



POLICIES AND PROCEDURES

100 – CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

At Sinopec Canada and its Canadian affiliates (Sinopec Canada Energy Ltd., Sinopec Daylight Energy Ltd. and SinoCanada Petroleum Corporation) ("Sinopec Canada" or the "Corporation") we are committed to maintaining the highest standards of honesty and accountability and we recognize that each employee, officer, director, service provider and consultant (collectively "employees") has an important role to play in achieving this goal. Sinopec Canada's reputation is dependent upon the integrity and sense of responsibility of its employees. Sinopec Canada is committed to conducting all of its affairs with honesty, integrity and fairness and expects the same from all of its business partners. The Corporation will not take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or other dishonest or unfair practices.

This Code reflects our commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees are expected to comply. Please read this Code carefully.

In addition to following this Code in all aspects of your business activities, you are expected to seek guidance in any case where there is a question about compliance with both the letter and spirit of our policies and applicable laws. This Code sets forth general principles and does not supersede the specific policies and procedures that are covered in the specific policies statements, such as the Disclosure, Confidentiality and Trading Policy and Whistleblower Policy and Procedures. References in this Code of Business Conduct and Ethics to Sinopec Canada or the Corporation means Sinopec Canada or any of its affiliates.

When considering their own conduct, employees should also be guided by some basic questions they can ask themselves, such as:

- Can I justify this action?
- Are my actions legal? Ethical?
- How would my actions appear if published on the front page of a newspaper?
- Would disclosure of my involvement in this situation be embarrassing to me, my family, or Sinopec Canada?

Failure to comply with the Code can have severe consequences for both the employee and Sinopec Canada. Appropriate discipline, up to and including



dismissal, will be imposed by Sinopec Canada for violations of the Code. Furthermore, conduct that violates the Code may also violate federal or provincial law and can subject both Sinopec Canada and the employee to prosecution or other legal actions. The principles set forth in this Code are conditions of each employee's engagement with Sinopec Canada; employees continue to be bound by these conditions, as revised from time to time to reflect changes in business or organization. Any employee who does not comply with these conditions will be subject to the consequences set out above. Sinopec Canada senior officers and other managers are responsible for monitoring compliance with the Code within their respective areas of responsibility.

Your cooperation is necessary to the continued success of our business and the cultivation and maintenance of our reputation as a good corporate citizen.

CONFLICTS OF INTEREST

A conflict of interest occurs when an individual's private interest interferes, appears to interfere or has the potential to interfere in any way with the interests of the Corporation. A conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his or her work effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position with Sinopec Canada. Loans to, or guarantees of obligations of, such persons are likely to pose conflicts of interest, as are transactions of any kind between the Corporation and any other organization in which you or any member of your family have an interest. In all circumstances, employees of the Corporation are expected to provide suppliers and customers with a full and fair opportunity to do business with the Corporation, and to ensure decisions relating to the business of the Corporation are made on a commercial basis.

Activities that could give rise to conflicts of interest are prohibited unless specifically approved in advance by the Board of Directors or its designees. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interests must be reported immediately to senior management.

In order to effectively monitor and manage potential conflicts of interest, approval of the Corporation's Board of Directors or the Corporate Governance Committee will be required prior to any employee of the Corporation acting or agreeing to act as an officer or director of any reporting issuer, or any private issuer engaged in the natural resources business (including exploration and production, midstream and services entities).



CORPORATE OPPORTUNITIES

Employees, officers and directors are prohibited from taking opportunities discovered through the use of corporate property, information or position and from using corporate property, information or position for either personal gain or to directly compete with Sinopec Canada.

CONFIDENTIALITY

Employees must maintain the confidentiality of information entrusted to them by Sinopec Canada or that otherwise comes into their possession in the course of their employment, except when disclosure is authorized or legally mandated. The obligation to preserve confidential information continues even after you leave the Corporation.

