

XO Code Of Ethics and Business Conduct

Good Ethics equals Good Business



Good Ethics

Good Business

XO Communications is dedicated to the highest standards of personal, professional and business behavior. Dedication to ethics is a key component of XO core principles. Developing and maintaining a strong ethical culture based on the values of open communication, integrity, accountability, and trust frames all facets of our company and our business. Our commitment to ethical, responsible relationships with our customers, business partners, and employees is at the foundation of our success.

At XO, Good Ethics are
Good Business.

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Letter from the CEO & Chief Ethics Officer

Dear Team XO:

At XO, we are dedicated to maintaining the highest level of ethical standards. Our ethics policy serves as the foundation for how we operate our business, how we serve our customers and how we interact with each other. Every day we strive to create an environment that fosters professionalism, respect, teamwork and communication.

XO will remain true to our commitment to the principle that *Good Ethics is Good Business*. Please be sure to do your part to model the behavior we expect from each other and from our company overall. Your willingness to speak up when you observe behaviors or processes that are counter to our policy is critical to our future success. If you have a concern that our policy is not being followed, or have an ethics issue that requires immediate attention, please immediately contact your manager, Human Resources, or, use our Ethics Hotline at (888) 666-8608)

Let's make sure that, as we move XO forward, we do it in a way that reflects the highest standards of our company.

Sincerely,

Chris and Chuck



Chris Ancell
CEO



Chuck Wilcox
Counsel, Chief Ethics Officer

Introduction

At XO, we believe that good ethics is a bedrock principle upon which our success is built. You've probably already learned about XO's Core Values – Culture, Customer, Community, and Commitment.

XO's ethics program embraces those core values. You'll see them addressed in this Business Ethics Guide. This Code of Ethics will focus on commitments that all XO employees embrace to make XO the positive work place that ensures success. These commitments include:

- Commitment to our Open, Ethical Culture
- Commitment to Ourselves
- Commitment to our Customers and Business Partners

Although this ethics guide discusses some of the frequent ethical problems you might face, no guide can cover all of the ethical dilemmas employees face or be a substitute for sound personal values and good judgment. However, we hope this guide will be useful to you when you need help unraveling ethical problems. If you need additional assistance, talk to your manager, HR, call the XO Ethics Office or use the hotline. All are available to help you successfully address any ethical concerns.

Our Commitment To XO Values



At XO we strive to cultivate an open, ethical work environment that inspires teamwork, diversity, fun, and recognition.

An open culture is one where every employee feels free to speak up about issues or concerns; where every employee feels empowered to suggest improvements and to identify problems. Our employees are expected to do just that.

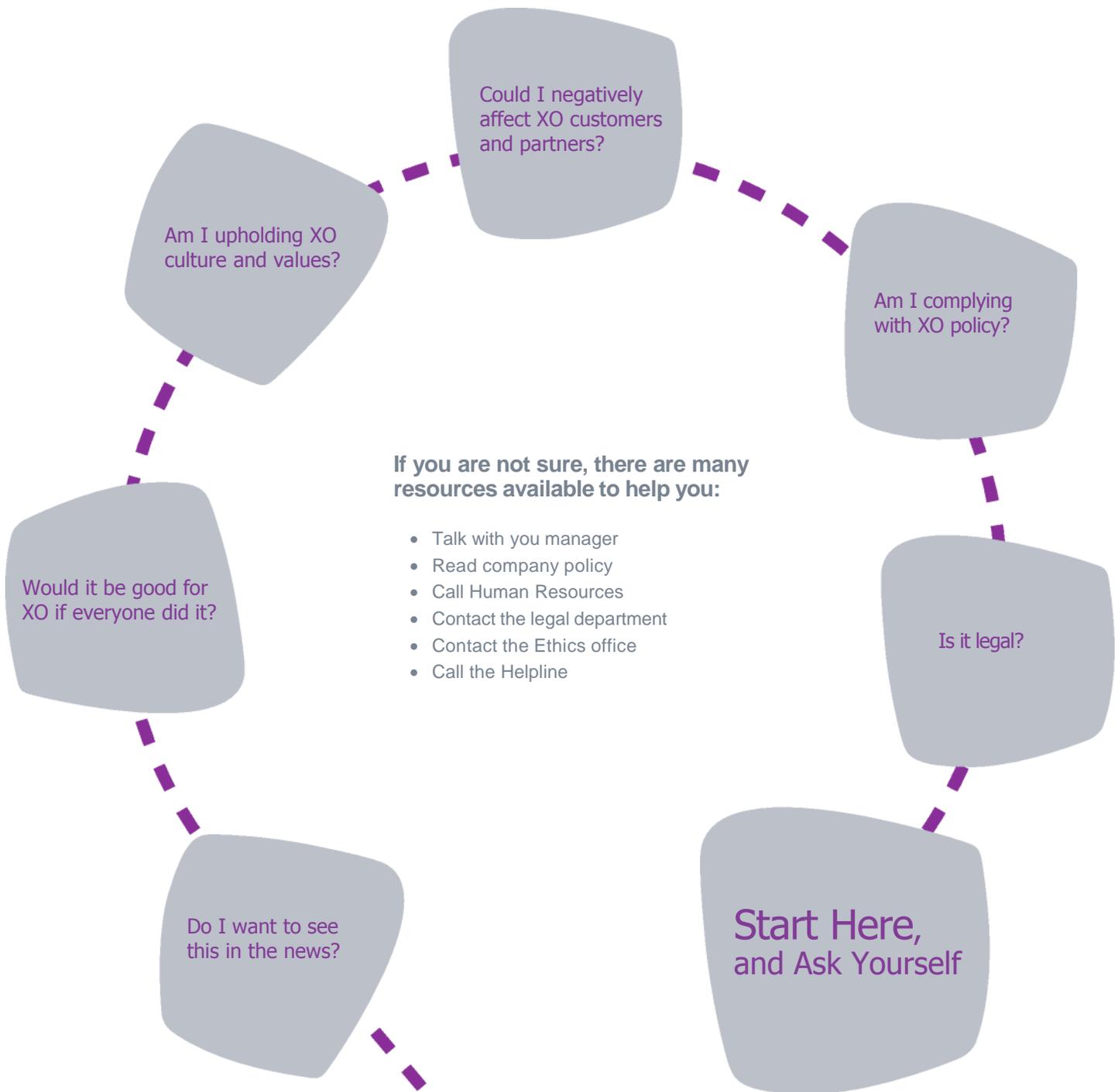
If you have a concern or see a better way of doing business or see anything that you believe is improper or needs to be addressed, bring this matter to the attention of your manager, HR, or the Ethics Office. XO encourages speaking up and an open door policy, but also provides a hotline and an on-line reporting tool that employees can use (anonymously if need be) to report concerns. And XO strictly enforces its no retaliation policy so that employees who report concerns or participate in inquiries are protected.

