to conduct business in a manner that protects the safety and well-being of our employees and the public. We are each responsible for our own safety and the safety of those around us, no matter where we are or what each are doing. We can promote a safe work environment by:

• Staying alert to potential safety risks and error precursors
• Knowing our job’s safety requirements and following all safety rules
• Being mentally and physically fit to do our work
• Stopping work that may be unsafe
• Eliminating hazards we observe
• Actively participating in tailboard conferences, safety meetings, safety training, and wellness programs
• Using all required protective devices and equipment
• Communicating our safety requirements to visitors, customers, and contractors
• Reporting unsafe conditions, injuries, illnesses, unsafe work practices, equipment deficiencies, near misses, or hazards to the public

Our objective is to have zero workplace injuries and occupational illnesses. We want every employee to go home in the same condition as when he or she comes to work. To help us achieve this goal, we must follow all safety policies and procedures; the appropriate Safety, Health and Environmental Handbook; and federal, state, and local regulations. Employees who engage in unsafe activities may be subject to disciplinary action, up to and including termination of employment.

We provide a safe and secure working environment.

We do not tolerate violence or threats of violence in the workplace. Bringing weapons onto company property is strictly prohibited. Possessing a weapon while performing duties on behalf of the company also is prohibited. Anyone who engages in violent conduct or makes threats of violence is subject to disciplinary action, up to and including termination of employment.

Employees who become aware of actual or potential violence or threats of violence must immediately report the incident through an appropriate channel.

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**Q:** I plan to leave for a weekend hunting trip immediately after work. Is it okay to have my shotgun in the trunk of my car while I am at work?

**A:** No, not if you park on company property or drive your vehicle to a work site.

**Q:** Sam is a member of a three-man gas crew completing the tie-in of a steel main. He observes a co-worker not using his required PPE (safety glasses and face shield) as he grinds on the pipe. What should Sam do?

**A:** Sam should immediately (and safely) get his co-worker’s attention. If practical, he should retrieve the required equipment and offer it to the co-worker in a respectful manner.

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"Safety is more than action or behavior; it is a mindset that should be embedded so deeply within our culture that it just comes naturally in everything we do."

— Curt Pohl
Vice President – Distribution

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We do not tolerate the use of illegal drugs or the misuse of alcohol.

Each of us is required to report to work free from the influence of substances that can impair our performance or create an unsafe working environment. Alcohol or illegal drugs are not permitted on company property. Upon executive approval, beer and wine may be served during company-sponsored events that are held on our premises. In limited circumstances employees may consume alcohol when representing the company if appropriate at trade association events, conferences, or with dinner after normal working hours, for example. In these situations, employees must exercise good judgment and are not permitted to be impaired from alcohol consumption. We all share in the responsibility for keeping the workplace free of illegal drugs, alcohol, and substances that impair one’s ability to work safely.

To maintain a safe work environment, the company may require drug testing in certain circumstances, including where required by law, where cause exists, on a random basis, or prior to employment. All drug testing will be performed in accordance with state and federal law.

Q: Frank is an apprentice who is called out on overtime to work with a crew he has not been exposed to before. The crew foreman conducts a very brief tailboard outlining the work, but does not talk about specific hazards, ask for input from crew members, or document the tailboard. Knowing that these items should have been covered, what does Frank do?

A: Frank should respectfully approach the crew foreman and inquire about the tailboard. If the crew foreman reacts negatively, Frank should inform his front-line supervisor of the situation.

Q: Bill notices that a piece of Jake’s equipment is out of place and potentially damaged, but Jake says that it’s not an issue and they should keep on working. Jake seems comfortable, but Bill is concerned. What should Bill do?

A: Bill should talk to Jake about his concerns. If Jake ignores Bill’s concerns, Bill should report the situation to his supervisor. Safety procedures exist for a reason, and they must be followed. If the procedures aren’t followed, what might seem to be a safe situation can rapidly turn into a crisis. It is everyone’s responsibility to maintain a safe working environment. Safety and health issues are critical and should never be compromised. If you ever feel that you can’t perform your job duties safely, you should stop immediately and talk to your supervisor. If you see a safety violation, speak up and address it, or report it if it is not addressed.

Q: A co-worker is exhibiting behavior that has me concerned about their ability to work or drive safely. What should I do?

