



Oncor Electric Delivery Company LLC

Code of Conduct

Effective June 11, 2010

Table of Contents

SCOPE \ APPLICATION.....3

INTRODUCTION3

I. RELATIONSHIPS WITH AFFILIATES, CUSTOMERS, SUPPLIERS AND COMPETITORS3

 Ring-Fencing.....3

 Antitrust and Dealing with Competitors.....4

 Business Solicitation.....4

 Competition and Marketing.....4

 Endorsements.....4

 Procurement Activities4

II. COMPANY PROPERTY AND RECORDS4

 Oncor Assets4

 Confidential Information, Proprietary Information, and Material Nonpublic Information....5

 Corporate Records.....5

 Providing Information.....6

 Internet, Electronic Networks and Online Forums.....6

III. CONDUCT IN THE WORKPLACE6

 Health and Safety6

 Intoxicants, Drugs, and Narcotics.....7

 Respect in the Workplace, and Harassment7

 Smoking.....7

 Use of Cellular Phones and Wireless Devices7

 Possession of Weapons and Firearms.....7

IV. CONFLICTS OF INTEREST.....8

 Gifts, Gratuities, and Entertainment.....8

 Employment of Relatives and Employees of Independent Auditor.....8

 Financial Interests.....8

 Outside Activities9

 Public Office.....9

V. LAWS AND REGULATIONS.....9

 Bribery, Kickbacks and Foreign Business Dealings9

 Copyright or Patent Infringement.....10

 Environmental Protection.....10

 Insider Trading and Selective Disclosure10

 Political Contributions and Activities.....10

 State and Federal Regulations (including Affiliate Rules).....10

VI. CERTAIN OTHER POLICIES.....11

 Delegation of Authority.....11

 Employment.....11

 Employee Discipline11

 Reimbursable Employee Expenses.....11

 Solicitation of Employees and Distribution of Literature12

 Organization Memberships.....12

GOVERNANCE \ IMPLEMENTATION13

 Employees' Responsibilities.....13

 Supervisors'/Managers' Responsibilities13

 Where to Seek Guidance.....14

 Waiver.....14

SCOPE \ APPLICATION

This Code of Conduct applies to Oncor Electric Delivery Holdings Company LLC and all of its subsidiaries including Oncor Electric Delivery Company LLC (“Oncor” or “Company”).

This document may not address every situation related to the title subject. Other relevant material may include, and is not limited to, other policies and principles, organization or work area procedures, and laws and regulations.

INTRODUCTION

This Code of Conduct has been prepared under Oncor’s Compliance Program and applies to all employees of Oncor. The Code of Conduct also applies to Directors of Oncor except for provisions pertinent only to employees.

This Code of Conduct provides employees with rules and guidance on ethical issues. It states that Oncor expects ethical conduct. Employees are expected to know and comply fully with the Code of Conduct and other policies in the Policy Manual. Successful implementation depends on the conduct of all Oncor employees.

The Code of Conduct is a set of general principles, and, therefore, must be used together with good judgment. While it is not possible to cover the infinite variety of situations to which the Code of Conduct and its related policies and procedures apply, it is imperative that all actions be based on honesty and integrity, and that each employee conduct his/her business affairs in a manner that will ensure there is no real or apparent conflict between his/her personal interests and the interests of Oncor. In addition to the Code of Conduct, compliance standards include policy manuals, procedure manuals, safety manuals, employee handbooks and federal, state, and local laws and regulations.

I. RELATIONSHIPS WITH AFFILIATES, CUSTOMERS, SUPPLIERS AND COMPETITORS

Employees are held to the highest standards of personal conduct and business ethics in their relationships with Oncor’s affiliates, customers, suppliers, and competitors. This includes providing high-quality service, treating everyone in an equitable manner, displaying dignity and courtesy in business dealings, and competing vigorously, effectively, and fairly.

Ring-Fencing

In compliance with Texas law and the regulations, orders and stipulations of the Public Utility Commission of Texas (PUC), Oncor is governed and operated separately from Energy Future Holdings Corp. and its non-regulated subsidiaries (EFH). This separation of governance and operations is referred to as “ring-fencing.” Ring-fencing ensures that the Company is treated for all purposes as a separate and independent business, with its own obligations and liabilities separate from those of EFH, and that the liabilities of EFH are not liabilities of the Company. Ring-fencing requirements include the [PUC Affiliate Rules](#) and the “[separateness undertakings](#)” under Section 10(h)(v) of the Company’s Limited Liability Company Agreement (Oncor LLC Agreement). As addressed in Oncor’s Ring-Fencing Policy, such requirements include, among other things: that Oncor must hold itself out to the public as a separate legal entity and that employees, representatives and agents must hold themselves out as being employees, representatives and agents of Oncor and not of EFH; that Oncor maintain an arm’s-length relationship with EFH; and that shared expenses must be appropriately allocated and shared corporate functions used appropriately.

