



SEVEN GENERATIONS  
E N E R G Y

# Business Conduct and Ethics Policy June 2019

## 1.0 Purpose and Application

At Seven Generations Energy Ltd. (“**Seven Generations**” or the “**Company**”), we pride ourselves on our reputation as an honest, ethical, high-performance company, employer, partner, and member of the communities in which we operate. Seven Generations’ culture and actions are driven by our Guiding Principle/Code of Conduct, which is available on the Company’s website (see [www.7genergy.com/stakeholders/our-code](http://www.7genergy.com/stakeholders/our-code)).

This Business Conduct and Ethics Policy (“**Policy**”) supplements Seven Generations’ Guiding Principle/Code of Conduct and serves as a guide to the behavior and standards of conduct that are required of each employee, consultant, contractor, officer, and director of Seven Generations (collectively, “**Personnel**”) in all locations where Seven Generations conducts business.

This Policy does not replace any other published policies of Seven Generations. You should carefully read this Policy and ensure that you understand its provisions and the underlying principles of minimum standards of conduct expected of you to maintain our reputation, and our personal and corporate integrity. It is everyone’s duty to contact his/her manager, the Human Resources Department, the Legal Department or other departments specified below, with any questions or clarifications regarding the application or interpretation of this Policy.

## 2.0 Responsibilities and Compliance

The provisions and principles of this Policy are mandatory, and full compliance is expected in all circumstances. On an annual basis, you will be required to acknowledge that you have read and understand this Policy, that you have complied with it and you agree to comply going forward. Additionally, you are also required to disclose any actual or potential conflicts of interest. If you suspect or are aware of any conduct that may violate this Policy, you are obligated to report the issue to your manager, an officer, a representative of the Human Resources Department or Legal Department, or via the Seven Generations Whistleblower Hotline procedure, without delay (see [www.7genergy.com/about/whistleblower-policy.html](http://www.7genergy.com/about/whistleblower-policy.html)).

## 3.0 Health, Safety and Environment

The health and safety of all people and the safe operation of our facilities is a critical core value and top priority at Seven Generations. The Company is dedicated to complying with all relevant health and safety laws and regulations, and laws and regulations to protect the environment, and is committed to keeping its workplace free from hazards. Safe production is our highest priority and you must report any near-misses, accidents, injuries, unsafe equipment, practices or conditions without delay.

In order to protect the safety of all people and to protect the environment, you must report to work free from the influence of any substance that could prevent you from conducting work activities safely and effectively. You must arrive at work fit for duty, free from any adverse effects of alcohol or drugs that are prohibited under the Company's Drug and Alcohol Policy or that could impact your fitness for duty. The details of prohibited conduct and certain limited exceptions are set forth in the Drug and Alcohol Policy contained within the Company's Health and Safety Manual. For additional information, please contact a representative of the Health & Safety Department, Human Resources Department or Legal Department.

It is our duty and responsibility to reduce our environmental impact in compliance with applicable environmental laws, regulations, policy standards and commitments. We promote responsible environmental practices in the course of our development, and we continuously monitor our infrastructure and operations, and engage in ongoing maintenance and enhancement of our facilities. You must report all environmental incidents and concerns in accordance with the Company's Emergency Response Plan. For additional information, please contact a representative of the Environment Department, Health & Safety Department or Legal Department.

#### **4.0 Respectful Workplace**

Seven Generations is committed to providing a workplace in which everyone is treated fairly, with dignity, mutual respect and professionalism. Every person has the right to feel safe and supported in the workplace. Harassment in any form, including sexual or psychological harassment, threats, violence, or any other disrespectful or inappropriate behavior in the workplace is strictly prohibited. You must report any behavior that is or appears to be harassing, violent, intimidating or insulting to your manager, an officer, the Human Resources Department, the Legal Department, or via the Seven Generations Whistleblower Hotline procedure, without delay (see [www.7genergy.com/about/whistleblower-policy.html](http://www.7genergy.com/about/whistleblower-policy.html)). For additional information, please consult the Company's Respectful Workplace Policy contained within the Health and Safety Manual or contact a representative of the Human Resources Department, Health & Safety Department or Legal Department.

