

# Investigations Practice

February 13, 2013

## Purpose

The purpose of this practice is to provide a clear and concise description of the process that will be used to investigate complaints of ethical or policy/practice violations within Cenovus. This practice will establish an effective, consistent and appropriate procedure by which alleged violations will be properly received, reviewed, investigated, documented and brought to an appropriate resolution.

## Investigations Committee Structure

A committee called the Investigations Committee has been formed to investigate alleged violations under this practice. The Chair of the Investigations Committee will be the Vice-President, Governance, Compliance & Security. The Chair will determine the membership of the Investigations Committee and will report it to the Business Conduct & Integrity Committee. The lead investigators will generally be members of Cenovus Security. The lead investigators will engage the assistance of representatives from Internal Audit, Human Resources, Accounting/Comptrollers, IT Security & Information Governance and Legal as they consider appropriate, upon consultation with the Chair. An Investigations Steering Committee comprised of Vice-Presidents from Accounting/Comptrollers, Human Resources and Internal Audit will be available to provide strategic direction to the Investigations Committee on an ad hoc as needed basis as requested by the Investigations Committee.

## Examples of Potential Investigations

Investigations will be conducted into allegations related to the following:

- Fraudulent activities or theft
- Breaches of Cenovus's [Code of Business Conduct & Ethics](#) and related practices referred to in the Code
- Harassment or other inappropriate work-related conduct, as described in the [Non-Harassment Practice](#)
- Breaches of Cenovus's [Policy on Disclosure, Confidentiality and Employee Trading](#)
- Breaches of Cenovus's [Competition and Antitrust Law Compliance Practice](#)
- Coercion of Cenovus's external or internal auditors or any other attempt to improperly affect Cenovus's financial statements or financial reporting processes
- Breaches of Occupational Health and Safety legislation
- Violations of Cenovus's Whistleblower Protection or complainant protection provisions, set out below.



# Complaint Procedure

Cenovus takes all complaints reported under this practice seriously. Employees should not attempt to investigate potential violations; rather employees are encouraged to report potential violations through the following avenues:

- a. To their supervisor or **Human Resources Business Partner**
- b. To a member of the Investigations Committee either directly or to the Investigations Committee email [investigations@cenovus.com](mailto:investigations@cenovus.com)
- c. To the **Integrity Helpline**
- d. Through regular mail addressed to the Investigations Committee
- e. In the case of violations of the Competition and Antitrust Law Compliance Practice, to any of Cenovus's in-house legal counsel

Reports of potential violations may be made orally or in writing. The Investigations Committee and any person involved with the review, investigation and treatment of the complaint will respect confidentiality to the fullest extent possible. Anonymous referrals will be investigated in the same manner as any other complaint to the extent possible considering the anonymous nature of the complaint.

In the case of a complaint that involves accounting, internal accounting controls or auditing matters (including questionable accounting or auditing matters), the Investigations Committee is obligated to refer the potential violation to the Audit Committee on a timely basis (see Audit Committee Oversight section below). In the case of a complaint that involves the Competition and Antitrust Law Compliance Practice, the Investigations Committee is obligated to inform the Executive Vice-President, General Counsel & Corporate Secretary on a timely basis (see Executive Vice-President, General Counsel & Corporate Secretary Oversight section below).

## Investigations Practice Governance

All complaints brought to the attention of the Investigations Committee (or Audit Committee or Executive Vice-President, General Counsel & Corporate Secretary (in the case of competition and antitrust law matters)) will be reviewed, and if appropriate, investigated. Investigations will be conducted in a discreet, confidential, professional, unbiased and timely fashion and will comply with all applicable legal requirements. To protect confidentiality, the Investigations Committee and, if applicable, the Audit Committee or the Executive Vice-President, General Counsel & Corporate Secretary, will only involve individuals required to properly conduct an investigation, and individuals contacted during the investigation will be informed of the confidential nature of the investigation and will be advised to maintain such discussions on a strictly confidential basis. All requests for anonymity will be respected, unless a security issue is identified.

Employees are required to fully cooperate and assist in any investigation, whether the investigation is conducted internally by Cenovus or by any external party. If contacted by an external party to cooperate in an investigation (other than one the employee has been advised of by the Investigations Committee), the employee should, prior to responding, notify the Chair of the Investigations Committee or, if an investigation in respect of competition or antitrust law violations, notify the Executive Vice-President, General Counsel & Corporate Secretary. In addition, upon becoming aware of any investigation, employees are required to comply with Cenovus's document retention policies. Complainants will be appropriately advised of the completion of the investigation.

