



**PetroChina  
Canada**

# Policy

## CORPORATE CODE OF CONDUCT

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## 1. PURPOSE AND SCOPE

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The full and part-time employees, directors, secondees, contractors (and their employees) (together, “**Employees**”) of PetroChina Canada Ltd. (“**PetroChina Canada**” or the “**Company**”) will conduct themselves in accordance with this Corporate Code of Conduct (the “**Code of Conduct**”). This Code of Conduct provides guidance as to the standards of behaviour and ethical conduct expected by the Company of its Employees. All references to PetroChina Canada or the Company in this Code of Conduct will include any and all of its subsidiaries.

## 2. GUIDING PRINCIPLES

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- a. Employees are expected to conduct themselves in a professional and considerate manner, faithfully dedicating their best efforts, attention and skills while at work and when representing the Company in the community. Employees have an obligation to promote the best interests of the Company at all times and must avoid any situation(s) that might conflict, or could appear to conflict with, their duties and obligations to the Company.
- b. The Company pursues the policy of zero tolerance to bribery and corruption, which also includes facilitation payments.
- c. The Company values diversity of people and thought and treats people fairly, with dignity and gives everyone equal opportunity.
- d. Harassment, abuse, violence, or other vindictive behaviours in the workplace will not be tolerated.
- e. Employees are prohibited from accepting or giving business related gifts, including prizes or other advantages, that have a greater than nominal value (see definition of nominal below).
- f. Individuals in positions to make or influence commitments to purchase goods and services from suppliers must make all decisions on the basis of quality, service and price.
- g. The Company and the Employees will do everything reasonably possible to ensure Employee health, safety and well-being.
- h. All Employees are personally accountable for learning, endorsing and promoting this Code of Conduct and applying it to their own conduct and field of work.

## 3. POLICY CONTENT

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### A. GENERAL EXPECTATION

The Company expects the highest standard of conduct from every Employee. Employees are expected to conduct themselves in a professional and considerate manner, faithfully dedicating their best efforts,

attention and skills while at work and when representing the Company in the community, and this includes but is not limited to

- a. complying with the laws and regulations of all jurisdictions where the Company conducts its business and neither encouraging nor condoning the actions of other individuals to circumvent applicable laws or regulations,
- b. dealing with public officials in a manner that will uphold the high standards of integrity and the reputation of the Company, and so as not to ethically or legally compromise the Company in its dealings with any public official,
- c. respecting confidentiality and safeguarding confidential Company information, including information provided to the Company by its business partners,
- d. maintaining appropriate relationships with fellow co-workers, and suppliers, treating all with respect and dignity; and reporting for work as scheduled and in a “fit” manner (*e.g.*, not being under the influence of drugs or alcohol, or wearing inappropriate clothing), and
- e. adhering to all Company policies and procedures provided to the Employee or made available to the Employee.

## 4. GIFTS AND GRATUITIES

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Employees are prohibited from accepting or giving, business related gifts, including prizes or other benefits, that have a greater than nominal value. Contractors working for the Company must adhere to this Code of Conduct or establish that they have implemented guidelines with respect to acceptance of gifts / gratuities that align with the standards outlined in this Code of Conduct.

### A. UNACCEPTABLE GIFTS / GRATUITIES

From time to time, Employees may be offered business related gifts (*e.g.*, tangible products; invitations to meals; tickets to sporting, cultural or political events, favours, etc.) from vendors, contractors, associates, industry colleagues and other third party personnel. Such gifts may be offered in a variety of situations (*e.g.*, gifts provided at vendor trade shows, gifts or invitations to events in celebration of business or personal achievements, invitation to business networking events, etc.). In some situations, gifts are unacceptable and should be declined. Those situations include, but are not limited to

- a. acceptance of gifts that have a greater than nominal value,
- b. acceptance of frequent gifts from the same source, and
- c. acceptance of gifts of any value or frequency where
  - i. acceptance of the gift could reasonably influence a decision or action that would benefit the giver (e.g., in exchange for a gift, an Employee provides confidential information),
  - ii. a sense of obligation may be created (e.g., influencing the Employee's vendor selection),
  - iii. intentional or unintentional interference with fair competition may occur (e.g., in exchange for gifts, an Employee shares proprietary information with a member of a competitor's company), and
  - iv. a benefit may be provided to the Employee's family, friends or associates inconsistent with the Conflict of Interest section of this Code of Conduct.
- d. Under no circumstances may cash be offered directly or indirectly, to business or government officials or received by Employees.
- e. Under no circumstances may anything be offered or received in exchange for preferential treatment of any kind.