#### **5.0 Diverse and Inclusive Culture**

Seven Generations is also committed to the principles of equity and diversity within the workplace with respect to employment, appointment and advancement. Seven Generations promotes and encourages a culture of mutual trust and respect. We value individual differences and are committed to a culture of diversity within our workforce, with employees from a variety of backgrounds, age groups, ethnicities, and with diverse education, experience and expertise. Seven Generations will accommodate differences in accordance with applicable law and internal policies and will not tolerate any form of discrimination on legally prohibited grounds, such as age, ancestry, citizenship, colour, creed, disability, ethnic origin, family status, marital status, place of origin, race, gender, and sexual orientation. You must be inclusive, respectful and accepting of others and must not discriminate against any Seven Generations' personnel. For additional information, please consult the Company's Respectful Workplace Policy contained within the Health and Safety Manual or contact a representative of the Human Resources Department, Health & Safety Department or Legal Department.

## **6.0 Conflicts of Interest**

A conflict of interest arises when a person's personal or private interests may interfere, or appear to interfere, with their objectivity, judgment or ability to act in the best interests of Seven Generations. You have an obligation to immediately report any conflicts of interest or potential conflicts of interest to the Legal Department, where a register is kept of all such conflict disclosures, and you must comply with the guidelines and procedures that are described below:

### **6.1. Gifts and Entertainment**

It is important to maintain our reputation of integrity and honesty when offered gifts, entertainment, sponsorship for individual causes or personal pursuits, and similar benefits from a third party. We recognize that building strong business relationships with our vendors, suppliers and business partners is an integral element of Seven Generations' success. You may occasionally accept gifts, hospitality or other benefits that may be offered in the usual course of business within the industry. Careful consideration must be given when a supplier or vendor or prospective supplier or vendor extends an invitation to a social event or offers a gift, or sponsorship of an individual cause or personal pursuit, so as to ensure avoidance of the appearance of impropriety. You may accept a gift, offering of entertainment, sponsorship or similar benefit only if:

- it is not cash or cash equivalent in nature (such as gift cards);
- it cannot be interpreted as a bribe or create any sense of obligation on the part of the recipient and was not given in exchange for any grant of work or in exchange for any other favour or decision with respect to Seven Generations and the provider of the gift;
- the entertainment is in an appropriate setting;
- it is customary in the industry and acceptable business practice;
- it is not of significant value or doesn't appear to be extravagant (for example, any gift or offering with a value of \$100.00 per person or more must be approved by your manager or an officer prior to acceptance and must be reported to the Legal Department which maintains a register of gifts accepted over \$100.00 in value);
- it doesn't contravene any law or generally accepted ethical or moral principles;
- the offer of gift, sponsorship or entertainment doesn't occur on a regular or frequent basis; and
- it would not embarrass or diminish the reputation of Seven Generations if the acceptance of the gift or sponsorship were disclosed publicly; or
- if prior approval has been received from the President and Chief Executive Officer or Chief Financial Officer.

The guidelines above also apply to any person offering gifts, entertainment, sponsorship or other related benefits on behalf of Seven Generations to any of our contractors, vendors, suppliers, business partners or potential business partners so as to avoid the appearance or perception of an attempt to gain favorable treatment for Seven Generations.

You are also prohibited from making donations or contributions or giving any gifts or favours or benefits to political parties or public office holders (e.g. MLAs, political staff, Government employees and employees of public agencies, boards, commissions) and regulatory bodies (such as the Alberta Energy regulator) on behalf of the Corporation.

## **6.2. Personal Interests and Outside Business Activities**

You must use your best efforts to ensure that your personal relationships and financial interests do not conflict, or appear to conflict with the interests of Seven Generations. A conflict of interest, or even the appearance of a conflict, can negatively affect Seven Generations' business and reputation. You are expected to place Seven Generations' interests ahead of any personal financial gain or other personal interest that you have and you are not permitted to do anything that does not support the best interests of Seven Generations while working for the Company. If you have an interest that could in any way influence your decisions or performance in carrying out your duties and responsibilities to Seven Generations in an objective and effective manner, you have a conflict of interest, which must be disclosed immediately to the Legal Department. If such a conflict of interest is present, you must recuse yourself from any direct involvement in the actions or activities that have given rise to the conflict of interest and refer the matter to an officer of the Company to determine how the Company should proceed in light of the conflict of interest.

