

# Integrity and Compliance Guidelines





## **Integrity and Compliance Guidelines**



## Message from the Chairman

China National Petroleum Corporation (CNPC) is an integrated international energy company, with its business portfolio covering oil & gas exploration & production, pipelines, refining, petrochemicals and marketing, oilfields services, engineering construction, petroleum equipment manufacturing, financial services, and new energy development in China and overseas markets.

Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company stays firm to its strategy of steady development, deepening company reform, reinforcing party-building and corporate culture, carrying forward the Petroleum Spirit, and making every effort to build CNPC into a world-class company.

The company believes that integrity and compliance is the cornerstone for the development of an enterprise and also the guarantee to implement new development concepts and achieve high-quality growth in the new era.

Each employee's effort shall be counted on for the realization of the



Company's value and concept of integrity and compliance. Compliance should be taken as the bottom line in all of our business. We should stay away from anything that is not in conformity with rules and standards and never pursue any profit at the sacrifice of compliance. We must adhere to the integrity and compliance standard, abide by relevant laws, rules and regulations throughout our company and businesses.

The new edition of the Integrity and Compliance Guidelines provides basic business behavior guidelines to help us make the right decision. Each employee is expected to read and keep the Guidelines in mind. Strictly following the integrity and compliance guidelines is a requirement for all of us in CNPC in an effort to maintain the reputation of the company and create a better future together.

Chairman of CNPC

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## Notes to Users

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### Who Must Abide by the Guidelines

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The Guidelines applies to CNPC and all of its employees, CNPC representatives (or agents) or any personnel conducting any work in the name of CNPC.

Companies in which CNPC holds a controlling equity should equally execute the provisions of the Guidelines through legal procedures. CNPC also encourages and suggests joint stock companies in which it participates to do the same.

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### How Employees Abide by the Guidelines

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All CNPC employees should consciously learn the Guidelines, understand the basic requirements and relevant specific provisions thereof, and abide by the requirements in their daily work.

CNPC executives at all levels should help build up an integrity and compliance culture, and take the lead in abiding by the provisions of the Guidelines. They must encourage the integrity and compliance of all personnel through their own conduct, guide and supervise their subordinates in complying with the provisions of the Guidelines. Managements must have regular communications and exchanges with employees regarding their integrity and compliance performance, and take an objective attitude towards concern and suggestions from employees.

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## How to Use the Guidelines

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The Guidelines outlines the basic code of conducts of CNPC employees and should be understood and well observed. In addition, employees should at the same time comply with laws as well as rules and regulations of CNPC.

Where local laws, regulations and customs are inconsistent with the Guidelines in overseas business, the strictest one shall prevail.

If there is any doubt or matter which cause suspicion or puzzle, please consult relevant department.

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## Violation of the Guidelines

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Disciplinary actions will be taken in line with applicable CNPC rules, against employees who violate provisions of the Guidelines. Termination of labor contract will be the final sanction by the Company. However, if an employee is suspected of having committed a crime, the case will, in accordance with law, be transferred to the judicial authority for investigation.

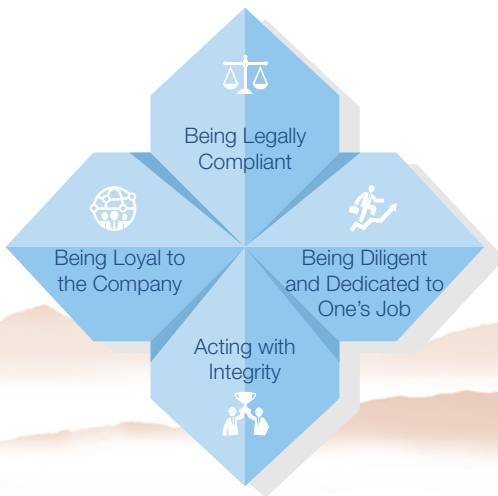
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*For the sake of convenience, terms such as “CNPC” and “the Company” are used to generally refer to China National Petroleum Corporation and all its affiliates’ throughout the Guidelines. “We” and “our” also generally refer to these affiliates’ and all their employees.*



## Basic Requirements

Integrity and compliance ensure our company's vitality. Wherever we operate, and whatever we are engaged in, our words and deeds are only for the Company's interests and reputation. Therefore, every employee should stick to the philosophy of integrity and compliance, be legally compliant and loyal to the Company, act with integrity, and be diligent and dedicated to their positions.