A: If you think a co-worker may be under the influence of any substance that could impair his or her work performance, you have a responsibility to bring this to the attention of your supervisor. Bringing this concern to the attention of your supervisor promotes a safe work environment.
EXCELLENCE

We aim to achieve the highest levels of satisfaction, reliability, and performance in everything we do. We’re always striving for improvement and questioning the status quo.
We believe in our most valuable asset — our employees.

We aspire to be an employer of choice. We offer competitive salaries and benefits, provide a safe working environment, value diversity, and encourage a healthful work–life balance. Our success comes when employees feel empowered to take initiative, voice their opinions, and build on their experiences within our company and our communities. We are proud of our strong sense of honesty and integrity and strive to create an atmosphere of mutual trust and respect. We expect everyone to perform in a productive, skillful, and professional manner; to be on the job when scheduled; and to be cooperative and helpful.

We communicate directly and respectfully.

We strive to provide employees with accurate and timely information on matters of importance, and we trust employees will actively listen to this information. We also maintain open communication channels that encourage employees to respectfully express opinions and concerns, as well as to ask questions. However, to protect its financial and strategic position with increasing competition, the company has a policy of not commenting on possible significant business transactions or information, including rumors, unless a legal duty to disclose them arises. Significant business transactions or information can include mergers and acquisitions, asset dispositions, reductions in work force, earnings reports, or other financial disclosures.

It is imperative that the company speak with one voice when making official external statements. Only those authorized to make public statements on the company’s behalf may do so. If you are not such an authorized person, refer external inquiries for the company’s position to the appropriate department. For example, if a securities analyst requests information, refer the request to our investor relations department. Refer media inquiries for the company’s position to our corporate communications department, and non-routine requests from governmental agencies or regulators for the company’s position to the legal department. If unsure whom to refer such requests for the company’s position to, ask your supervisor for guidance.

Q: Local media contacted me with questions about a rumored acquisition. I did some work related to this potential transaction, and I know the news would boost the company’s stock price. Is it okay to share what I know with the reporter?

A: No. The information you possess may be incomplete or incorrect, and sharing the information could harm our company and the public, and may even violate our confidentiality agreements related to the rumored acquisition. Even if you are confident that you have all the information and that this information is correct, you should refer the reporter to our corporate communications department. You could get yourself and the company in trouble if your disclosure of information violates Security and Exchange Commission (SEC) rules. As a common practice, the company never comments on market rumors or speculation.
We protect company resources.

We are responsible for protecting the company’s resources. Our assets and information were built through the hard work of many people. We owe it to the company, its customers, and its shareholders to protect company resources and ensure that they are used only for NorthWestern Energy’s legitimate business purposes. This includes keeping assets, property, and records safe from waste or theft.

This also includes proper use of company property, company time, and company-issued credit cards. If we have portable company equipment, we must take all reasonable steps to ensure that it is not damaged, abused, misused, or stolen. We should immediately report any suspected fraud or theft.

Being ready for work includes arriving with your key-card identification badge to access a building as a performance expectation—a required element of being fit and able to perform. The security of our assets and co-workers depends on each of us taking steps to ensure we avoid compromising security.

We manage our records.

Each of us must make sure that all company documents and information are properly maintained or disposed of according to the company’s records management policies. We must take special care to identify and preserve all documents that relate to any anticipated or ongoing investigation, lawsuit, audit, or examination involving our company. This means that we may never destroy, conceal, or alter any documents or records in order to impede a governmental investigation, lawsuit, audit, or examination. Engaging in such activity may expose the company and individuals to civil and criminal liability. This does not mean we can never destroy documents. Documents not part of an anticipated or ongoing investigation, lawsuit, audit, or examination may be destroyed in accordance with our records retention schedule. Contact our records management department if you have a question or concern about company records.

Examples of company resources

- Vehicles
- Company-issued credit cards
- Tools
- Computers, tablets, iPads
- Mobile phones, smartphones
- Email
- Supplies
- Documents
- Computer data
- Employment records

**Excellence is taking the extra steps to do what is right.**

*It is being accountable to yourself and others in the big things as well as the small. Repeatedly doing the little things in the right way results in a culture of Excellence at NorthWestern Energy.*

— Crystal Lail

Vice President and Controller
We diligently protect confidential information.

We do not disclose proprietary or confidential information outside our company without a business need. Where there is a business need, we may disclose proprietary or confidential information to a third party only with appropriate legal protections in place. All confidentiality agreements must be reviewed and approved by the legal department.

