

BOARD POLICY NO. 5

**ACCOUNTING MATTER COMPLAINTS
AND WHISTLE BLOWER PROTECTION POLICY**

I. OBJECTIVE

Peninsula Light Company (PLC) is committed to achieving compliance with all applicable laws and regulations regarding the financial affairs of PLC, generally accepted accounting standards, and sound internal accounting controls. The objective of this policy is to further that objective by establishing a policy and procedure for the confidential or anonymous submission in good faith by employees or other persons of information regarding questionable accounting or auditing matters without fear of dismissal or retaliation of any kind and for the receipt, retention and consideration of such submissions from employees or other persons by the Finance and Audit Committee (the Committee) under the supervision of the Board.

II. POLICY

PLC has established the following policies and procedures for the receipt, retention and treatment of complaints regarding questionable accounting or auditing matters, internal accounting controls, or other auditing matters (which are hereafter referred to as "Accounting Matter Complaints") on a confidential or anonymous basis from employees or other persons.

- A. Accounting Matter Complaints or concerns may be submitted anonymously to an employee's supervisor or the Chief Executive Office of PLC (unless the Complaint involves the supervisor or the CEO) or directly to the Chair of the Finance and Audit Committee or to the Board Chair by internal or regular mail, or Complaints may be delivered orally or in writing, such as through emails and letters. If the complainant seeks to remain anonymous, he/she should not submit such complaint via email and should take care to submit a letter without a return address or other identifying mark. PLC cannot guarantee that oral Complaints, whether by telephone or voicemail, can be made on an anonymous basis because the recipient of the Complaint may recognize a complainant's voice. All Complaints or concerns submitted by employees or by other persons (e.g., members, creditors, suppliers, etc.) will be forwarded to the Chairman of the Audit Committee.
- B. Any employee of PLC or other person who submits an Accounting Matter Complaint in good faith should have no fear of dismissal or retaliation of any kind. PLC will not discharge, demote, suspend, threaten, harass or in any manner retaliate or discriminate against any employee based upon

any lawful actions of such employee with respect to good faith reporting of Accounting Matter Complaints.

- C. These procedures apply to Accounting Matter Complaints, relating to, among other things, the following:
 - 1. Fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of PLC.
 - 2. Fraud or deliberate error in the recording and maintaining of financial records of PLC; the misapplication of generally accepted accounting principles.
 - 3. Deficiencies in or noncompliance with PLC's internal accounting controls.
 - 4. The misrepresentation of a fact or the making of a false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of PLC.
 - 5. Deviation from full and fair reporting of PLC's financial condition.
- D. Accounting Matter Complaints should be factual rather than speculative or conclusory, and should contain as much specific information as possible to allow for proper assessment. A Complaint describing an alleged violation or concern should be candid and set forth all of the information that the complainant knows regarding the allegation or concern. In addition, all Complaints must contain sufficient corroborating information to support the commencement of an investigation. The Finance and Audit Committee may, in its reasonable discretion, determine not to commence an investigation if a complaint contains only unspecified or broad allegations of wrongdoing without appropriate informational support.

III. RESPONSIBILITY

Accounting Matter Complaints shall be considered by the Finance & Audit Committee as follows:

- A. Upon receipt of a complaint or concern, the Finance and Audit Committee will: (i) determine whether the complaint is a credible Accounting Matter Complaint; and (ii) when appropriate, acknowledge to the sender receipt of the complaint or concern.
- B. Each credible complaint will be reviewed and investigated by the Finance and Audit Committee with the assistance of such persons as the Committee determines to be appropriate, under the Audit Committee's direct review, direction and oversight.
- C. The Committee shall consult with legal counsel or outside accounting expertise in any investigation as it deems necessary or appropriate to conduct the investigation in accordance with this policy.

- D. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review. The identity of the complainant will be shared only with persons whose decisions are not implicated by the Accounting Matter Complaint.
- E. All credible complaints will be investigated to a resolution. The Finance and Audit Committee will ensure that PLC's management takes prompt and appropriate corrective action when and as warranted in the judgment of the Committee.
- F. The Committee will determine the appropriate report to be made to PLC's external independent auditor.
- G. PLC will deliver a copy of this policy to all current employees promptly after the adoption of this policy and will deliver a copy of this policy to new employees on or prior to their start of employment. In addition, a link to the current version of this policy will be maintained on the PLC website. All employees must follow the procedures outlined herein and cooperate with any investigation initiated pursuant to this policy.

APPROVED BY THE BOARD OF DIRECTORS

BY: Nick Markovich, President

DATE ADOPTED: January 13, 2005
DATE REVISED: November 11, 2010
DATE REVIEWED: May 5, 2014