## Being Legally Compliant



Legal compliance is the bottom line for our conduct. As we carry out our business, we must comply with all applicable laws, rules and policies, and follow professional ethics. We are not allowed to do anything that is against the laws or rules, even if it may bring benefits to the Company.

## Acting with Integrity



Integrity is the prerequisite of our behaviors. We must always put integrity first and oriented. We must inherit and carry forward the traditional virtues of integrity and credibility of the Company. We must do what we say and be resolute in deeds. We must be honest both to our superiors and to our subordinates, and also be honest in doing things.

## Being Loyal to the Company



The Company is home for all employees, and also a platform where we can accomplish our career and realize our value. We must take it as a personal responsibility to promote the Company's development and maintain its reputation, and never do anything that may harm its interests and image.

## Being Diligent and Dedicated to One's Job



A job is an opportunity for employees to display their talents, and also a platform in which they create value for the Company. We should cherish and love our jobs, be diligent and dedicated to our career, perform our duties with due care, and pursue excellence in everything we do. We must bear in mind that we shall always continue learning, improve our professional skills, and enhance our competence to serve the Company.



## The Company and the Employees

- Building Harmonious Employment Relations
- Avoiding Conflicts of Interest, Forbidding Profit Tunneling
- Maintaining a Friendly Working Atmosphere

## Building Harmonious Employment Relations

Employees are the Company's invaluable asset. The Company respects and protects the rights and interests of its employees, and is committed to improving their all-round development, enhancing employees' both personal values and corporate values, and making sure all employees benefit from the Company's development and achievements.

### Adhering to Employment Law

The Company shall sign labor contract with employees, and perform, modify, renew or terminate it in a legal way under the principles of fairness, equality, free will upon mutual agreement.

The company should not employ child labor.

### Equal Treatment of Employees

The Company provides employees with equal opportunities regardless of race, ethnic group, religion, gender, etc. The Company exercises no discriminatory or differential treatments of its employees in such aspects as recruitment and employment, compensation and benefits, career development, or rewards and punishments.

### Respecting and Protecting Employees' Rights and Interests

The Company respects and cares for employees, and effectively protects their legitimate rights and interests. The Company pays the employees remuneration in strict accordance to relevant rules, and guarantees employees' legal rights for social insurance programs and vacations.

The Company continues to improve its professional training system, and provides systematic training for employees to improve their professional skills.

The Company continues to upgrade democratic management and supervisory mechanism and listens to the inputs and suggestions from employees. When it comes to formulation of rules and regulations or major events that directly concern the vital interests of employees, democratic process will be exercised.



## Handling Labor Disputes in Accordance with the Law

The Company encourages and guides employees to make complaints and appeals in a lawful manner. If employees have dissents, concerns, or doubts regarding employment relations, they can go to relevant departments, either by themselves or through the labor union. When labor disputes occur, employees are encouraged to settle the disputes with the Company through consultation or through a legal approach.

## Avoiding Conflicts of Interest, Forbidding Profit Tunneling

Employees should correctly handle the relation between their personal interests and those of the Company. Whether they are carrying out their job duties or personal affairs, they must never do anything that may cause harm to the Company or its reputation. In the event of matters which may lead to conflicts of interest, a report has to be submitted to relevant departments, and the employee involved must take avoidance during the handling and decision-making process.

### No Use of Company Assets and Information for Personal Purposes

The Company's assets and information may only be used for workplace responsibilities, and cannot be used to seek personal benefits.

### Authorization Before Representing

The Company's approval or authorization must be obtained before carrying out investigations, negotiations, tendering/bidding, signing contracts, providing guarantees, issuing attestations or any relevant business activities on behalf of the Company or as a Company staff member. The same applies to making comments or releasing news/information to the media, or attending public events on behalf of the Company.



