

Guidelines to  
conflicts of interest policy,  
directorships policy, and  
gifts and entertainment policy

April 2015

These guidelines are provided to assist employees of Imperial Oil Limited ("Imperial Oil"), ExxonMobil Canada Ltd. and ExxonMobil Business Support Centre Canada ULC (the "ExxonMobil companies in Canada") and their subsidiaries, affiliates and partnerships, in interpreting the companies' Conflicts of Interest Policy, Directorships Policy, and Gifts and Entertainment Policy.

These guidelines supersede all previous versions of these guidelines.

Nothing in this booklet is intended to override the corporate separateness of individual corporate entities. The terms "company," "companies," "affiliate," "our," "we" and "its" as used in this booklet may refer to Imperial Oil and the ExxonMobil companies in Canada, and their subsidiaries, affiliates and partnerships. The shorter terms are used merely for convenience and simplicity.

Il existe une version française de la brochure.

# I Conflicts of interest guidelines

## Purpose

To provide guidance with respect to activities and situations that could give rise to violations of the Conflicts of Interest Policy. These guidelines are illustrative only, and do not address every activity and situation that would constitute an actual or apparent conflict between personal interests and the interests of the company. As used below, the term “senior executive” refers to officers of Imperial Oil Limited and Exxon Mobil Corporation.

## Guidelines

While it is not possible to enumerate all activities and situations that might give rise to violations of the Conflicts of Interest Policy, the following guidelines should be complied with or considered carefully with reference to the Conflicts of Interest Policy.

- a. No employee, employee’s spouse, common-law partner or dependent member of the employee’s family should have an interest in any organization which has, or is seeking to have, business dealings with the company or an affiliate where there is an opportunity for preferential treatment to be given or received, except (i) with the knowledge and consent of a senior executive, or (ii) where the interest is publicly-traded securities in a widely-held corporation, or (iii) where the interest is an immaterial interest in a private organization.
- b. No employee, employee’s spouse, common-law partner or dependent member of the employee’s family should compete with the company or its affiliates through outside business activities, except with the knowledge and consent of a senior executive.
- c. No employee should serve as an officer or director of any other company, or in any management capacity for, or as a consultant to, any individual or organization doing, or seeking to do, business with the company or any affiliate, except with the knowledge and consent of a senior executive. Employees serving as directors of other nonaffiliated organizations should do so in compliance with the Directorships Policy and related guidelines.
- d. No employee’s spouse, common-law partner or dependent member of the employee’s family should be employed by a competitor, or be self-employed, in a common field of technical or professional endeavour where the employee and the employee’s spouse, common-law partner or dependent family member normally have access to and use highly sensitive and proprietary information of competitive value, except with the knowledge and consent of a senior executive.
- e. No employee should approve or administratively control contracts or other business arrangements between the company or an affiliate and a member of the employee’s immediate family, including common-law partner, or with an individual or organization employing a member of the employee’s immediate family, including common-law partner, in activities directly related to the contracts or other arrangements. Review, approval, and administrative control of such contracts and other business arrangements should be referred to the employee’s supervisor who should disclose the relationships in question to (i) a senior executive, (ii) the Law Department, and (iii) the General Auditor of Imperial Oil Limited or Exxon Mobil Corporation.

