

Standard for Confidential Information

*Compliance with this Standard is mandatory.
You may not 'opt-out' of any requirement identified herein.*

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For Revision and Approval history, see Nexen Management System approval workflow.

1.0 INTRODUCTION TO THIS STANDARD

1.1 PURPOSE

The purpose of this Standard is to establish rules to protect Confidential Information and assist Employees and Contingent Workers in understanding their responsibilities with respect to Confidential Information.

This is important because it will:

- Support competitive, security and other business purposes and compliance with applicable laws.
- Prevent inadvertent disclosure of Confidential Information or Material Non-Public Information, which may expose the Company and its Employees to significant risk of investigation and litigation.

1.2 SCOPE

This Standard applies to all areas of Nexen's business.

1.3 PERSONS AFFECTED

Role	Description
Directors, Officers, Employees and Contingent Workers	<ul style="list-style-type: none">• Will adhere to the requirements in this Standard.

1.4 DEFINITIONS OF TERMS

Unless otherwise defined herein, capitalized terms used in this Standard have the meanings set out in the [Nexen Glossary](#).

1.5 QUESTIONS

Questions regarding this Standard should be directed to the Responsible Author.

2.0 REQUIREMENTS OF THIS STANDARD

STANDARD REQUIREMENT TABLE 1

Requirement Number	Requirements
2.0.1	Must treat all information learned about the Company, its business plans or other operations and activities in connection with his/her employment as confidential and proprietary to the Company.
2.0.2	Must refrain from disclosing Confidential Information unless it is necessary to do so in the ordinary course of business (e.g. discussions with the Company's auditors, business partners or professional advisors where disclosure of Confidential Information is necessary for business purposes).
2.0.3	Must use reasonable efforts to prevent the misuse or inadvertent disclosure of Confidential Information. For more information on reasonable efforts refer to Appendix B.
2.0.4	Must refrain from communicating Material Non-Public Information unless such disclosure is necessary in the ordinary course of business and conducted in accordance with this Standard and the Standard for External Communications.
2.0.5	Must inform one's manager of any Inventions and Discoveries one makes in order to evaluate its usefulness to the Company and to comply with applicable laws and regulations.
2.0.6	Must sign the Employee Confidentiality and Invention Agreement at the time of hiring (see Appendix C).
2.0.7	<p>Must immediately and fully disclose any information relevant to any past, current, or potential future violations of this Standard, including the situation and the related facts, to the Chief Compliance Counsel or through the Integrity Helpline. More information on the Integrity Helpline can be found in How We Work: Our Integrity Guide.</p> <p><i>Note: An undisclosed violation will be considered a more serious violation of trust than early and full disclosure of the situation.</i></p>
2.0.8	Must be familiar with the provisions of this Standard and acknowledge compliance with this Standard in conjunction with the annual acknowledgement of the Company's How We Work: Our Integrity Guide .

2.1 MEASURING CONFORMANCE AND CONTINUOUS IMPROVEMENT

The following table summarizes the methods that must be used to measure conformance with the intent of this Standard.

Method of Measurement	Means of Verification	Role for Review and Interval	Location of Key Records and Reports
Standard review and update (if applicable)	Self-Assessment	Responsible Author – as defined by Accountable Owner Interval: 3 years	Legal Standards

The Method of Measurement, identified above, will be used as a foundation to determine whether this Standard is effective and efficient; and, whether opportunities exist to improve further. Refer to the [NMS Assurance Activities Business Process](#) for further details.

Audit requirements of this Standard will be determined by the Nexen’s Corporate Audit group in conjunction with the Responsible Author.

3.0 REFERENCES AND RELATED INFORMATION

3.1 EXTERNAL REFERENCES

Not Applicable

3.2 INTERNAL REFERENCES

[How We Work: Our Integrity Guide](#)

3.3 RELATED REFERENCES

[Standard for IT Acceptable Use](#)

APPENDIX A: ROLES AND RESPONSIBILITIES

For a description of the NMS Roles and Responsibilities, refer to the [Standard for the Nexen Management System](#).