We are careful of where we discuss confidential information. We protect proprietary and confidential information with electronic security, limited physical access, or both.

No employee, including union stewards, should provide confidential or proprietary information directly to the union. Union stewards or other represented employees may have access to confidential or proprietary information that the union may be interested in, but it would be inappropriate for any employee to provide this information directly to the union, as access to this information is granted solely for the benefit of NorthWestern Energy.

Follow these best practices to safeguard proprietary or confidential information:

- Recognize the potential for eavesdropping. Be aware that your conversations can be overheard in places like restaurants, break rooms, cubicles, or stairwells—or even in a conference room or office with thin walls.

- Do not share confidential information with other employees except on a need-to-know basis.

- Make sure you adhere to NorthWestern Energy’s security policies and practices when accessing or sharing proprietary or confidential information. When using non-company WiFi always use the company-approved secured portals and applications for work. Never use personal email accounts for company business.

- Avoid, but if necessary exercise extreme caution when working on a laptop or other mobile device in a public place, especially airports, coffee shops, or airplanes.

- Do not use or provide confidential or proprietary information for personal benefit or for the benefit of persons outside the company.

- Do not provide confidential or proprietary information directly to the union. Request that the union representative submit a written request for information to the Director of Labor Relations.

Company property: property, either tangible or intangible, that the company owns or property that is in the company’s control by either lease or loan, including customer information.

Proprietary information: non-public information that is viewed as property of the holder. Examples include financial data, trade secrets, processes, methods used in production, marketing plans, customer lists, contracts, and computer system details.

Confidential information: non-public information (not including wages, hours, or terms and conditions of employment) that might be useful to competitors or harmful to NorthWestern Energy, its customers, or its employees if disclosed.

Cybersecurity: protecting computer-based equipment, information, or services from unintended or unauthorized access, change, or destruction.

Q&A

Q: What is fraud, and what should I do if I suspect fraud in the workplace?

A: Fraud is any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and the perpetrator achieving a gain. Fraud can take many forms, such as theft, false financial entries, incorrect expense reports, or personal use of a company credit card. Fraud can even include conducting personal business while on paid company time. Report suspected fraud to the legal department, the chief audit and compliance officer, or the Compliance Line. The company will promptly investigate and where appropriate take necessary action. Employees who commit fraud will be subject to disciplinary action, prosecution, or both.
We are vigilant about security.

We all have responsibilities for physical and cyber security. We help keep our business technology resources safe from viruses, malware, and intrusion attempts by following all business technology and critical infrastructure protection policies. We are cautious with email and when online. We “think before we click.” We create strong passwords and never share them with anyone.

If something in an email or online seems suspicious or if you have questions, contact the business technology department before you click. Use your key-card identification badge to enter secured facilities and avoid allowing others to enter our buildings with you without scanning their badge. The security of your co-workers, as well as our physical and cyber assets depends on each of us taking steps to ensure we avoid compromising security.

We use email, the internet, and business technology appropriately.

We must use good judgment when using any company-owned resources, including our company computer and network systems or time at work. Limited personal use of our company computer, phone, or network systems is allowed as long as such use does not:

- Interfere with our productivity or our co-workers’ productivity;
- Inappropriately consume time or resources;
- Involve illegal, sexually explicit, discriminatory, or other inappropriate material;
- Support secondary employment or outside entrepreneurial ventures; or
- Disclose confidential or proprietary information.

Electronic messages are a record of your communications. These messages are company property when sent using company-provided technology—you should not expect that the information you send or receive is private. The company reserves the right to permit company-approved representatives to review use of the Internet, any electronic communications, or phone records.

All data and records are the property of the company and may be used or disclosed by the company as it sees fit. You should not have any expectation of privacy when using company provided technology, including when accessing personal blogs or social networking sites.
RESPECT

Every employee is treated with dignity and fairness. Personal advancement is related to personal performance.
We do not tolerate harassment.

We are committed to a workplace where the dignity of every individual is respected. Harassment in any form is unacceptable. Whether we are on company property, performing company business, online (including social networking sites), or engaged in off-hours functions, we will not tolerate harassment of an employee. Be sensitive to the fact that others may perceive a person’s actions differently from what that person may have intended. If someone is uncomfortable and says “stop,” stop means stop. Accusations of harassment will be investigated. If NorthWestern Energy determines that misconduct did occur, the perpetrator will be subject to disciplinary action, up to and including termination of employment. All of us should promote a harassment free work-environment by speaking out when necessary.