#### Note:

*Scenarios which could constitute conflicts of interest or profit tunneling are too many to enumerate, so employees should make judgment in specific case and take actions accordingly, and consult legal departments when necessary.*



### No Competing with the Company or Assisting Its Competitors

Employees shall not invest in unlisted enterprises that are in competition with the Company, hold positions in any competing company, or in any other way assisting competitors.

### Prohibiting Employees from Seeking Improper Benefits for Themselves or Others by Abusing Their Powers

Employees shall properly exercise the authority allocated to them by the Company in relation to their positions. Employees shall not abuse their powers for any direct or indirect personal benefit.

No employee shall intervene or interfere with the Company's market access and entry, tendering/bidding, and contract signing, etc. Employees can neither award nor incite others to award contracts to any specific party, nor can they divulge base numbers or quotes, or any other confidential information to bidders with whom they have a connection.

The Company must purchase and sell all goods and services and make asset and equity transactions at fair and reasonable prices. Transactions at prices that are significantly higher or lower than market price are prohibited.

The Company does not permit unnecessary purchase of goods and services, as well as assets and equity.

### No Part Time Job Without Company's Consent

Taking part-time jobs may distract employees from their routine duties and responsibilities, and even result in conflicts of interest. Generally the employees are not allowed to be engaged in a part-time job. In particular cases, a written permission from the employee's business unit should be obtained before such employee takes a part-time job.

## Maintaining a Friendly Working Atmosphere


### Maintaining Normal Working Order

Employees must obey labor disciplines and workplace rules, work in a well-organized manner. Employees must not be engaged in activities which are not related to work at their workplace or during working hours. Employees must dress properly at workplace or in other business environment. While at production and operation sites, employees must wear appropriate clothing (uniform or coveralls) and personal protective equipment as required.

### Developing Friendly Working Relationship

Employees should respect, trust, and help each other. Employees should respect the ethnic customs and religious beliefs, shall not speak any words or commit any actions which could be offensive, humiliating or harassing, and must refrain from spreading rumors or any other defamatory or discriminatory information.





## Quality, Health, Safety, and Environment (QHSE)

- Keeping Upgrading Quality
- Protecting Employees' Safety and Health
- Ensuring Safe Production
- Protecting the Environment
- Making Rational Use of Resources
- Strict Management Over Contractor and Supplier
- Conducting Emergency Disposal

The Company adheres to the philosophy of “People-oriented, quality foremost, safety first, environment prioritized”. It rigorously complies with the QHSE related laws and regulations of China and all other host countries (and regions) and with the Company’s management system. It sticks to the quality principles of “Being honest, credible, and better always”. It pursues the quality goals of “Zero accidents, zero defects, domestic-leading and being world-class”. The Company perseveres in its HSE policies of “People oriented, giving priority to prevention, all staff participation, and continuous improvement”, and spares no efforts to achieve the HSE targets of “Zero injuries, zero accidents and zero pollution”. It wins the society's trust with quality products and services, and excellent HSE performance.



## Keeping upgrading Quality

Quality is always the reputation and the life of an enterprise. The Company sets up the brand concept with quality as the core, encourages the craftsmanship spirit and abides by quality commitment; it achieves the whole process quality control with the help of a scientific management system and advanced technical methods, with the purpose to continuously improve product and service quality.

Employees shall keep a good command of workplace quality standards, rigorously enforce various process requirements and specifications, and ensure the quality of all processes; never produce or sell unqualified products, and refuse to involve in any shoddy behaviors.

## Protecting Employees' Safety and Health

Safeguarding employees' life and health is one of the company's basic obligations. The company has established and maintained a sound health and safety system, improved occupational health management standards and provided employees with health and safety conditions that conform to laws and rules, as well as the necessary personal protective equipment. The Company also prevents accidents at work and strives to avoid occupational hazards by strengthening education and training to raise employees' awareness of protection.