APPENDIX B: CONFIDENTIAL INFORMATION

Confidential Information refers to Business Information that is classified as Confidential (i.e., sensitive with potential legal or regulatory impacts if disclosed) and approved to be shared with a limited set of Employees, Contingent Workers and/or third parties based on a need-to-know basis.

Confidential Information includes any and all knowledge, data and information, whether documented or undocumented, in digital, physical or other format, concerning the Company's business and affairs. It includes, but is not limited to, the following:

- a. financial information, such as earnings, assets, debts, prices, pricing, structures, production volumes, volumes of purchases or sales or other financial data including, for greater certainty, business or financial models, whether relating to Company generally or to particular products, services, geographic areas and time periods, business plans or profitability analyses, irrespective of whether the information relates to the Company in general or to particular transactions, geographic locations and/or time periods;
- b. business activities, business development activities, strategies and dealings with external organizations or individuals;
- c. supply and service information, such as names or addresses of suppliers of services or goods, terms of supply or service contracts, or information about particular transactions or about potential suppliers, to the extent that such information is not generally known to the public, and to the extent that the combination of suppliers or use of a particular supplier is generally known or available, but there are details which are not generally known;
- d. business information such as information relating to its business, affairs, assets, operations or proposed activities including, without limitation, any technical, commercial, legal, financial, strategic, tactical, regulatory or governmental information and all other reports, interpretive data, geological, geophysical, engineering, environmental, land, accounting, operational, marketing and production data, agreements by or on behalf of the Company, forecasts, results of projects/operations and information concerning pending transactions;
- e. marketing information, such as details about ongoing or proposed marketing programs or agreements by or on behalf of Company, sales forecasts or results of marketing efforts or information about past or impending transactions;
- f. customer information, such as any compilation of past, existing or prospective retails or wholesale customers' names, addresses or backgrounds, records of purchases and prices, proposals or agreements between customers and Company, status of customers' accounts or credit or related information about actual or prospective customers;
- g. Inventions and Discoveries; and
- h. other information that a reasonable person acting prudently would consider to be of a confidential nature.

EXAMPLES OF CONFIDENTIAL INFORMATION

While it is not possible to define all categories of Confidential Information, examples of information that should be considered confidential are as follows:

- Business opportunities, business development initiatives, business plans, pricing and supplier information
- Company financial records, undisclosed financial results or financial information
- Pending, proposed or completed mergers, acquisitions or dispositions
- Inventions and Discoveries, strategic plans, project sanctions, joint ventures, research and development projects, business operations, transactions or other developments, Company reports and analysis, project status updates and reports
- Joint venture and partnership discussions
- Potential or ongoing disputes, litigation or regulatory inquiries or investigations
- Information contained in signed contracts
- Contract and negotiation strategies
- Employee files, compensation and benefits
- Hardware, software, and database passwords

APPENDIX C: EMPLOYEE/CONTINGENT WORKER CONFIDENTIALITY, CONFLICTING RELATIONSHIP & INVENTION AGREEMENT

IN CONSIDERATION of my employment by Nexen Energy ULC or its majority owned subsidiaries or affiliates for which it has managerial responsibility (the "Company"), by which I may be employed from time to time, I hereby covenant and agree with the Company as follows:

1. Definitions

- 1.1. "Confidential Information" includes any and all knowledge, data and information, whether documented or undocumented, in digital, physical or other format, concerning the Company's business and affairs. It includes, but is not limited to, the following:
- a) financial information, such as earnings, assets, debts, prices, pricing, structures, production volumes, volumes of purchases or sales or other financial data including, for greater certainty, business or financial models, whether relating to Company generally or to particular products, services, geographic areas and time periods, business plans or profitability analyses, irrespective of whether the information relates to the Company in general or to particular transactions, geographic locations and/or time periods;
 - b) business activities, business development activities, strategies and dealings with external organizations or individuals;
 - c) supply and service information, such as names or addresses of suppliers of services or goods, terms of supply or service contracts, or information about particular transactions or about potential suppliers, to the extent that such information is not generally known to the public, and to the extent that the combination of suppliers or use of a particular supplier is generally known or available, but there are details which are not generally known;
 - d) business information such as information relating to its business, affairs, assets, operations or proposed activities including, without limitation, any technical, commercial, legal, financial, strategic, tactical, regulatory or governmental information and all other reports, interpretive data, geological, geophysical, engineering, environmental, land, accounting, operational, marketing and production data, agreements by or on behalf of the Company, forecasts, results of projects/operations and information concerning pending transactions;
 - e) marketing information, such as details about ongoing or proposed marketing programs or agreements by or on behalf of Company, sales forecasts or results of marketing efforts or information about past or impending transactions;
 - f) customer information, such as any compilation of past, existing or prospective retails or wholesale customers' names, addresses or backgrounds, records of purchases and prices, proposals or agreements between customers and Company, status of customers' accounts or credit or related information about actual or prospective customers;
 - g) Inventions and Discoveries; and
 - h) other information that a reasonable person acting prudently would consider to be of a confidential nature.

1.2. "Inventions and Discoveries" means all discoveries, developments, designs, design concepts, engineering drawings, ideas, improvements, inventions, trade secrets, patent applications, patentable subject matter, research, test procedures and results, formulas, processes, process models, specifications, techniques, know-how, technology, products, business plans and data (whether or not patentable or registrable under applicable law) made, conceived, reduced to practice, or learned by me, either alone or jointly with others, during the period of my employment, whether during working hours or otherwise, that are related to or useful in the existing or contemplated business of the Company, or which result from tasks assigned to me by the Company or from the use of premises, equipment, materials, or other resources owned, leased, or otherwise acquired by the Company.

1.3. "Prior Discoveries and Inventions" means all discoveries, developments, designs, design concepts, engineering drawings, ideas, improvements, inventions, trade secrets, patent applications, patentable subject matter, research, test procedures and results, formulas, processes, process models, specifications, techniques, know-how, technology, products, business plans and data (whether or not patentable or registrable under applicable law) made, conceived, reduced to practice, or learned by me, either alone or jointly with others, prior to my employment by the Company which as of the date of commencement of such employment I own or in or to which I have an interest or right, as set out in Exhibit A. For certainty, any Prior Discoveries and Inventions not set out in Exhibit A shall conclusively be presumed to be Inventions and Discoveries.

2. Confidentiality

2.1. I agree that any and all Confidential Information shall be the sole and exclusive property of the Company and will be held by me in trust for the benefit of the Company only.

2.2. I shall not, at any time either during or subsequent to my employment, disclose to any third parties, or use, directly or indirectly, any Confidential Information unless I shall first secure the written consent of an authorized representative of the Company to the disclosure or use.

2.3. I shall take all reasonable actions that the Company deems necessary or appropriate to prevent the unauthorized use or disclosure of any Confidential Information and agree to comply and be bound by the Company's policies related to the protection of Confidential Information.

2.4. I shall not be requested or required to violate, and I agree to respect, any valid obligations I now have to prior employers or others relating to their confidential information. All current or prior agreements, relationships, obligations, commitments or similar arrangements that conflict with my relationship with the Company under this Agreement are set forth in Exhibit B.

3. Inventions and Discoveries

3.1. I shall promptly disclose in writing to my manager all Inventions and Discoveries and all information in my possession as to possible applications or uses thereof, whether to industry or otherwise.

3.2. I acknowledge and agree that all Inventions and Discoveries belong to and shall be the sole property of the Company and shall be Inventions and Discoveries of the Company subject to the confidentiality provisions of this Agreement. I hereby assign to the Company all right, title, and interest I have or may acquire in and to all Inventions and Discoveries. At the request of the Company, and without expense to me, I shall execute such documents and perform such other acts as the Company deems necessary to evidence the assignment or obtain patents on Inventions and Discoveries in any applicable jurisdictions.