Confidential information includes all non-public information that may be of use to competitors, or harmful to Sinopec Canada or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us.

PROTECTION AND PROPER USE OF CORPORATE ASSETS

All employees should endeavour to protect the Corporation's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on Sinopec Canada's profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation.

Corporate assets, including but not limited to funds, products or computers, may only be used for legitimate business purposes or other purposes approved by management. Corporate assets may never be used for illegal purposes.

The obligation to protect Sinopec Canada assets includes proprietary information. Proprietary information includes any information that is not generally known to the public or would be helpful to our competitors or harmful to our competitor's positions. Examples of proprietary information are intellectual property, business and marketing plans and employee information. The obligation to preserve proprietary information continues even after you leave the Corporation.

PRIVACY

In conducting our business, Sinopec Canada needs to maintain records and information about its employees, contractors, vendors, landowners, shareholders and other business associates. We value and respect the rights of these individuals to personal privacy. We collect and use only information that is necessary for us to administer our business effectively, efficiently and in a safe and reliable fashion. This information is only for the appropriate internal use of Sinopec Canada and will not be shared or used for other purposes unless permitted or required by law.



INSIDER TRADING, SELECTIVE DISCLOSURE AND TRADING ACTIVITIES

Employees must not trade securities based on the material, non-public information for their benefit or the benefit of others. Material information is any information that, if known, might influence a reasonable investor's investment decision to buy, sell, or hold securities. Non-public means any information that has not been released by Sinopec Canada for public dissemination and which is intended to remain confidential until such authorized dissemination. Employees should not share material, non-public information with anyone outside Sinopec Canada (including family members) until it has been made public, regardless of how the information may or may not be used. For clarity, these restrictions apply to trading in securities of any other company (including, but not limited to, competitors, suppliers, service providers and customers) if an employee learns of any material, non-public information about that company during the course of his/her employment with Sinopec Canada.

Employees must adhere to blackout restrictions of which they are notified. Trading blackouts are implemented to ensure that "insiders" do not have the advantage of information that has not been announced to the general investing public. Applicable securities laws dictate the protection of the entire investing public to ensure fairness. Should an individual breach insider trading rules they may be subject to significant penalties by regulatory authorities.

Should you have any questions or require clarification regarding trading restrictions, it is your responsibility to direct these questions to the head of Sinopec Canada's Legal department.

Employees must report violations or misuse of material, non-public corporate information to the head of Sinopec Canada's Legal department.

For further information please refer to the Disclosure, Confidentiality and Trading Policy.

FAIR DEALING

Each employee should endeavour to deal fairly with the Corporation's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice. In all circumstances, employees of the Corporation are expected to provide suppliers and customers with a full and fair opportunity to do business with the Corporation, and to ensure decisions relating to the business of the Corporation are made on a commercial basis.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Compliance with both the letter and spirit of all laws, rules and regulations applicable to our business is critical to our reputation and continued success. All



employees must respect and obey the laws of the cities, provinces and country in which we operate and avoid even the appearance of impropriety. Employees who fail to comply with this Code will receive disciplinary measures, which may include termination of employment with Sinopec Canada.

COMPLIANCE WITH COMPETITION AND ANTI-TRUST LAWS

The Corporation believes in fair and open competition, and strictly adheres to the requirements of competition and anti-trust laws. These laws generally prohibit collusion between firms and other unfair business conduct that would lessen competition.

Employees must avoid all actions that are or could reasonably be construed as being anti-competitive, monopolistic or otherwise contrary to such laws; employees are expected to perform their duties in accordance with such laws and follow guidelines established by Sinopec Canada. Because of the importance and complex nature of this area of law, employees should consult with the head of Sinopec Canada's Legal department to obtain assistance and guidance on competitive issues and to address specific situations and initiatives as they arise.

