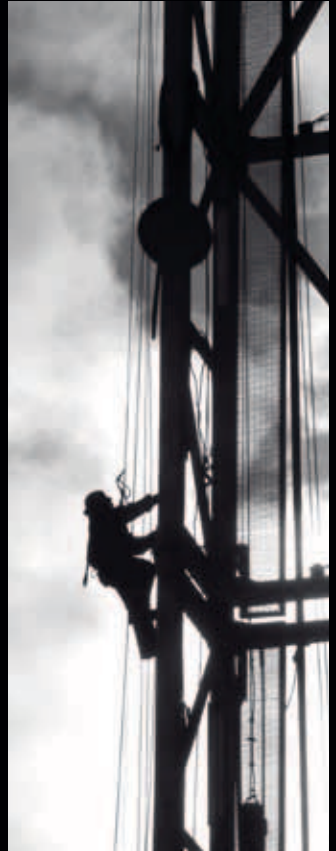


HOW WE WORK:

OUR INTEGRITY GUIDE
FOR SUPPLIERS



nexen 

OUR EXPECTATIONS

Nexen's business practices are guided by the principles outlined in *How We Work: Our Integrity Guide* for employees. This document, *Our Integrity Guide for Suppliers*, expands on the principles outlined in our employee guide. It sets expectations for how we do business within the supply chain, reinforcing adherence to our corporate values and company policies. It also stresses the importance of legal and regulatory compliance. At Nexen, we are committed to ethical business practices and expect that we conduct ourselves with integrity at all times. That's how we work and we expect our suppliers to do the same.

This Integrity Guide for Suppliers establishes the expectations for you, our key stakeholders working within Nexen's supply chain.

What follows is an explanation of what we expect of our suppliers with respect to the handling of matters regarding:

- health, safety and the environment
- conflicts of interest
- bribery, kickbacks and improper payments
- gifts and entertainment
- business records
- confidentiality and privacy
- endorsements
- human rights and employment practices
- fair competition

We believe our suppliers and their subcontractors are an integral element of our success. As such, we strive to select suppliers who adopt strong ethical standards in their business conduct. Working together, we believe we can deliver results.



 This symbol, found throughout Our Integrity Guide for Suppliers, indicates that relevant policies are available on our website at www.nexeninc.com/governance/company_policies

HEALTH, SAFETY AND THE ENVIRONMENT

The health and safety of personnel associated with our work at Nexen is our highest priority. We expect our suppliers to support this philosophy ensuring that all employees:



- are provided a safe and healthy work environment that supports accident prevention
- receive minimal work place exposure to health risks
- act in compliance with applicable health and safety laws
- arrive fit for work and are physically and mentally able to perform their assigned tasks
- follow safe work practices including regulatory and contract-specific requirements
- instill safety in every aspect of work processes, attitudes and behaviours
- minimize harmful impacts to surrounding communities
- conduct operations in an environmentally responsible manner, in accordance with applicable environmental laws and industry best practices



Suppliers should meet these requirements in both the work that is being performed on Nexen's behalf – including interactions with their own employees, properties and operations – as well as Nexen owned and managed resources.

Nexen expects our suppliers to be committed to health, safety and the environment.

- Health, Safety, Environment, and Social Responsibility Policy
- Alcohol and Drugs Policy
- Driving Distraction Policy

CONFLICTS OF INTEREST

The basis of every personal and business relationship is trust. Situations that create a conflict between our suppliers' interests and Nexen's interests erode trust by making it appear as if one is putting their own interests above those of another. Even the appearance of a conflict of interest – when someone thinks a person's judgment has been compromised – can be as damaging as an actual conflict.

Employees of Nexen must act in the best interest of the company and we expect our suppliers to support us in meeting this endeavour. Employees should not have a relationship with any supplier that might conflict, or appear to conflict, with the employee's obligation to act in the best interest of Nexen.



We expect that any relationships with a Nexen employee are not used to influence the employee's or supplier's business judgment.

Conflict of Interest Policy

Relationships that might represent a conflict of interest to either the supplier or Nexen must be disclosed.

BRIBERY, KICKBACKS AND IMPROPER PAYMENTS

As a responsible global citizen, Nexen does not engage in corrupt activities, including bribery, kickbacks or the making of any other inappropriate payments. We expect suppliers working with us to meet or exceed our requirements for legal compliance in their dealings with both the public and private sectors.

Our suppliers should comply with all applicable legislation dealing with interactions with government officials. In conjunction with this expectation, all Nexen suppliers must not

transfer anything of value, either directly or indirectly, to any government official, political party or employee of a government-controlled company, in order to obtain an improper Nexen benefit or advantage.

 Prevention of Improper Payments Policy

Nexen does not engage in corrupt activities, including bribery, kickbacks or the making of any other inappropriate payments.





GIFTS AND ENTERTAINMENT

Suppliers should not provide any gift, gratuity, meal or entertainment to a Nexen employee where it could influence, or be perceived to influence, a decision in relation to a particular supplier. The giving and receiving of these items becomes an ethical issue when a person's judgment is compromised, or appears to be compromised, because of a benefit that may have been given or received.

Nexen is committed to conducting all of its business in accordance

with the highest legal and ethical standards. We consider products and services based on their value to Nexen, competitive prices, as well as the quality and delivery of performance.

While we realize at times it might be appropriate to enhance business relationships by exchanging gifts, gratuities or activities of a social nature, we allow these on a limited basis, and only when they meet the requirements as outlined in our Gifts and Entertainment Policy.

In exchanging gifts and entertainment, we ask our suppliers to consider how such gifts or activities may be perceived, especially if they are excessive or extravagant. We ask you to ensure the gift or entertainment activity:

- occurs infrequently
- could be easily reciprocated by Nexen
- has a genuine business purpose associated with the exchange
- is of a limited actual or perceived value

 Gifts & Entertainment Policy



No items should ever be offered or delivered prior to or during a competitive bid process – whether the Nexen employee is involved directly or indirectly in the tender activity.

