



## **POLICY ON REPORTING ALLEGATIONS OF SUSPECTED IMPROPER CONDUCT AND WRONGDOING (SPEAK UP POLICY)**

**July 13, 2022**

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### **1.0 OBJECTIVE**

- 1.1 The Corporation is committed to promoting honesty and integrity and maintaining the highest ethical standards in all its activities. Consistent with these values, the Corporation does not tolerate any illegal or unethical behaviour, including fraud, criminal acts, regulatory violations, manipulation of accounting and auditing records or any breach of the Code (defined below) or any other policies, procedures or practices established by the Corporation (and its subsidiaries and affiliates, as applicable). The Corporation is also committed to providing individuals with the ability to speak up regarding Incidents (defined below), including doing so confidentially and anonymously as circumstances may require. This Policy sets out the procedures for reporting Incidents.
- 1.2 The Audit & Risk Committee must ensure the Corporation has appropriate procedures for (i) the receipt, retention, and treatment of Incidents, and (ii) the confidential, anonymous reporting of concerns regarding questionable accounting or auditing matters. This Policy serves to fulfill these Audit & Risk Committee responsibilities.

### **2.0 DEFINITIONS**

- 2.1 “**Administrator**” means the person designated by the Board to oversee the day to day administration of this Policy, including receiving, tracking and reporting to the Board on Incidents reported.
- 2.2 “**Audit & Risk Committee**” means the Audit & Risk Committee appointed by the Board;
- 2.3 “**Board**” means the Corporation’s board of directors;
- 2.4 “**Code**” means the Code of Business Conduct and Ethics adopted by the Board and, if applicable, any similar policy adopted by the board of directors of any Corporation subsidiary or affiliate;
- 2.5 “**Corporation**” means Central Hudson Gas & Electric Corporation;

- 2.6 “**Employee Reporter**” means a Corporation employee or contractor reporting Incidents under this Policy;
- 2.7 “**Incident**” means one or more actual, potential or suspected violations of the Code, applicable laws, or the Corporation’s accounting, financial reporting, internal accounting controls or auditing policies and procedures or related matters, including but not limited to the following non-exhaustive examples:
- 2.7.1 actual, potential or suspected violations of applicable law, whether civil or criminal, including breaches of occupational health and safety legislation;
  - 2.7.2 actual, potential or suspected violations of corporate policies or guidelines of the Corporation or the Code;
  - 2.7.3 questionable accounting, internal accounting controls, auditing practices or accounting or auditing irregularities;
  - 2.7.4 experiencing or observing discrimination, harassment, sexual misconduct, workplace violence, substance abuse, violations of human rights or similar behaviour;
  - 2.7.5 any falsification of contracts, books, records, reports or accounts;
  - 2.7.6 direct or indirect participation in any bribes, kickbacks, improper profit-sharing arrangements, illegal gratuities or improper inducements or payments to any public official or other acts of corruption or bribery;
  - 2.7.7 fraud against or involving the Corporation, its subsidiaries or affiliates or any party having a business relationship with the Corporation or its subsidiaries or affiliates;
  - 2.7.8 risks to the Corporation’s assets, property or resources;
  - 2.7.9 risks to the environment;
  - 2.7.10 any matter that involves a significant threat to the health and safety of the Corporation’s personnel, other representatives or business partners and/or the general public, including unsafe working conditions;
  - 2.7.11 concerns about the Corporation’s business practices;
  - 2.7.12 a matter likely to receive negative media or public attention; or
  - 2.7.13 any retaliation against any Reporter for intending to make or making a good faith report under this Policy.
- 2.8 “**Investigator**” means the person or persons designated by the Board with responsibility for investigating and bringing closure to reported Incidents;

2.9 “**Policy**” means this *Policy on Reporting Allegations of Suspected Improper Conduct and Wrongdoing Speak Up Policy*); and

2.10 “**Reporter**” means an Employee Reporter or a director, officer or other person reporting Incidents in accordance with this Policy, including but not limited to suppliers, business partners, consultants, agents and representatives.

### **3.0 APPLICATION**

3.1 This Policy applies to each Incident reported, and the procedures, protections and other provisions of this Policy are for the benefit of every director, officer, employee, and contractor of the Corporation and of each Corporation subsidiary and direct parent of the Corporation that has not adopted a substantially similar policy.

3.2 The Administrator shall serve as the main Corporation contact for subsidiaries in relation to the administration of equivalent subsidiary policies and shall oversee reporting to the Audit & Risk Committee regarding such matters.