# Guiding principles

- f. No employee, employee's spouse, common-law partner or dependent member of the employee's family should acquire and hold oil, gas, or mineral leases, royalty interests, or oil payments, except with the knowledge and consent of a senior executive. However, employees, their spouses, common-law partners and dependent family members are not precluded from owning, leasing, and selling property interests acquired by inheritance, or from investing in real estate where the mineral interests, if any, are only incidental to the investment decision; such interests are not required to be disclosed to the company.
- g. No employee, employee's spouse, common-law partner or dependent member of the employee's family should participate in any transaction in stock, options, or other securities of Imperial Oil Limited or Exxon Mobil Corporation, any of their affiliates, or any other company on the basis of material information not yet public that the employee has learned through the employee's employment with the company or an affiliate. Material information is essentially significant in nature; there should be a substantial likelihood that a reasonable investor would consider the information important in deciding whether to buy or sell the securities.
- h. No executive, management, professional, or technical ("EMPT") employee, EMPT employee's spouse, common-law partner or dependent member of an EMPT employee's family should purchase or sell puts, calls, other options, or futures contracts on Imperial Oil Limited or Exxon Mobil Corporation stock.
- i. No executive, management, professional, or technical ("EMPT") employee, EMPT employee's spouse, common-law partner or dependent member of an EMPT employee's family should trade in the oil or gas futures markets.
- j. No officer or employee director of Imperial Oil Limited should purchase or accept shares in an initial public offering in any organization where there is the fact or appearance of preferential treatment without the prior consent of Imperial Oil's board of directors.
- k. No employee should use personnel, facilities, equipment, or supplies of the company or an affiliate for personal benefit, unless in accordance with accepted practices and procedures.
- l. No employee, without prior senior executive review and consent, should engage in discussions or negotiations concerning employment or similar contractual relationship for the employee, the employee's spouse, common-law partner or any dependent member of the employee's family with any organization with which the employee has direct business on behalf of the company or an affiliate.
- m. No employee, employee's spouse, common-law partner or dependent member of the employee's family should buy, sell, or lease any kind of property, facilities, or equipment from or to the company or an affiliate, where there is an opportunity for preferential treatment to be given or received, except with the knowledge and consent of a senior executive.
- n. No employee, employee's spouse, common-law partner or dependent member of the employee's family should knowingly buy, sell, or lease property, facilities, or equipment from or to any individual or organization that is, or is seeking to become, a contractor, supplier, or customer of the company or an affiliate, where there is an opportunity for preferential treatment to be given or received, except with the knowledge and consent of a senior executive.

# II Directorships guidelines for officers and employees of the company

## **Guidelines for directorships of nonaffiliated, for-profit organizations**

These Guidelines are directed to nonaffiliated, for-profit organizations, except for private investment clubs and similar organizations. Private investment clubs and similar organizations are outside the scope of these Guidelines and do not require review or approval under these Guidelines.

Officers and employees generally should not serve as directors of nonaffiliated, for-profit organizations. However, there may be circumstances where a senior executive's holding of a directorship in a nonaffiliated, for-profit organization would be in the company's interest, for example, by enhancing the perspective and experience of the senior executive. The term "senior executive" refers to officers of Imperial Oil Limited or Exxon Mobil Corporation.

Also, there may be other circumstances where an employee's holding of such a directorship would be in the company's interest or would be a reasonable accommodation to the employee's personal situation. Such circumstances could include businesses owned or controlled by an employee's family or exceptional circumstances such as the firm plans of an employee to retire in the near term. Such directorship requests will be evaluated in accordance with the review procedures indicated in Attachment A.

An employee serving as a director of a nonaffiliated, for-profit organization will act as such for the sole benefit of that organization and not as the company's representative, and will not hold himself or herself out as the company's representative. Expenses incurred by an employee serving as a director of a nonaffiliated, for-profit organization will not be for the account of the company. The employee may accept and retain annual fees, meeting fees, similar remuneration, and reimbursements for expenses specifically related to service as a director.

## **Guidelines for directorships of affiliates**

When an employee of the company serves as a director of an affiliate as part of the employee's normal work assignment, annual fees, meeting fees and similar remuneration normally should not be paid to the employee for such service. However, reasonable and necessary travel and other business expenses incurred on behalf of the affiliate are reimbursable.

There may be circumstances under which a senior executive may deem payments such as annual fees or meeting fees to be appropriate. Such fees paid to an employee by an affiliate and retained by the employee should be taken into account in determining the total compensation of the employee, with appropriate recognition of the tax effects involved.

## **Guidelines for directorships of nonaffiliated, nonprofit organizations**

Company employees are encouraged, in the interest of good corporate and individual citizenship, to participate in nonaffiliated, nonprofit civic organizations; for example, in social service, professional, and trade organizations whose activities have a bearing on the business of the company or a community in which the company operates, assuming that participation in such organizations would not interfere with the employees' obligation to the company.

# III Gifts and entertainment guidelines

## Introduction to guidelines

Gifts and Entertainment Policy of the companies sets forth basic guidance for directors, officers, and employees who provide or receive in their corporate capacities gifts and entertainment. The Gifts and Entertainment Guidelines provide additional guidance and are directed to gifts and entertainment provided to or received from unaffiliated organizations and individuals who are not directors, officers, or employees of the companies or an affiliate.