Additionally at XO, we are committed to a culture of honesty, integrity, and trust. Creating and maintaining this ethical culture is a responsibility we all share. We are all leaders responsible for ethical decision-making and for ensuring that our day-to-day actions reflect the highest ethical practices. Mere compliance with applicable laws and regulations is the minimum standard in fulfilling ethical duties and responsibilities. At XO, we aspire to a higher standard. Several basic concepts provide an ethical compass for XO employees facing today's complex business environment:

- Embrace honesty and integrity in all our dealings
- Avoid the appearance of impropriety
- Commit to doing the right thing. Avoid the merely expedient
- Be willing to exercise mature judgment even in the face of peer pressure

Steps To Ethical Decision Making

Following good decision making steps can help you when you are faced with an ethical dilemma, or simply are not quite sure what to do.



Congratulations!
Good Decision Making!

Seek Help And Report Concerns

If you have questions about ethical issues or problems, speak up. We want to answer your questions and address your concerns. XO's policies require you to report any situation that impacts or implicates XO Communications in which the law, these guidelines, or any other company policy or procedure may be violated. If you have questions about these guidelines or other company policies or need to report a known or suspected violation, you should:

Talk with Your Supervisor or Manager

XO encourages open communication and an open door policy. Talk to your supervisor or manager. Supervisors can help determine at what level a matter should be addressed in order to ensure compliance. Managers and supervisors are required to forward any report of an ethical or legal violation or fraud to the XO Ethics Compliance Office.

Contact Human Resources

Your Human Resources team members are always available to assist you. They have detailed knowledge of the Company's policies and procedures including the Employee Handbook and XO's Code of Ethics and Business Conduct.

Contact the Ethics Office

Call the Chief Ethics and Compliance Officer when:

- You have any question about the Code
- You have a question about your own compliance with the Code
- You believe there has been a violation of the Code

ethics@xo.com

Contact the Hotline 1-888-666-8608 or Web Form

If you want to report a concern anonymously, you can call the Hotline or submit a report using the Hotline web form.

This reporting system allows you to report your concerns confidentially and anonymously. The Ethics Hotline is managed by an independent third party. When you call, you may give your name, or not – it is up to you. The Hotline operator will:



- Gather the facts about your concern
- Assign a case number to you
- Provide a call-back date
- Alert the Chief Ethics Officer that there has been a report made

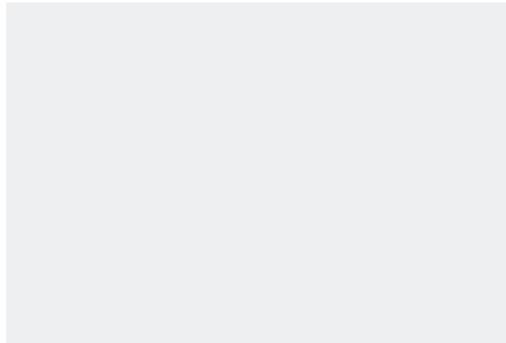
On or after your call back date, you can call the Hotline and receive an update about your complaint or XO's final determination.