### **4.0 NO RETALIATION**

4.1 The Corporation will not, in relation to the reporting of any Incident under the Policy, permit any form of retaliation or reprisal (including discharge, demotion, transfer, suspension, threat, intimidation, harassment or any other form of discrimination) by any person or group, directly or indirectly, against any Reporter, witness or interviewee who, truthfully and in good faith:

4.1.1 reports an Incident in accordance with this Policy;

4.1.2 testifies, participates in or assists in a proceeding related to an Incident;

4.1.3 provides a law enforcement officer with information regarding the commission or possible commission of an offence, unless the individual reporting is one of the violators; or

4.1.4 provides information or otherwise assists the Investigator, the Audit & Risk Committee, management or any other person or group (including any governmental or regulatory authority) in the investigation of an Incident.

4.2 Any director, officer or employee who retaliates against a Reporter, witness or interviewee in violation of Section 4.1 could face disciplinary action, up to and including termination of the person’s employment or position with the Corporation.

4.3 If any person believes that retaliation or reprisal has occurred, that person may submit a complaint pursuant to this Policy within six months after the person knew or ought to have known that the retaliation or reprisal occurred.

### **5.0 REPORTING INCIDENTS**

- 5.1 Incidents must be reported promptly by Reporters to someone who can address them properly. In most cases involving an Employee Reporter, this will be the employee's supervisor.
- 5.2 If an Employee Reporter believes that in the circumstances it would not be appropriate to report an Incident to their supervisor, the Employee Reporter may report the Incident to any officer or other member of the Corporation's management team to whom the person believes it would be appropriate to report the Incident.
- 5.3 Where a supervisor or other member of management receives an Incident report, it must be promptly forwarded to the Administrator.
- 5.4 Suspected fraud or violations of applicable laws should be promptly reported directly to the Administrator.
- 5.5 Employee Reporters not comfortable approaching a supervisor, officer or other member of the Corporation's management team, or Reporters who are not Employee Reporters, should report Incidents using the contact information provided in Section 10.0 below:
  - 5.5.1 to the Administrator;
  - 5.5.2 if they are not comfortable approaching the Administrator or if the Administrator is unavailable and the matter is urgent, to the Chair of the Audit & Risk Committee; or
  - 5.5.3 if a Reporter wishes to remain anonymous when reporting an Incident, through the EthicsPoint system ("**EthicsPoint**") of NAVEX Global, a third-party provider of confidential, anonymous reporting services, via the internet or by telephone.
- 5.6 Access to Incident reports is strictly controlled and limited to prevent interference with, and ensure the independence, effectiveness and integrity of any ensuing Incident investigation. Upon receiving an Incident report, the Administrator will forward it to the Chair of the Audit & Risk Committee and the Corporation's General Counsel (provided such individuals are not related to or the subject of the Incident). Incident reports received through EthicsPoint are automatically forwarded to the Administrator, Chair of the Audit & Risk Committee and General Counsel.
- 5.7 Where other Corporation policies contain their own specialized reporting procedures, those other procedures should be used whenever possible instead of the reporting procedures herein.

## **6.0 INVESTIGATION AND OVERSIGHT**

- 6.1 The Administrator has been designated an Investigator by the Board and will serve as the Investigator for Incidents of a general nature that are not more appropriately investigated by another person (such as General Counsel of the Corporation). Where an Incident

pertains to a matter more appropriately investigated by another person, the Administrator will consult with the Chair of the Audit & Risk Committee and General Counsel to assign an appropriate Investigator to investigate the Incident. No person will be appointed to investigate an Incident where that person is or could reasonably be perceived to be in a conflict of interest, or otherwise not impartial or unbiased in conducting the investigation.

- 6.2 The Investigator will investigate Incidents in an independent, expeditious and confidential manner, taking care to protect the identity of the persons involved (in accordance with Section 8.0 below) and to ensure that the investigation is not impaired in any manner.
- 6.3 The Investigator will contact the Reporter to acknowledge receipt of the Incident report within five (5) business days, where possible.
- 6.4 A Reporter who reports an Incident through *EthicsPoint* will be assigned a unique case identifier and password and should return to the *EthicsPoint* website or call the NAVEX Global toll-free telephone number once five (5) business days have elapsed after reporting an Incident to assess the response to the report and to answer any follow-up questions.
- 6.5 All Incidents will be promptly investigated, and appropriate corrective action will be taken if warranted by the findings of the investigation.
- 6.6 All persons (including the Reporter) must fully cooperate in the Investigator's investigation.
- 6.7 The Investigator may involve other persons in the investigation of Incidents as deemed appropriate (including members of the Corporation's management). The Investigator may agree to authorize an independent investigation and/or to engage the Corporation's outside auditors, outside accountants, external counsel and/or external consultants to assist in the investigation. The Investigator has direct access to the Chair of the Audit & Risk Committee.
- 6.8 The Audit & Risk Committee shall oversee the activities of the Administrator and Investigator(s) and the investigation and resolution of Incidents. All material Incidents, including all Incidents relating to accounting, internal accounting controls or auditing matters, will be promptly reported by the Administrator to the Chair of the Audit & Risk Committee for investigation in cooperation with and under the supervision of the Audit & Risk Committee. The Administrator will report to the Audit & Risk Committee on all other material Incidents once per quarter. The Administrator may periodically report to the Audit & Risk Committee on any other non-material Incidents in the Investigator's reasonable judgment.
- 6.9 The status, and to the extent possible the outcome, of an Incident investigation will be communicated to the Reporter in a timely manner either through direct communication, if the Reporter provided his or her name, or via *EthicsPoint* if the Reporter wishes to remain anonymous. Responses to anonymous reports made via telephone may be accessed through the *EthicsPoint* website or by calling the NAVEX Global toll-free telephone number at 1-866-294-5534 and using the unique case identifier and password provided to

