

# Gift & Entertainment Standard

**Owner: Senior Manager, Enterprise Compliance**

Effective date: January 13, 2010

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## Purpose

Cenovus recognizes that developing and maintaining strong working relationships with suppliers, counterparties, associates, industry colleagues, public officials and other stakeholders (collectively, third parties) may involve the giving and receiving of gifts and entertainment. To govern such interactions, this Gift & Entertainment Standard (Standard) supports the reasonable giving and receiving of gifts or entertainment provided it does not affect staff's ability to make objective business decisions.

The Standard provides clarity on when it is and when it isn't acceptable to offer or receive gifts or entertainment in the course of employment with or service to Cenovus.

## Scope

This Standard applies to all staff and Board of Director members (director) of Cenovus Energy Inc. and its subsidiaries when offering or receiving gifts or entertainment involving third parties, including public officials. Suppliers conducting business with or seeking to do business with Cenovus must have in place guidelines equivalent to, or more restrictive than, those found in this Standard.

## Roles and responsibilities

**Staff** are expected to exercise common sense and good judgement in accordance with the provisions of this Standard when offering or receiving gifts or entertainment. When unsure of the appropriateness of the gift or entertainment, staff must seek guidance and authorization as necessary from their direct leader or Cenovus representative and be cognizant of annual limits for gifts and entertainment received and given.

**Leaders** and Cenovus representatives are responsible for monitoring compliance with this Standard, for promoting transparency around the giving or receipt of gifts or entertainment, and for reviewing gifts and entertainment provided and received by staff on a regular basis.

**Government Affairs** is responsible for providing authorization for offering or receiving gifts or entertainment to or from a public official (excluding Indigenous groups) pursuant to the Government Relations Standard.

**Indigenous Affairs** is responsible for providing authorization for offering or receiving gifts or entertainment to or from Indigenous groups.

**Enterprise Compliance** is responsible for developing, communicating, and supporting this Standard and associated training and awareness.

## Standard statements

### Acceptable and unacceptable gifts and entertainment

Gifts and entertainment offered or received are acceptable when they have a business purpose, are consistent

with our Code of Business Conduct & Ethics and are not offered or accepted with the intention to influence business decisions, public policy or relationships in any way. The following principles apply:

Acceptable gifts and entertainment	Unacceptable gifts and entertainment
<p>Comply with annual limits:</p> <ul style="list-style-type: none"> <li>• Do not exceed an annual total maximum of \$500 Canadian (or equivalent currency outside of Canada) from or to the same source, or</li> <li>• Do not exceed four occurrences annually from or to the same source.</li> </ul> <p>Are accepted or provided transparently.</p> <p>Approval from your leader or Cenovus representative must be received when annual limits will be exceeded.</p>	<p>Exceed annual limits without authorization from your direct leader or Cenovus representative.</p> <p>Involve excessive entertainment and hospitality including any associated accommodation or transportation.</p>
<p>Aimed at building or maintaining an objective business relationship or an offering of normal courtesy consistent with reasonable business practice.</p>	<p>Are solicited.</p> <p>Create, or appear to create a conflict between personal interests and professional duties.</p> <p>Create a sense of obligation (e.g. causing the staff member to influence the selection of a supplier).</p> <p>Are received and further passed on entirely to a staff member who has no business relationship with the person or company.</p> <p>Involve the free provision of services or use of a facility or property.</p> <p>Consist of cash or cash equivalents (such as gift cards).</p>
<p>Are permissible under all applicable laws, rules, regulations and company policies and standards.</p>	<p>Are received or offered during a competitive bidding process.</p> <p>Are provided to a staff member's relative or close personal friend.</p> <p>Cenovus event (including business meals) requirements are not followed including alcoholic drink limitations and use of taxi cabs.</p>

Acceptable gifts and entertainment	Unacceptable gifts and entertainment
	<p>Gifts provided to third parties at Cenovus events are also provided to Cenovus staff (i.e. Cenovus staff should not be given gifts).</p> <p>Are not permitted under the third-party organization's policies or practices.</p> <p>Involve, or are otherwise associated with, a public official and have not been administered pursuant to Cenovus policies and standards or guidelines.</p>

## Political contributions and wrongful payments

Political contributions may be construed as a gift or entertainment. If you plan to attend an event as a representative of Cenovus where a portion of the ticket cost is considered a political contribution, this must come from personal funds and – by law – cannot be reimbursed by Cenovus. Government Affairs must be contacted prior to purchasing such a ticket and must approve your participation in the event if you plan to attend as a representative of Cenovus.

