

**PAREX RESOURCES INC.**

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**ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

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**ADOPTED BY THE BOARD OF DIRECTORS**

**March 12, 2014 and amended and re-approved on November 2, 2015, November 7, 2017, August 1, 2019 and August 4, 2021**

## 1. Message from the Board of Directors

Parex Resources Inc. (collectively with all of its direct and indirect subsidiaries and all entities controlled by it, the "**Corporation**") is committed to adhering to the highest legal and ethical standards. The Corporation's reputation for acting responsibly plays a critical role in its success as a business. Accordingly, we strongly believe that the Corporation has a responsibility to take an active stand against bribery and corruption.

Bribery is a criminal offence in many countries, including Canada, the United States and the United Kingdom. Corrupt acts expose the Corporation and its employees to the risk of prosecution, fines, and imprisonment, as well as threatening the Corporation's reputation. The directors and management of the Corporation are committed to compliance with the anti-corruption laws of all countries and territories in which we operate.

The purpose of this Anti-Bribery and Anti-Corruption Policy (the "**policy**") is to provide guidelines to encourage ethical behavior in our business conduct.

## 2. Definitions

In this policy, the term "improper payment" means any payment or attempt or promise to pay anything of value to a government official in order to influence a decision, act, or omission by that government official. The term "anything of value" is not limited to cash but refers to any reward, payment, gift, or advantage of any kind including travel, meals, and entertainment.

A "government official" is an officer or employee of, or any person representing or acting on behalf of:

- Any level of government;
- Political parties, party officials and candidates for political offices;
- Entities wholly or partially owned or controlled by any level of government even if they act in a commercial capacity;
- Public international or intergovernmental organizations (such as the World Bank, United Nations, or International Monetary Fund); or
- A person who holds a royal family, ceremonial, official, legislative, administrative, judicial or military position.

The term "government official" will be construed broadly and also applies to spouses, children, and other relatives of government officials.

## 3. Policy

The Corporation strictly prohibits engaging in or tolerating any improper payments or bribery, or any other form of corruption.

The purpose of this policy is to ensure that no Corporation director, officer, employee, contractor or other representative will, directly or indirectly, accept, offer, promise, or authorize the giving of any improper payment or anything that can be construed as such, to any government official or third party in order to influence or appear to influence action, inaction, or a decision, with the intent to obtain an improper advantage or to retain business.

This policy applies to the Corporation and to all directors, officers, employees, agents, contractors and consultants acting for and on behalf of the Corporation, joint venture partners (in addition to the terms and

conditions of the applicable joint operating agreements), and any other persons acting for or on behalf of the Corporation.

The Chief Executive Officer, the Chief Financial Officer, Chief Operating Officer or similar executive vice presidents, and the applicable Country Managers of the Corporation (collectively, the "**Compliance Officers**" and individually the "**Compliance Officer**") are the senior corporate officials assigned overall and operational responsibility for ensuring that this policy is implemented throughout the Corporation and for monitoring compliance in accordance with the terms of this policy. The applicable Compliance Officer shall report to the Board of Directors, or any designated Committee of the Board of Directors:

- (a) immediately on any matter involving criminal conduct or potential criminal conduct; and
- (b) annually, or more frequently if necessary, on the implementation and effectiveness of the Corporation's compliance and ethics program.

Directors, officers, employees, contractors or other representatives may not avoid liability by "turning a blind eye" when circumstances indicate a potential violation of the policy. The "wilful blindness" of such persons or the deliberate failure to inquire when such persons know or ought to know there is a reason to inquire, does not relieve such persons of liability.

#### **4. Accounting and Record Keeping**

The Corporation's books and records must always correctly record the amount and description of all transactions involving government officials. The Corporation's directors, officers, employees, contractors or other representatives must ensure that there is a proper relationship between the substance of a transaction and how it is described in the Corporation's books and records.

The Corporation and its personnel will maintain books and records that accurately and fairly reflect all transactions. No person working for or on behalf of the Corporation may make any false entry in any of the Corporation's books and records, nor may any such person be a party to the creation of any false or misleading document that supports the disbursement of Corporation funds. The Corporation shall require accounting records for transactions in sufficient detail so that improper payments cannot be hidden from review.