## Procedure for Investigations

### Preliminary Review and Determination of Handling

- a. Investigations Committee will consult among the Committee and with the Chair to determine whether the complaint is properly handled through an investigation by the Investigations Committee or whether it should be referred to the business or to Human Resources for review and resolution or for external investigation

- b. Reasons to refer a complaint back to the business or to Human Resources include:
  - i. allegations involve a nominal dollar amount and/or matters that are not of a material impact to the business
  - ii. allegations involve workplace conflict or performance management rather than harassment
  - iii. allegations involve business process rather than investigative work
- c. Factors that may dictate keeping the matter at the Investigations Committee level include:
  - i. conflict of interest of asset team or human resources personnel
  - ii. allegations involve a matter that could have a significant reputational impact to Cenovus
  - iii. allegations involve a material dollar amount or would have a material impact to the business
  - iv. allegations involve a breach of Cenovus policy or practice
- d. Consultation by the Investigations Committee with the business management may be undertaken to determine where a complaint is to be investigated
- e. Complaints that allege material accounting related violations will be reported directly to the Audit Committee Chair. A full report of all accounting related investigations will be provided to the Audit Committee each quarter. The Audit Committee will determine in cases of material violations whether they will assume conduct of the investigation or whether they will refer the investigation to the Investigations Committee.
- f. In certain circumstances, a preliminary review of the complaint may be undertaken by the Investigations Committee to determine if the complaint has a basis to warrant further consultation and investigation

## Conduct of Investigations

Where an investigation is to be conducted by the Investigations Committee:

- a. The Investigations Committee will determine who will be involved in conduct of the investigation. Consideration will be given to the skills of the members of the Investigations Committee. The lead investigators will be from Security. In certain circumstances the lead investigators may engage resources from: Human Resources, Accounting, Legal, IT Security & Information Governance or Internal Audit.
- b. Circumstances where the Investigations Committee may retain external investigators include:
  - i. an investigation has the potential for a high reputational impact to Cenovus and independence will improve the perception of the outcome
  - ii. where the Investigations Committee believes that it may have a conflict of interest but the matter is not properly handled in the business
  - iii. where there are material accounting violations alleged, if requested by the Audit Committee
  - iv. where the matter involves competition or antitrust law matters, which are overseen by the Executive Vice-President, General Counsel & Corporate Secretary
  - v. where the potential for a contentious outcome exists and independence will improve the perception of the outcome
- c. The lead investigators will determine the steps to be taken in conducting the investigation, which may include the following:
  - i. Interviews – all interviews (except in limited circumstances) will be conducted by 2 individuals. Individuals being interviewed will be advised of the confidentiality, privacy and privilege conditions of the interview. Respondents will generally be interviewed unless a complaint is found to be unwarranted before such an interview or the complainant indicates a concern to his/her physical security.
  - ii. Document review – paper and electronic data may be reviewed by the lead investigators. This may include review of materials obtained by Audit (vendor information) and Human Resources (personnel files). Where electronic data is to be reviewed, the request will be made by the lead investigators to the Chair, who will provide approval.

## Audit Committee Oversight

To the extent that potential violations involve Cenovus's accounting, internal accounting controls or auditing matters (including questionable accounting or auditing matters), investigations under this practice will be overseen by, and be the ultimate responsibility of, the Audit Committee and subject to the following:

- a. The Audit Committee may delegate to one or more of its members the authority to receive notices of potential violations from the Investigations Committee. Any such delegation shall be communicated to the Investigations Committee. In the absence of such delegation, notices of potential violations shall be communicated to the Chair of the Audit Committee and shall be presented by the Investigations Committee Chair to the full Audit Committee at its next meeting.
- b. Alternatively, any member of the Audit Committee who initially receives notice of a potential violation may refer the potential violation to the full Audit Committee for consideration and review
- c. Any determination made or update received by one or more members of the Audit Committee pursuant to delegated authority must be reported to the Audit Committee at the next meeting of the Audit Committee or as developments warrant
- d. Upon receiving notice of a potential violation, the full Audit Committee may decide to either:
  - i. Refer the potential violation back to the Investigations Committee to be investigated in accordance with the terms of this practice. In such an event, the Audit Committee may direct, as it deems appropriate, how the investigation is to be conducted, including designating the members of the Investigations Committee to act with respect to the specific potential violation being investigated. The Investigations Committee must provide regular updates about the status of any such on-going investigation to the Audit Committee or authorized members thereof at regularly scheduled meetings of the Audit Committee or as otherwise required;
  - ii. Take primary responsibility for investigating the potential violation. If the Audit Committee takes control of the investigation, it may conduct it in such manner as it deems appropriate, including the use of internal and external resources to complete the investigation. In particular, the Audit Committee may (but is not limited to) retain outside consultants to conduct or assist in conducting the investigation, contact law enforcement agencies, and/or utilize employees of Cenovus in the investigation. Notwithstanding that an investigation has been delegated by the Audit Committee to the Investigations Committee or to an external party, the Audit Committee shall have the right to supervise or direct the actions of the investigators and/or take direct control of all or part of the investigation.
- e. Notwithstanding that an investigation has been delegated by the Audit Committee to the Investigations Committee or to an external party, the Audit Committee shall have the right to supervise or direct the actions of the investigators and/or take direct control of all or part of the investigation

## Executive Vice-President, General Counsel & Corporate Secretary Oversight

To the extent that potential violations involve competition or antitrust law matters, investigations under this practice will be overseen by, and be the ultimate responsibility of, the Executive Vice-President, General Counsel & Corporate Secretary.