COMPLIANCE WITH ENVIRONMENTAL LAWS

The Corporation is sensitive to the environmental, health and safety consequences of its operations. Accordingly, the Corporation will strictly comply with all applicable Federal and Provincial environmental laws and regulations in all aspects of our work. The Corporation will monitor its environmental performance and will look for ways to reduce and prevent waste, emissions, spills and other releases from our operations so as to minimize, wherever possible, our impact on the environment. If any employee has any doubt as to the applicability or meaning of a particular environmental, health or safety regulation, he or she should discuss the matter with a member of the Corporation's senior management.

DISCRIMINATION AND HARASSMENT

We value the diversity of our employees and are committed to providing equal opportunity in all aspects of employment. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Harassment is usually defined as any behaviour, often recurrent in nature, which negates an individual's dignity and the respect to which they are entitled because the behaviour is offensive, embarrassing or humiliating. Harassment may take different forms, such as any one or more of the following non-exhaustive list of examples:

- unwelcome remarks or jokes about subjects like one's race, national or ethnic origin, colour, religion, age, sex (including pregnancy or childbirth),



- sexual orientation, marital status, family status, physical or mental disability or a conviction for which a pardon has been granted;
- displaying discriminatory or other offensive pictures, posters, e-mails or screen displays;
- sending or receiving messages or files, by e-mail or any other form of delivery, that are illegal, sexually explicit, abusive, offensive, profane, unwelcome, or that may adversely affect Sinopec Canada's image;
- sexual harassment;
- unnecessary physical contact, such as touching or pinching;
- threats, intimidation or verbal abuse; or
- any other action that may reasonably be perceived as offensive or disrespectful.

Employees are encouraged to speak out when a co-worker's conduct makes them uncomfortable, and to report harassment when it occurs. We will respond promptly to all complaints to ensure they are resolved quickly and fairly. We will impose sanctions (up to and including termination of employment) on any employee who violates this policy regardless of his or her position with Sinopec Canada. Employees in positions of authority – such as supervisors – will be subject to more serious consequences to reflect the seriousness of abusing their position and the negative impact their actions may have on the work environment. As an employee, it is your duty to report incidents of harassment to your supervisor or Sinopec Canada's Human Resources department.

SAFETY AND HEALTH

We are all responsible for maintaining a safe workplace by following safety and health rules and practices. Sinopec Canada is committed to keeping its workplaces free from hazards. Please report any accidents, injuries, unsafe equipment, practices or conditions immediately to a supervisor or other designated person. Threats or acts of violence or physical intimidation are prohibited.

Sinopec Canada is committed to maintaining a drug-free and alcohol-free workplace. Drinking alcoholic beverages is prohibited while on duty or on the premises of Sinopec Canada, except at specified Sinopec Canada-sanctioned events. Possessing, using, selling or offering illegal drugs and other controlled substances is prohibited in all circumstances while on duty or on the premises of Sinopec Canada. Smoking in the workplace, except in designated areas, is also prohibited. Likewise, employees are prohibited from reporting for work while under the influence of alcohol or any illegal drug or controlled substance. Such policy is essential to Sinopec Canada and the safety of all Sinopec Canada personnel.

ACCURACY OF SINOPEC CANADA'S RECORDS AND REPORTING

Honest and accurate recording and reporting of information is critical to our ability to make responsible business decisions. Sinopec Canada's accounting records



are relied upon to produce reports for the Corporation's management, securityholders, 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, financial and disclosure controls.

All employees have a responsibility to ensure the accuracy and completeness of records, reports and communications and the appropriateness of classification of transactions as to accounts and accounting periods. All transactions must be supported by the appropriate documentation and comply strictly with prescribed accounting policies, audit procedures and other such controls, including the controls intended to be maintained pursuant to our Whistleblower Policy and Procedures.

Sinopec Canada believes in open access for its auditors and independent engineers to all of its documents and records and full and open communication with its auditors and independent engineers with respect to their engagement.