All employees, representatives and agents are required to comply, to the extent applicable to their jobs, with Oncor’s Ring-Fencing Policy, the [PUC Affiliate Rules](#) and the “[separateness undertakings](#)” in Section 10(h)(v) of the Oncor LLC Agreement.

Antitrust and Dealing with Competitors

Federal and state antitrust laws prohibit various practices that could limit competition or restrict fair trade. Under these laws, companies may not enter into agreements with other companies, however informally, that unreasonably restrict competition. Some examples of prohibited agreements include: an agreement with competitors to charge customers the same price for products or to divide markets or service territories (*i.e.*, to divide customers); an agreement with suppliers not to sell to the company's competitors; and forcing any customer to buy an item or service as a condition of buying another item or service. Accordingly, employees are expected to be sensitive to the possibility of legal concerns under competition laws and raise any concerns with their manager, the Compliance Helpline at 800-453-0801 or the Oncor Legal Department.

Business Solicitation

Employees should not offer financial or other inducements that exceed customary courtesies to existing or potential customers or suppliers in order to obtain business or preferential treatment. Purchasing and sales decisions must be independent of each other. This means that an employee's decision to buy from a supplier must not depend on the supplier's decision to buy from Oncor.

Competition and Marketing

Oncor should compete solely on the merits of its products, services, and ability to serve. Employees are expected to be accurate and truthful to customers, suppliers, and competitors and not misrepresent themselves or the quality, features, price, or availability of Oncor's products and services. Prohibited activities include:

- Using deceptive or misleading statements.
- Inducing a competitor or customer to breach a contract with a third party.
- Obtaining unauthorized access to confidential or proprietary data or documents.
- Securing an unfair competitive advantage.
- Engaging in any activity that could damage Oncor's reputation.

Endorsements

Employees, on behalf of Oncor, should not endorse, promote, or give testimony for products, services, or equipment of suppliers, customers, or competitors, unless specifically authorized to do so by a vice president or higher.

Procurement Activities

Employees responsible for procuring supplies, equipment, and services for Oncor should adhere to sound business practices that result in the fair and ethical treatment of suppliers and the purchase of materials and services at the lowest total cost to Oncor. This standard applies to evaluating and selecting an appropriate number of qualified suppliers; providing appropriate confidentiality and protection of supplier proprietary information; being impartial, truthful, and independent in Oncor dealings; and remaining free from personal obligation to any supplier. This standard also applies to all employees who are in a position to influence procurement decisions.

II. COMPANY PROPERTY AND RECORDS

Employees have a duty to safeguard Oncor assets entrusted to their care. Oncor assets include not only its physical property and equipment, but also confidential information; customer information; the services and labor of employees; the innovations and other proprietary information developed by or for Oncor; and Oncor records including time sheets, expense reports and field test reports.

Oncor Assets

Theft of Company assets is prohibited. Employees are also responsible for protecting Oncor assets from loss, theft, or misuse. Employees may use Oncor tools, equipment, materials and supplies, software, cash, facilities, proprietary and confidential information, and other assets, as well as the services and

labor of other employees, only for legitimate business reasons on behalf of Oncor. Assets are not to be used for an employee's personal benefit without the permission of the employee's supervisor.

Confidential Information, Proprietary Information, and Material Nonpublic Information

Employees are responsible for safeguarding Company and customer confidential and proprietary information from loss, theft, unauthorized disclosure or misuse. The Procedures for Protection of Confidential Information Policy prohibits employees from divulging, disclosing or communicating, either directly or indirectly, any confidential information to any person, firm or entity not authorized to receive such information. The policy further prohibits the use of confidential information for an employee's personal benefit or for the benefit of any other person, company or entity. Even after the end of employment, there is a continuing obligation of each individual not to use or disclose confidential and proprietary information. Upon termination of employment, employees must return to Oncor all originals and copies of any materials in the employee's possession, custody or control which contain confidential and/or proprietary information.

Employees are expected to comply with the specific security measures and internal procedures established in the Procedures for Protection of Confidential Information Policy.

The Principles for Privacy of Customer Data Policy defines and establishes standards for maintaining the privacy of Oncor customer data.