The Company encourages employees to keep a work-life balance and to work in a way to maintain their physical and psychological health. In the event that employees' physical condition or mental state makes it difficult for them to perform properly at workplace, they should promptly report to their superiors. Employees shall be familiar with the emergency operation procedures in the workplace. In case of any threat to personal safety and health being observed, they shall stop working and evacuate immediately after taking emergency measures with the premise of guaranteeing their own safety and report to the superior.

## Ensuring safe production

We are engaged in a business which involves high risks, and the safety is always the top priority. The Company establishes and improves the safety responsibility system covering all employees and jobs, as well as all production, operation and management processes, and it strengthens risk source prevention and risk control during process, and implements risk prevention and control and hidden danger screening and management mechanism, thus realizing safe production and management under well control.

Employees shall always establish and maintain high safety awareness at whatever position at any time, and never take chances and let down their guard or be careless. Employees shall learn and master the safety knowledge and skills required for their jobs. Anyone to be engaged in hazardous work must secure corresponding certificates and work permits beforehand. In addition, employees shall not be allowed to command and operate against job regulations and violate labour discipline.



## Protecting the Environment

The Company implements the ecological civilization concept of “lucid waters and lush mountains are invaluable assets”. It always puts strengthening the construction of ecological civilization and preventing environmental pollution at the forefront of sustainable development; devotes itself to the coordinated development of production, operations, and environmental protection; and strictly adheres to the red line of environmental protection, so as to constantly promote the Company’s green and low-carbon development.

While initiating a new project, we shall carry out environmental impact assessments in accordance with relevant rules. Anti-pollution facilities and the

main project should be designed, built and put into operation simultaneously. Facilities management and operation should be carried out in a strict manner. During production operations, we should make efforts in water and soil conservation and reclamation. We must adopt more stringent standards for controlling and reducing discharge of waste water, gas and solids, reducing greenhouse gas emission.

Employees shall fulfill their obligations and responsibilities for environmental protection, actively participate in public benefit environmental protection activities, advocate the concept of a low-carbon lifestyle, and do not do anything harmful to the environment.

## Making rational use of resources

The Company shall make economical and intensive use of resources and constantly improve the comprehensive resource utilization efficiency and level. It shall highlight source control and promote the application of advanced and applicable new energy-saving

techniques to improve efficiency in the process of production and operation. It shall also strengthen the fine management of energy utilization and enhance the implementation of energy-saving objectives and responsibilities.

## Strict management over contractor and supplier

The services and products provided by the contractor and the supplier have a direct and important impact on the Company's performance in quality and HSE goals. We have a strict contractor and supplier selection mechanism, which strengthens review on contractor's qualification on safety operation, guides them to the Company's quality and HSE management requirements, and requests them to comply with the Company's relevant regulations when

performing the contract.

In the contract, we specify the quality requirements of products supplied by the supplier, and strengthen management of purchased products. We incorporate contractor's HSE management into the Company's HSE management system, strengthen supervision over the contractor in the whole process, set up the "blacklist" system and dismiss unqualified contractors.

## Conducting emergency disposal

The Company shall develop and continuously improve the contingency plan for quality, health, safety and environmental protection (QHSE) incidents, organize regular training, and strengthen emergency drills. In the event of an emergency, we will initiate the emergency early warning and response procedures immediately and properly deal with the emergency in accordance with relevant provisions of the Company.

Employees should be highly vigilant against QHSE incidents to be sure that potential risks are detected, reported and eliminated as early as possible. Should an emergency or accident occurred, employees are obliged to report the same, and take emergency action as soon as possible.





## Business Transactions

- Establishing a Good Business Partnership
- Prohibiting Commercial Bribery
- Prohibiting Unfair Competition
- No Monopoly
- Complying with Trade Control Regulations
- Anti-Money Laundering



We act under the principles of integrity and trustworthiness, consultation on an equal footing, mutual benefit and win-win result, and abide by business ethics in business activities and comply with applicable laws and regulations.

## Establishing a Good Business Partnership

Our business partners include suppliers, contractors, sub-contractors, agents, distributors, joint venture partners, and customers. The development of the Company cannot be separated from the support and help of our business partners, and we look forward to establishing a partnership of mutual respect and trust with them.