#### **5. Gifts and Entertainment**

No person working for or on behalf of the Corporation, regardless of nationality, may give or receive gifts or entertainment in the context of the Corporation's business, except in accordance with this policy and other applicable guidelines in force in relation to the relevant country or business unit or as prescribed by this policy.

The provision of entertainment or gifts for the purpose of obtaining or retaining business may be considered an improper payment and may result in violation of anti-bribery laws. Providing or receiving gifts with the intention or appearance of improperly influencing a government official or private person, or being improperly influenced by another, in order to obtain or convey a business advantage, or for any other improper purpose, is strictly prohibited. It is important to recognize that even when there is no intent to convey an improper payment, such intent may be inferred from the surrounding circumstances.

Gifts and entertainment are never permissible, regardless of the amount of the expense, if the purpose of incurring them is to improperly influence a decision by a government official or other third party.

The following specific restrictions apply to gifts and entertainment:

- they shall not be given or received if the intended recipient is in a position to influence a pending business or regulatory decision;
- cash gifts, or cash equivalents such as gift cards, phone cards, meal vouchers or cards, shall not be given or received;
- excessive or lavish gifts are always prohibited; and
- gifts or entertainment must not be given with such frequency that it appears that an effort is being made to avoid restrictions under local law or this policy regarding excessive, lavish, or otherwise inappropriate gifts.

Gifts or entertainment may be given or received without prior approval from the applicable Compliance Officers in accordance with the Corporation's pre-approval policies, only if all of the following requirements are satisfied:

- the main purpose of the meal or entertainment is discussion of specific projects or opportunities or education regarding the Corporation's products, and it is attended by appropriate Corporation representatives;
- the gift or entertainment is permitted by local law and custom, as well as the rules of the recipient's employer;
- the gift: (i) is of nominal value (examples include logo cups, hats, shirts, USB drives, calendars and notebooks which bear a company or other official logo); or (ii) is generally distributed by the giver to its customers and vendors as a token of goodwill during festivals, holidays, or other special occasions;
- the reimbursement request identifies all attendees for the purpose of tracking the frequency of meals and entertainment involving specific government officials and private parties; and
- all expense reimbursements are supported by receipts.

All other gifts and entertainment to government officials must be approved by the applicable Compliance Officers in accordance with the Corporation's pre-approval policies.

## **6. Sponsored Travel by Customers, Suppliers and Other Business Partners**

In appropriate circumstances, with strict controls, the Corporation may pay reasonable and bona fide expenditures, such as travel and lodging expenses, incurred by or on behalf of an actual or potential business partner or customer where the expenditures are directly related to the promotion, demonstration, or explanation of the Corporation's products or services or the Corporation's execution or performance of a contract with such business partner or customer.

Payment of travel expenses for government officials is never permissible, regardless of the amount of the expense, if the purpose of incurring them is to improperly influence a decision by the government official.

Additionally, travel expenses may not be paid for:

- a government official who is involved in regulatory inspections, reviews, or approvals involving the Corporation's business; or
- a third party with respect to which the Corporation is involved in an active tender process involving the Corporation's products or services.

Travel expenses associated with government officials must be approved in writing and in advance by the applicable Compliance Officers in accordance with the Corporation's pre-approval policies.

For sponsored travel expenses to be approved:

- The travel expenses may be incurred only if the main purpose of the trip is to attend a conference or business meeting sponsored by the Corporation, or to visit Corporation facilities for educational or promotional reasons directly related to the Corporation's business. Sponsoring travel of a government official when no Corporation employee is present for the associated business activity is not permitted.
- The duration of the sponsored travel must reasonably coincide with when legitimate business events or functions are scheduled to occur. An overstay of one extra night may be permissible if flight schedules so require. The Corporation will not cover expenses for a sponsored traveler to extend his/her stay for reasons unrelated to the Corporation's legitimate business purpose.
- Invitations to conferences, meetings, or other permissible events that require travel of a government official should be open and transparent. Where possible, the government official's supervisor should be notified of the invitation.