Gifts to and entertainment of government or public officials are addressed separately below.

## Definitions and scope

A gift is any tangible item, transferred to or received from another, for which no specific service or compensation is expected or received. Donations from the companies or an affiliated company or foundation to recognized charities and other non-profit organizations are not considered gifts under the Gifts and Entertainment Policy. Those donations have their own review and approval processes.

Entertainment is any hosted social event; examples include meals, receptions, parties, and theatrical and sporting events. A social event provided by a donor who is not attending the event is considered to be a gift; examples include gifts of restaurant coupons and tickets to theatrical and sporting events that the recipients attend unaccompanied by the donors.

Customary services incidental to business meetings are discussed below and are not normally considered gifts or entertainment under the Gifts and Entertainment Policy.

## Review and approval requirements for providing and receiving gifts and entertainment

The specific review and approval requirements may be found in Attachment B.

In addition, corporate expenditures for gifts and entertainment are subject to the normal review and approval procedures of the companies, including established procedures for review and approval of budgets, expenditures, and expense accounts, and must be handled in accordance with those procedures and accurately recorded in the books and records of the companies.

## General guidance

Directors, officers, and employees acting in their corporate capacities should not provide or accept gifts in the form of cash, commissions, loans, securities, or below-market goods or services except for cash gifts explicitly approved consistent with written procedures for culturally expected gifts of cash in Japan in limited circumstances. Other gifts and entertainment are permissible when the gifts and entertainment serve legitimate business purposes are not intended to improperly influence the recipient, are consistent with the applicable social norms and are in conformity with applicable laws, regulations, corporate policies, corporate guidelines, and corporate procedures. Employees should also consider factors such as the potential to improperly influence pending business decisions and whether the level of gift or entertainment is appropriate for the position of the person receiving and providing it, and the opportunity for reciprocity. Transparency and the exercise of good judgment are basic expectations. In cases of doubt about the application of policies, guidelines, and procedures to specific situations, employees should direct questions to their supervisors, in advance when practical. Staff groups including law, controller's, and audit are available to provide advice.

## **Providing or accepting gifts and entertainment**

Employees providing or accepting gifts of nominal value for commemorative, recognition, or promotional purposes (for example, caps, pen and pencil sets, calendars, coffee cups, tote bags, plaques, pictures, clocks, and similar tokens) need not review such gifts for approval. However, employees providing or accepting gifts of more significant value should consult with their supervisors, and comply with the applicable review and approval requirements.

Employees may provide or accept routine business entertainment, for example, meals, receptions, parties, spectator sports events, and participatory sports outings. Any entertainment involving unusual features, for example, duration exceeding one day, or complimentary overnight accommodations, out-of-town travel, or events where tickets have significant market value must be reviewed in accordance with the applicable review and approval procedures.

With respect to providing and receiving gifts and entertainment, employees should consider the pertinent circumstances, such as the character of the gift or entertainment, its purpose, the appearance, the positions of the persons providing and receiving the gifts or entertainment, the business context, the opportunity for reciprocity, relevant social norms, and applicable laws.

In cases where cultural sensitivity requires acceptance of a gift of excessive value, the employee should review the matter with his or her supervisor and the Law Department on the appropriate disposition of the gift.

Employees who win prizes, other than prizes of nominal value, at business entertainment events, business conferences, or business seminars, should consult with their supervisors and with the Law Department.

## **Valuing gifts and entertainment**

With respect to the values of gifts, an organization's name, trademarks, and similar identifiers on gifts generally will reduce their values, often substantially. For purposes of valuing gifts to an individual, multiple gifts at the same occasion should be valued collectively as one gift. Similarly, frequent gifts and entertainment from the same donor should be considered collectively. Where family members are included, gifts and entertainment for them should be considered in the analysis.

## **Business meetings**

Subject to the companies' normal review and approval procedures, directors, officers, and employees may pay, on behalf of the companies, for customary and reasonable services incidental to face-to-face discussions of specific business matters with others, and may attend meetings at which such services are paid for by others with whom the companies are doing business or seeking to do business. Such services may include, for example, meals and rented meeting rooms, and normally would not be considered gifts or entertainment under the Gifts and Entertainment Policy.