You may not act on a business, investment or other opportunity for personal gain that you obtain as a result of your position with Seven Generations or based upon confidential or proprietary information obtained while working for Seven Generations.

Disclosure of any of the following circumstances must be made to the Legal Department:

- ownership or other material involvement with a competitor, vendor, supplier, customer or other business which does business with Seven Generations;
- outside activities, business, or secondary employment, if it might interfere with your day-to-day responsibilities at Seven Generations;
- an outside business activity that could damage Seven Generation's reputation;
- any boards that you serve on (whether for profit or not-for-profit); and
- any company in which you hold an officer or executive level position.

## **6.3. Procurement, Employment or Award of Contracts**

Seven Generations is committed to ensuring that all procurement, employment opportunities and awards of work comply with the law and are conducted in an open, fair and ethical manner. To maintain public confidence, you must not deal with suppliers, or third parties, in any way that could cast doubt on Seven Generations' commitment to these objectives. In particular, you must not in any way be associated with an agreement, financial opportunity, or granting of a contract for work, in which you, your family or individuals that you have close personal relationships with, have a material interest or which might result in significant personal gain for you or them. In particular:

- you should exclude yourself from the process of selecting or hiring a person or company if you have a close personal or family connection with that person and you also must disclose such relationship (as described below);
- no person shall be involved in a direct or indirect reporting relationship or otherwise involved in hiring, delegating work or making compensation decisions if there is a close personal or family relationship.

- you should exclude yourself from the process of selecting, hiring, managing or awarding contracts or work to a contractor, supplier, and vendor if they employ or are controlled by someone that you have a close personal or family connection with;
- you cannot make decisions or recommendations for Seven Generations that might benefit a person with which you have a close personal relationship with, his/her family members, or friends, financially; and
- you cannot accept gifts, sponsorship or entertainment from a contractor, supplier or vendor during any period where Seven Generations is seeking proposals for bids or products or services offered by that contractor, supplier or vendor, if your role at Seven Generations is one of a decision-making capacity or you are involved in the evaluation of a bid for that contractor, supplier or vendor.

## **7.0 Accuracy of Company Records and Reporting**

Seven Generations accounting records are relied upon to produce reports for Seven Generations management, shareholders, creditors, governmental agencies and others. Our financial statements and the books and records on which they are based must accurately reflect all corporate transactions and conform to all legal and accounting requirements and our system of internal controls. We have a responsibility to ensure that Seven Generations' accounting records do not contain any false or intentionally misleading entries. We do not permit intentional misclassification of transactions as to accounts, departments or accounting periods. All material transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period. Should you have any concerns about accounting records or practices, contact the Chief Financial Officer, Vice President Accounting & Controller or file a report through the Whistleblower Hotline procedure (at [www.7genergy.com/about/whistleblower-policy.html](http://www.7genergy.com/about/whistleblower-policy.html)).

## **8.0 Compliance with Laws, Rules, and Regulations**

Seven Generations is committed to conducting its business affairs with honesty and integrity and in full compliance with all laws, rules and regulations applicable to our business. You must at all times respect and obey such laws, rules, and regulations, and should avoid any situation that could be perceived as improper or unethical. When in doubt, contact the Legal Department for guidance.

## **9.0 Compliance with Anti-Trust and Competition Laws**

Seven Generations believes in fair and open competition, and strictly adheres to the requirements of anti-trust and competition laws. These laws prohibit certain corporate or individual behaviors that are considered to be anti-competitive, and restrict businesses with a dominant position in the marketplace from using that position in a manner that lessens or prevents competition. Sharing certain commercially sensitive information with our competitors could give rise to competition concerns. If you have any questions or concerns, contact the Legal Department.