BUSINESS RECORDS

Accurate and complete business records help us to make informed business decisions. They allow us to meet our responsibilities to shareholders, regulators and other key stakeholders. Receipt of accurate, reliable information and records from our suppliers is critical to meeting these reporting obligations.

Suppliers are required to produce timely, accurate and complete business records for all Nexen transactions. This includes preparing accurate invoices and other financial records that are in accordance with professional accounting standards and contractual terms and obligations. Transactions should match reporting periods, events and exchanges that have occurred.

When submitting business records to Nexen, compliance with reporting standards as set by regional regulators should also be taken into account.



Suppliers are required to produce timely, accurate and complete business records for all Nexen transactions.



CONFIDENTIALITY AND PRIVACY

Our suppliers must protect confidential information belonging to Nexen and should act to prevent its misuse, theft, fraud or improper disclosure. Suppliers must take care in the handling, discussion or transmission of sensitive or confidential information that could affect Nexen customers, employees, the business community or the general public.

If a supplier believes they have been given access to confidential information in error, they

should notify Nexen and refrain from any further use or distribution of the information for either personal or professional purposes.

[!\[\]\(9ea682cef02bbbdc0191f78cdae1d433_img.jpg\) Confidentiality Policy](#)

[!\[\]\(30072721fe92392a2d7c953be68f714a_img.jpg\) Privacy Policy](#)

.....
Our suppliers must ensure the protection of confidential information belonging to Nexen.



ENDORSEMENTS

An endorsement occurs when an organization or person requests permission to use the Nexen name, or the names of, or quotes from, Nexen personnel in promoting the supplier's business. Endorsements may take the form of letters of reference or press releases announcing awards of major contracts.

Nexen has an endorsements policy which requires suppliers to obtain approval prior to using Nexen's name in any commercial manner.

Unless written approval has been obtained, suppliers should not use

the Nexen name, letterhead, or any other material bearing the company's name or logo, for any commercial or personal reason.

Suppliers are also prohibited from presenting their personal views as representing those of Nexen.

Endorsements Policy

Nexen has an endorsements policy which requires suppliers to obtain approval prior to using Nexen's name in any commercial manner.

HUMAN RIGHTS AND DIVERSITY

Nexen expects our suppliers to conduct their operations in a responsible, non-discriminatory manner, respecting the rights of the individuals they employ. This includes following appropriate hiring practices, adhering to applicable labour laws and ensuring that all employees are treated with dignity, respect and fairness.

We expect our suppliers to:

- support and respect human rights
- avoid complicity in human rights abuses
- support diversity and equal opportunity within the workplace
- not tolerate discrimination or harassment

 [Human Rights Policy](#)

 [Respectful Workplace Policy](#)



..... Nexen expects our suppliers to respect the rights of the individuals they employ and to adhere to applicable labour laws and regulations.

FAIR COMPETITION

Competition laws are complex and as a supplier of Nexen, you may not be familiar with Nexen's requirements in this area. If the work you perform on Nexen's behalf involves contact with competitors, customers, other suppliers or trade associations – or involves selling, pricing or bidding – it is important that you understand what activities are, or are not, appropriate.

All competitive activities must comply with relevant competition and antitrust laws. Generally, these laws protect free enterprise by prohibiting arrangements between individuals or companies that could unduly restrain competition in the marketplace. Some activities that may be governed by these laws include arrangements between suppliers or competitors relating to price-fixing, bid-rigging and/or the fixing or limiting of production or supplies.

We expect our suppliers to work with us to ensure that we compete fairly including:

- Being sensitive to situations where information that could limit competition is exchanged.
- Refusing information when it is not meant to be exchanged.
- Being careful when speaking with other competitors or suppliers including limiting the exchange of pricing or product information.
- Failing to disclose information that may have been obtained inadvertently or unfairly.
- Promoting a level playing field in a competitive bid process.
- Refusing to collude, deceive, mislead or defraud others – including engaging in activities that could unfairly influence a decision.

 [Anti-Trust Policy](#)

 [Competition Policy](#)

WHAT TO DO WHEN YOU HAVE A CONCERN

If you believe the requirements of this Integrity Guide for Suppliers may have been violated, we encourage you to discuss it with your Nexen business contact and/or a member of Nexen's management team. Alternatively, you may wish to contact a member of Nexen's Integrity Resource Centre.

Suppliers who wish to raise a concern anonymously can use Nexen's Integrity Helpline which is administered by an independent external service provider. For more information on the use of Nexen's Integrity Helpline, please refer to our website at www.nexeninc.com and follow the Integrity Helpline link.



QUESTIONS OR COMMENTS

For questions or comments on How We Work: Our Integrity Guide for Suppliers, please contact your Supply Management representative or a member of Nexen's Integrity Resource Centre.

Tel: 403.699.6789

Email: integrity@nexeninc.com

Nexen Inc. is an independent, Canadian-based global energy company, listed on the Toronto and New York stock exchanges under the symbol NXY. We are focused on three growth strategies: oil sands and unconventional gas in Western Canada and conventional exploration and development primarily in the North Sea, offshore West Africa and deep-water Gulf of Mexico. We add value for shareholders through successful full-cycle oil and gas exploration and development and leadership in business ethics, governance and environmental stewardship.

By using paper made from 100% post-consumer recycled content, the following resources have been saved: 10 trees for the future, 30 lbs waterborne waste, 4,322 gallons wastewater, 479 lbs solid waste, 942 lbs net greenhouse gases and 7,208,000 million BTUs energy.

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