## **Interactions with public employees and officials**

Special sensitivities are presented by gifts and entertainment for public employees and officials, including the assumption of financial responsibility for all or part of their travel and travel-related expenses for specified functions.

In Canada, specific laws and regulations apply to gifts and entertainment for government officials. Outside Canada, local laws and regulations typically apply to gifts and entertainment for government officials. Additionally, the Canadian Corruption of Foreign Public Officials Act and its United States equivalent the Foreign Corrupt Practices Act, and the UK Bribery Act and other such anti-corruption laws may be applicable. Such

anti-corruption laws are addressed in the *Companies anti-corruption legal compliance summary*. The company *Guidelines for reporting interactions with officials* cover gifts and entertainment for government officials, which include employees or officials of governments, national companies, and some quasi-governmental organizations and public international organizations.

Directors, officers, and employees interacting on behalf of the companies with public employees and officials should be familiar with applicable laws, regulations, corporate policies, corporate guidelines, and corporate procedures, and should consult the law department when they have legal questions.

### **Other corporate policies**

All directors, officers, and employees are expected to be familiar with and follow the foundation policies in the companies' *Standards of business conduct*. Depending on the circumstances, foundation policies in addition to the Gifts and Entertainment Policy may apply to proposed gifts or entertainment, for example, the Ethics Policy, Conflicts of Interest Policy, Corporate Assets Policy, International Operations Policy, The Anti-corruption Policy, and Political Activities Policy.

### **Attachment A. Conflicts of interest and directorships**

Employees may have questions concerning the application of these guidelines in ambiguous circumstances, for example in business dealings with persons who are not immediate family members but where the appearance of a conflict could exist due to the nature of the relationship. Employees are expected to discuss the appropriateness of such arrangements with their manager or ethics adviser, who should consult senior management, the law department or the Canada audit manager/general auditor of Imperial Oil, as appropriate.

All employees are subject to disciplinary action up to and including termination of employment for engaging in any activity that violates the Conflicts of Interest or Directorships Policies.

### **Management review**

Managers, with the assistance of the companies' ethics advisers, are responsible for investigating employee disclosures and for processing review applications in accordance with the guidelines. Managers are also responsible for instituting and monitoring appropriate control measures.

When a senior executive or the Board of Directors consents to or approves an activity or situation, the senior executive or the Board of Directors is not granting an exception or waiver but is determining that there is no policy violation.

Determinations by a senior executive or the Board of Directors that there is no policy violation must be applied for and documented by the "Disclosure of Possible Conflicts of Interest", or, "Disclosure of For Profit Outside Directorship" forms. These cases must be reviewed by management annually to confirm that the circumstances under which the determination was made still apply and that any special conditions under which the determination was made continue to be satisfied.

The following information must accompany applications to a senior executive or the Board of Directors to review an employee declaration or directorship situation:

- the parties involved, their positions and responsibilities and their relationships
- company policies and any legal requirements that are relevant in the circumstances
- the specific nature of any perceived or possible conflict of interest



- an analysis as to the real and perceived impacts on the company and its reputation resulting from this situation, e.g., the employee's independence in making decisions for the company may be impaired
- the additional steps and appropriate personnel necessary to resolve or manage the situation

### Levels of approval required in review process

Following are the levels of approval required for employee declarations relating to conflicts of interest and directorships in non-affiliated, for-profit organizations, as described in these guidelines. Employees may accept nonaffiliated, for-profit directorships, only after completing and submitting an employee declaration and, where as required by management, after receiving the approvals noted below:

- for the chief executive officer of Imperial Oil, the approval of the executive resources committee of the Imperial Oil board of directors
- for other employee directors of Imperial Oil, on the recommendation of the chief executive officer, the approval of the executive resources committee of the Imperial Oil board of directors
- for all other Imperial Oil executives, on the recommendation of the divisional senior vice-president or corporate department manager and after review by the business practices review committee, the approval of the Imperial Oil compensation, organization and executive development (COED) committee
- for all other Imperial Oil employees in corporate departments, on the recommendation of the department manager and after review by the business practices review committee, approval of the contact executive -either the chief executive officer or the controller and senior vice president finance and administration