## **10.0 Fair Dealing**

We are fair and honest in our dealings with our vendors, suppliers, competitors, partners and other stakeholders and we honor our obligations and commitments to them. No person should

take unfair advantage through illegal conduct, manipulation, concealment, abuse of confidential information, misrepresentation, or any other unfair practice.

### **11.0 Bribery, Corruption, and Illegal Financial Activities**

Seven Generations is committed to honesty and integrity in all of its business operations. Personnel must not engage in any form of corruption. Personnel shall carry out their duties in accordance with the principles set out in this Policy and, specifically, will comply with all applicable anti-bribery and fair practices legislation that prohibit receiving, promising or authorizing the provision of anything in order to obtain special favours, treatment or agreements. Corruptive activity can be either direct or indirect, and is strictly prohibited. Accordingly, you shall not engage in any acts that are improper or could appear to be improper, such as:

- paying bribes or kickbacks to, or accepting bribes or kickbacks from, public officials or private individuals;
- making facilitation payments;
- creation of any false document or record intended to conceal an inappropriate transaction or create the impression of a false transaction;
- failing to keep complete accurate records of transactions;
- concealing knowledge of any inaccurate or misleading record or statement; or
- approving payment of invoices or expenses without proper scrutiny and review.

If you have any questions or concerns, contact the Legal Department.

### **12.0 Obtaining and Using Competitor Information**

While it is not unusual to obtain information about other organizations, including our competitors, counterparties or suppliers through legal and ethical means such as public documents, public presentations, and social media, you should not obtain proprietary or confidential information about our competitors, counterparties, or suppliers through illegal or improper actions or means, or from using any confidential or proprietary information acquired as a result of a personal relationship, or a former employment relationship.

### **13.0 Insider Trading**

The market price of Seven Generations' shares is based on public knowledge about our results and prospects. The markets rely on all participants having equal access to all public information. In the course of your work with Seven Generations, from time to time, you may obtain material non-public information about Seven Generations or another entity that we do business with or may do business with. It is illegal to use such material and non-public information to make decisions regarding trading securities, or to advise another to transact while you are in possession of such information. There are serious legal consequences for these matters, and therefore it is prohibited to conduct or advise others to conduct any transactions with respect to securities about any company until the information has been fully disclosed and a reasonable period has passed for the information to be widely disseminated. For additional information, please consult Seven Generations' Disclosure, Trading and Confidentiality Policy or contact the Legal Department.

## **14.0 Confidential Information**

Confidential information is any information about Seven Generations that has not been made available to the public that, if disclosed, may be of use to competitors or harmful to Seven Generations, its suppliers, vendors, customers or stakeholders. Disclosure of confidential information is strictly prohibited, except where it is authorized or legally required. Disclosure of such information could cause legal action to be taken against Seven Generations, as well as the individuals responsible for the disclosure.

You must not disclose confidential information that you obtain to any person not entitled to the information or that does not have a need to know, including other Personnel of Seven Generations. This applies to information obtained from our stakeholders, vendors, suppliers and customers. Any disclosures to external parties should only be made for legitimate business purposes and a Confidentiality Agreement should be prepared or reviewed by the Legal Department and executed prior to such authorized disclosure.

The requirement to preserve the confidential information continues indefinitely even if your working relationship with Seven Generations ends and you are required to return all copies of confidential or proprietary information upon any such termination of your working relationship with Seven Generations. For additional information, see Seven Generations' Disclosure, Trading and Confidentiality Policy or contact the Legal Department.

## **15.0 Media, Communications and Public Statements**

When Seven Generations provides information to the news media, we have the obligation to report accurately and completely all related material facts. In order to ensure that we comply within our obligations, all requests from the media for information must be directed to our Investor Relations Department or the Communications Department. In addition, you must not disclose confidential, non-public information through public or casual discussions with the media or others and in addition refrain from posting any information on blogs, bulletin boards, chat rooms, social networking sites, and other social media sites. For additional information, see Seven Generations' Disclosure, Trading and Confidentiality Policy or contact the Legal Department.