All complaints are treated as sensitive and confidential to the maximum extent possible. XO will investigate fully all suspected violations of these guidelines. However, you must provide sufficient information to enable us to conduct the investigation. Allegations based on rumor or incorrect information result in unnecessary delays and could adversely affect the reputation of innocent people. All employees are required to cooperate fully with investigations and to provide truthful, complete, and accurate information.

Report a Concern

Q

I saw a situation that made me uncomfortable. I don't have all of the facts, and I am not positive that it is against the code. What should I do?



A

Video Response: Follow the steps to Ethical decision making. It will help guide you to the appropriate response.

You are always encouraged to discuss your concerns with your manager or HR. You can also choose to contact the Ethics Helpline. You are not expected to be an expert in all the laws and regulations to which XO is subject, but you are expected to speak up if you have a concern or think there may be a problem.

You don't have all of the facts? Don't try and investigate, you could unintentionally cause harm. Human Resources and the Ethics Office have personnel who are trained have an understanding of laws and regulations.

Non-Retaliation And Whistle Blower Protection

Any form of retaliation or adverse action against any employee for reporting in good faith a suspected violation of these guidelines, or for assisting in a complaint investigation, will not be tolerated and is prohibited.

No one may discharge, demote, suspend, threaten, harass, or in any other manner discriminate against an employee in the terms and conditions of employment because of any lawful act done by the employee:



Q

I reported a concern 2 months ago and now recently received a poor review from my manager and was passed up for a promotion. Am I being retaliated against?

A

It may or may not be retaliation. Every situation is different. If you received a poor performance review because you reported a concern, that is retaliation. If you receive a poor performance review because your work fell short, that's good management! One thing is certain, if it is determined that you are being retaliated against, action will be taken. Retaliation will not be tolerated at XO. If you are in doubt, talk with your manager, contact Human Resources or, if necessary, the Ethics Officer or Hotline.

Our Commitment To Ourselves

Our Work Environment

XO Communications strives to promote a positive and effective relationship between you and the company. The reputation of any organization is built upon the performance and conduct of its employees. XO Communications is committed to maintaining a culture of open communications and high standards of trustworthiness, integrity, excellence, and fair play.

If you have questions about any job-related matters, please discuss them with your manager or contact Human Resources.

By clicking on the Employee Handbook link below, you can find more detailed information about XO Communications' history, policies, practices, and programs as well as your responsibilities to XO Communications.

[Employee Handbook](#)

Commitment to Workplace Diversity

XO Communications values diversity and believes that it enhances our overall business performance by bringing together backgrounds, cultures, nationalities, lifestyles, points of view, and approaches to problem solving, XO is committed to providing the opportunity for all employees to contribute to their full potential.

Equal Opportunity Employment

XO Communications is an equal opportunity employer. XO Communications provides all its employees with a work environment free from all forms of discrimination based on race, color, national origin, religion, creed, physical or mental disability, marital status, sexual orientation, citizenship status, veteran status, age, or gender.





Workplace Violence / Harassment & Discrimination

XO Communications is committed to providing a work environment that is safe and free of discriminatory harassment. Individually and collectively we share the responsibility for creating and maintaining a positive and productive work environment where respect and cooperation are practiced at all times.

Discriminatory harassment or other forms of discrimination against any XO Communications employee or applicant is prohibited.

At XO Communications, we are committed to providing a workplace that is safe and free from acts and threats of violence. XO prohibits acts or threats of violence by or against any employee or visitor. Threatening, harassing, intimidating, fighting, or causing any other physical or psychological harm to a fellow worker or others will not be tolerated.

Company Property and Records

Each of us has a responsibility to protect the company's property and maximize its use for the benefit of the company. Company property includes both tangible and intangible property. Theft, carelessness, misuse, and property waste have a direct impact on our profitability and, ultimately, on all of our jobs.

Accurate and reliable business records are essential to our business. They enable us to manage and improve technical, quality, and other business objectives, and to meet our extensive legal, financial, reporting and other obligations. To that end, you must prepare and maintain all company records accurately and honestly. You may not make false or artificial entries in the books, records, or accounts of the company, and you may not use company funds for any purpose other than that described in the documents supporting the payment.

Document Retention

It is important for you to know what records and information to keep and for how long. Familiarize yourself with and follow the XO Document Retention Plan. Additionally you should know that many governmental agencies have strict rules and regulations about retaining and destroying documents. Talk to your supervisor about the guidelines to follow in your work group. Not following these guidelines, even innocently, can have serious consequences for everyone.