Harassment includes:

- Derogatory or lewd comments
- Epithets, slurs, or negative stereotyping
- Threatening, intimidating, or hostile acts
- Blocking a person’s movement
- Offensive touching
- Degrading jokes or comments
- Lewd pictures

Respect is part of our cultural foundation at NorthWestern Energy. Respect is about treating others as you would like to be treated. It is about engaging in constructive discussion and considering differing perspectives in order to reach positive solutions. Respect is about the proper “time and place.” Our stakeholders expect and deserve to be treated with Respect.

— Mike Cashell
Vice President – Transmission
We believe in the fair treatment of employees.

We strive to create a work culture in which every employee is respected. The company views our diverse perspectives and backgrounds as a cultural and corporate asset. We make all employment decisions on the basis of merit and the essential functions of the position, and not on any illegal or discriminatory basis.

We protect your personal information.

We are committed to protecting employment data in accordance with all laws and regulations. We expressly prohibit the access of other employees’ personal information without specific authorization and a business-related need for access to the information. Examples of such information include another employee’s benefits information, compensation information, medical information, contact information, identification information, employment records, email, or voice mail.

If you have access to this type of information because of the nature of your job, you must take special care to safeguard it and to use it only to the extent necessary to do your job.

We treat everyone with respect.

These principles—not tolerating harassment, treating others fairly, and protecting personal information—apply to everyone. Every person deserves to be treated with dignity and fairness. We remember this when interacting with people both inside and outside the company.

Q: My supervisor told me that I need to improve my performance and meet certain goals in the next 60 days or my employment will be terminated. I think I am doing a good job and was intimidated by the threat. Is this harassment?

A: A performance review, coaching, or disciplinary action that includes needed improvements, that is disappointing to you, or that you disagree with, is not harassment. Supervisors are expected to provide honest feedback in a direct, respectful way. You need to discuss your particular situation with both your supervisor and your Human Resources generalist so they can make their concerns and expectations absolutely clear. If, however, your supervisor used abusive or inappropriate language, you should report that to one of the sources listed on page 34.
We are committed to providing shareholders with returns that are among the best in our industry. Value to our customers comes through the products and services we deliver at prices that illustrate our focus on quality, efficiency and productivity.
We maintain good relationships with our customers.

Our customers are vital to our success. We are attentive to our customers’ needs and treat our customers with respect. When speaking on behalf of the company, we state the truth. We protect our customers’ privacy. We do not disclose customer information except as appropriate in the course of conducting business and in accordance with applicable laws and regulations.

We do not engage in insider trading.

NorthWestern Energy is a publicly traded company. Therefore, we are subject to federal and state laws regulating the trading of our securities (e.g., stock or bonds). These laws prohibit buying or selling securities based on inside information.

As employees, we have access to information about the company, so any of us could be an insider. An insider is a person who has knowledge of facts not available to the general public that could influence an investor’s decision to buy, hold, or sell securities. You might regularly have access to inside information as part of your job. Or, you might accidentally learn inside information from a document left on a copy machine or a conversation you overhear. It doesn’t matter how you obtain the inside information; if you have it, you are an insider.

We do not buy, hold, or sell securities based on inside information. We do not disclose inside information to anyone, including family or friends. Even within the company, we do not share confidential or non-public information with employees who do not need to know the information.

We obtain goods and services fairly.

We maintain an arm’s-length relationship in all matters regarding procurement. Procurement includes identifying a need, deciding whether to procure, developing negotiating positions, preparing solicitation documents, maintaining bidders’ lists, evaluating proposals, negotiating terms, preparing contracts, awarding contracts, executing and administering contracts, or performing other related activities. We avoid conduct that could create a conflict of interest with vendors, contractors, consultants, or suppliers.

Insider: a person who has knowledge of facts not available to the general public.

Inside information: information about a company’s financial or market situation obtained not from public disclosure, but directly or indirectly from a source within the company or a source that owes the company a duty to keep the information confidential.

Insider trading: the purchase or sale of securities on the basis of material, non-public information (i.e., inside information).

Material: of such a nature that there is a substantial likelihood that a reasonable investor would consider knowledge of the item to be important in making an investment decision.

