

CNOOC International Limited

Standard for Conflicts of Interest

*Conformance with this Standard is mandatory.
You may not 'opt-out' of any requirement identified herein.*

Accountable Owner:	President – CNOOC International	Responsible Author:	Chief Legal Officer – CNOOC International				
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CONTENTS

1.0 INTRODUCTION TO THIS STANDARD	2
2.0 REQUIREMENTS OF THIS STANDARD.....	3
3.0 REFERENCES AND RELATED INFORMATION.....	4
APPENDIX A: ROLES AND RESPONSIBILITIES	4
APPENDIX B: CONFLICTS OF INTEREST EXAMPLES	5

For document history, see the CNOOC International Management System (CIMS).

1.0 INTRODUCTION TO THIS STANDARD

1.1 PURPOSE

The purpose of this Standard is to establish procedures for identifying and addressing situations where an Employee's interests conflict with the Company's interests. Conflicts of Interest, actual or perceived, can damage the Company's business interests and reputation.

This is important because it will:

- Ensure that Employees and Contingent Workers carry out their duties in good faith and in the best interests of the Company.
- Prevent Conflicts of Interest (actual or perceived) from damaging the Company's reputation or business interests.

1.2 SCOPE

This Standard applies to all areas of the Company's business.

1.3 INTENDED AUDIENCE

The intended audience for this Standard is detailed in the table below.

Role	Description
Directors, Officers, Employees and Contingent Workers	Will adhere to the requirements in this Standard.

1.4 DEFINITIONS OF TERMS

For definitions, see the *CIMS Glossary*. Capitalized terms used in this Standard have the meanings set out in the *CIMS Glossary*.

1.5 CONFLICT RESOLUTION

Where a conflict arises with the requirements set out in this Standard, and a Variance is required, refer to *Requesting a Variance to CIMS Documents Procedure*.

Questions regarding this Standard should be directed to the Responsible Author.

2.0 REQUIREMENTS OF THIS STANDARD

The following table outlines the minimum requirements and quality expectations that must be satisfied to meet the intent of this Standard.

2.1 STANDARD REQUIREMENT TABLE

Requirement Number	Requirements
GENERAL	
2.1.1	Must arrange private affairs in a manner that prevents Conflicts of Interests.
2.1.2	Must act in good faith and in the best interest of the Company while carrying out employment duties and responsibilities. The relationship between an Employee and the Company creates a duty of loyalty which is owed by an Employee to the Company.
2.1.3	Must never place private interests ahead of the Company's business interests.
DISCLOSURE	
2.1.4	Must disclose all Conflicts of Interest, whether actual or perceived, to their Manager or the Chief Legal Officer, in writing and in as timely a fashion as possible.
2.1.5	Must discuss with their Manager or the Chief Legal Officer, any questions as to whether a Conflict of Interest exists in a particular situation, to determine whether a Conflict of Interest does exist and, if so, how it should be resolved. While clarification on the matter is being sought, the Employee or Contingent Worker must avoid taking part in any activities where the Conflict of Interest exists or could be seen to exist
ANNUAL ACKNOWLEDGEMENT	
2.1.6	Must acknowledge compliance with this Standard in conjunction with the annual sign-off on the Company's <i>How We Work: Our Integrity Guide</i> .
2.1.7	Must report all undisclosed Conflicts of Interest when completing the annual acknowledgement.
COMPLIANCE	
2.1.8	Must disclose to their Manager any Conflict of Interest in accordance with this Standard. Note: Any failure to disclose a Conflict of Interest or failure to report a known or possible Conflict of Interest, or to comply with any instructions to resolve a Conflict of Interest is regarded as a serious matter and may be grounds for disciplinary action, including termination of employment. For additional information, including a non-exhaustive list of Conflict of Interest examples, refer to Appendix B.

2.2 MEASURING CONFORMANCE AND CONTINUOUS IMPROVEMENT

The following table summarizes the methods that must be used to measure conformance with the intent of this Standard.

Means of Verification	Method of Measurement	Role for Review and Interval	Location of Key Records and Reports
Self-Assessment	Standard review and update (if applicable)	Reviewer: Responsible Author Interval: 3 years	<i>Legal Standards</i>

The Methods of Measurement, identified above, will be used as a foundation to determine whether this Standard is effective and efficient; and whether opportunities exist to further improve. Refer to the *Continuous Improvement of CIMS Content – Review & Improve Business Process* for further details.

Audit requirements of this Standard will be determined by the Corporate Audit group in conjunction with the Responsible Author.

3.0 REFERENCES AND RELATED INFORMATION

3.1 EXTERNAL REFERENCES

Not Applicable

3.2 INTERNAL REFERENCES

GLOBAL-OTR-0001 *How We Work: Our Integrity Guide*

3.3 RELATED INFORMATION

GLOBAL-OTR-0002 *How We Work: Our Integrity Guide for Suppliers*

[GLOBAL-STD-0078 Gifts and Entertainment Standard](#)

GLOBAL-STD-0024 *Prevention of Improper Payments Standard*

[GLOBAL-STD-0027 Confidential Information Standard](#)

APPENDIX A: ROLES AND RESPONSIBILITIES

For a description of the CIMS Roles and Responsibilities, refer to the *Standard for the CNOOC International Management System (CIMS)*.

APPENDIX B: CONFLICTS OF INTEREST EXAMPLES

A Conflict of Interest may occur when an Employee:

1. receives or seeks to receive a payment, loan, gift, entertainment activity or discount of more than a reasonable value which goes beyond common courtesies associated with accepted business practices;
2. is involved in negotiating a transaction with a competitor of the Company or an existing or known prospective supplier of goods or services to the Company in which the Employee has a Significant Interest;
3. is responsible for supervising or has direct or indirect authority over an Immediate Family Member who is also an Employee at the Company, and has the ability to influence their compensation, work assignments or promotion within the Company;
4. withholds from or otherwise deprives the Company of a business opportunity which is aligned with the business of the Company and which could be reasonably construed to be of benefit to the business activities of the Company;
5. makes use of Confidential Information for personal, commercial or financial gain;
6. has interests or is engaged in activities which: (a) adversely interfere with the time and attention the Employee is expected to devote to the Company in performing their employment duties and responsibilities, or (b) compromises the Employee's judgment, ability to act in the best interest of the Company.

The foregoing examples are illustrative only and are not intended to be exhaustive.