From time to time, the company may suspend normal records retention policies due to requirements imposed by governmental agencies, courts, or other official bodies. The Legal Department will notify any employee who is the custodian of responsive documents so that the appropriate records are retained throughout the suspension period.

Retention Policy

Unauthorized Use of XO Property

You may not use XO property or services for your own or someone else's personal benefit. Limited, common sense exceptions, such as an occasional call home on a company phone, may be permitted.

Conflicts Of Interest

All employees must conduct themselves with high standards of integrity, honesty, and fair dealing and must avoid any conflict of interest. A 'conflict of interest' occurs when the personal interest of an employee interferes with, is inconsistent with, or even appears to interfere or be inconsistent with, the interest of the company. You must always act solely in the best interest of XO when conducting company business.

Potential conflicts of interest may arise in a number of ways, including but not limited to:

Personal Interest

Competing with the company, taking a corporate opportunity, maintaining a significant financial interest in any competitive company or a company with whom XO does business with, engaging in activities that detract from an employee's obligation to use his or her best efforts to promote XO business efforts or misusing confidential or proprietary information for personal gain each puts the employee's personal interest ahead of the company's interests and none of these are permitted.

Board Memberships and Outside Affiliations

XO Officers and employees must obtain approval of the XO Audit Committee before serving on the boards of directors or similar bodies of for-profit enterprises or government agencies. All XO employees are required to give their best effort to promoting the business interests of XO and may not engage in any activities that detract from that obligation.

Relatives and Friends

What an employee is prohibited from doing directly may not be done indirectly through relatives, friends, or others. If your spouse, relative, or close personal friend is an employee of, or has a substantial interest in, a business seeking a business relationship with XO, you may not attempt to use your position in XO to influence the decision-making in any way. If you are directly involved in procurement functions, you must declare this conflict of interest to your supervisor immediately. The potential for a conflict of interest may exist if your relative also works at XO and is in a reporting relationship to you. Employees should not supervise or be in a position to influence the hiring, work assignments, or assessments of someone with whom they have a close personal relationship.

Q

I was promoted to a supervisor position recently. One of the people I now supervise is my best friend at XO. Does that violate the conflict of interest policy?

A

Supervising a friend does not necessarily violate the company's conflict of interest policy unless it would adversely affect the workplace. You should be careful to treat your friend like any other employee in your group and avoid any favoritism or special treatment. You also should discuss the situation with your manager so he or she can help ensure there are no adverse effects in your workplace.

Loans

XO employees may not borrow money from individuals or institutions or enterprises with which XO does or may do business with except if such institution is a bank or other commercial lending institution. No XO employee may borrow from or accept loans from another XO employee (except small sums borrowed for lunch, coffee or such).

XO executive officers and directors may not directly or indirectly receive from XO any personal loans. Employees will not seek or facilitate any such loans.



Our Commitment To Our Business Partners



Business Relationships

Honesty is the best policy when doing business with customers, suppliers, and others. We must conduct all aspects of our business with the highest standards of integrity, honesty, and fairness.

Customers

Our credibility with customers depends on our integrity and our ability to satisfy our commitments. Over-promising and under-delivering undermines this trust and may cast our company and its products and services in an undesirable light. Many employees deal primarily with 'internal customers' other XO employees, functions, or units. The requirement for integrity, honesty, and fairness apply equally to these important customer relationships as well.

Dealers, Suppliers, and Consultants

Follow XO procurement policies and practices. All employees responsible for buying, selling or leasing materials or services on behalf of XO must consciously and consistently maintain objectivity. Under no circumstances may you make an agreement with a dealer, distributor, agent, consultant, or third party that provides for payment that is not reasonable and commensurate with the functions or services to be performed. It is also inappropriate to interfere unlawfully with contractual relations between other parties, even if one of those parties wishes to cancel a contract to do business with XO.

Governmental Entities

Special rules and regulations apply when doing business with federal, state, or local governments, so you must take extra steps to know and comply with these requirements if your assignment involves the government. For that reason, any sale of XO products or services to any government entity - federal, state, or local - must be approved in advance and in writing by our Government Contracting Group.

Competitors

XO employees must refrain from making any false or misleading statements about competitors, their products, or services. Any comparisons must be fully documented and accurate.

Q

Someone sent me a copy of our largest competitor's confidential internal pricing sheet for its products. This will be very helpful to us as we determine our pricing for next year. Can I use this information?

A

No. If the information is confidential, it cannot be used. Doing so is illegal and unethical and also could expose you and the Company to risk under antitrust or anti-competition laws. You should immediately contact the Legal Department.

Q

Can I pretend to be a customer to get confidential pricing information from our competitors?