Securities: documents that represent an interest or a right in something else, such as notes, stocks, or bonds.
Each of us must follow NorthWestern Energy’s Insider Trading Policy when buying or selling company securities. You may be subject to criminal sanctions or civil penalties for buying or selling the company’s securities at a time when you have knowledge of material, non-public information. You also may face sanctions or penalties for disclosing material, non-public information to a person who then buys or sells securities based on the information.

We avoid conflicts of interest.

Our professional commitment is to NorthWestern Energy. Our actions reflect that commitment. When performing our jobs, we put the company’s legitimate business interests ahead of our personal interests. We do not use our positions with the company or information acquired through our positions for personal gain. We avoid relationships—personal, financial, or business—that are opposed to the company’s legitimate business interests or that might cause a conflict, or even the appearance of a conflict, with our job performance.

It is impossible for the Code of Conduct and Ethics or our company policies to address every possible conflict of interest that might arise. However, the most common conflict-of-interest situations are related to outside employment and giving or receiving gifts. These are discussed in more detail on the next page.

We do not have financial interests in outside affairs that could interfere with our duties and obligations to NorthWestern Energy. We avoid outside business interests that could discredit or jeopardize the company’s legitimate business interests or could interfere with company operations.

Our conflicts-of-interest guidelines apply to you and to your immediate family. We also expect consultants, contractors, and vendors to abide by these guidelines.

We provide value to our customers, shareholders, and other stakeholders in all we do, and our efforts should always be conducted in the most ethical manner.

In fact, studies have shown that those companies that are perceived to be most ethical have better shareholder returns or value than those that are not perceived as well.

— Brian Bird
Vice President and Chief Financial Officer

**Conflict of interest:** when our personal interests interfere, or appear to interfere, with our ability to objectively and effectively perform our jobs.

**Immediate family member:** child, stepchild, spouse, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or any person (other than a tenant or an employee) sharing the household of such person.

**Nominal value:** insignificant or small enough to avoid impairment of objectivity of the recipient. Requires prudent judgment depending on the circumstances. Gifts that total less than $250 annually are generally nominal value.

**Q&A**

Q: I helped a major customer with his energy needs for his retail business, and he has offered me a nice discount on an appliance for my home. May I take it?

A: No. You may not make use of an individual discount offered for work-related service or make use of the company name to obtain personal discounts. If a supplier makes a discount available to all employees equally, then it is permissible to take the discount. Company-wide discounts are listed on iConnect.
We commit to NorthWestern Energy.

We do not take outside employment that interferes with our ability to perform our work for NorthWestern Energy. Secondary outside employment with a vendor, business partner, or competitor of NorthWestern Energy may create conflicts of interest. We keep any non-NorthWestern Energy business activities separate. We do not use any company resources—including company time, labor, name or influence, equipment, office phone number, fax number, company email address, funds, materials, or facilities—to support secondary employment or outside entrepreneurial ventures.

Before you, your immediate family member, or a business in which you have a financial interest can provide outside services or products to the company, you must obtain written approval from the chief audit and compliance officer.

We do not give or accept inappropriate gifts.

Building business relationships is important and valuable. A business gift can create goodwill, but it also can create a conflict of interest. Therefore, we are cautious when giving or accepting business gifts. An inappropriate gift could influence a business decision, and it would give the appearance of impropriety. Employees who are involved in selecting vendors, suppliers, or service providers must be especially careful when accepting gifts, as it may appear that they are doing business with someone because of the personal benefits they have received.

Do not accept gifts, entertainment, or anything of value that might create a sense of obligation or compromise your professional judgment. Inappropriate gifts include:

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

Q: A supplier in another part of the country has invited me to check out a new product at his plant. I really can’t justify the expense, so the supplier has offered to pay for the entire trip. May I go?

A: Finding the right equipment for the company is important. If management believes the product is important, then the company should pay for the trip. You should never accept special favors, entertainment, or gifts that might give the appearance of influencing your decision to buy. Check with your supervisor before accepting these kinds of invitations.
Giving or accepting a gift or entertainment with more than nominal value may be appropriate if it is normal and customary in the industry and is consistent with the nature and expectations of your position. However, before doing so, you must discuss the situation with your supervisor and the chief audit and compliance officer.

When working with government representatives, note that strict yet varied rules apply to them on accepting or giving gifts. Contact the chief audit and compliance officer, any member of the legal department, or an officer for guidance on these rules.