## B. REASONABLE GIFTS / GRATUITIES

The Company defines reasonable gifts as those that are nominal in value and occur infrequently.

**"Nominal"** in the context of this Code of Conduct means any gift or combination of gifts (e.g., tangible products; invitations to meals; tickets to sporting, cultural or political events; favours, etc.) below a maximum value of \$400 per Employee. Acceptance of any gifts, individually or cumulatively, exceeding this limit requires the prior consent of the Employee's head of department. For example, tickets for some sporting or cultural events are above this maximum, and discretion may be applied with the approval of the relevant head of department.

**"Frequency"** of gift acceptance should not exceed four occurrences in a 12-month period involving the same giver or his or her organization.

The list provided above of circumstances where conflict may arise is not all-inclusive. If an Employee is uncertain about the appropriateness of a gift because of value, frequency or the intent of the giver, they should decline the gift and confer with their head of department or direct report.

## 5. CONFLICT OF INTEREST

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### A. DEFINITION

The Company expects that the Employees will perform their duties conscientiously, honestly and in the best interest of PetroChina Canada. Employees have an obligation to promote the best interests of the Company at all times and must avoid any situation(s) that might conflict, or could appear to conflict with, their duties and obligations to the Company. Examples of potential conflict of interest situations include, but are not limited to:

- a. having undisclosed and/or unapproved financial or other business relationships with suppliers, or competitors of the Company,
- b. having influence over decisions where you have a financial interest and/or stand to personally gain from any business transaction with the Company,
- c. using confidential information obtained as a result of your position with the Company, including information provided to the Company by its business partners, for your own financial gain and/or disclosing same for the use of others (e.g., 'tipping' or disclosing material non-public information about a business partner; speculation in business, shares and other securities, land or other ventures of any kind, etc.),
- d. accepting gifts, entertainment or other benefit of more than a nominal value from a competitor or supplier of the Company, and
- e. using Company assets for personal use / benefit.

### B. EMPLOYMENT OF FAMILY MEMBERS

For reasons of confidentiality and the potential for bias and/or conflict of interest, the employment of family members (e.g., spouses, parent / child, siblings, etc.) of Employees and contractors will not typically be permitted at the Company. Any exceptions to this policy are at the discretion of the Chief Executive Officer on a case by case basis, and require his pre-approval.

### C. GUIDELINE FOR ACTION

Employees who may find themselves in a situation where a potential conflict of interest may exist are expected to promptly disclose the situation to their head of department and immediately remove themselves from any negotiations, deliberations or position of influence until such time as the matter has been fully discussed. Full and timely disclosure enables Employees to resolve unclear situations and gives them the opportunity to resolve or dispose of conflicting interests before any difficulty arises.

## 6. ANTI-FRAUD

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The Company has zero-tolerance for fraudulent activities, including but not limited to

- a. misappropriation of Company assets, property or information,
- b. fraudulent financial reporting and reporting of transactions,
- c. any other activity where the public, contractors, agents or Employees gain financial or other benefit through deceit, and
- d. awarding contracts or work of any kind to vendors without undertaking appropriate due diligence in line with the Company's practices, policies, standards and procedures.

The Company will fully investigate any suspected acts of fraud, misappropriation or other similar irregularities. The Company will pursue every reasonable effort, including court-ordered restitution, to recover Company losses from the offender(s) or other appropriate sources.

Any Employee who has knowledge of an occurrence of fraud, or has reason to suspect that a fraud has occurred, must immediately notify their head of department or report the incident under the Whistleblower Policy.

## 7. POLITICAL PARTICIPATION

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The Company does not provide political donations in respect of municipal elections, leadership contests, individual candidates or riding / constituency associations. However, consideration will be given to political donation requests from, and for the benefit of, registered major political parties. Major political parties are defined as those that enjoy official party status in the applicable legislature. Only the CEO can authorize a donation to a political party.