### Selecting Faithful Business Partners

We identify and select qualified and reputable business partners, by fully understanding and strictly reviewing their qualifications, integrity, and compliance.

We actively convey the Company's integrity and compliance concepts and requirements to our business partners, and specify the compliance requirements in the contract terms and conditions throughout consultation.

### Abiding by Contract and Value Credit

We strictly fulfill contractual obligations, abide by the commitments we make and avoid breaches of contract, such as delays in delivery and payment. We properly exercise the contractual rights and urge our business partners to fulfill their contractual obligations as well.

### Treating All Business Partners Fairly and Equally

In business transactions, we treat all business partners fairly and equally, and never harm the rights and interests of our business partners in any improper way or embarrass our business partners with unreasonable requirements.

### Handling Transaction Disputes Appropriately

When disputes arise with business partners, we shall actively seek a resolution through negotiations. In case a business partner or anyone else has breached their contract or infringed on the Company's rights and interests, we should actively make a claim to avoid any interest loss of the Company. As for the disputes which may lead to litigation, it is important to collect and save any relevant evidence, and make prompt communication with legal affairs department.

## Prohibiting Commercial Bribery

Commercial bribery is an act of using devious means to obtain business opportunities or other economic benefits. Commercial bribery seriously disrupts the market order of fair competition, and is prohibited by laws of each jurisdiction. The Company firmly opposes commercial bribery, and strictly prohibits the giving of benefits to others to obtain business opportunities or other advantages. We also prohibit employees from receiving or soliciting benefits from others in our business activities. The prohibited behaviors abovementioned not only refer to the direct giving and receiving of benefits, but also to the sort of behaviors via a third party. The benefits hereby include, but are not limited to: cash, gifts, marketable securities, physical assets, kickbacks, free travel or entertainment, and also non-property benefits such as employment opportunities.

### Gifts and Hospitality Conforming to Relevant Regulations

In keeping with proper business etiquette and conventions, the Company's rules permit the giving or receiving of small symbolic or commemorative gifts of moderate hospitality which are deemed proper on the occasion and at the time. The Company allows neither soliciting gifts or hospitality from others, nor giving or receiving gifts and hospitality that violates with the Company's rules or that could influence business decisions.



#### Note:

*For specific requirements and criteria relevant to gifts and hospitality, employees may refer to the Company's corresponding policies or consult the relevant departments.*

### Booking Rebates and Commissions into Account Truthfully

During transactions, under the precondition of not violating laws and the Company's policies, it is allowed to explicitly give rebates to the counter party or commissions to the middleman and such rebates and commissions should be recorded in the account truthfully. Rebates or commissions received according to normal procedure must also be truthfully recorded. Any employee, in acting as an individual, is forbidden to receive any kickbacks or commissions.

### No Bribery or Profit Tunneling in Advertising, Promotion and Donation

External payments of advertisement expenses, promotion expenses, consulting fees, and sponsorship, etc. must be carried out in accordance with the Company's relevant policies. There should be a strict review and approval process in place in order to avoid bribery or profit tunneling under pretences.

### Prohibiting Facilitation Payments

Facilitation fee is an extra small payment that is made to a regulatory or judicial authority or officials therein to expedite or guarantee the performance of their statutory duties. In some cases, in order to expeditiously handle related matters, the employee pays the account of the administrative or judicial authority in accordance with the charging standards published by the administrative or judicial authorities and receives the official receipt, which will not be classified as facilitation fee.

In principle, the Company does not permit the payment of facilitation fees. Such payment is permitted only if the employees' life safety or company assets are at risk. However, the payment must be reported to the Company, accurately documented and entered into the account book.

## Prohibiting Unfair Competition

Unfair competition refers to competing with other businesses by means that are either illegal or run contrary to business ethics. Unfair competition damages the legitimate rights and interests of other businesses and consumers, or otherwise disrupts the order of market economy. Many countries, including China, have promulgated laws for countering unfair competition. We must strictly abide by these laws by using legally justifiable means to compete.

### Prohibiting Confusion Act

In the provision of goods or services, we shall avoid using product name, package, decoration and other identical or similar identification that have some impact on other people, and avoid using others' enterprise name, main part of the domain name, website name and webpage that have some influence.