A

No. Obtaining information about a competitor by misrepresenting your identity or by inducing an employee of the competitor or a third party to divulge confidential information is inappropriate. Gathering information about our competitors is a legitimate business activity when done lawfully and ethically.

What are examples of acceptable competitive information?

- Industry analyst reports
- Non-confidential customer or supplier intelligence
- Public information—what companies disclose in their SEC filings and at conferences
- Loss reviews conducted with our clients

Fraud

XO expects employees to avoid fraud and to maintain the highest business ethics standards. Fraud involves, among other things, acts or attempts to cheat, trick, deceive, steal or lie to the detriment of XO, its employees, its customers, and/or its vendors. Any acts of fraud are subject to disciplinary actions up to and including termination. Some examples of fraud include:

- Submitting false expense reports
- Submitting false, forged or altered contracts, agreements, or other documents
- Misappropriating company assets or property
- Making inaccurate entries on company reports or financial statements
- Misrepresenting sales activities

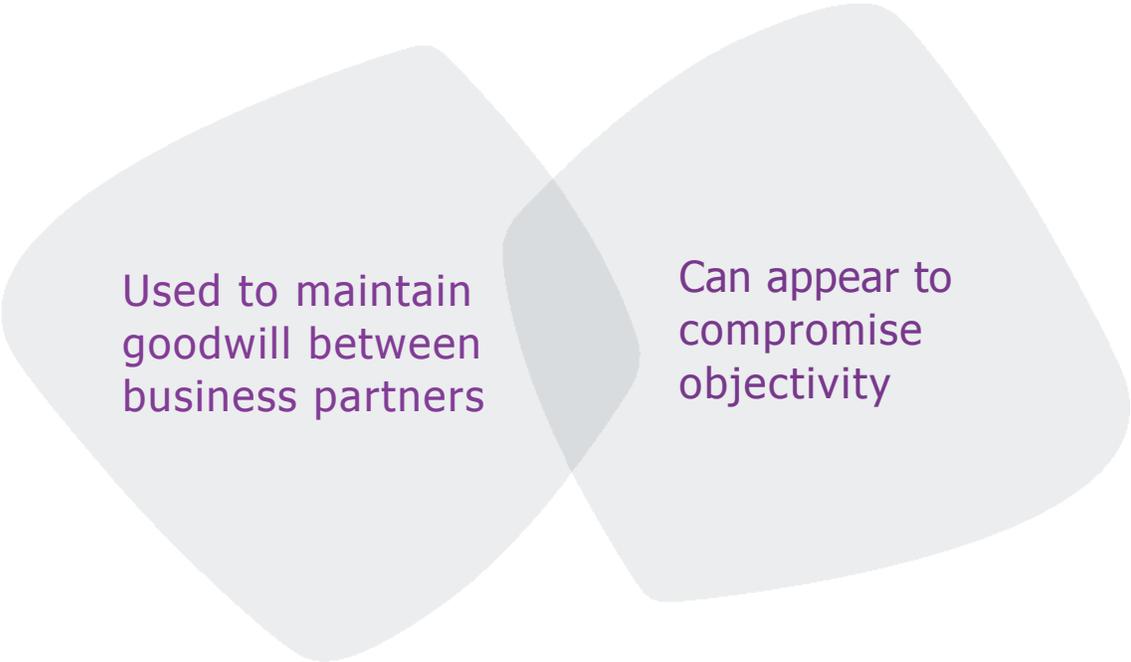
Gifts And Entertainment

Business gifts and entertainment are designed to promote goodwill between business partners and are a valuable part of our business culture. If a company with whom you have developed a relationship while working at XO provides you with gifts, entertainment, or financial opportunities, such offerings can present a problem when they compromise or appear to compromise your objectivity or influence a business decision. Neither you nor members of your immediate family may give to or receive gifts, gratuities, or entertainment from suppliers, potential suppliers, persons, or business entities seeking to do business with XO, or competitors except for:

- Promotional items of limited value (e.g. pens, mugs, T-shirts with a logo)
- Modestly-scaled entertainment intended to facilitate business objectives
- Meals and beverages that are modestly priced, infrequent, and offered in conjunction with a business meeting or conference

These guidelines on gifts and entertainment apply to anything given or received as a result of a business relationship for which the recipient does not pay full market value. Examples of prohibited gifts and entertainment include but are not limited to gifts of money, excessive hospitality, special treatment from a supplier, customer, or competitor; travel for other than business reasons; and discounts not generally available to the public.

Likewise, you and members of your immediate family may not accept extraordinary financial opportunities which place you in a more advantageous financial opportunity than the public at large when those opportunities are made available by suppliers, potential suppliers, persons or business entities seeking to do business with XO, or competitors. Prohibited opportunities include participation in 'friends and family' or 'directed share' IPO stock offerings.



