

Whistleblower Policy

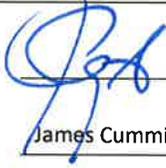
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1				

1. Summary Statement

This Whistleblower Policy sets forth the Company's requirements for its commitment to ethical business practices and a work environment that fosters mutual respect, open communication, and integrity, consistent with the expectations and plans of the Company, and in consideration of PETRONAS' requirements. The Company's Whistleblower Policy will be undertaken to manage risks to the Company, ensuring compliance with applicable law and the Company's policies, standards, procedures, and guidelines.

The Company encourages all Employees, Contractors, and Consultants who are performing work for the Company, and other stakeholders who are impacted by the Company's business, to speak up and proactively raise their concerns about actions or perceived actions that do not appear to be in accordance with the responsibilities outlined in this Policy, or any other Company policy.

Capitalized terms used herein have their meanings set forth in Appendix A.

2. Objectives

The objectives of this Policy are to:

- Provide a confidential process for Employees, Contractors and Consultants to report potential violations, issues, and/or concerns, which is referred to as whistleblowing, without fear of reprisal;
- Outline a process for matters reported under this Policy to be properly investigated, and for appropriate action to be taken to ensure that the reported matters are resolved in a timely and effective manner;
- Reduce the risk of potential violations occurring, or continuing to occur, and thereby minimizing the exposure and risk of potential damages which can occur, including, but not limited to, reputational, regulatory, and civil damages against the Company and its Employees, Contractors, and Consultants;
- Provide protection against retaliation to whistleblowers, who may raise serious concerns about the Company in good faith; and
- Demonstrate the commitment to the principles set out in this Policy to all Employees, Contractors, Consultants and other stakeholders who are impacted by the Company's business (e.g., landowners).

3. Scope

This Policy applies to Employees, Contractors, Consultants, and any other person identified and notified in writing by the Legal department.

4. Requirements

4.1 Whistleblowing

Each Employee, Contractor, and Consultant has an ongoing responsibility to report any activity or suspected activity of which he or she may have knowledge relating to:

- (i) Actual or potential violations relating to accounting, internal financial controls, accurate books and records, or auditing matters;

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- (ii) Actual or potential violations of applicable law, rules, or regulations, including securities laws; and
- (iii) Actions materially inconsistent with any Company Policy or of serious concern otherwise.

It is the responsibility of each Employee, Contractor, and Consultant to report such activities, in accordance with this Policy, whenever he or she has reasonable and bona fide grounds to believe that a Reportable Matter has occurred, is occurring, or is likely to occur. Failure to promptly report and correct Reportable Matters may result in disciplinary action.

4.2 Confidentiality

All complaints by Complainants will be treated as confidential to the fullest extent possible. A Complainant is encouraged to disclose his or her identity in order to assist the Company with the investigation of the Reportable Matter, however a Complainant is not required to do so.

4.3 Reporting Procedure

Prior to submitting a complaint through this Policy, Employees, Contractors, and Consultants should consider other alternatives, such as talking to a Supervisor to determine if there is a more appropriate way to raise a concern.

Complaints made under this Policy may be submitted in confidence to the Complainant's immediate Supervisor, their Vice President, or the Legal department through one of the following confidential means of communication:

- (i) In writing: Progress Energy Canada Ltd.
1200, 205 – 5th Avenue S.W.
Calgary, Alberta, T2P 2V7
Canada

Attention: **[Director, Legal Services, Vice-President, or Immediate Supervisor]**
- (ii) By electronic mail to the Legal Department: <integrity@progressenergy.com>
- (iii) By telephone: EthicsPoint Compliance Hotline

North American Toll Free 1-855-696-4386
- (iv) By website: File a web-based report directly at www.ethicspoint.com

Please note that reports filed through this website are not tracked back to the Complainant, should the Complainant wish to remain anonymous.

Complainants have an obligation to act responsibly in determining whether an action or incident constitutes a whistleblower event prior to submitting a complaint. Any complaint should provide sufficient, precise and relevant information pertaining, among others, to individuals, dates, places, names, witnesses, numbers, actual or potential violations and the Company so that a reasonable investigation can be conducted. The Complainant is not expected to prove the truth of the allegation; however, the Complainant needs to demonstrate that there are sufficient grounds for concern.

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If a complaint contains only unspecified and broad allegations of wrongdoing without appropriate informational support, the Company may, in its reasonable discretion, determine not to commence an investigation.