Employees are also required to comply with the Transactions in Company and Subsidiary Securities Policy which prohibits, among other things, buying or selling securities of any Oncor entity or Energy Future Holdings Corp. or any of its subsidiaries or affiliates (EFH companies) while in possession of material non-public information about Oncor or any EFH company securities or about Oncor or the EFH companies.

In order to comply with federal law and the Information Disclosure and Regulation FD Policy, any disclosure of material non-public information to investors or securities market professionals must be coordinated through the office of Oncor's Treasurer. Therefore, the Treasurer should be consulted for prior determination as to whether public disclosure is required of potentially material non-public business information. In the event an employee becomes aware of any disclosure of potentially material non-public information, he/she has a duty to immediately inform the Compliance Officer or call the Oncor Compliance Helpline 800-453-0801.

Corporate Records

Employees are responsible for recording and reporting honest, full, fair, accurate, timely and understandable information, including supporting material, on reports, expense accounts, time sheets, and other documents or electronic data, including those related to Oncor benefit plans such as health, workers' compensation, and financing plans.

Books, records and data must accurately and fairly reflect the Company's assets and transactions in reasonable detail and internal accounting controls must provide reasonable assurance that:

- The Company's transactions are properly authorized, recorded, summarized and reported with no fraudulent or misleading entries.
- The Company's books, records, data and other assets are safeguarded against unauthorized or improper use, alteration or disposition.
- Financial statements are prepared from reliable information and fairly represent, in all material respects, the financial condition and results of operations of the Company in conformity with appropriate accounting standards, laws and regulations.
- No payment or approval for payment is made for any use other than that specifically described by documentation supporting the payment.

Employees are required to comply with the Records Management Policy regarding the Company's record retention, storage and disposal program.

Providing Information

Employees should never provide misleading or fraudulent information or information known to be incorrect, either in writing or orally, to the Company or any Company representative; any public official, governmental agency, or internal or external auditor; or in any public communications. Any communication with news media on behalf of Oncor by any employee must be coordinated through the appropriate Communications representative. Employees involved in the preparation of reports and documents on behalf of Oncor filed with, or submitted to, the Securities and Exchange Commission shall ensure, to the best of their ability, that such reports and documents disclose full, fair, accurate, timely and understandable information. Employees shall fully cooperate and shall not withhold information or give false or misleading information in an investigation including Company investigations and those conducted by external parties.

Additionally, employees who conduct business with affiliates engaged in a competitive energy-related market in Texas must comply with the restrictions concerning the sharing of information with these business entities.

Internet, Electronic Networks and Online Forums

Oncor provides employees, contractors and agents acting on behalf of Oncor ("Users") with access to the Internet, Intranet and other electronic networks and tools (such as e-mail and instant messaging) for authorized business-related purposes. The use of these networks should not be abused through inappropriate or excessive non-business use. Also, as with verbal comments made by Users at work or outside of work, comments made by Users in online forums must be consistent with the Company's policies. It is the responsibility of all Users to ensure that the Company's computers and electronic networks and tools, as well as online forums, are used in an appropriate and lawful manner in accordance with the Internet, Intranet, Instant Messaging and E-Mail Policy and the Social Networking and Online Forums Policy. Together, these policies address responsible use of the Company's electronic networks and online forums, unacceptable and prohibited conduct by Users, the Company's right to monitor and inspect any use of its electronic networks and Users' reporting of inappropriate activity and viruses.

The use of the Company's electronic networks and tools may be suspended immediately upon the discovery of a potential violation of Oncor policies or other possible wrongful conduct. An employee's violation of any provision of the Internet, Intranet, Instant Messaging and E-Mail Policy or the Social Networking and Online Forums Policy may result in disciplinary action, up to and including termination. It is a violation for a User to assist others in activities that violate such policies or to authorize others to perform activities that violate such policies. If a User is uncertain about whether an activity may violate the policy, the User should refrain from performing the activity and contact his/her supervisor and/or manager.

III. CONDUCT IN THE WORKPLACE

The safety and health of employees and the public are of prime importance to Oncor, and Oncor is committed to providing a safe work environment, free of discrimination and harassment. Employees are expected to treat others with respect and dignity. Full cooperation should be extended to others in all business-related matters.

Health and Safety

Safety rules and work practices are developed to help preserve the safety and health of employees and the public and to comply with applicable regulations. All employees are expected to know the safety rules pertaining to their job assignments, and to comply with these rules in the performance of their jobs. Oncor does not tolerate any conduct by employees that jeopardizes the safety of the workplace, other employees, or the public. Examples of prohibited conduct include making threats; using abusive or

profane language; engaging in threatening or violent physical conduct; or other inappropriate behavior including the possession of weapons, firearms, ammunition, explosives, or illegal drugs.