Used to maintain goodwill between business partners

Can appear to compromise objectivity

Q

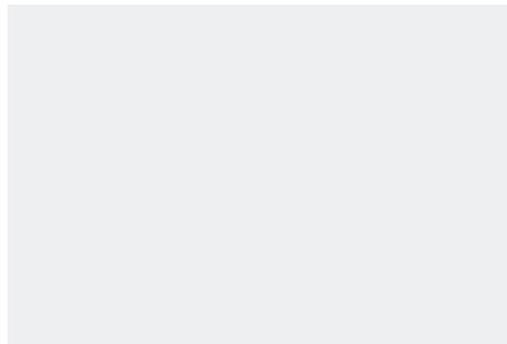
Suppose I am offered a gift that I feel I should not take, but it would be embarrassing to refuse...what should I do?

A

This is why the gift guidelines call for good judgment and disclosure. Each situation is different. You should always feel free to decline a gift and return it with a thank you note explaining the XO gift policy. If it is an inappropriate gift, inform your supervisor and discuss the next steps.

Q

I have heard that we are asking for gifts from vendors to help a local charity in our community. Is this an acceptable practice?



A

No. It is not acceptable to ask for a gift or favor from a vendor under any circumstances. We do not want our vendors to think that their business with the Company depends on gift giving.

Video Response: Exchanging gifts is often a part of developing business relationships – but can also appear to compromise objectivity when not limited. In most cases you can exchange items with a company logo such as pens or mug or a t-shirt or during the occasional business meeting or conference you can have a modestly priced meal with beverages.

NEVER give or accept cash, cash gift cards, excessive hospitality advantages not available to the public and never provide gifts, entertainment, or meals to government employees.

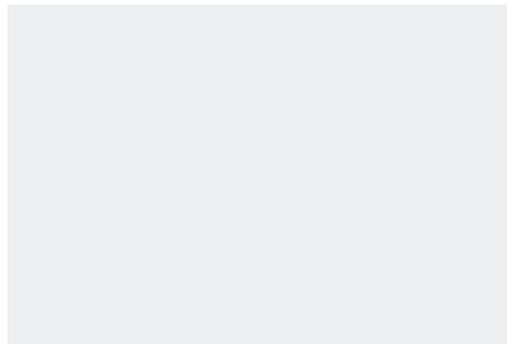
If you are unsure always contact the Ethics Office

Bribes, Kickbacks And Other Improper Payments

Statutes and regulations prohibit giving anything of value to federal and many state government officials, contractors, or subcontractors to induce or influence their actions. You may not accept or offer gifts, entertainment, payments, services, or benefits of any kind to government officials or contractors.

Q

A supplier offers me a percentage of the supplier's margin in exchange for encouraging a major customer to purchase the supplier's services and products. Can I accept such a payment?



A

Video Response: No. This is a kickback which is prohibited by the XO Code of Ethics and it might be perceived as a conflict of interest. XO has an excellent reputation for our telecom products and for delivering a great customer experience. But you should always be careful advising XO customers where they can get services *not provided by XO* - especially if you are getting paid by a vendor to refer business.

Foreign Corrupt Practices Act

Obviously bribes are illegal and unethical. They are also harmful to business. Because of this, governments around the world have passed laws to address bribes and other corrupt practices and activities. Like the laws in other countries, the US Foreign Corrupt Practices Act (FCPA) imposes significant fines and potential imprisonment on companies and individuals who engage in corrupt practices such as bribing foreign officials. Similarly, XO prohibits its employees from engaging in any corrupt or fraudulent practices including, but not limited to bribes and false reporting.

The FCPA has two main components:

Bribery:

The FCPA prohibits individuals and companies from providing bribes to foreign government officials for the purpose of obtaining or retaining business or influencing government action. Likewise, XO prohibits its employees, agents, or other 3rd parties from making, offering, or even hinting at offering a bribe to anyone (including foreign officials) to maintain or gain business for XO. A bribe can include offering anything of value to someone, a family member, a person's favorite charity, etc. to attempt gain a business advantage. Things of value can include, but are not limited to, lodging, meals, travel expenses, money, gifts, entertainment, or even offers of education or a job -- or even hinting or promising such items.

Accounting and Reporting:

The FCPA also requires that companies and individuals keep accurate books and records. Similarly, XO requires that its employees keep accurate records that fully and accurately disclose all expenses and payments including, but not limited to all travel and entertainment expenses, gifts, and other payments made to or on behalf of others, including foreign officials.

The FCPA imposes severe, criminal penalties, such as fines up to \$100,000 and imprisonment up to 5 years, as well as harsh civil penalties on companies and individuals that violate the law. And employees who violate the FCPA must pay their own fines without help from their company. XO employees who do not comply with these policies are subject to discipline including termination.

If you want to learn more about the FCPA, you can click this link [FCPA](#) or contact XO's Ethics Office at (703) 547-2182.