**Guidelines:**

- When possible, give gifts that can be enjoyed by the entire office, not just one person.
- Accept only nominal or promotional gifts. Items like key chains, hats, T-shirts, water bottles, or pens with a company logo are fine. If you receive a big, special thank you gift, politely refuse it if it has more than nominal value.
- Disclose. You will never go wrong letting your supervisor or the chief audit and compliance officer know you have received a gift or intend to give one. Never hide the fact you have had a business lunch or a night at the ball game.

**Q&A**

**Q:** A vendor has invited me to dinner. May I accept?

**A:** Probably. Routine business meals of reasonable cost are generally acceptable, but be careful if there are unique circumstances such as when the vendor is participating in a request for proposal. Ask your supervisor if you are unsure of what to do.

**Q:** A potential contractor invited me to join him at the local university’s homecoming football game. Is it okay to go?

**A:** Maybe, as long as (1) it is of nominal value and (2) there is no implied or express understanding that the invitation is in exchange for a contract with NorthWestern Energy. Entertainment gifts should not be extravagant. For example, tickets to the Super Bowl might be a different issue. Ask your supervisor if you are unsure.
INTEGRITY

We adhere to ethical business practices and are honest and transparent in our actions.
We manage our business with integrity.

We do our jobs lawfully, ethically, courteously, openly, and honestly. We live these values daily, which means we work honestly and with strong moral principles. Having integrity means doing the right thing—predictably and without exception. We don’t cut corners. Managing with integrity includes making tough decisions—we do and we have to, but we are honest about the basis of our decisions.

We uphold a culture of compliance.

We obey all laws, rules, and regulations. If we are unsure whether something is legal, we contact a supervisor, human resources, any member of the legal department, internal audit or the chief audit and compliance officer, an officer, or any manager or director. We portray the highest standards of integrity and fair dealing.

NorthWestern Energy must comply with numerous regulatory requirements issued by many different governmental agencies. Each of us is responsible for knowing and complying with the regulatory requirements and internal policies that apply to the work we do. The “alphabet soup” of requirements — FERC, NERC, EPA, OSHA, DOL, EEOC, PHMSA, SEC, CFTC, and others — is immense, so we must be diligent and ask questions when needed.

Q: I am an hourly employee, and I get paid overtime if I work more than 40 hours in a week. I like to check my work email at night and on the weekends. Some things are easy to take care of from home, and then I don’t feel behind when I come to work the next day. Since I am doing this on my own, I don’t bother entering this as working time. Is this okay?

A: No. You must accurately record and be paid for any time you spend performing work-related tasks—whether at work or at home, and whether during normal working hours or during off hours. This helps NorthWestern Energy fulfill its obligation to pay its employees according to federal and state wage and hour laws. You should always have your supervisor’s approval before working from home or working overtime. Talk to your supervisor or someone from Human Resources if you cannot complete your tasks during your regularly scheduled work day. It is not appropriate, and not permitted, for you to work outside of your regular work hours, or overtime, without approval.

Q: A colleague I work with is retiring soon. I have heard that the position will not be replaced because we have a new technology and we are being asked to try different procedure than what I am used to. Management seems to think we can just reassign all the work this way. We keep losing jobs and the wages that people depend on. Isn’t that unfair and lacking integrity?

A: No, prudently managing our limited resources is the right thing to do. Managing with integrity means difficult decisions are made—honestly—considering the fairness of all perspectives—and while balancing the needs and expectations of our customers, employees, regulators, and investors. Organizational optimization means operating our business efficiently—it is a strategic process to ensure we have the right people with the right skills in the right positions. We continue to integrate safety in every work practice and we don’t cut corners, but it is prudent and wise to seek to continuously improve procedures through automation or prioritizing tasks where it achieves a more cost effective result.

Q: I am not sure if I am eligible for premium pay on a certain job. Can I claim premium pay just to make sure I receive it?

A: If you are not sure how to properly record your time, ask your supervisor. It is not ethical to claim premium pay or overtime if you did not qualify for it. Similarly, be sure to accurately record actual time worked and PTO used. All our recordkeeping must be truthful and accurate, whether we are preparing financial reports or simply completing our individual timecards. Falsifying time records is a serious matter and considered theft.

Diverse: differing from one another.

Diversity: the policy of encouraging tolerance for people with different backgrounds—e.g., race, color, culture, ethnicity, gender, sexual preference, age, abilities, marital and family status, religion, socioeconomic status, health, values, or political view.

Fair dealing: conducting business with full disclosure.

Integrity: consistency of actions, values, methods, measures, principles, expectations, and outcomes.
Our record keeping is accurate and honest.