Business records and communications often become public through legal or regulatory investigations or the media. This applies to communications of all kinds, including email, voice mail or inter-office memos and therefore employees should avoid recording inappropriate notes or comments that would embarrass them or Sinopec Canada should they be made public. Records should be retained and destroyed in accordance with the Sinopec Canada's records retention policy.

USE OF E-MAIL AND INTERNET SERVICES

E-Mail systems and Internet services are provided to help us do work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. You may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, cartoons, jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. (see "Discrimination and Harassment" herein) Also remember that "flooding" our systems with junk mail and trivia hampers the ability of our systems to handle legitimate Sinopec Canada business and is prohibited.

Your messages (including voice mail) and computer information are considered Corporate property and you should not have any expectation of privacy. Unless prohibited by law, Sinopec Canada reserves the right to access and disclose this information as necessary for business purposes. Use good judgment, and do not access, send messages or store any information that you would not want to be seen or heard by other individuals. Always protect your work-related user IDs and passwords and keep your security cards safe. You must never allow unauthorized people to use or access them.

Employees are prohibited from making copies of software purchased and owned by Sinopec Canada in violation of copyright or trademark laws, or from using



software that does not belong to Sinopec Canada. Employees are prohibited from installing applications and/or utilities on Sinopec Canada's computer system (including those downloaded from the internet) and for which the use has not been expressly authorized by Sinopec Canada. Employees are expressly prohibited from loading or running any executable e-mail attachments, regardless of their source or content, without having the files reviewed and approved by Sinopec Canada.

Violation of these policies may result in disciplinary actions up to and including termination from the Corporation.

POLITICAL ACTIVITIES AND CONTRIBUTIONS

We respect and support the right of our employees to participate in political activities of their choice provided that their involvement is kept separate from their role as an employee. Employees must take care to represent their views as their own and not the Corporation's.

There are laws and regulations pertaining to political contributions made both in dollars and in "kind". Where Sinopec Canada deems appropriate, it may occasionally choose to make such contributions but only when authorized by the Chairman of the Board of Directors, and only when the contribution is legal and appropriate for corporations such as Sinopec Canada.

GIFTS AND ENTERTAINMENT

The exchange of gifts and entertainment is a common practice in most business communities and is designed to develop and foster goodwill among business partners. Accepting gifts and entertainment can cause problems when they compromise, or appear to compromise, our ability to make fair and objective business decisions. No gift or entertainment should be accepted, or offered, if it will unfairly influence a business relationship.

There are many factors that influence whether a gift or entertainment is normal and customary. Gifts or entertainment should be moderate, reasonable and in good taste, be of a style or value commonly accepted for business occasions and should not be unusual for the recipient's job or community. The exchange must not create an obligation or sense of obligation and should occur infrequently.

Business entertainment can present situations where discretion is required since some commonly accepted business invitations can include recreational opportunities or event tickets that are of significant value. In these cases the recipient should ensure that there is a valid business development reason for attending and that there will be representation from other business executives at the event. If the invitation is for an event where the value being received may be significant, officer approval is required, or in the case of the Chief Executive Officer, approval by the Chairman of the Board of Directors.



INTELLECTUAL PROPERTY

Any invention, including the development of computer software, created by an employee within the performance of his duties, during or outside working hours, belongs to Sinopec Canada. All employees must disclose to Sinopec Canada any information relating to the invention and cooperate with the registration by Sinopec Canada of a copyright or patent thereon. Whenever necessary, the employee must also assign any right he may have to Sinopec Canada.

REQUESTS FOR INFORMATION FROM THE MEDIA AND PUBLIC

Only members of Executive Management are authorized to work with the media directly or to direct others in the Corporation to work with the media. When Sinopec Canada provides information to the news media, Sinopec Canada has the obligation to report accurately and completely all related material facts. In order to ensure that Sinopec Canada complies with its obligations, employees who are contacted by the media for information regarding Sinopec Canada's business activities and plans, financial information, or Sinopec Canada's position on public issues, must refer the request to Executive Management. Likewise, all requests from the media for interviews must be directed to Executive Management.