DOJ's FCPA

Js FCPA

Insider Information

Federal securities laws and regulations govern securities transactions. Violations of these laws can lead to civil and criminal actions against both you and the company. If you know of any material fact about a company, a customer, or a supplier that has not been disclosed to the public (commonly called 'insider information'), you may not engage in any transaction involving the securities of that company until such information is publicly disclosed. Likewise, you may not 'tip' or share insider information to others who trade in securities.

'Insider information' is information that, if known, could affect an investor's decision to buy or sell securities. Examples of insider information include sales and earnings figures, plans for stock splits or dividends, proposed acquisitions or mergers, new service offerings, and the like. Specific requirements are explained in the XO Holdings Insider Trading Policy, the controlling policy for insider trading issues. If you have any questions about the policy, you should consult the Legal Department prior to trading.

XO Holdings Insider Trading

Q

In the course of my job I've learned that one of our customers will soon be getting a large contract. Can I buy stock in this customer?

A

Yes, but only if the information is available to the general public. Otherwise, U.S. Securities and Exchange Commission would consider it "insider information" and your purchase could lead to civil or criminal penalties.

Fair Competition And Antitrust

The laws of the United States, most individual states, and many foreign countries are designed to promote fair and vigorous competition. These laws, which are generally referred to as Antitrust laws, prohibit agreements among competitors to engage in practices 'in restraint of trade' such as price fixing, bid rigging, and boycotting suppliers and customers. Laws may also bar disparaging, harassing, or misrepresenting a competitor. We are committed to fair and vigorous competition. As an XO employee, you must comply with the letter and spirit of these laws.

Political Activity And Lobbying

XO encourages all employees to be involved in the political process. The law restricts the use of corporate funds in connection with political activities; therefore any employee participation must be on personal time and at personal expense.

Our relationship with any government representative must be conducted in a manner that would not embarrass the company or the official if publicly disclosed. Contacts, expenditures, or any activity that may tend to influence government officials are strictly regulated. If you deal with government representatives on behalf of XO, you must be extremely careful to avoid even the appearance of impropriety. You may extend reasonable entertainment and courtesies only if not prohibited by law and only then to the extent that is customary and appropriate. You should direct any questions regarding this policy to the XO Government Affairs Department.

If you are required to conduct business on behalf of the company outside of the United States, consult with the Legal Department for guidance regarding legal obligations and company policies, including instruction on the Foreign Corrupt Practices Act.

Q

I would like to work for a political candidate. Can I use my office to do this work?

A

No. Generally, you may not devote any Company resources or work time to support any candidate, political party, or political cause.

Confidential And Proprietary Information

Information is one of our key corporate assets. Our continued success depends upon our ability to develop and deploy new products and services as well as technical information and know-how, ahead of our competitors. To maintain this competitive edge and to protect these valuable assets, each employee must safeguard all confidential and proprietary information.

Confidential Information

When you become an XO employee you signed an acknowledgment form agreeing to maintain the confidentiality of the XO proprietary information and to use this information only in the course of your employment. These obligations continue even after you leave the company.

Third Party Agreements

In addition, XO employees must abide by the requirements of confidentiality agreements between XO and third parties and safeguard the confidential information received by XO from these parties.

Each of us must also ensure that we do not improperly obtain or use confidential or proprietary information of

customers, competitors, former employers, or governmental entities. While it is important to gather competitive and market place information, we can never condone gathering such information in an illegal or improper way. A good rule of thumb is to never accept confidential information without the knowledge and clear agreement of the party that owns it.

[View our Privacy Policy](#)

Discussion Of Public Or Non-Public Information In A Public Forum

Internet Chat Rooms and Investor Bulletin Boards

It is important that the public receives only accurate information about XO Communications intended for public dissemination. Unless you are a Communications Officer, or otherwise authorized by a Communications Officer, you are:

- Prohibited from disclosing any non-public or financial information about XO Communications.
- Prohibited from participating in Internet chat rooms or on investor bulletin boards related to XO as your participation might lead others to believe that you have access to or possess special insight or information about the company. Your participation, particularly if you identify yourself as an XO Communications' employee, might lead others to give special consideration or credibility to the information you provide and, therefore, is prohibited at all times.
- Discouraged from sharing or disclosing public information pertaining to the performance or operations of XO Communications through Internet chat rooms or on investor bulletin boards under any circumstances.

This prohibition does not apply to information or discussions protected by law.

News Media

It is equally important that media sources receive only accurate information about XO Communications. All interaction with the news media must be coordinated through XO Communications' Vice President of Corporate Communications. You may not, under any circumstances, discuss or disclose public or non-public information or other matters regarding XO Communications to any media source or representative, including by means of letters or editorials, which might imply you are representing or speaking on behalf of XO Communications.

This prohibition does not apply to information or discussions protected by law.