Upon receiving notice of a potential violation, the Executive Vice-President, General Counsel & Corporate Secretary may decide to either:

- i. Refer the potential violation to the Investigations Committee to be investigated in accordance with the terms of this practice. In such an event, the Executive Vice-President, General Counsel & Corporate Secretary may direct, as he/she deems appropriate, how the investigation is to be conducted, including designating the members of the Investigations Committee to act with respect to the specific potential violation being investigated. The Investigations Committee must provide regular updates about the status of any such on- going investigation to the Executive Vice-President, General Counsel & Corporate Secretary;

or

- ii. Take primary responsibility for investigating the potential violation. If the Executive Vice- President, General Counsel & Corporate Secretary takes control of the investigation, he/she may conduct it in such manner as he/ she deems appropriate, including the use of internal and external resources to complete the investigation. In particular, the Executive Vice- President, General Counsel & Corporate Secretary may (but is not limited to) retain outside consultants to conduct or assist in conducting the investigation, contact law enforcement/regulatory agencies, and/or utilize employees of Cenovus in the investigation.

## Complainant Protection

Retaliation against individuals (whether employees, contractors or other third parties) who report violations of this Code will not be tolerated. Every supervisor has the responsibility to create an environment in which staff can raise business conduct concerns or violations under this Code without fear of retaliation.

No adverse action will be taken against individuals making a good faith report of a business conduct concern or violation under this Code, whether or not the report ultimately proves to be well founded. Good faith does not mean that the individual reporting the concern or violation has to be right; but it does mean that the individual believes he/she is providing truthful and accurate information.

On the other hand, we will not tolerate reports that are not made in good faith, such as reports intentionally providing false information or made maliciously to harm the company or another employee or contractor. Disciplinary action, up to and including termination of employment or services, may be taken against an employee or contractor knowingly making false reports.

Cenovus and each of its officers, employees, contractors, subcontractors and agents are prohibited from discharging, demoting, suspending, threatening, harassing, discriminating, or taking any other retaliatory action against a complainant that lawfully:

- Provides information or causes information to be provided, or otherwise assists in any investigation of a matter reasonably believed by the complainant to constitute a breach of Cenovus's policies and practices, where the information or assistance is provided in accordance with this practice
- Provides information or causes information to be provided, or otherwise assists in any investigation of a matter reasonably believed by the complainant to constitute fraud against shareholders or a violation of applicable securities laws, where the information or assistance is provided to a regulatory or law enforcement agency or in accordance with this practice, or
- Files or causes to be filed, testifies, participates in, or otherwise assists in a proceeding filed or about to be filed (to the knowledge of Cenovus) relating to shareholder fraud or applicable securities, competition or antitrust laws

In addition, Cenovus and each of its officers, employees, contractors, subcontractors and agents may not, with the intent to retaliate, take any action harmful to any person, whether or not employed by Cenovus, for providing to a law enforcement officer any truthful information about the commission of any criminal offence.

Any person who believes that this complainant protection practice has been violated may report a potential violation in accordance with the terms of this practice.

## Reporting

The final report of investigations will be distributed as follows:

- i. In general, reports regarding complaints shall be reviewed with and where appropriate, provided to the appropriate business representatives and the appropriate Executive Vice-President for the respective division for discussion and follow-up on recommendations as applicable.
- ii. In the case of investigations conducted by the Investigations Committee at the request of the Audit Committee, a copy of the report will be delivered to the Audit Committee.
- iii. In the case of investigations conducted by the Investigations Committee at the request of the Executive Vice-President, General Counsel & Corporate Secretary in respect of Cenovus's Competition and Antitrust Law Compliance Practice, a copy of the report will be delivered to the Executive Vice-President, General Counsel & Corporate Secretary.

The Chair will report on the activities of the Investigations Committee to the Executive Vice-President, Strategy & Organization Development and to the Executive Team. In addition, the Chair of the Investigations Committee will report regularly on the Investigation Committee's activities to the Safety, Environment and Corporate Responsibility Committee

and on a quarterly basis, to the Audit Committee of the Board about accounting related matters. In addition, as appropriate, the functional Executive Vice-President or the Executive Vice-President, General Counsel & Corporate Secretary (in respect of competition and antitrust law matters) will report significant investigation results and recommendations directly to the President and Chief Executive Officer and the relevant committee of the Board.

## Administration

The Vice-President, Governance, Compliance & Security is responsible for administration of this practice.