The Corporation may pay only reasonable expenses that are actually incurred by government officials and are directly related to the business purpose of the trip. Expenses should be incurred and paid directly by the Corporation, rather than reimbursed to the government official.

In particular, flight arrangements and hotel expenses must be in line with the Corporation's travel policy and not be lavish or expensive. As a guide, the level of travel benefits (such as business class airline tickets) for senior government officials should be consistent with policies for senior Corporation employees.

The Corporation will not advance, pay or reimburse the following types of expenses:

- any expenses for spouses, other family members or guests of government officials; and
- per diems or cash advances.

## **7. Use of Agents, Consultants, and Other Third Parties**

The Corporation, and possibly Corporation executives and employees, may be held criminally liable for improper payments paid by an agent, consultant, banker, contractor, lawyer, joint venture partner or business partner who is acting for and on behalf of the Corporation or other third party who can act on behalf of the Corporation (referred to here collectively as "**Third Parties**"). Actual knowledge of the improper payment is not required to incur liability. In light of this fact and as further detailed below, thorough due diligence should be conducted before entering into agreements with Third Parties. Agreements with Third Parties should contain strong provisions designed to ensure that the Third Parties do not violate this policy or applicable anti-corruption laws. An ongoing review of the Corporation's relationships with Third Parties should be completed and all Corporation personnel must be aware of "red flags" or warning signs that could indicate a problem with a Third Party.

### **a. Due Diligence**

When anyone at the Corporation initiates any business relationship with a Third Party, it is important to conduct an appropriate risk assessment. The Compliance Officers must ensure that this is done (including considering whether a third party due diligence agent should be retained) and that the results of the assessment are appropriately recorded.

The risk level and significance associated with the Third Party should be assessed based on factors such as the nature of the relationship, the size of the contract, the location where the services will be performed,

and whether the services will involve interaction with government officials. At a minimum, the due diligence process would typically include: gathering information from available sources concerning the ownership (if applicable), management, capabilities and reputation of the Third Party; all past and present affiliations of the Third Party (including to any government agency or government officials); the shareholders and principals of the Third Party (if applicable); reviewing the proposed structure and terms of the proposed relationship, including compensation provisions; information regarding the Third Party's qualifications, character and history of conducting business in an ethical and legal manner that is consistent with this policy; and requiring and checking multiple references.

Some important sources of information that should be checked include the Canadian, United Kingdom, United States and Colombian Embassy or Consulate, local bankers, clients and other business associates. A record of the diligence performed and findings should be prepared and sent to any one of the Compliance Officers. Such reports, along with the underlying documentation, must be retained by the Corporation for eight (8) years.

#### **b. Agreements**

Agreements entered into with Third Parties should describe the services to be performed, the fee basis, the amounts to be paid, the time frame of the engagement of the Third Party, and all other material terms and conditions. Written agreements respecting material obligations or duties of the Third Party or other persons to which this policy would, or would likely, otherwise apply should contain written provisions: (i) requiring the Third Party to disclaim any affiliation to any foreign government officials; (ii) requiring that the Third Parties covenant to comply fully with this policy and all applicable laws, rules and regulations, including anti-corruption laws and a covenant of the Third Party to, if requested by the Corporation, certify, on an annual or other basis, such compliance; (iii) affording the Corporation appropriate monitoring and audit rights, including rights to access to books and records of the Third Party; (iv) allowing the Corporation to terminate the relationship in the event of actual or suspected non-compliance with any anti-corruption-related undertaking; (v) indemnities in respect of breaches by the Third Party of its representations, warranties or covenants under the agreement; and (vi) agreement for the Third Party not to retain sub-contractors without the consent of the Corporation.

Payments to Third Parties should never be made in cash, and should be made to the Third Party's bank account in the country where the services are performed or where the Third Party's offices are located. Any payment made to a Third Party must not represent more than the amount specified in the agreement with the Third Party, and must be appropriate remuneration for the legitimate business or services rendered.

In addition, the Corporation will from time to time conduct due diligence of Third Parties over the entire course of the engagement, including appropriate monitoring of any "red flags" or other warning signs as described below, through the execution of an acknowledgment confirming compliance with this policy and other related policies of the Corporation, and through the exercise of contractual access and audit rights, as applicable.

