

Conflicts of Interest Standard

Owner: Vice-President Legal & Chief Compliance Officer

Effective date: January 13, 2010

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Purpose

The purpose of the Conflicts of Interest Standard (Standard) is to ensure staff exercise good judgment by making decisions that are in Cenovus's best interests. It provides direction for identifying actual, potential and perceived conflicts of interest (collectively "conflicts of interest"). This Standard will assist staff to understand what constitutes a conflict of interest. In addition, this Standard outlines Cenovus's expectations for identifying, disclosing, mitigating, handling and monitoring conflicts of interest.

Scope

This Standard applies to all staff, and Board of Director members (directors) of Cenovus Energy Inc. and its subsidiaries. Suppliers are expected to develop and enforce policies that are consistent with this Standard.

Roles and responsibilities

Cenovus staff and directors are responsible for recognizing conflicts of interest, disclosing conflicts of interest to their supervisor, Cenovus representative or Cenovus director contact (as applicable), and adhering to any agreed upon actions to mitigate the conflict of interest. Additionally, staff should promptly update Ethics & Compliance (EC) and their new supervisor or Cenovus representative whenever a reporting change occurs.

Supervisors and Cenovus representatives are responsible for recognizing conflicts of interest, monitoring disclosed conflicts of interest, and documenting and ensuring compliance with the associated mitigation measures.

Human Resources is responsible for adherence to the Employment of Relatives Procedure.

Ethics & Compliance is responsible for the administration and monitoring of this Standard, including storage, maintenance and ongoing management of completed declaration forms and associated reporting.

Standard statements

A conflict of interest is a situation where a personal interest influences, or has the potential to influence, the ability of a staff member or director to act objectively or perform their business responsibilities in Cenovus's best interests.

The appearance of a conflict of interest can impact Cenovus's business and/or reputation. If in good judgment it could appear to others (other staff, stakeholders, the public etc.) that an individual's personal interests could affect their judgment and conflict with Cenovus's interests, staff should consider disclosure. By identifying and declaring conflicts of interest, staff can work with their supervisors or Cenovus representatives to implement and maintain mitigation measures.

When not properly managed, conflicts of interest (including potential and perceived conflicts of interest) may be incompatible with the expectations of the Code of Business Conduct & Ethics, and negatively affect Cenovus's reputation and ability to meet its strategic objectives.

Information regarding conflicts of interest, including but not limited to completed conflict of interest declarations and mitigation measures, is collected, used and disclosed in accordance with applicable Cenovus policies, including those related to confidentiality and privacy.

Identifying conflicts of interest

Staff and directors must be aware of situations that result in or could be perceived to result in, a conflict of interest. Conflicts may exist when:

- The individual (or their relative or close personal contact or friend) receives, or has the potential to receive, financial or some other benefit as a result of the individual's position within Cenovus, directly or indirectly.
- The individual influences Cenovus's decision-making in a manner that results in, or may result in, personal gain or advantage for themselves, a relative or close personal contact or friend.
- Staff own a significant financial interest in any contractor, supplier, customer, partner or competitor of Cenovus. A financial interest is significant if the holding is either:
 - 5% or more of the stock, assets or other interests of the contractor, supplier, customer, partner or competitor; or
 - 10% or more of the staff member's net assets.

Disclosing conflicts of interest

Staff and directors are required to disclose any existing or potential conflicts of interest upon commencing work with Cenovus, and must immediately disclose, and update on an annual basis, any new or potential conflicts of interest that arise or they become aware of. In addition, staff and directors must adhere to required and documented mitigation measures.

Disclosure process

Directors are required to follow the disclosure process as provided by Cenovus Corporate Secretarial.

Staff are required to disclose and discuss any conflict of interest with their supervisor or Cenovus representative. If it is determined that a conflict exists or may exist, staff must:

- Complete a Declaration of Conflict of Interest Form.
- Document appropriate mitigation measures (see the Conflict of Interest Mitigation Guidance).
- Confirm mitigation measures with Ethics & Compliance.
- Add their name and the name of their supervisor or Cenovus representative to the form and email the completed form to Ethicsand.Compliance@cenovus.com, copying their supervisor/Cenovus representative.