Gifts or entertainment provided to (and in certain cases received from) public officials in order to obtain or retain business or gain an improper or unfair advantage (like bribes and kickbacks), are not permitted under the law and can result in civil and criminal sanctions. The legal limits and restrictions regarding allowable gifts to public officials may also vary significantly among the various jurisdictions in which Cenovus operates (and in some jurisdictions, gifts may be prohibited entirely). The provision of gifts and entertainment to public officials must therefore be managed carefully to avoid such risks and the perception of impropriety, and Government Affairs should be contacted in advance for guidance.

### Lobbying

Gifts or entertainment provided to (and in certain cases received from) public officials for lobbying may be prohibited by law, can result in civil and criminal sanctions or may be subject to certain specified limits and restrictions.

If you are a registered lobbyist, political volunteer work may also be construed as a prohibited gift in some jurisdictions. Government Affairs should be contacted for guidance on matters relating to lobbying.

## Shipment of gifts across borders

Personal gifts purchased outside of the country of residence of staff members must be shipped to their home address or post office box. No internationally shipped personal gifts should be addressed to or shipped from Cenovus.

Third parties should be informed that Cenovus does not receive or send gifts across borders, as Cenovus is responsible for complying with all applicable customs and other commercial regulatory requirements associated with these shipments. If third parties wish to show appreciation, they should be advised to donate to a charity instead.

For greater certainty, any gifts or other personal items shipped by staff should not be charged to Cenovus.

## Compliance and enforcement

## Compliance

Gifts and entertainment given to third parties by staff must be properly recorded in the company's expense management system. Leaders and Cenovus representatives must provide approval where required by this Standard.

## Monitoring

An annual governance audit is conducted where all gift and entertainment business expenses are subject to review for compliance with all expense-related policies. In addition, a review of expenses incurred and involving public officials is conducted on an annual basis.

Leaders and Cenovus representatives must regularly obtain, and review reports of gifts and entertainment expenses staff have reported pursuant to the Corporate Credit Card & Expense Standard to monitor compliance with this Standard, including assessment of any annual limit exceedances. Discussion regarding gifts and entertainment received or to be received by staff is encouraged as such amounts are considered for or included in annual limits.

## Support

If a staff member is unsure about the appropriateness of a gift or entertainment, guidance and approval should be sought from their leader or Cenovus representative, Enterprise Compliance, Legal, Government Affairs or Indigenous Affairs.

Any person with knowledge or suspicion of non-compliance with this Standard is required to report the suspected non-compliance to their leader, Cenovus representative, [Human Resources Business Partner](#), the [Integrity Helpline](#) or the [Investigations Committee](#).

## Related policies and standards

[Alcohol & Drug Standard](#)

[Anti-Bribery, Anti-Corruption & Anti-Money Laundering Standard](#)

[Code of Business Conduct & Ethics](#)

[Conflicts of Interest Standard](#)

[Corporate Credit Card & Expense Standard](#)

[Gift and Entertainment Standard FAQs](#)

[Government Relations Standard](#)

[Investigations Standard](#)

[Meetings & Events Standard](#)

[Trade Compliance Standard](#)

[Travel Standard](#)

## Glossary

**Gifts and entertainment** include anything of value offered to or received from a third party by staff, directors, or members of their family. Gifts include cash and non-cash items.

**Entertainment** includes third party accompanied events such as business meals, invitations or tickets to sports, recreational or cultural events and venues, as well as any associated meals, refreshment, accommodation and travel. In-office and working business meals are excluded.

**Public official** includes, without limitation, any minister, civil servant, director, officer, employee, official or other person (including immediate family members of the foregoing) acting for or on behalf of any:

- Local, provincial, state or national government, regardless of rank (e.g. police officers, firefighters, members of the military, tax authorities, customs inspectors, etc.), statutory and legislative bodies, and boards, commissions, committees and other bodies appointed by the government or government officials.
- Political party or candidate for public office.
- Government department, agency or body.
- Government-owned or controlled company (e.g. hospitals, utility companies, energy companies, universities, financial services companies).
- Public international organizations (e.g. the United Nations, International Red Cross, World Bank, etc.).
- Aboriginal band, Metis local or society (or entities owned by such a band or local or society), and any other organization which purports to exercise public rights for and on behalf of one or more Indigenous groups.
- Members of the judiciary or a legislative body or a member of their staff.

For clarity, this includes foreign public officials that have a local office where Cenovus conducts business in North America. Examples include, but are not limited to, CNOOC Ltd., PetroChina Canada, Petrovietnam, and Sinopec Canada.