If an employee does not understand a safety rule or if clarification of a rule is needed, the employee should consult his/her supervisor. It is also an employee's responsibility to report any unsafe conditions or acts to his/her supervisor. Failure to comply with safety rules or procedures will subject the employee to disciplinary action.

If an employee is injured on the job, the injury must be reported immediately to the employee's supervisor and an "Employee Injury Report" must be completed, and any involved employee shall cooperate in preparation of such reports.

Intoxicants, Drugs, and Narcotics

The use or possession of intoxicants, drugs or narcotics can create a danger to employees and the general public. Oncor has adopted two comprehensive policies regarding these substances:

- Drugs - Intoxicants, Drugs & Narcotics Testing Procedures addresses, among other things, that all employees and prospective employees are subject to being tested.
- Drugs - Use and/or Possession of Intoxicants, Drugs & Narcotics addresses, among other things, prohibited conduct, illegal and prescription drugs, searches, and off-duty conduct.

It is each employee's responsibility to report unsafe or hazardous conditions that are caused by the use or possession of intoxicants, drugs, or narcotics.

Respect in the Workplace, and Harassment

All employees are required to comply with the Harassment and Sexual Harassment Policy and to act in a responsible and professional manner to maintain a respectful working environment free of harassment and discrimination. Employees are prohibited from discriminating against or harassing any individual, or allowing discrimination or harassment to go unreported. Inappropriate conduct or comments based on race, color, religion, sex, sexual orientation, national origin, age, disability or veteran status, or any other conduct contrary to creating an environment free of discrimination and harassment, will not be tolerated and will subject an employee to severe disciplinary action, up to and including termination. The Company will not tolerate any form of harassment of employees, whether imposed by an employee, independent contractor, vendor, or visitor.

Smoking

Smoking is prohibited in all buildings owned or leased by Oncor, and Oncor vehicles and equipment with enclosed cabs unless otherwise provided in the Smoking Policy. Management at each Oncor facility may designate appropriate outdoor area(s) where smoking is permitted.

Use of Cellular Phones and Wireless Devices

All employees are prohibited from using cell phones or other wireless devices (e.g., pagers, Blackberry or PDA devices, laptops, etc.) while conducting Oncor business in situations, including but not limited to driving a vehicle, in which it appears to the employee that the use of such devices is likely to increase the risk of injury to an employee or to the public. Employees are encouraged to use a hands-free device or to safely stop the vehicle before using a cell phone or other wireless device while driving. Under no circumstances are employees allowed to place themselves or others at risk to fulfill Oncor's business needs.

Possession of Weapons and Firearms

The possession of weapons, firearms (with or without a license) and ammunition, including other equipment or devices (e.g., explosives) determined by management as presenting a hazard, whether classified as legal or illegal on Oncor property, including buildings, parking lots, recreation facilities, equipment and vehicles, is strictly prohibited with only the limited exceptions listed in the Weapons and Firearms Policy. The policy is applicable to all employees, visitors, vendors, clients, job applicants, contractors and consultants.

In order to enforce this policy, all employees, employee vehicles, personal belongings, offices, lockers and any Oncor property may be subject to search. Refusal on the part of any employee, after being requested to do so, to submit immediately to a search of his/her person and/or property, will subject the employee to discharge.

IV. CONFLICTS OF INTEREST

Employees are expected to avoid conflicts of interest between their personal interests and those of Oncor. Employees should promptly and fully disclose to the employee's manager and/or supervisor any situation that could reasonably present either an actual conflict of interest or the appearance of a conflict of interest. Any activity that may even appear to represent a conflict of interest should be disclosed and avoided. Every situation is unique and determination of an actual conflict will depend on such factors as job position and the extent of the employee's involvement.

Gifts, Gratuities, and Entertainment

Employees or members of their immediate families (spouse, mother, father, son, daughter, brother, sister or any of these step- or in-law relationships, whether established by blood or marriage including common law marriage) should not solicit nor accept cash or its equivalent, entertainment, favors, gifts or anything of substance from competitors, vendors, suppliers, customers, or others that do business or are trying to do business with Oncor. Exceptions would include items of nominal value that are neither excessive nor exceed customary courtesies. Cash or its equivalent should never be accepted. Loans from any persons or companies having or seeking business with Oncor, except recognized financial institutions, should not be accepted. All relationships with those with whom Oncor deals should be cordial, but must be on an arm's length basis. Nothing should be accepted, nor should the employee have any outside involvement, that could impair, or give the appearance of impairing, an employee's ability to perform his/her duties or to exercise business judgment in a fair and unbiased manner.