Each of us is responsible for providing accurate and honest information. The accuracy of our financial reports is of the utmost importance. We do not tolerate fraud or otherwise make false or misleading financial entries or statements, and we must strive for complete accuracy and transparency in our financial reporting. We cooperate fully with any governmental agency, regulator, or auditor and provide accurate and complete information.

We commit to accurately recording all assets, liabilities, revenues, and expenses; following all internal controls and procedures; never making false or artificial journal entries; and never establishing unsupported reserves or accruals. We record our time accurately and PTO honestly. If you suspect an act may constitute fraud, you should report your concerns immediately through an appropriate channel.

We compete fairly.

NorthWestern Energy is committed to a policy of vigorous but lawful competition based on the merits of its products and services. We seek to satisfy customers’ needs, not limit competitors’ opportunities. This practice is consistent with antitrust laws, which were created to prevent monopolies by making businesses compete fairly.

We are sensitive to our relationships with competitors, customers, and suppliers. We avoid practices that improperly exclude competitors, avoid unfair or deceptive marketing programs, and conduct ourselves in a way that demonstrates NorthWestern Energy is a fair competitor.

We respect our differences.

It is human nature to seek people like us. People are most comfortable with others who share their beliefs and backgrounds. At NorthWestern Energy we respect—and encourage—our differences to ensure we have the best and the brightest on our team. This promotes employee engagement, and engagement fosters productivity and innovation.

A diverse workforce adds value to our company and helps us succeed in an ever-changing environment. By embracing diversity, we enable each employee to contribute fully to the company. Diversity in the workforce may be considered when relevant to hiring, promotions, work assignments, or other decisions related to the terms and conditions of employment.

Integrity means being scrupulously honest in all of our dealings, whether they are professional or personal. It also means having the highest moral and ethical standards. Integrity is key to establishing trust and building long-term, positive relationships with customers, co-workers, and the public.

— Heather Grahame
Vice President and General Counsel

Q: What’s the difference between the Code of Conduct and the Standards of Conduct?

A: The Code of Conduct and Ethics provides general guidance to all employees regarding expectations consistent with our values and outlines how to report a suspected violation.

The Standards of Conduct, on the other hand, are a set of federal regulations from the Federal Energy Regulatory Commission (FERC) that require NorthWestern Energy to treat all of its transmission customers fairly and equally. It includes three primary rules:

1) The independent-functioning rule, which requires transmission function (“blue-badge”) employees and marketing function (“red-badge”) employees to operate separately;

2) The no-conduit rule, which prohibits passing certain transmission function information to marketing function employees; and

3) The transparency rule, which requires NorthWestern Energy to post certain information on a publicly available website.

If you have any questions about the FERC Standards of Conduct, contact our FERC compliance officer for guidance. If you have any questions about the Code of Conduct and Ethics, contact our chief audit and compliance officer.
Our success is tied to the success of each and every one of our communities. We aim to be a good corporate citizen through the contribution of our time, talent and resources to help our communities fulfill their vision of success.
We are charitable and support our communities.

We are active in our communities. We choose community involvement activities that will reflect favorably upon the company. NorthWestern Energy donates resources to educational, charitable, and community efforts that make our communities better places to live.

While our personal lives are our own, we are also the face of NorthWestern Energy in our communities. We need to recognize that what we say or do, whether on or off the job, will be a reflection on the company.

Similarly, when participating in an external event, such as a meeting or a conference, we must keep in mind that we represent our company and are contributing to NorthWestern Energy’s reputation.

We work to maintain good relationships with regulators and governmental authorities.

The foundation of strong relationships with governmental authorities and regulators is compliance, honesty, and transparency. To that end, we comply with the law, and strive for positive and strong relationships and mutual respect with all governmental authorities and regulators. We participate in relevant regulatory proceedings in order to facilitate the interests of our customers, investors, and other stakeholders.

“"Our commitment to service must extend beyond the desk, bucket truck, and welding shop. We need to give generously through volunteer work and donations to ensure our communities remain safe and prosperous places for all of us."

— Bobbi Schroeppele
Vice President — Customer Care, Communications and Human Resources
We participate in political activities legally and ethically.

As individuals, we are encouraged to participate in the democratic process by voting, donating personal funds, volunteering time, or making other appropriate contributions. As employees, we must ensure our political actions are both legal and ethical. Because our personal actions could be construed as company actions, we do not use work time or company resources for our personal political activities or otherwise create the perception that our individual actions are on behalf of or supported by NorthWestern Energy.