- for all other Imperial Oil employees in operating divisions, on the recommendation of the department manager and after review by the business practices review committee, the approval of the division's senior vice-president
- for directorships of non-affiliated, for profit organizations, review and endorsement by Exxon Mobil Corporation's controller and general auditor is required, after consultation with Exxon Mobil Corporation's chairman of the board, as appropriate
- for all employees of ExxonMobil Canada Ltd. and ExxonMobil Business Support Centre Canada ULC on the recommendation of the department manager and after review by the business practices review committee, the approval of the appropriate production manager of ExxonMobil Canada Ltd. or the managing director of ExxonMobil Business Support Centre Canada ULC
  - for employee declarations - review and endorsement by an officer of Exxon Mobil Corporation or by the president of the functional or service organization is also required
  - for directorships of non-affiliated, for-profit organizations - upon recommendation by a senior executive, and after review and endorsement by Exxon Mobil Corporation's controller and general auditor, with consultation with Exxon Mobil Corporation's chairman of the board as appropriate

### Maintaining and reviewing records

A list of all approved directorships in nonaffiliated, for-profit organizations, and all the cases where a senior executive or the Board of Directors determines there has been no Conflicts of Interest Policy violation, will be maintained by designated individuals within each of the companies. The Imperial Oil COED committee, the ExxonMobil Canada Ltd. leadership team and the management of

ExxonMobil Business Support Centre Canada ULC will review their respective portions of the list annually.

### **Attachment B. Gifts and entertainment**

- for Imperial Oil minimum final review limits (valued per guidelines)

### **Documentation**

Final reviews, if required, should be retained by the employee receiving or providing the gift or entertainment

- Final reviews should include at least the following information:
  - Company/person providing and receiving the gift or entertainment
  - Business purpose
  - Description of the gift or entertainment
  - Value
- Gifts and entertainment provided to government officials must also comply with the *Guidelines for interactions with government officials*. These guidelines address gifts and entertainment for government officials, including employees or officials of governments, national companies, and some quasi-governmental organizations and public international organizations. The guidelines also include specific review, endorsement, and approval requirements.

Directors, officers, and employees interacting on behalf of the companies with public employees and officials should be familiar with applicable laws, regulations, corporate policies, corporate guidelines, and corporate procedures, and should consult the Law Department when they have questions.

- gifts and entertainment provided to others are subject to the normal review and approval procedures of Imperial Oil and the ExxonMobil companies in Canada. (See *"Gift & entertainment guidelines, providing gifts and entertainment"*.)
- gifts and entertainment provided to government and foreign officials must comply with company *"Guidelines for interactions with government officials"* and its United States equivalent Foreign Corrupt Practices Act *"Anti-corruption legal compliance summary"*, and *"ExxonMobil guidelines for interactions with government officials"*.

*For seconded employees, review and approval will follow the process of the company to which the employee is seconded.*

| <b>Receiving or providing gifts</b>   | <b>Final review level</b>          | <b>Endorsement</b>               |
|---|------------------------------------|----------------------------------|
| ▪ Nominal value (up to \$50)  | No approval required               | No endorsement                   |
| ▪ \$50 to \$100   | Profile 7                          | No endorsement                   |
| ▪ \$100 to \$500  | Profile 5                          | If unusual,<br>Controller's, Law |
| ▪ \$500 to \$1000   | Profile 4                          | If unusual,<br>Controller's, Law |
| ▪ Greater than \$1000   | Profile 2                          | Controller's, Law                |
| <b>Receiving or providing entertainment</b>   | <b>Final review level</b>          | <b>Endorsement</b>               |
| ▪ Routine business entertainment *  | No approval required               | No endorsement                   |
| ▪ Examples of unusual entertainment include:  | Profile 4 or<br>department manager | Controller's, Law                |
| <ul style="list-style-type: none"> <li>- Overnight accommodations</li> <li>- Travel expenses for employee/family, other</li> <li>- Unusual/extravagant entertainment</li> </ul> |                                    |                                  |
| <ul style="list-style-type: none"> <li>- Travel on 3rd party owned/chartered aircraft</li> </ul>  | Profile 2                          | Controller's,<br>Aviation, Law   |
| * Routine business entertainment must take into account pertinent circumstances, including the criteria mentioned in the General Guidance section of these Guidelines           |                                    |                                  |

