

**NEW ULM TELECOM, INC.**  
**CODE OF BUSINESS CONDUCT AND ETHICS**  
**Updated 01/19/15**

**Introduction**

New Ulm Telecom, Inc. and its subsidiaries (the “Company”) have always subscribed to the highest ethical standards. Our employees, officers and members of the Board of Directors are expected to conduct business legally and ethically and insist that our vendors and business associates do the same. This Code of Business Conduct and Ethics (the “Code”) embodies the Company’s commitment to conduct our business in accordance with applicable laws, rules and regulations and the highest ethical standards. All employees, officers and members of the Board of Directors are expected to adhere to the principles and procedures set forth in this Code.

Each employee, officer and member of the Board of Directors will be held accountable for their adherence to the Code.

Each employee, officer and member of the Board of Directors should be familiar with the Employee Handbook, Policy Regarding Conflict of Interest, and Policy Statement on Confidential Information and Securities Trading. While the Employee Handbook, Policy Regarding Conflict of Interest, and Policy Statement on Confidential Information and Securities Trading are not part of the Code, it is understood that complying with the letter and spirit of each of these documents is mandatory.

For purposes of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated hereunder, the Code shall also be our Code of Ethics for Management.

**Compliance and Reporting**

Employees, officers and members of the Board of Directors should endeavor to identify and raise potential issues before they lead to problems and should ask about the application of the Code whenever in doubt. Any employee, officer or member of the Board of Directors who becomes aware of any existing or potential violation of this Code should promptly notify an appropriate supervisor, Management, or Legal Counsel (Berens, Rodenberg & O’Connor, Chartered, at 507-233-3900). The Company will take such disciplinary or preventive action, as it deems appropriate to address any existing or potential violation of the Code brought to its attention. There will be no retaliation against individuals who, in good faith, file reports of potential or actual violations. See the section on Protection for Persons Reporting Questionable Behavior.

In connection with accounting or auditing matters, the procedures outlined in the Code section entitled, “Duty to Report Questionable Accounting or Auditing Matters” should be followed.

## **Compliance with Laws, Rules and Regulations**

Obeying the law, both in letter and in spirit, is one of the foundations on which this Company's ethical policies are built. All employees, officers and members of the Board of Directors must respect and comply with applicable governmental laws, rules and regulations (including insider trading laws). It is the personal responsibility of each employee, officer and member of the Board of Directors to adhere to the standards and restrictions imposed by those laws, rules and regulations. It is important that employees seek advice from supervisors, managers or other appropriate personnel if they have questions regarding the laws, rules and regulations that apply to the Company's business.

Generally, it is illegal and against Company policy for any employee, officer and member of the Board of Directors who is aware of material nonpublic information relating to the Company, to buy or sell any securities of the Company, or recommend that another person buy, sell or hold the Company's securities. More detailed rules governing the trading of securities by employees, officers and members of the Board of Directors are set forth in the Insider Trading Policy. Any employee, officer or member of the Board of Directors who is uncertain about his or her responsibilities under the Insider Trading Policy should consult Management or Legal Counsel before making any such purchase or sale.

## **Confidential Information**

In carrying out the Company's business, employees, officers and members of the Board of Directors often learn confidential or proprietary information about the Company, its customers, prospective customers or other third parties. Employees, officers and members of the Board of Directors must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information includes, among other things, any non-public information concerning the Company, including its businesses, financial performance, pricing information, results or prospects, and any non-public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed. Internal sharing of confidential information should be only on a need-to-know basis.

## **Conflicts of Interest**

Business decisions and actions must be based on the best interests of New Ulm Telecom, Inc., and must not be motivated by personal considerations or relationships.

Employees, officers and members of the Board of Directors are required to disclose to Management any situation that may be, or appear to be, a conflict of interest as described in the Policy Regarding Conflict of Interest. When in doubt, it is best to disclose.

Employees, officers and members of the Board of Directors may not work or receive payments for services from any competitor, or be in competition with New Ulm Telecom, Inc. without approval of Management.

Serving on the Board of Directors or a similar body for an outside company or government agency requires the advanced approval of Management or, in the case of a Board Member, Management and the Board of Directors.

Personal influence will not be used to get New Ulm Telecom, Inc. to do business with a company in which our family members or friends have an interest.

Employees, officers and members of the Board of Directors may not allow their investments to influence, or appear to influence, their independent judgment on behalf of New Ulm Telecom, Inc. If there is any doubt about how an investment might be perceived, it should be disclosed to Management.

Employees, officers and members of the Board of Directors do not accept kickbacks, lavish gifts or gratuities. We can accept items of nominal value, such as small promotional items bearing another company's name. We will not accept anything that might make it appear that our judgment for New Ulm Telecom, Inc. would be compromised.

### **Corporate Opportunities**

Employees, officers and members of the Board of Directors owe a duty to the Company to advance the Company's business interest when the opportunity to do so arises. Employees, officers and members of the Board of Directors are prohibited from taking for themselves (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and refused it. Employees, officers and members of the Board of Directors are prohibited from using Company property, information or position for personal gain or competing with the Company, directly or indirectly.

### **Competition and Fair Dealing**

The Company has a history of succeeding through honest business competition. Competitive advantage is sought through superior performance, not through unethical or illegal business practices. Each employee, officer and member of the Board of Directors should endeavor to respect the rights of, and deal fairly with the Company's customers, vendors, competitors and employees. No employee, officer and member of the Board of Directors should take unfair advantage of anyone through manipulation, concealment abuse of privileged information, misrepresentation of material facts or any unfair-dealing practice.