PUBLIC SPEAKING AND PUBLISHING ARTICLES

Speeches and articles offer excellent opportunities for Sinopec Canada and its employees to present topics, ideas, and information of interest to business and professional audiences. A speech or article on a professional topic written by an employee for delivery to an audience or publication represents Sinopec Canada. Speeches and articles must be approved by Executive Management prior to the speaking engagement or submission for publication.

SOCIAL NETWORKING AND BLOGS

Employees have the right to create personal blogs and postings on social networking websites. However, online misconduct can be grounds for discipline, even if it does not occur during business hours or using Sinopec Canada's resources. Inappropriate content for online employee postings includes, but is not limited to, the following:

- Sinopec Canada's confidential or proprietary information;
- Information concerning Sinopec Canada or employees that would violate this Code or any other Sinopec Canada policies, including the Privacy Policy; and
- Negative comments about Sinopec Canada or employees, or that would harm the reputation of Sinopec Canada or its employees.

COMMUNITY INVOLVEMENT



Sinopec Canada directly and through its employees contributes to the general well-being and improvement of towns, cities, and regions where it has operations. Sinopec Canada provides support to worthwhile community programs in areas such as social welfare, health, education, and arts and culture to promote the development of positive relationships in the areas where we have business interests. Sinopec Canada also encourages the recruitment of qualified local personnel where practical. All Sinopec Canada community involvement and requests for corporate contributions must go through Executive Management.

While Sinopec Canada encourages employees to participate in charitable organizations and other community activities of their choice, these outside activities should not interfere with job duties and as such prior approval from your manager should be requested. Approval from your manager should be requested when participation is supported by Sinopec Canada and when utilizing Sinopec Canada resources (including work time, e.g. days of caring). Where participation is on personal time and does not conflict with job duties then approval is not required. No employee may pressure another employee to express a view that is contrary to a personal belief or to contribute to or support political, religious, or charitable causes. Employees are encouraged to speak out when a co-worker's conduct makes them uncomfortable, and to report harassment when it occurs.

REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOUR

We have a strong commitment to conduct our business in a lawful and ethical manner. Employees are encouraged to talk to supervisors, team leads or other appropriate personnel when in doubt about the best course of action in a particular situation and to report violations of laws, rules, regulations or this Code. We prohibit retaliatory action against any employee who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

WAIVERS OF THE CODE OF BUSINESS CONDUCT AND ETHICS

Any waiver of this Code for senior officers or directors will be made only by the Board of Directors or a committee of the Board of Directors and will be disclosed as required by applicable law or regulation.

DISCIPLINARY ACTION

This Code is intended to help employees conduct themselves in a manner consistent with our values. Employees may face disciplinary action if they:

- Violate this Code;
- Encourage or help other employees to violate this Code;
- Condone other employees who violate this Code;
- Fail to report a Code violation;
- Retaliate against any employee who reports a Code violation in good faith; and



- Fail as an officer, director, manager, or supervisor to take appropriate steps to ensure compliance with this Code.

Disciplinary action may include one or more of the following:

- A warning;
- A written reprimand;
- Mandatory reimbursement of losses or damages;
- Suspension;
- Demotion;
- Termination of employment with Sinopec Canada; or
- Referral for criminal prosecution or civil action.

Management has the discretion to determine the level and type of discipline that is appropriate in any given circumstance.

COMPLIANCE PROCEDURES

This Code cannot, and is not intended to, address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of action. In those circumstances we encourage you to use your common sense, and to contact Kevin Long, Vice President, Legal and Supply Chain & Corporate Secretary or Michael Laffin, Chairman of Sinopec Canada's Corporate Governance Committee, for guidance. Their numbers are (403) 770-6311 and (403) 260-9600, respectively.