Staff are required to immediately notify their supervisor or Cenovus representative if circumstances change. A new form with new or additional mitigation actions may be required.

Examples of conflicts of interest

A variety of situations, affiliations and relationships may create conflicts of interest. Examples of conflicts of interest that would require disclosure pursuant to this Standard include but are not limited to:

Personal and business relationships

- Having a management role or significant financial interest in, or outstanding loan from, a company or organization that is a contractor, supplier, customer, partner or competitor of Cenovus.
- Purchasing from or directing business to suppliers owned (in whole or in part) or managed by you, or one or more of your relatives or close personal contacts or friends.
- Approving invoices from a supplier for work done by an individual who is a relative or close personal contact or friend.
- Working on a business development activity for Cenovus, and a relative or close personal contact or friend is part of the team representing the third party on the same business development activity.
- Awarding corporate donations or work to an entity of which you are a director or over which you have influence.

Working relationship with relatives or close personal contacts or friends

- Being in a position to influence staffing decisions (e.g. recruitment, training, development or promotion), or other decisions involving a relative or close personal contact or friend.
- Awarding contracts or directing Cenovus work to a relative or close personal contact or friend.
- Working alongside, dealing directly or being in a reporting relationship involving a relative.

Outside activities

- Employment or volunteer activities outside of Cenovus that may conflict with or adversely affect the performance of your duties such as performing outside work on Cenovus premises or using company resources or time.
- Being a director of another company or non-profit organization where Cenovus's results or operations may be discussed.
- You are a director of an entity which is funded by Cenovus's social investment program.

Gifts and entertainment

- Accepting or providing gifts or entertainment in excess of a nominal value or frequency limitations as set out in Cenovus's Corporate Hospitality & Expense Standard.

If you are unsure whether a situation requires disclosure pursuant to this Standard, contact the resources listed in the Support section of this Standard.

Compliance and enforcement

Monitoring and reporting

Supervisors and/or Cenovus representatives must monitor documented mitigation measures as outlined in completed declaration forms.

Ethics & Compliance monitors compliance with this Standard through centralized oversight of completed forms and periodic training and awareness. Declared conflicts of interest are reviewed and vetted with staff on an annual basis to determine if the reported conflict still exists and if mitigation are being followed and to capture any supervisory changes.

Internal Audit periodically audits Cenovus's conflict of interest process and provides its findings to the Audit Committee of the Board of Directors.

Cenovus staff are encouraged to report any suspected violations of this Standard to their supervisor, Cenovus representative, the Investigations Committee (investigations@cenovus.com) or the Integrity Helpline.

Consequences of non-compliance

Ethics & Compliance is committed to working with individuals to manage and mitigate conflicts of interest. Violations of this Standard may result in disciplinary action, up to and including termination of employment or service arrangements.

Support

Contact your supervisor, Cenovus representative or Ethicsand.Compliance@cenovus.com with any questions related to this Standard.

Related policies and standards

- Code of Business Conduct & Ethics
- Conflict of Interest Declaration Form
- Corporate Hospitality & Expense Standard
- Data & Information Management Policy
- Employment of Relatives Procedure
- Privacy Policy
- Social Investment Standard

Glossary

Close personal contact or friend means someone you connect with or socialize with regularly outside of work.

Perceived conflict of interest exists where there might be no actual conflict, but other individuals might reasonably perceive that a conflict exists.

Potential conflict of interest exists where there might be no current conflict, but the possibility of one existing in the future is reasonably foreseeable.

Relative for the purpose of this Standard, includes: spouse, son, daughter, mother, father, brother, sister, grandparent or child, step-parent or child, step-sister, step-brother, in-laws, aunt, uncle, nephew, niece, cousin, significant other, domestic partner, anyone who is a member of an employee's household, or any other relationship that would present a potential conflict of interest.