NorthWestern Energy has a legitimate business interest in political activities. Contribution of company funds, property, or services to a political cause must comply with applicable laws and must be approved in advance by the chief audit and compliance officer and our vice president and general counsel. It is important to ensure any political contributions are legal, are reported appropriately, and do not seem inappropriate.

We will not use a position of authority to make an employee feel pressured to contribute to a political cause. At no time will contributions to any political party, candidate, or issue be considered a condition of employment or advancement within the company. You must obtain approval from the chief audit and compliance officer before holding public office to address work-related issues and to avoid any conflicts of interest.

Q: May I run for public office?
A: Probably. The duties of a public office could create a conflict of interest or require work to be performed during normal business hours. Therefore, you must discuss how it might impact your job with your supervisor and obtain approval from the chief audit and compliance officer in order to address work-related issues and potential conflicts of interest that could arise.
ENVIRONMENT

We are committed to providing all customers with utility services that meet their current and future needs, while protecting and enhancing the quality of the environment. We will utilize our limited natural resources wisely and act responsibly to limit impacts on our air, water and land resources.
We care for our environment.

Our service territory includes some of the most beautiful and productive land in our nation. NorthWestern Energy’s environmental performance is the shared responsibility of all employees. We must be good stewards of the natural resources entrusted to us by applying the following principles:

- We develop and comply with business practices that reflect respect for natural resources, wildlife, and commitment to the quality of the environment.
- We develop and implement energy and technology solutions that balance the need for low-cost and reliable energy with environmental, health, and safety risks.
- We consider the environment when planning and making operating decisions.
- We strive to prevent pollution whenever possible and minimize the generation of wastes from our operations.
- We promote energy efficiency and conservation.
- We comply with the spirit as well as the letter of environmental laws and regulations.
- We participate in the formulation of effective and responsible environmental laws, regulations, and policies that impact our business.

Every one of us is responsible for implementing these principles and for taking whatever actions necessary to avoid or minimize environmental impacts. We must be aware of and commit to compliance with environmental requirements, including internal reporting of environmental hazards or violations of environmental laws or permits.

Meeting our environmental obligations is the right thing to do. We value this place we call home—where we live, work, play, and raise our families.

— John Hines
Vice President — Supply

Q: My sister Ev, an environmental activist, lives near the proposed site for one of our new transmission line projects. She has asked me to join her opposition group and provide her with information for her blog. If I do this on my own time, is this okay?

A: Probably not. You cannot share confidential information. In addition, even though the activities would occur on your personal time, your actions would be actively going against our business interests. This is a conflict of interest.

It is not wrong to be concerned about the environment. The company is also concerned about the environment, but those concerns should be addressed by authorized employees working through the proper forums.
Certification

Our Code of Conduct and Ethics embodies the standards that form NorthWestern Energy’s culture. It speaks to the way we do business and how we conduct ourselves: safely, ethically, and with integrity. Our SERVICE values—safety, excellence, respect, value, integrity, community, and environment—guide us on the right path.

We expect every employee to know and follow the Code of Conduct and Ethics. It’s part of your job. As part of this obligation, you will be required to certify that you have read and understood the Code of Conduct and Ethics and that you will abide by the standards contained in the Code. After completing the annual online training, you will be asked to certify:

- Understanding of your individual responsibility to comply with the contents of the Code of Conduct and Ethics and all company policies;
- Understanding of the duty to report in good faith known or suspected violations of the guiding principles or business practices contained within the Code of Conduct and Ethics to your supervisor, human resources, any member of the legal department, internal audit or the chief audit and compliance officer, an officer, a manager or director, or the Compliance Line; and
- Commitment to report in good faith future violations or suspected violations of NorthWestern Energy’s Code of Conduct and Ethics.
## Contacts

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<th>Resource</th>
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<tr>
<td><strong>Compliance</strong></td>
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<tr>
<td>Compliance Line</td>
<td>(877) 781-7286</td>
<td><a href="http://www.integrity-helpline.com/NW.jsp">www.integrity-helpline.com/NW.jsp</a></td>
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CODE OF CONDUCT AND ETHICS

Updated January 2018*

*Updates were made in October 2018 to pages 6 and 34, in the online version only, to recognize new Audit Committee Chair, Linda Sullivan.