For example, Oncor employees on occasion may be invited to be the guests of an outside company or person at meetings, trips, etc., usually overnight, that have an emphasis on recreation of some type. Employee participation in such events should be limited only to those where a benefit to Oncor is expected to result, and as much of the employee's expenses as is possible and practical should be paid by Oncor. The sponsor of the event should be in good standing with Oncor based on prior performance. As a rule, employees should attend such events only when other representatives from a broad spectrum of industry also will be in attendance. While certain business-related topics of a general nature may be discussed during the event, specific business transactions should be avoided. Further, prior written approval of participation must be obtained from a vice president, or higher level for officers, in the employee's business function/company.

Employment of Relatives and Employees of Independent Auditor

No personnel action, including hiring, transfer or promotion, will be taken which will create a situation in which any two immediate family members (as defined in Oncor's Employment of Relatives Policy) have a common immediate supervisor, are in direct line reporting relationship, work in close physical proximity, or in any other situation which may present an actual or perceived conflict of interest. If one of these situations is created by marriage, the situation will be dealt with appropriately, including possible transfer or termination.

To avoid possible conflicts of interest, whether real or perceived, and to support the independence of Oncor's outside independent auditor, hiring supervisors and managers are required to comply with the policy regarding the hiring of the audit firm's current or former employees.

Financial Interests

Employees should not be involved in selling goods and services to Oncor. Employees or members of their immediate families (as defined under the Gifts, Gratuities and Entertainment section above) should not:

- receive compensation from, or have any financial interest in, a current or prospective supplier, customer, or competitor if that compensation or financial interest constitutes a conflict of interest for the employee;
- own a significant financial interest in any business that supplies Oncor with a substantial amount of goods or services or where sales to Oncor are a substantial part of the other business's revenues.

Any exceptions must be approved by the employee's manager and/or supervisor in writing and a copy should be forwarded to the Chief Compliance Officer. Ownership of less than one percent of the securities of a corporation listed on a recognized stock exchange is not considered a significant financial interest.

Outside Activities

Employees shall not participate in any outside activity (including as an officer, director, owner, consultant, or employee) that could or appears to interfere with the performance of their or other employees' duties and responsibilities, affect their independent and objective judgment, compete with an Oncor business, or discredit Oncor. Each employee's primary business obligation should be to Oncor, and personal business affairs or outside employment should be kept separate and distinct from those of Oncor in every respect and not be based on Company property, information or position, and not divert business opportunities away from Oncor.

An employee's outside activities should not be conducted on Oncor property and not involve the use of any Oncor assets, materials, property, or the services of other Oncor employees, or involve the employee's activities during Oncor work hours. Exceptions may be granted by the employee's manager and/or supervisor, where the situation warrants.

Employees should not use Oncor prestige or influence, directly or indirectly, for personal gain or benefit. In this regard, an employee, while on the job or as an Oncor representative, should not solicit customers to hire or contract with him/her for outside work of any kind.

Public Office

Employees are encouraged to take an active interest in the political affairs of the local community, the state and the nation. However, this action is to be done as an individual and not on behalf of Oncor.

Participation in an appointed or elected capacity at the local, county, state, or federal level in positions such as a member of a city council, a county commissioners court or a tax appraisal board within an Oncor business' service and operating area can represent a potential conflict of interest. Employees wishing to serve in such capacity must notify the appropriate Vice President or higher level officer prior to taking any action. When, in the judgment of Oncor, a perceived or actual conflict of interest arises, Oncor will take, or require the employee to take, appropriate action to resolve the conflict.

V. LAWS AND REGULATIONS

Oncor's activities are subject to a broad set of federal, state and local laws, and employees must adhere strictly to both the letter and the spirit of all applicable laws and regulations.

Bribery, Kickbacks and Foreign Business Dealings

Employees should never offer incentives to a foreign or domestic government official or agent in the hopes of influencing that individual. Oncor funds, services, or labor must not be given, directly or indirectly, to anyone in an improper effort to obtain or retain business for Oncor or to obtain any special or unusual treatment in connection with a business transaction. Expenditures and transactions of any kind involving foreign officials, including social meetings, must be discussed with the appropriate Vice President or higher level officer in advance. Any such expenditure or transaction must be accurately recorded in Oncor's books and records.

Copyright or Patent Infringement

Employees should verify that duplication is permissible before reproducing any copyrighted material including from books, magazines, newspapers, videotapes, computer programs, the Internet, or copies of design drawings. In addition, employees should be aware that certain designs, processes and devices are subject to patents. Employees should not infringe or violate the intellectual property rights of others.