#### **c. "Red Flags" or Other Warning Signs**

If, for any reason, Corporation employees have reason to suspect that a Third Party is engaging in potentially improper conduct, no further payments should be made to that Third Party until an investigation can be conducted. While not exhaustive, the following warnings or "red flags," which may be present before entering into or during the term of an Agreement, are signs that a Third Party might be engaged in inappropriate or illegal activity:

- the Third Party has a history or reputation for improper payments or other unlawful conduct;
- the Third Party has family or other "special" relationships that could influence the buying decision;
- the Third Party does not reside in the jurisdiction where the services will be performed;
- there is a history or reputation of corruption in the country where the Third Party is being hired;
- the Third Party has little experience in the industry;
- the Third Party wishes to reserve its right to assign its rights to a third party in the agreement with the Third Party;
- the Third Party recommends the involvement of other parties that contribute no discernible value;
- unusual or excessive payment requests, such as requests for over-invoicing, up-front payments, ill-defined or last-minute payments, success fees, unusual commissions, or mid-stream compensation payments;
- requests for payments to an account in a country other than where the Third Party is located or is working on behalf of the Corporation;
- requests for payment to another party, to a numbered account, or in cash or other untraceable funds;
- use of holding companies or other methods or parties to obscure ownership or participation of the Third Party, without adequate business justification;
- any refusal or hesitancy by the Third Party to disclose its owners, partners or principles, or to promise in writing to abide by this Policy and relevant laws; and
- any refusal by the Third Party to provide records and documents.

## **8. Facilitation, "Speed" or "Grease" Payments**

The Corporation prohibits facilitation payments.

A facilitation payment is an occasional payment of minimal value (typically less than \$100) made solely to expedite or secure the performance of a routine government action or processing by any court, public authority or official body which would otherwise be lawful and proper, such as:

- processing governmental papers, such as visas and work permits;
- providing or obtaining police protection, telephone service, utilities, and mail services;
- loading/unloading cargo and inspection of goods; or
- actions of a similar nature.

Although some anti-bribery laws permit payments to government officials in limited circumstances for the purpose of facilitating or expediting the administrative performance of routine governmental actions, it is the Corporation's policy that no such payments may be made. At one time, a defense to claim of an improper payment was available under Canadian anti-bribery laws, if the payment was a facilitation payment. However, there is no longer any such exception—facilitation payments are not permitted under Canadian anti-bribery laws.

## **9. Payments Made in Response to Threats**

There may be rare and exceptional cases where payments are made because life, safety, or health is at risk. If you receive a demand or suggestion of payment where life, safety, or health is at risk, you should

immediately report it to a Compliance Officer and no payment should be made without the advance approval of a Compliance Officer.

If it is determined that a payment be made in response to a threat to life, safety, or health, the circumstances of such a case would be taken into consideration in determining whether disciplinary action is appropriate (especially if it is unlikely that the authorities would decide to bring a prosecution against the individual and/or the company in those circumstances). In general, provided the situation involved a genuine risk to life, safety or health, it is unlikely that the Corporation would take any disciplinary action in such circumstances.

#### **10. Political and Charitable Contributions**

The Corporation and its directors, officers, employees, contractors or other representatives must comply with all applicable laws on political and charitable contributions. No direct or indirect political or charitable contribution (including the use of Corporation property, equipment, funds or other assets) of any kind may be made in the name of the Corporation, or by using Corporation funds

Employees are not precluded from making personal political or charitable contributions provided they are not made in violation of law. However, the Corporation will not pay or reimburse for such payments, and any such payments should be made for personal reasons unrelated to Corporation business.

#### **11. Training**

All Corporation directors, officers and employees are required to undertake appropriate training on this policy and the related legal issues on an annual basis.

#### **12. Policy Compliance for Directors, Officers, Employees and Agents**

On an annual basis, all Corporation directors, officers and employees shall sign a certification in the form attached hereto as Appendix I, acknowledging their understanding of, and compliance with, this policy.