Employees are free to participate as individuals in the democratic process at any level, including campaigning in elections and running for or holding public office. Employees engaging in political activities must take care to separate those activities from their association with PetroChina Canada. Employees running for office should not identify themselves in campaign literature as employees of PetroChina Canada. Similarly Employees wishing to write letters to newspapers, magazines or other publicly available sources or otherwise publicize their personal opinions may do so as individuals, but must not represent themselves or allow themselves to be seen as expressing the views of the Company. Employees are prohibited from writing such letters on PetroChina Canada letterhead; further, they should not identify themselves by their position in the Company.

## 8. ANTI-BRIBERY & CORRUPTION (INCLUDING GOVERNMENT RELATIONS)

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The Company prohibits bribery of public officials in the conduct of its business inside or outside of Canada. It is a serious offence under Canada's *Corruption of Foreign Public Officials Act* to make or offer a payment, gift, loan, advantage or benefit of any kind, whether directly or indirectly through a third party, to a foreign public official in



order to induce favourable business treatment. The term “public official” is defined very broadly and includes low-ranking employees of a government or a government controlled entity, and political parties, party officials and candidates for political office. In-line with Canada’s anti-corruption legislation, the Company has a zero-tolerance policy in respect of bribery and corruption. The Company does not

- a. make corrupt payments or facilitate money laundering in order to gain or maintain any advantage for the Company or for any other reason,
- b. make illegal or improper payments such as kickbacks to any government agency, person or entity, or
- c. offer, promise, authorize, approve, or condone the use of corporate funds or property or the giving of anything of value to any
  - i. government official in order to influence such official to act or fail to act in any official capacity, or to induce him or her to use their influence with any government official or government agency,
  - ii. political party, any official of a political party, or any candidate for political office in order to influence the political party, official or candidate to act or to fail to act in any official capacity or to induce the political party, official, or candidate to influence any government official or any government agency (see Political Participation section above.) Only the Chief Executive Officer can authorize a donation to a political party, or
  - iii. person who will apply the payment or gift (in whole or in part) directly or indirectly to either of the aforementioned activities.

The activities set out in this section are prohibited by the Company even if permitted by the laws, standards, or customs of any country where the Company is doing business, regardless of any requests or pressures received from any government or the competitive consequences of refusing to comply with such requests or pressures.

The prohibited actions outlined above are expressly forbidden, and should they occur, would result in severe disciplinary penalties (including termination for cause), as well as legal action. Employees must always report incidents of corruption and bribery to their head of department or under the Whistleblower Policy.

NOTE: This Policy does not prohibit

- a. any payments to a government official, employee or agency which are specifically required by a law, regulation or decree equally applicable to all similarly-situated companies, or
- b. the normal extension of those common courtesies and social amenities consistent with ethical business practices, and with the customs of the industry, which are offered and received on a basis of amicable personal relations, provided that this cost is properly identified and disclosed on the Company’s books. For example, reasonable expenditures for the entertainment of clients,

prospective employees or business associates are permissible for Employees whose duties include the provision of such entertainment, provided proper accounting is made.

## 9. DIVERSE AND RESPECTFUL WORKPLACE

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### A. RESPONSIBILITY

The Company is committed to providing a safe, professional and rewarding work environment where Employees and visitors are treated with dignity and respect. All Employees play a role and share in this process through their treatment of and daily interactions with others. The Company's senior management recognizes it also plays a key role in promoting and maintaining a positive work environment by

- a. partnering with and supporting Employees to successfully resolve issues that arise,
- b. encouraging Employees to report inappropriate behaviour of any nature and investigating every complaint of workplace harassment with the utmost sensitivity and confidentiality, and
- c. imposing strict disciplinary measures if a complaint is founded.

### B. DIVERSITY

The Company values diversity of people and thought and treats people fairly, with dignity and gives everyone equal opportunity. The Company will not allow age, education, ethnicity, race, colour, ancestry, family / marital status, gender, national origin, religion, sexual orientation, mental or physical disability, or any other characteristic protected by any applicable law to influence its judgment when it comes to the recruitment, selection, development and advancement of Employees.