Environmental Protection

Environmental commitments that achieve regulatory compliance are interwoven into every level and every activity of Oncor. The Environmental Principles statement formalizes the Company's environmental commitment. Employees are expected to comply with environmental regulations and maintain the Company's standards.

Insider Trading and Selective Disclosure

Employees should not use confidential or material non-public Oncor information for personal gain or disclose such information to any unauthorized person. In addition, employees should not speak with journalists or financial analysts on behalf of Oncor unless authorized to do so. All communications on behalf of Oncor with securities market professionals must be coordinated through the Treasurer's office in compliance with the Information Disclosure and Regulation FD Policy. Additionally, any communication with news media on behalf of Oncor by any employee must be coordinated with the Communications Department as provided for in the News Media Activity Policy. Certain transactions in the securities of Oncor or its affiliates are restricted by securities law and the Transactions in Company and Subsidiary Securities Policy.

Political Contributions and Activities

Payment or use of corporate assets of any type as payment, directly or indirectly to any person, business, political organization, or public official for any unlawful or unauthorized purpose is prohibited. Employees should not make any political contribution on behalf of Oncor, use any Oncor resources to assist a candidate or elected official in any campaign, or coerce or direct another employee to vote a certain way.

Employees should never attempt to offer any incentives to public officials in the hopes of influencing that individual.

Employees may form political action committees (PACs) to solicit contributions from management and employees. PACs are subject to campaign finance laws, which generally require that the PAC be administered separately from the affairs of Oncor.

Employees responsible for contacts with state and federal agencies and other levels of government must be familiar with, and abide by, the standards adopted by the various agencies or other government bodies. In addition, these employees shall comply with all lobbyist registration and reporting requirements including disclosing what they do and what they spend. Only employees who are registered and file reports as lobbyists may engage in any lobbying activity.

State and Federal Regulations

Employees are subject to regulations adopted by state and federal regulatory agencies. Such regulations include the Affiliate rules as summarized below.

Affiliate Rules – The Public Utility Commission of Texas has adopted detailed rules that govern the transactions and interactions between the electric utility and its affiliates. The rules address topics including nondiscriminatory access to the electric utility's services, sharing electric utility information with a competitive affiliate, protecting proprietary customer information, prohibiting the electric utility providing unfair advantages to its competitive affiliates, and prohibiting the electric utility from subsidizing its affiliates.

VI. CERTAIN OTHER POLICIES

Employees are prohibited from engaging in conduct that negatively affects: an employee's ability to perform his or her job; a co-worker's confidence in or ability to work with an employee; or the public trust in the ability of Oncor or an employee to carry out Oncor's responsibilities. Employees are also prohibited from requesting or encouraging another party to engage in conduct or activities that they as employees are prohibited from doing under Oncor policy. Oncor has established certain other policies, some of which are summarized below.

Delegation of Authority

Employees are required to adhere to Oncor's Delegation of Authority Policy which establishes the approval authority level for the Chief Executive Officer, the authority delegated to each employee, and the process for approving Oncor transactions. The approvals identified in this policy are in addition to legally required approvals of the appropriate governing body or bodies of the Oncor. It is a violation of the policy to split invoices, contracts, or projects in order to lower the thresholds and avoid a higher approval.

Employment

It is the policy of Oncor to comply with all employment laws and to afford equal opportunity for employment to all individuals without regard to race, color, religion, sex, national origin, disability, age or disabled veteran, veteran of the Vietnam era or other covered veteran status. This Employment Policy applies to recruitment, hiring, promotion, demotion, transfer, discipline, layoff, termination, rates of pay, selection for training, and every other type of pre- and post-employment personnel activity. All hiring, terminations, and selections for job opportunities will be based on the Company's business needs and the qualifications, skills and performance of the candidates, and not based on impermissible considerations.

Management personnel are responsible for ensuring that employees in their organizations are adequately informed about this policy and for assuring that the provisions of this policy are enforced in their organization.

Employee Discipline

To assure Oncor business is conducted properly and efficiently, employees must conform to certain standards of work performance, conduct, attendance, and other work rules and regulations.

Oncor's Discipline Policy applies to regular employees who have completed 90 days of service and pertains to matters of conduct as well as an employee's performance. Steps of discipline described in the policy include: (1) an oral reminder, (2) a written reminder, (3) decision-making leave. The policy also provides for crisis suspension wherein an employee, based on the seriousness of his/her action, may be suspended with no oral or written warning, and may be terminated or otherwise disciplined for a first-time offense. Additionally, employees' off-duty conduct is also addressed in the policy.

Performance issues will be handled in accordance with the Oncor's Employee Performance Improvement Policy.