#### Note:

*Employees shall promptly report to relevant departments and actively safeguard the rights and interests of the Company when they find that other people confuse the use of the Company's name and relevant logos.*



### No False Promotion

As for product performance, quality, sales status, user evaluation and honors, we publicize as it stands. We neither deceive or mislead customers, nor assist others in making false advertising or promotion.

### No Illegal Sales Sweepstakes

When organizing sales sweepstakes, we make clear categories of prizes, redemption conditions, amount of bonus and prizes; never resort to deception by falsely claiming that there are prizes or intentionally letting a designated person win the prize. In sales sweepstakes, the maximum amount of prizes shall not exceed the statutory limit.

### No Commercial Defamation

We do not fabricate, disseminate false information or misleading information to damage competitors' commercial or commodity reputation.

### No Unfair Competition on the Internet

When carrying out operating services on the Internet, we shall avoid the use of technical means to affect, hinder, or damage the normal operation of network products and services legitimately provided by other operators.

## No monopoly

Monopoly is a behavior that hinders free trade, restricts or even eliminates fair and free competition. Today, more than 100 countries have enacted antitrust laws, and severe punishment is inflicted on those who violate the laws. The Company has always carried out fair and free competition within the framework of the laws. It strictly abides by the applicable antitrust laws and regulations, and prohibits any monopolistic behavior.

### No Monopoly Agreements with Competitors and Other Market Players

The Company does not enter into competition-limiting agreements with competitors, including fixing or changing commodity price; restricting the production or sales number of commodities; dividing the sales market or raw material procurement market; restricting the purchase of new technologies, new equipment, or restricting the development of new technologies and new products; or boycotting transactions.

The Company does not enter into competition-limiting agreements with other market players on fixing the price of commodities resold to a third party or restricting the minimum price of the commodities resold to any third party.



#### Note:

*It is important to pay special attention to our words and deeds when communicating with our competitors. Do not discuss or disclose sensitive issues and information related to pricing, production (sales) volume, cost, target markets, potential deals, etc.. If sensitive issues like competition agreements are found in industry conferences and activities, we shall refuse to participate in discussion and preserve evidence to report to relevant departments of the Company timely. When formulating market development and product marketing plans that may involve competition limitation, we shall consult the Legal Affairs Department of the Company.*



### No Abusing of the Dominant Market Position

The Company remains committed to maintain and safeguard the market order of fair competition. We do not buy or sell goods and services at unreasonably low or high prices. We do not sell at below-cost prices without justifiable reasons. We do not restrict any transactions to specific partners. We do not make tie-in sales or sale refusals, attach any unreasonable terms and conditions, or treat potential transaction partners discriminately.

### Complying with Regulations on Concentration of Undertakings

When gaining control over other undertaking(s) by means of merger, acquisition of equities or assets, contracts, etc., the Company should strictly follow the procedures prescribed by the law. We must file with the relevant authorities for review based on the legal threshold for such type of transactions. Such transactions shall not be carried out without review and approval.



## Complying with Trade Control Regulations

Some countries and international organizations have enacted trade control regulations or sanction acts, which would cause serious losses to the Company and individuals if we violate. Before we carry out cross-border trade in commodity, technology, and service,

we shall fully understand specific provisions of relevant trade control regulations and sanction acts, and conduct foreign trade without violations. If you have any queries in your business, consult relevant departments timely.

## Anti-Money Laundering

Money-laundering is the hiding and disguising of the source and nature of illegal gains and proceeds by an individual or organization by using various measures so as to create the appearance that such gains and proceeds originate from a legitimate source. We must comply with applicable Anti-Money Laundering laws, and establish corresponding systems and procedures to prevent ourselves from being taken advantage of by criminals who intend to launder money.

We shall fully understand our business partners, make due diligence, and choose to cooperate with trading parties who have legitimate sources of funds in transaction activities and good reputation. We shall abide by the Company's financial system and procedures, and do not accept non-conforming cash payments or make payments to non-trading accounts or non-normal accounts. If you encounter any suspicious activity or have any doubt prior to further transaction, please consult relevant departments and preserve any relevant evidence.