3.3. In the event the Company, after reasonable efforts, is unable to secure my signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other

right to protection relating to any Invention or Discovery, I hereby irrevocably designate and appoint the Company and each of its duly authorized officers or agents as my agent and attorney-in-fact, to act for and on my behalf to execute and deliver any such document and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, and/or other rights or protections relating to any Invention or Discovery with the same force and effect as if executed and delivered by me.

4. Prior Discoveries and Inventions

4.1. I have set out in Exhibit A all Prior Discoveries and Inventions. I shall not be requested or required to assign or disclose Prior Discoveries and Inventions to the Company.

5. Termination

5.1. In the event of termination (voluntary or otherwise) of my employment with the Company, or upon request of the Company, I hereby agree to deliver to the Company all written materials, and all substances, models, mechanisms and the like containing or relating to Confidential Information, all of which written material and all substances, models, mechanisms and the like shall be and remain the sole property of the Company. For this purpose, "written materials" includes letters, memoranda, reports, notes, notebooks, books of account, data, drawings, prints, plans, specifications, formulae and all other documents or writings and all copies thereof, whether in hard copy or on computer.

5.2. In the event of termination (voluntary or otherwise) of my employment with the Company, I hereby agree to protect the value of the Confidential Information and prevent their misappropriation or disclosure. I further agree not to disclose or use any Confidential Information to my benefit or the benefit of any third party or to the detriment of the Company.

6. General

6.1. Any violation of this Agreement will cause the Company immediate and irreparable harm and the damages the Company will suffer may be difficult or impossible to measure. Accordingly, the Company shall be entitled to the issuance of a restraining order, preliminary and permanent injunction, without bond, restraining and enjoining a violation by me or any entity or person acting in concert with me.

6.2. If any of the provisions of this Agreement are, or become, invalid or unenforceable, the remaining provisions shall be, and continue to be, fully effective.

6.3. This Agreement shall be governed by, and construed under, the laws of the Province of Alberta.

6.4. This Agreement constitutes the entire Agreement between the Company and myself with respect to the subject matter hereof.

6.5. This Agreement shall be binding on my heirs, executors, administrators, and other legal representatives and assigns, and is for the benefit of the Company and its successors and assigns.

6.6. All rights and remedies provided for in this Agreement shall be cumulative. No one right or remedy shall be exclusive of other remedies or of any right or remedy allowed in law or equity. No waiver or indulgence by the Company of any failure by me to keep or perform any covenant of this Agreement shall be a waiver of any preceding or succeeding breach of the same or any other covenant. No waiver by the Company of any right shall be construed as a waiver of any other right. Any waiver by the Company or by me must be in writing and signed by the party seeking to waive their rights. Notice shall not be required to enforce strict adherence to the terms of this Agreement.

EXHIBIT A

PRIOR DISCOVERIES AND INVENTIONS

Except as set forth below, I declare that I have not made or reduced to practice (alone or jointly with others) any Prior Discoveries and Inventions:

[specify Prior Discoveries and Inventions, if any; if none, state: None].

DATED AT _____, this ___ day of _____ 20__.

EMPLOYEE SIGNATURE

WITNESS SIGNATURE

EMPLOYEE NAME (please print)

WITNESS NAME (please print)

EXHIBIT B

CONFIDENTIAL INFORMATION & CONFLICTING RELATIONSHIPS

1. Confidential Information

Except as set forth below, I declare that I am not in possession of any Confidential Information:

[specify Confidential Information; if none, state none].

2. Conflicting Relationships

Except as set forth below, I declare that I have no other current or prior agreements, relationships, obligations, commitments or similar arrangements that conflict with my relationship with the Company:

[specify details of any conflicts; if none, state none].

DATED AT _____, this ___ day of _____ 20__.

EMPLOYEE SIGNATURE

WITNESS SIGNATURE

EMPLOYEE NAME (please print)

WITNESS NAME (please print)