If any affected employee (not covered by a labor agreement) disagrees with any disciplinary action taken, the employee can appeal as provided in Oncor's Employee Problem Resolution Policy.

Reimbursable Employee Expenses

Oncor's policy is to reimburse employees for actual expenses incurred in conducting Oncor business. The expenses to be reimbursed are to be business related and reasonable, with appropriate supporting documentation, and not in conflict with government regulations. Business expenditures should be kept to a minimum and should have appropriate management approval prior to reimbursement.

Personal expenses incurred by employees are considered non-business and will not be reimbursed by Oncor.

Employees have a responsibility to conduct Oncor business in such a manner as to avoid any conflict between their personal and Oncor business expenses. Appropriate receipts and documentation should be submitted by employees. Further, Oncor credit cards including the Oncor Travel Card and Oncor Purchasing Card are to be used for authorized Oncor business expenditures only. Employees failing to adhere to Oncor's policy regarding expenses are subject to disciplinary action. Refer to Employee Expense Reports accounting policy for details on reimbursable employee expenses or contact your supervisor if you have any questions.

Solicitation of Employees and Distribution of Literature

Oncor does not permit third-party solicitation of employees at their work places or through the use of Oncor records or communication facilities, including electronic media, except that the following activities are permitted:

- Solicitation of employees on behalf of specific charitable organizations approved by an officer at the executive vice president level or above.

The solicitation of Oncor employees by other Oncor employees and the distribution of literature or handouts are prohibited on Oncor property except as follows:

- Employees may solicit only during non-work time at their work location. Non-work time includes time before and after the regularly scheduled shift, mealtime, recognized rest or coffee breaks.
- Employees may distribute literature only during non-work time in non-work areas at their work location. Non-work areas would include, but not be limited to, break rooms, hallways, cafeterias, parking lots and Oncor entrances.
- Employees may post on Oncor bulletin boards, where permitted, notices for the sales of their items of personal property (e.g., cars, boats and pets) and notification of social activities, provided these postings are neither on a continuous basis nor for business purposes.

The activities permitted above must not interrupt or interfere with the work of employees or be disruptive to the work environment. Any communication that violates commonly recognized standards of decency (e.g., sexually explicit or offensive material) or otherwise violates any provision of this Code of Conduct is expressly prohibited. Additionally, guidelines approved by the responsible officer at the vice president level or above may be applicable in some locations. Local management is responsible for the review and approval of postings on Oncor bulletin boards.

The solicitation policy is not intended to and does not cover Oncor communications, announcements or literature which may be periodically disseminated in the normal course of Oncor's operations, nor does this policy supersede Oncor's Internet, Intranet, Instant Messaging and E-Mail Policy.

Organization Memberships

It is the policy of Oncor to be a good corporate citizen and to actively participate in certain community and civic affairs, such as Lions Club, Rotary Club, and youth organizations, in areas in which it conducts business. Employees must obtain approval from their management at the Vice President level or above for Oncor to sponsor such membership.

Employees may participate in organizations of a personal nature, such as churches, scouts, parent-teacher associations, alumni associations, and fraternal organizations; however, such memberships do not qualify for Oncor sponsorship. If this participation will require significant time away from his/her job, the employee should first obtain approval from the appropriate manager.

Service by employees on boards of for-profit organizations is not allowed without approval of the Chief Executive of Oncor.

GOVERNANCE \ IMPLEMENTATION

Oncor maintains a working environment where employees are expected to comply with the Code of Conduct and all policies and procedures consistent with Oncor's Compliance Program. Oncor provides training that will assist employees in understanding their responsibilities under the Code of Conduct and all policies as well as pertinent laws and regulations. In addition, resources, including the Compliance Helpline by which employees can report concerns or ask questions, are provided by Oncor to help employees to comply.

Employees' Responsibilities

Employees are required to comply with the Code of Conduct, policies and procedures, and laws and regulations that are applicable to their jobs. Failure to abide by the Code of Conduct may result in disciplinary action, up to and including termination. An employee who assists in, or authorizes others to perform, activities that do not comply with the Code of Conduct or who knows of such activities and does not report them will be considered to have violated the Code of Conduct.

Employees shall report all suspected violations of laws, regulations, policies, procedures, or the Code of Conduct. Since employees may sometimes be uncertain as to whether a particular activity is a violation of these standards, they are encouraged to report any incident which they honestly believe may constitute a violation. There will be no retaliation taken against an employee for the act of making a good faith report regarding a possible violation.