### **Record Keeping**

The Company requires honest, accurate and prompt recording and reporting of information in order to make responsible business decisions and to provide full, fair, accurate and timely disclosure. All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal and accounting requirements and to the Company's system of internal controls. The accurate and timely reporting of our financial results and financial condition requires that all financial information be recorded promptly and accurately, and that our systems for recording and reporting that information be properly

functioning and subject to regular and thorough evaluations. All information recorded or reported on behalf of the Company—whether for the Company’s purposes or for use by third parties—must be done honestly and accurately. Providing false or misleading information in connection with any aspect of the Company’s business or operations will not be tolerated.

### **Duty to Report Questionable Accounting or Auditing Matters**

All Employees, officers and members of the Board of Directors are responsible for reporting to the Company any questionable situation regarding the Company’s accounting, internal accounting controls or auditing matters, or a concern regarding questionable accounting or auditing matters that come to their attention.

If a complaint regarding accounting, internal accounting controls or auditing matters is brought to the attention of an executive officer of the Company, either by an employee or a third party outside of the confidential and anonymous submission process, the executive officer is required to report the complaint in writing directly to Chair of the Audit Committee at: c/o Berens, Rodenberg & O’Connor Chartered, P.O. Box 428, New Ulm, MN 56073. If a complaint regarding accounting, internal accounting controls or auditing matters is brought to the attention of a non-executive employee of the Company, such employee may report such complaint directly to his or her supervisor, Management or Legal Counsel.

All reports submitted by employees of the Company regarding questionable accounting or auditing matters will be treated to the extent possible, as confidential.

Questions concerning these procedures may be directed to the appropriate supervisor, Management or Legal Counsel.

### **File an Anonymous Report**

To file a report anonymously, directly contact Legal Counsel at: Berens, Rodenberg & O’Connor Chartered at 507-233-3900 or direct written communication to P. O. Box 428, New Ulm, MN 56073.

### **Protection for Persons Reporting Questionable Behavior**

The commitment to promoting the highest ethical standards includes a responsibility to foster an environment that allows employees, officers and members of the Board of Directors to report violations without the fear of retaliation or retribution. Employees, officers and members of the Board of Directors will not be disciplined, lose their job, or be retaliated against in any other way for asking questions or voicing concerns about legal or ethical obligations, as long as such employees, officers and members of the Board of Directors are acting in good faith. “Good faith” does not mean that an employee, officer or member of the Board of Directors has to be right but it does mean that he or she should believe that he or she is providing truthful information. The important thing is that questions or concerns are brought to the Company’s attention through one of the available channels. Employees, officers and members of the Board of Directors must never be discouraged from using any available channel within the organization. Even simple questioning of a person reporting a violation can lead to unintentional retaliation, as it may make that person feel that he or she

did something wrong by choosing one method over another. Persons reporting a violation under this Code must be able to choose whichever method they are most comfortable with to communicate their concern to the Company.

### **Protection and Proper Use of Company Assets**

All Employees, officers and members of the Board of Directors should protect the Company's assets, records, files, intellectual property, confidential and proprietary information, and ensure their efficient use. All Company assets should be used for approved purposes only. Any suspected incident of fraud, theft, lying, cheating or violating Company rules should be immediately reported. The obligation of Employees, officers and members of the Board of Directors to protect the Company's assets includes its confidential or proprietary information.

### **Public Disclosure**

All disclosures in reports and public documents that the Company files with, or submits to, the Securities and Exchange Commission ("SEC") and in other public communications made by the Company shall be full, fair, accurate, timely and understandable. All Employees, officers and members of the Board of Directors who are involved in the Company's disclosure process, including Management, are responsible for acting in furtherance of this policy. In particular, these individuals are required to maintain familiarity with the disclosure requirements applicable to the Company and are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit, material facts about the Company to others, within or outside the Company, including the Company's independent auditors. In addition, any employee, officer and member of the Board of Directors who has a supervisory role in the Company's disclosure process has an obligation to discharge their responsibilities diligently.

### **Investigations and Discipline**

The responsibility for administering the Code, investigating alleged violations and determining corrective and disciplinary action rests with various groups within the Company. The Audit Committee is responsible for maintaining and updating the Code, subject to approval by the Board of Directors. Management will consider and determine the appropriate corrective or disciplinary action, and will periodically report Code violations and the corrective actions taken to the Audit Committee. In some cases, the Audit Committee or the full Board of Directors will be responsible to conduct the investigation and determine the actions to be taken.

Violations of the Code are not the only basis for disciplinary action. The Company has additional policies, guidelines and procedures governing conduct, and violations of those policies, guidelines and procedures may also result in corrective or disciplinary action.

### **Work Environment**

Everyone will treat each other with respect and fairness at all times, just as we wish to be treated. Everyone will value the differences of diverse individuals from around the world. Employment decisions will be based on business reasons, such as qualifications, talents and achievements, and will comply with local and national employment laws.

Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include, but are not limited to: derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. We are encouraged to speak out when a co-worker's conduct makes us uncomfortable, and to report harassment when it occurs.

Everyone is responsible for maintaining a safe workplace by following safety and health rules and practices. The Company has specific safety policies and Personal Conduct Policy that each employee must review and follow.

If a business situation is unclear, or doing the right thing is difficult, employees are encouraged to remember the Company's values and mission statement.