## **Governments and Communities**

- Enhancing Communications with Governments
- Supporting Community Public Welfare Undertakings
- Respecting Local Customs and Religious Belief

The Company emphasizes communication and cooperation with governments and makes efforts in building constructive and strategic relationship with governments; additionally, we value public interests of local communities and help them benefit from the Company.

## Enhancing Communications with Governments

The Company carries out punctual, candid and proactive communications and exchanges with governments, making requests in a legal and

proper manner, and proactively seeks understanding and support of governments.

## Supporting Community Public Welfare Undertakings

We must fulfill our social responsibilities and support community public welfare undertakings. In conducting our business activities, we must avoid infringing the interests of the local communities and the general public.

When conflicts or problems arise, we must fully communicate and consult with all stakeholders, and make efforts to reach lawful, compliant and proper solutions.

## Respecting Local Customs and Religious Belief

Due to different living environments, social and economic conditions, and historical and cultural backgrounds, different regions and ethnic groups have their own manners and customs in aspects such as diets, daily life, etiquette, social contact and religious

beliefs. We must clearly understand, master, and show respect for local customs. If we unconsciously break a taboo, we should immediately and sincerely apologize and promptly report to our superiors to avoid unstable and unsafe occurrences.



## Financial Affairs and Assets

- Strict Enforcement of Fiscal and Taxation System
- Properly Using and Protecting Company Assets
- Protecting Intellectual Property Rights

## Strict Enforcement of Fiscal and Taxation System

### Complying with Financial and Economic Disciplines

When making external payment, advancing payments, or applying for reimbursements, we must follow relevant review and approval procedures and make sure that what is recorded in Company's account books, financial statements and documents is truthful and accurate. When applying for reimbursements, we must ensure real and necessary business expenditures in line with the Company's rules and policies. We cannot apply for reimbursements for any expenses that have not actually incurred, or were incurred in activities other than duty performance. We shall not conceal revenue, nor withhold, misappropriate or transfer funds, nor have unauthorized outlay out of receipt.

### Tightening Invoice Management

We abide by the provisions on the use and management of invoices and on the acquisition and issuance of invoices; never issue false invoices or resell invoices at a profit.

### Truthful, Accurate and Complete Financial Information and Reports

The Company's accounting records and financial statements prepared on this basis must conform to relevant laws, rules and accounting standards. Information and data must be true, accurate, complete and on time. We shall not conceal, falsify or tamper with any relevant financial records. Nor shall we fabricate, provide or disclose false financial reports or any other related information.

### Keeping Accounting Data Properly

The Company should properly keep and store all financial instruments and relevant approval documents, ensuring financial account books and materials to be complete and accurate. We should set up and properly preserve accounting archives in accordance with rules and policies.

## Paying Tax According to Law

The Company complies with various applicable taxation laws and regulations of China and local state, and pays taxes according to the laws in the place where economic activities take place and where value is created, and fulfills the duty of tax withholding and remittance according to law. The Company discloses tax information in accordance to regulations, and preserves true and complete tax-related information that meets the requirements of tax authorities.

Employees shall pay tax according to provisions of relevant laws for taxable income.

## Properly Using and Protecting Company Assets

Company assets include tangible assets such as oil and gas wells, pipelines, facilities, buildings, machines, and equipments, etc., and intangible ones such as mining rights, land usage rights, and intellectual property rights, etc.

Company assets are the material foundation for the Company's sustainable development, and as such, employees are obliged to use and dispose of assets in a responsible manner to protect asset safety.

We must make effective use of our assets, avoid waste, loss and damage, be cautious of potential safety hazards, and take effective measures to protect the assets from theft or infringement. Employees are not permitted to sell, transfer, or dispose of assets without approval and authorization from the Company.

## Protecting Intellectual Property Rights

Intellectual property rights (IPR) include, but not limited to, patent rights, trademarks, copyrights, domain names, and commercial secrets. Intellectual property is the valuable asset of the company, and is also one of the assets with the highest competing value. We should pay great attention to creating, protecting, and utilizing the Company's intellectual property rights, and t we must also respect and prevent infringement on the IPR of others.