Employees who suspect improper activities should report their concerns to their supervisor and/or manager or to any of the following compliance functions:

- Compliance Officer
- Corporate Security
- Human Resources
- Internal Audit
- Compliance Helpline, by calling **800-453-0801**

If desired, the identity of the employee will be kept confidential to the fullest extent possible. Employees who desire to remain anonymous should utilize the Compliance Helpline to express their concerns.

With regard to the receipt, processing, and escalation of accounting, internal accounting controls, or auditing concerns, the Company requires compliance with its Accounting, Internal Accounting Control and Auditing Complaints and Related Retaliation and Employee Fraud Policy.

Certain employees, as determined by management, will be required to confirm in writing that they have read and understand the Code of Conduct, have conducted themselves in accordance with the Code of Conduct, and are not aware of any violations by others.

Supervisors'/Managers' Responsibilities

Oncor managers and supervisors (collectively, "managers") are responsible for providing reasonable assurance that their employees understand the avenues available within Oncor for reporting concerns and shall assist in the following:

- Identifying the laws and regulations along with the standards in the current Code of Conduct that apply to the work group.
- Identifying the procedures that guide actions under these standards.
- Effectively communicating standards and procedures through training programs and by disseminating publications that explain in a practical manner what is required. Any changes in the Code of Conduct or in the laws and regulations which apply to a work group will be timely communicated.
- Assessing the potential for unethical or illegal conduct in their area of responsibility.

- Enforcing the Code of Conduct including taking appropriate action, in consultation with Human Resources, based upon the findings of a compliance investigation.
- Maintaining a reporting system that protects employee confidentiality and anonymity to the fullest extent possible.
- Ensuring there is no retaliation against any employee for reporting a concern in good faith.
- Monitoring and documenting compliance with the Oncor Compliance Program.
- Administering disciplinary action where breakdowns in ethical conduct and violations of the Code of Conduct occur.

Managers' Referrals for Assistance - Breaches or possible breaches of the Code of Conduct must be referred to the appropriate compliance organization for investigation. A manager who becomes aware of a breach or possible breach shall document available details regarding the matter and promptly contact the appropriate compliance function per the following general guideline:

- Corporate Security — matters involving law enforcement agencies; alleged criminal activity; security; theft, weapons or violence; or misuse of the Internet, Intranet and E-mail.
- Internal Audit — matters involving alleged accounting or financial irregularities.
- Human Resources — matters involving discrimination, harassment, or labor and employment.
- Legal — matters involving laws or regulations, including antitrust, the Foreign Corrupt Practices Act, separateness undertakings and insider trading.
- External Affairs (Regulatory) – matters involving regulations of the Public Utility Commission of Texas, including the affiliate rules.
- Environment, Health and Safety — matters involving environment, health and safety.
- Chief Compliance Officer — all other matters including the affiliate standards compliance program.

If immediate action is required to remedy or mitigate the effects of a possible violation (e.g., a chemical spill), or to comply with a government-mandated disclosure requirement, the manager is responsible for taking immediate action consistent with policies and procedures.

If the situation requires investigation, documentation regarding the matter should be forwarded to the Compliance Officer or Corporate Security for evaluation and/or investigation. Managers' document retention requirements are detailed in Oncor's Compliance Program.

Where to Seek Guidance

If employees are not certain whether a particular activity is a violation of the Code of Conduct or policies and procedures, employees should bring forward any situation they think may be a violation. If employees have a question or concern, they should discuss it with their supervisor and/or manager or, when necessary, with Oncor's Internal Audit, Corporate Security, Human Resources, Chief Compliance Officer, or by calling the **Oncor Compliance Helpline (800-453-0801)**. Reported concerns will be kept confidential to the fullest extent possible, and there will be no retaliation against any employee for reporting a concern in good faith.

Waiver

It is not expected that waivers from this Code of Conduct would be necessary. If necessary, waivers may only be made in writing with the concurrence of the Chief Internal Audit Executive, the Chief Compliance Officer and General Counsel of Oncor. Any waiver applicable to officers or Directors must also be approved by the Oncor Boards of Directors or the Audit Committee of the Oncor Board of Directors.

Revision History

August 1, 2008

Adoption of Oncor policy

June 11, 2010

Policy update for the following:

- Revision to Introduction to delete listing of policies and to reference the online Policy Manual.
- Revision to Relationships with Affiliates, Customers, Suppliers and Competitors to update for Ring-Fencing policy and to change heading from Separateness Undertakings to Ring-Fencing.
- Revision to Company Property and Records to update for revised Internet, Intranet, Instant Messaging and E-Mail policy and new Social Networking and Online Forums policy and to change heading from Internet, Intranet and E-Mail to Internet, Electronic Networks and Online Forums.