If the complaint is made through EthicsPoint, the Complainant will be provided with various categories of Reportable Matters. If the Complainant wishes to discuss any such matter with the Legal Department or the CFO, the Complainant should indicate this in the complaint submission or message and include a telephone number at which he/she might be contacted. The Legal Department will acknowledge receipt of the complaint directly to the Complainant if the identity of the Complainant is disclosed in the complaint or through EthicsPoint if the Complainant wishes to maintain his or her identity as confidential.

The earlier a complaint is reported, the easier it is for such matter to be addressed in accordance with this Policy. Whistleblowers are encouraged to provide their name in order to facilitate handling of the complaint.

4.4 Intake, Investigation of Complaints, Case Management, and Closure

4.4.1 Intake

The categorization and determination of whether a complaint is a Reportable Matter pursuant to this Policy will be made in accordance with the Whistleblower Investigation Procedure.

4.4.2 Investigations

Any integrity and compliance related investigations into a Reportable Matter are conducted with respect and discretion for those involved to support the fair resolution of the concern. Investigations are conducted in accordance with the Company's Whistleblower Investigation Procedure.

Employees, Contractors, and Consultants are expected to fully cooperate in investigations.

Investigations will be conducted as quickly as possible, taking into account the nature and complexity of the complaint and the issues raised therein.

4.4.3 Case Management

The Legal department is responsible for tracking the progress of each investigation, implementing recommendations and ensuring that appropriate actions are taken, including corrective action when necessary. When appropriate, feedback is provided to the Complainant who raised the concern.

The Company may have regulatory obligations to report certain complaints to one or more regulatory authorities, and have certain specific regulatory obligations, including, but not limited to, investigate, document, and maintain records with respect to certain complaints.

4.4.4 Closure

Upon completion of the investigation, the Legal department will close the case and any remedial actions, in accordance with the Whistleblower Investigation Procedure, and notify the Complainant, as appropriate.

4.5 No Retaliation

This Policy requires Employees, Contractors, and Consultants to raise serious concerns regarding Reportable Matters within the Company, rather than seeking resolution outside such entities. Accordingly, the Company does not permit retaliation or harassment of any kind against individuals for complaints submitted under this Policy that are made in good faith. For greater certainty, none of the Company or any Employee, Contractor, or Consultant

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may discharge, demote, suspend, threaten, harass, or in any manner discriminate against a Complainant for making a complaint under this Policy in good faith and upon a reasonable belief that such complaint involves a Reportable Matter.

Employees, Contractors, and Consultants found to have engaged in retaliatory behaviour against Complainants and Complainants who make a complaint not in good faith and not upon a reasonable belief that the complaint constitutes a Reportable Matter, may be subject to discipline up to and including termination.

Any Complainant who has reasonable grounds to believe that he or she has been subjected to reprisals may submit a report in the manner provided in section 4.4 of this Policy.

4.6 Documentation

The Legal department will retain as a part of the records of the Company, as applicable, any and all complaints, reports, or concerns and related documentation in accordance with the Information Management Policy. Any information or documentation pertaining to a complaint, an Investigator or the findings of such Investigator will be maintained in a secure location and will protect the confidentiality of all parties to the fullest extent reasonably possible.

4.7 Reporting

As required, the Legal department will report to the Company's Audit Committee and to the external auditors of the Company, the number, the nature and the resolution of complaints received and investigated under this Policy. The Audit Committee will address all reported concerns and complaints regarding accounting, internal financial controls, or auditing matters.

5. Contacts

Inquiries related to this Policy will be directed to the Document Owner identified on the first page.

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Appendix A: Glossary of Terms

Company	Progress Energy Canada Ltd. and its affiliates and subsidiaries.
Complainant	Any party who files a report in accordance with the <u>Whistleblower Policy</u> and/or the <u>Privacy Policy</u> .
Consultant	Third-party resources contracted primarily to support office functions. Typically hired to provide professional services and are usually temporary, short term, and/or project based.
Contractor	Third-party resources contracted primarily to support field functions.
Employee	An individual who is identified through the Company payroll system.
Investigator	Any person assigned to the investigation of a complaint.
Reportable Matter	Any matter relating, but not limited to, the following: (i) Actual or potential violations relating to accounting, internal financial controls, accurate books and records, or auditing matters; (ii) Actual or potential violations of applicable laws, rules or regulations including securities laws; and (ii) Actions materially inconsistent with any Company policy.
Supervisor	The individual accountable for a particular facility, department, or area, in a supervisory positions directly responsible for the performance of individuals.
Whistleblower	Anyone who reports knowledge of activities, occurring in an organization, which may be contrary to law or the Company's policies.