the Reporter upon reporting the Incident. A Reporter is not entitled to receive investigation reports or to otherwise be informed of the actions taken to address an Incident.

## **7.0 ACTING IN GOOD FAITH**

- 7.1 A Reporter must act in good faith and have reasonable grounds for believing that the information disclosed is true.
- 7.2 Incidents found to have been made in bad faith, maliciously or which were known to be false when made, will be viewed as a serious offense which could lead to disciplinary action, up to and including termination of employment with the Corporation.

## **8.0 CONFIDENTIALITY AND ANONYMITY**

- 8.1 All Incident reports will be treated as confidential, and each report and the identity of the Reporter will be kept confidential to the extent permissible by law and feasible to permit proper investigation and resolution. Reports will only be accessible to people that the Investigator determines have a “need to know” and where such access will not otherwise compromise or interfere with the independence, effectiveness and integrity of the investigation. Ordinarily, a need to know arises from an obligation to investigate or to take remedial action based on the information contained in the Incident report. For clarity, sharing Incident information in a manner required by this Policy will not be considered a breach of confidentiality.
- 8.2 Reports of Incidents must be supported by sufficient information and evidence to enable a proper investigation, particularly in the case of anonymous Incident reports, since the Investigator may not be able to seek further details from the Reporter. Incident reports should include:
  - 8.2.1 the date(s) of the Incident(s);
  - 8.2.2 the identity of individuals and witnesses involved;
  - 8.2.3 a description of the specific actions or omissions that constitute the Incident;
  - 8.2.4 how the Reporter became aware of the Incident;
  - 8.2.5 any steps taken by the Reporter to date with respect to the Incident; and
  - 8.2.6 any materials or documents relevant to support or evidence the Incident.
- 8.3 While this Policy facilitates anonymous reporting and protects Reporter anonymity, such measures may hinder the effective investigation of an Incident. Also, as a practical matter, it is possible that the identity of an anonymous Reporter may become known during the Incident investigation or resolution or may be subject to legal disclosure requirements. Therefore, the Corporation encourages Reporters to only report anonymously where necessary, given the inherent difficulty in properly investigating, following up on and resolving anonymously reported Incidents. If a Reporter remains anonymous and does not

provide sufficient detail regarding the Incident (as per Section 8.2), the Investigator may not be able to initiate or complete a comprehensive Incident investigation.

## **9.0 RETENTION OF RECORDS**

9.1 Records pertaining to an Incident are the property of the Corporation and shall be retained: (i) in compliance with applicable laws and the Corporation's record retention policies; (ii) subject to safeguards that ensure their confidentiality and, when applicable, the anonymity of the Reporter; and (iii) in such a manner as to maximize their usefulness to the Corporation's overall compliance program.

## **10.0 CONTACTS**

10.1 Sharon A. McGinnis, Senior Vice President, Human Resources and Safety of the Corporation has been designated as the Administrator and an Investigator under this Policy by the Board and may be contacted at 845.486.5769 or by e-mail at [smginnis@cenhud.com](mailto:smginnis@cenhud.com).

10.2 The Chair of the Audit & Risk Committee of the Corporation is Mary Madden.

10.3 *EthicsPoint* may be accessed at [www.FortisInc.ethicspoint.com](http://www.FortisInc.ethicspoint.com) or by calling the NAVEX Global toll-free telephone number from the United States or Canada at 1-866-294-5534.

10.4 The above listed contacts will be posted and kept current on the Corporation's internal website.

## **11.0 EFFECTIVE DATE**

11.1 This Policy, as amended and restated, is dated and effective as of July 13, 2022.

## **12.0 POLICY REVIEW**

12.1 This Policy shall be reviewed periodically.

## **13.0 QUESTIONS**

13.1 Any questions concerning this Policy should be directed to the General Counsel of the Corporation.