### Protecting the Company's IPR

For new utility patent, product and service trademarks, domain names, etc., we must promptly apply for registration in accordance with laws. As for the rights we have already obtained, we must renew and maintain them in a prompt manner. Licensing and transfer of the Company's IPR must be regulated. Upon noticing that the Company's IPR is being infringed, we must stop it and preserve relevant evidences, and take legal actions when necessary to protect the legitimate rights and interests of the Company in accordance with laws.

Utility patents which an employee achieves in the course of performing Company assignments, or by using Company's resources, shall be classified as on-duty inventions or creations. The Company is the obligee, and the employee may not claim ownership.

### Preventing Infringement Upon the IPR of Others

We should respect the IPR of others. We must come to an agreement with and obtain the permission of the rights holder(s) when using them.

While engaging in R&D of new products or technologies, we must promptly search relevant IPR to avoid unwittingly infringing upon others' prior rights. When cooperating with overseas companies with respect to IPR, we should search and analyze IPR regulations in the target country (or region) and work out prevention and control measures against being infringed or infringing upon the rights of others.





# Information

- Keeping Confidential Information Secure
- Disclosing Information in Accordance with Laws
- Strengthening Network Management
- Legal Collection and Use of Information

## Keeping Confidential Information Secure

### Complying with Confidentiality Regulations

The Company should establish a sound confidentiality management system in accordance with relevant national laws and regulations on confidentiality, so as to ensure the security of state secrets and commercial secrets of the Company.

Employees should strictly abide by confidentiality laws, regulations and company confidentiality system and rules, properly keep and use work-related data and information, and ensure that there is no leak of confidential information. We must avoid referring to confidential information in public, or in private contacts or correspondence, and avoid disclosing confidential information in social media, openly published articles or interviews by the media. The transfer, storing and using of confidential information via non-secret-related devices should also be avoided.

### Preventing Secrets Divulged to External Contacts

Confidentiality agreement should be signed to prevent the divulging of the Company secrets when it is necessary to disclose Company's confidential information to any person other than the Company staff due to business needs.

### Actively Responding to Confidentiality Leak

Should an employee notice a confidentiality leak incident or potential leak, he or she must immediately stop it and report to the Company so that remedial measures can be taken in time.

## Disclosing Information in Accordance with Laws

In accordance with relevant laws and regulatory requirements, the Company shall disclose relevant information completely, accurately and promptly. However, public disclosure of information

must be carried out by authorized staff in accordance with the company rules. Any employee without authorization or approval shall not arbitrarily disclose any information.

## Strengthening Network Management

The development of Internet technology has greatly facilitated our work and life, but information security risks emerge accordingly. It is vital for the Company to effectively prevent these risks. The Company shall regularly carry out network security certification, detection and risk evaluation, develop contingency plans for network security incidents and promptly handle system loopholes, computer virus, network attacks and other incidents, so as to effectively

prevent information security risks.

Employees shall conscientiously learn computer safety knowledge and participate in the Company's information security training. They shall comply with relevant provisions of the Company on Internet access, and shall not log on any illegal websites, receive suspicious mails, download malicious software, or publish, download, or receive illegal information.

## Legal Collection and Use of Information

When collecting, using and processing information relating to individuals (including employees), as well as relevant information about market, finances, personnel and strategic planning of business partners and stakeholders, the

Company shall follow legal, legitimate and necessary principles, and take prudent measures to ensure information security. Do not process, transmit, sell, provide or make public the collected information against laws.



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## Letter of Commitment

I hereby confirm that I have carefully read and learned the contents of the CNPC's Integrity and Compliance Guidelines. I fully understand the integrity and compliance requirements and consequences of violating them, and hereby make a formal commitment to complying with relevant rules and regulations.

Signature:

Date:







## **Clean Energy Supply for Better Environment**

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For more information, employees may log on the Compliance Management Information Platform (<http://ecp.cnpc>) via the internal network.

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