Copyrights, Trademarks And Service Marks

Copyright laws protect many materials used by our employees in the course of their work. Materials like: computer software, books, audio and videotapes, trade journals, and magazines just to name a few. Things like presentation slides, training materials and management models produced by outside consultants may also be copyrighted. Reproducing, distributing, or altering copyrighted materials without the permission of the copyright owner is against the law and is forbidden under these guidelines.

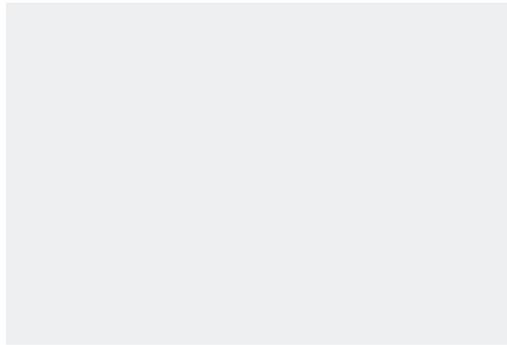
Our name, products, and services are valuable assets of the company. To capitalize on this value, and to protect them from unauthorized use, you must properly identify the company's trademarks and service marks by using symbols such as ER', ETM, or ESM' when using our marks in text. Our copyrighted works should contain the notice EC (Year) XO Communications, Inc. For further guidance on using these marks and others, contact Catharina Vandervoort in the XO Legal Department at (703) 547-2120.

Privacy And Data Security

Data protection is an essential element in maintaining the trust that our customers and employees have in XO and its integrity as a good corporate citizen. Additionally, a variety of state and federal laws and regulations require XO to protect the security of certain kinds of information. XO employees are required to take all reasonable steps necessary to protect the privacy and security of “Customer Proprietary Network Information” (“CPNI”) and “Personally Identifiable Information” (“PII”).

Customer Proprietary Network Information (CPNI):

In its role as a communications carrier, XO has an obligation to protect “Customer Proprietary Network Information” (“CPNI”) which the Federal Telecommunications Act and FCC regulation define as customer account, purchase and usage information. XO has an obligation to treat every customer's call activity, class or type of service, long distance and local service billing records and directory assistance charges as confidential. Information relating to customer communications or records may be disclosed outside the company only with the customer's consent, or in accordance with XO's Subpoena Response Guidelines and lawful process, such as a subpoena, court order, or search warrant. If such information is requested, you should immediately call the XO Subpoena Processing Center at (800) 932-8501.



Personally Identifiable Information (PII):

XO maintains and is required to secure a great deal of customer and employee information. Many states and the federal government have enacted data security laws which require protection of “Personally Identifiable Information” (“PII”) which includes a person's name combined with that person's:

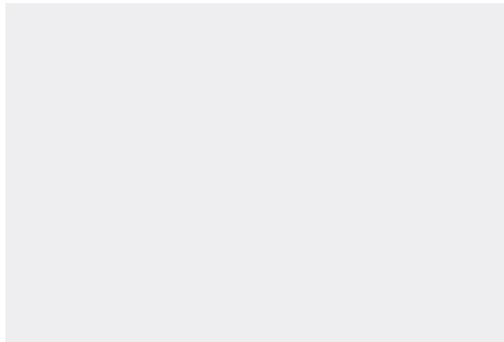
- Social Security Number (“SSN”)
- Any financial account number (e.g., credit or debit cards, bank account information, investment account numbers, etc.)
- Driver's license or other official ID card number

While XO has a variety of security measures in place to protect and secure that data (e.g., firewalls, password controls, encryption, etc.), the success of any data protection effort necessarily includes a human component. Only authorized employees with a business need-to-know or need-to-access PII may access customer or employee PII. Employees must not leave PII unsecured in a workspace. Employees may not print PII unless necessary and must destroy/shred all copies when no longer needed. Employees must maintain secrecy of passwords and lock file cabinets and file rooms where PII is kept.



Violations of data security laws may have serious criminal and civil ramifications for both the company and the individual violator. In addition, violators may be subject to disciplinary action, up to and including termination of employment for acts in violation of XO data security practices and obligations.

If you have questions about handling of PII, please contact the XO Chief Privacy Officer. Any data security violation and/or data security breach affecting PII of XO customers or XO employees should be reported promptly and without delay to the XO Compliance Hotline (888) 666-8608.



Non-Exclusivity

The policies stated in this business ethics guide are not exhaustive. Some of these issues may be discussed in greater detail in other XO materials, including, for example, The Employee Handbook, company guidelines, and department procedures. This guide is also not a comprehensive, full or complete explanation of the laws and regulations that apply to XO and its employees. All employees have a continuing obligation to familiarize themselves with applicable law and our company policy.

Do you have questions about the information in this policy?

Send us an e-mail at Ethics@xo.com