### C. HARASSMENT

Harassment, abuse, violence, or other vindictive behaviours in the workplace will not be tolerated. While not subject to a precise definition, harassment includes, but is not limited to

- a. unwelcome verbal or physical conduct, comments, gestures, or contact concerning a person's age, education, ethnicity, race, colour, ancestry, family / marital status, gender, national origin, religious beliefs, sexual orientation or mental or physical disability,
- b. interfering with an Employee's work performance or creating an intimidating, hostile or offensive work environment,
- c. verbal or physical abuse (whether actual, attempted, implied or threatened),
- d. unwelcome verbal or physical conduct of a sexual nature (e.g., comments, suggestions, contact, innuendos, requests, or other inappropriate behavior),

- e. unwelcome and/or derogatory jokes, innuendo or taunts about any person's appearance, religious beliefs, colour, national origin, mental or physical disabilities, ancestry, family / marital status, source of income, age, gender or sexual orientation,
- f. displays of pornographic, racist or other offensive signs or images, and
- g. derogatory remarks which undermine, demean, belittle or humiliate an individual or group.

Anyone who believes they, or a co-worker, are being harassed should

- a. keep a record of the incident(s) (*i.e.*, date, time, location, possible witnesses, details of what happened, *etc.*) in order to aid in any investigations should they become necessary, and
- b. immediately report the incident(s) to their head of department or the Human Resources department or report the matter under the Whistleblower Policy.

#### D. INVESTIGATING A HARASSMENT COMPLAINT

- a. All complaints will be taken seriously, involving a thorough and objective examination of the facts.
- b. All pertinent information regarding a complaint will be kept confidential. Normally, Human Resources will assist with the investigation and work with all relevant parties to determine the best method of resolving the concern.
- c. Where the investigation reveals evidence of inappropriate behavior, appropriate follow-up and disciplinary action, up to and including immediate termination for cause, will be initiated and documented accordingly.

## 10. DRESS CODE

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Regardless of the Employee's interaction with suppliers, contractors, or business partners each Employee projects the reputation of the Company. Part of this impression depends on each Employee's choice of dress.

Away from the field, Employees are expected to exercise good judgment and maintain a professional image by dressing in a manner appropriate to business. In general, this means "business casual" Monday through Thursday (*i.e.*, no jeans, ties not required unless Employees are expected to attend meetings where business attire is preferred, *etc.*), and "smart casual" on Friday (*e.g.*, jeans are allowed but must be neat and clean, consistent with a professional environment). Items of clothing such as ripped jeans, leggings, athletic wear or flip flops may not be worn in the office at any time during the work week (*i.e.*: Monday to Friday not including statutory holidays).

At all times, Employees working in the field must wear appropriate clothing and protective equipment, consistent with the health and safety policies of the Company.

If you are unsure about what may be appropriate clothing and/or have any questions, please discuss with your head of department. Heads of department are expected to address inappropriate dress code situations and take corrective action as appropriate.

## 11. RECORD KEEPING, ACCOUNTING & AUDITING

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Employees must ensure that the Company's books, records and accounts reflect accurately, fairly, in reasonable detail, and in a timely manner all the transactions, acquisitions, and dispositions of assets, and other business affairs of the Company.

Relevant Employees must ensure that the reporting of accounting or operations data is done on a timely basis, accurately, and in sufficient detail to ensure the integrity of corporate information and records.

Company Employees must not

- a. establish or maintain an unrecorded fund or asset on behalf of the Company,
- b. make a false, artificial, or misleading entry in the books, records and documents for any reason,
- c. engage in any arrangement that results in such prohibited acts, or
- d. initiate a transaction or make a payment on behalf of the Company with the intention or understanding that the transaction or payment is other than what is described in its documentation.

To the extent that potential violations involve the Company's accounting, internal accounting controls or auditing matters (including questionable accounting or auditing matters), investigations under this Code of Conduct will be overseen by the Board of Directors (the "**Board**").

No information may be concealed from the Company's external auditors, internal auditors or the Board. Employees must not fraudulently influence, coerce, manipulate or mislead an external or internal auditor who is auditing the Company's financial statements.

## 12. COMPANY RESOURCES AND CONFIDENTIAL INFORMATION

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Employees are responsible for the proper use, reasonable care and security of PetroChina Canada's assets entrusted to them, including the Company's proprietary or confidential information. Employees should be able to account for PetroChina Canada's equipment at all times in accordance with established procedures.

PetroChina Canada's property and information must not be misappropriated for personal use. Employees should not make any significant use of Company property, information or facilities for their own personal benefit or purposes.