## **16.0 Communication Devices and Related Matters**

Seven Generations computers, mobile devices, laptops, software, electronic communication and internet systems are provided to you for legitimate business purposes. Incidental personal use is acceptable provided such use does not negatively impact productivity, compromise system capacity or contravene applicable law or company policies. You are prohibited from using such resources for improper or illegal activities such as the access, storage or distribution of defamatory, pornographic, obscene or demeaning material, hate literature, inappropriate blogging, copyright infringement, harassment or obtaining illegal software or files.

Your messages (including voice mail) and the information on your computer are considered company property and you should not have any expectation of privacy. Unless prohibited by law, we reserve the right to access and disclose this information as necessary for business purposes. You must use good judgment, and must not access, send messages or store any information that you would not want to be seen or heard by other individuals, or that could compromise the

reputation of Seven Generations. For additional information you should contact the Information Services Department or the Legal Department.

### **17.0 Protection and Use of Seven Generations Assets**

We all have an obligation to protect Seven Generations' assets. Assets can include financial assets, physical assets or intangible assets, such as information and intellectual property. We are required to act as good stewards of the assets that have been entrusted to us and we must protect them from loss, damage, abuse and theft. The obligation to protect Seven Generations' assets includes proprietary information. Proprietary information includes any information that is not generally known to the public or would be helpful to our competitors. The obligation to preserve proprietary information continues even after you cease to provide services to Seven Generations.

### **18.0 Privacy**

Seven Generations may collect and maintain records and information about its employees, contractors, vendors, suppliers, shareholders and other business associates in the course of our usual business. We value and respect the rights of these individuals to personal privacy, and Seven Generations recognizes and accepts its responsibility to safeguard the privacy, confidentiality and security of all personal information in compliance with applicable legislation and regulatory requirements.

To the extent that you have obtained personal information of any individual as a result of your work at Seven Generations, whether the individual is an employee, contractor, vendor, supplier, shareholder, or other business associate, you may not disclose that personal information to others, either within or outside of Seven Generations, without the express approval of the Legal Department or with the individual's consent. Use of personal information must be limited to the business purpose for which the information was collected. For further information, please contact the Legal Department.

### **19.0 Political Activities, Contributions and Charities**

We support the right of our people to participate in political activities and encourage charity work and contributions. However, these activities should not be conducted during work hours or involve the use of any of Seven Generations' resources, unless you have obtained prior approval from your manager or an officer or the Company. No person may make or commit to political contributions on behalf of Seven Generations and any proposed charitable contributions should be reviewed by the Director of Community Engagement, who will seek further approval where necessary.

You must also take measures to ensure that any political or personal views expressed, whether verbally or written, are your own, and are not perceived to be those of Seven Generations.

### **20.0 Reporting Questionable Practices and Violations of the Policy**

Seven Generations is committed to maintaining a work environment where Personnel are free to report any irregularities they witness or become aware of with regard to any violations of this Policy or others, without the fear of retribution, retaliation or inaction. You are encouraged to talk



to your manager or an officer of the Company about the best course of action in any particular situation, and to report any concerns about violations of laws, rules, regulations, company policies, or concerns about any accounting records or financial reports. You may also report such concerns through the Whistleblower Hotline procedure (at [www.7genergy.com/about/whistleblower-policy.html](http://www.7genergy.com/about/whistleblower-policy.html)). There will be no reprisal against Personnel for good faith reporting of compliance concerns or violations.

## **21.0 Violation of the Policy and Disciplinary Action**

This Policy is intended to help you conduct yourself in a manner consistent with the values of Seven Generations. An individual may face disciplinary action if they violate this Policy, encourage or help others to violate this Policy, fail to report or conceal a Policy violation, retaliate against any person who reports a Policy violation in good faith.

Violation of this Policy will result in Seven Generations taking disciplinary action commensurate with the severity of the specific violation. Disciplinary action may include a warning, written reprimand, suspension, demotion, termination of employment or contract, or referral for criminal prosecution or civil action.

While this Policy does not address all types of business conduct or activity, you are expected to govern yourself by the general principles set out in Seven Generations' Guiding Principle/Code of Conduct and in this Policy.