Business opportunities identified by an Employee during the course of employment belong to the Company and are to be brought to the attention of management. An Employee may not pursue any such opportunity for the Employee's personal benefit, directly or indirectly, unless the opportunity has been turned down by the Company and the CEO has pre-approved in writing the pursuit by the Employee.

Employees must not engage in theft, pilferage, willful damage, or misuse of Company property. Employees who violate the Company's policy on the use of Company resources are subject to disciplinary action, up to and

including immediate termination for cause. The Company may also report the violation to the appropriate police authority.

During the normal course of business, Employees may have access to, among other things, non-public information regarding the business partners of the Company, suppliers, operations, strategic plans, financial affairs, intellectual property, other Employees and trade secrets. This information is a key corporate asset and every Employee has an obligation to protect it and keep it in the strictest confidence, except when disclosure is explicitly authorized pursuant to the Corporate Communications Policy of the Company or when disclosure is legally required. The unauthorized use or disclosure of confidential information of the Company could destroy its value and give unfair advantage to others. Care should be taken in disposing of documents containing confidential information, such as shredding documents, before discarding. Confidential information also includes any information relating to the business and affairs of the Company. Employees must not use confidential information for their own advantage or profit. An employee's obligation to protect the confidential information of the Company exists whether or not the information is explicitly labeled as being confidential and the obligation continues even after leaving the employ of the Company.

Intellectual property that has been created or developed by an individual within their scope of employment is owned by the Company.

### 13. ACKNOWLEDGEMENT OF THE CORPORATE CODE OF CONDUCT

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Integrity is essential to the success of PetroChina Canada's business. The Company is determined to behave as an ethical organization. The Company expects every Employee to adhere to the standards described in this Code of Conduct and, wherever applicable, the standards described in more detailed policies, guidelines or legislation. For that reason, the Company asks all Employees to review this Code of Conduct annually or when requested to do so at such times – when the Code of Conduct is either revised or reprinted and to certify that they have read it, understand it and undertake to abide by it.

All Employees are personally accountable for learning, endorsing and promoting this Code of Conduct and applying it to their own conduct and field of work.

Contractors are expected to enforce this Code of Conduct with their staff, or establish to the Company that policies and/or practices that are consistent with this Code of Conduct and its associated requirements are in place, and the contractor shall acknowledge its compliance in writing.

Employees with questions about this Code of Conduct are encouraged to refer the matter to their head of department. The Legal Department or Human Resources may also be contacted. Officers and directors with questions about this Code of Conduct are encouraged to refer the matter to the CEO or the Chairman of the Board.

## 14. REPORTING VIOLATIONS OF THE CORPORATE CODE OF CONDUCT

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Anyone who is concerned about a potential instance of non-compliance with the Code of Conduct by an Employee is expected to discuss it with their head of department or Human Resources advisor. If that is inappropriate, ineffective, or uncomfortable, an Employee may

- a. anonymously report the potential noncompliance under the Whistleblower Policy, or
- b. contact one of the following: Director of the Legal Department, Chief Financial Officer or CEO.

The Company prohibits retaliatory action against any Employee who, in good faith, reports a possible violation.

## 15. ROLES AND RESPONSIBILITIES

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### A. EMPLOYEE RESPONSIBILITIES

- a. To learn, endorse and promote this Code of Conduct and apply it to their own conduct and field of work.

### B. HUMAN RESOURCES RESPONSIBILITIES

- a. To maintain the Code of Conduct and ensure management and Employees are aware of and have access to this Code of Conduct.
- b. The Human Resources department may provide advice and recommendations to Employees in situations where potential violations to this Code of Conduct are suspected.

### C. CONTRACTORS AND CONTRACT WORKERS

Must ensure that they and their workers adhere to this Code of Conduct as well.

### D. MONITORING

The Board will oversee and enforce compliance with this Code of Conduct and is responsible for administering this Code of Conduct.

From time to time, at the direction of the Board, the Legal Department may review this Policy and recommend updates to the Board for approval, to ensure continuing compliance with changing legal and regulatory requirements.

## 16. VIOLATIONS

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Any violation of this Policy should be promptly reported to the CEO or the Legal Department. Employees found to be in breach of this Policy may face disciplinary action, including termination of their employment.

## 17. POLICY AUTHORITY

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This Policy has been approved by the Board and is effective as of November 21, 2014.