When Third Parties acting for and on behalf of the Corporation are retained by the Corporation to provide material obligations or duties to the Corporation and to which this policy would, or would likely, otherwise apply, such Third Parties are required to comply with the Corporation's procurement process, which includes the signing of an acknowledgment to comply, and to cause any permitted sub-contractors to comply, fully with this policy as well as the Corporation's other corporate policies. On an annual basis, or such other period of time as is deemed appropriate by the Corporation, the Corporation may require such Third Parties to sign an acknowledgment confirming compliance and continued future compliance with this policy.

On an annual basis, all Corporation directors, officers and employees and Third Parties acting for and on behalf of the Corporation and who are retained by the Corporation to provide material obligations or duties to the Corporation and to which this policy would, or would likely, otherwise apply (within the reasonable opinion of the Corporation), are required to attend a presentation by the Corporation regarding the terms of this policy and the Corporation's other corporate policies and to sign an acknowledgment confirming attendance at such presentation.

#### **13. Periodic Risk Assessment and Policy Review**

Management, including the Compliance Officers, will undertake risk assessments in relation to each business area and country of the Corporation's operations on a regular basis. Additionally, the efficacy of



this policy will be evaluated, and the policy itself will be reviewed periodically to ensure that it is aligned with and addresses the risks the Corporation faces.

#### **14. Reporting Potential Violations**

If a government official, consultant, agent or any other party requests that you provide an improper payment or other thing of value (including gifts, entertainment, travel or other hospitality that would be in violation of this policy), you should politely turn down the request and make a record of the request as soon as possible. The record should be marked "confidential" and promptly emailed or otherwise reported to a Compliance Officer (or legal counsel to the Corporation, if external reporting is determined appropriate) and, if warranted, will be investigated by the Compliance Officers, the Board of Directors, the Corporation's auditors, legal counsel or outside advisers as appropriate. Such parties will determine the most appropriate method to investigate the substance of the claims and ensure that there is appropriate monitoring of progress until the matter has been satisfactorily resolved.

#### **15. Disciplinary Action for Failure to Comply**

All Corporation directors, officers and employees who fail to comply with the provisions of this policy or any applicable anti-corruption laws, including the Canadian *Corruption of Foreign Public Officials Act* (CFPOA), the US *Foreign Corrupt Practices Act*, or the UK *Bribery Act*, 2010, will be subject to disciplinary action, up to and including termination without notice. In the case of Third Parties this may include termination of a contract or such other measures as may be available at law.

Examples of actions or omissions that will result in discipline on this basis include, but are not limited to, the following:

- a breach of the requirements contained in this policy and any Anti-Bribery and Anti-Corruption Certification;
- a breach of the requirements of any applicable anti-corruption laws;
- failure to report a suspected or actual violation of the requirements contained in this policy, any Anti-Bribery and Anti-Corruption Certification, or any applicable anti-corruption laws;
- failure to make, or falsification of, any required Anti-Bribery and Anti-Corruption Certification; and
- lack of attention or diligence concerning any employees or other parties that directly or indirectly leads to a violation of any requirements contained in this policy, any Anti-Bribery and Anti-Corruption Certification, or any applicable anti-corruption laws.

Retaliation by anyone because of any other person making a good faith report of a possible violation of the law or this policy is strictly prohibited and will result in disciplinary action, including termination. Where for good reason, an employee cannot report the suspicious activity to his or her supervisor or directly to the applicable Compliance Officer, then an anonymous report can be made through the following anonymous website: [www.ethicspoint.com](http://www.ethicspoint.com) pursuant to the Corporation's Whistleblower Policy.

At any time, the Corporation may, at its sole discretion, disclose a violation, or possible or suspected violation, of applicable laws to the appropriate authorities, which could lead to penalties, fines or imprisonment.

Violation of the CFPOA is a criminal offence and every person who contravenes the CFPOA is guilty of an indictable offence and liable to imprisonment for up to 14 years. If the violation results in any revenues or profits payable to the Corporation, those revenues or profits are subject to forfeiture to the Government

of Canada. In addition to the penalties set out by the CFPOA, any director, officer, employee or consultant who violates the CFPOA will also be subject to disciplinary actions by the Corporation as set out in this policy.

## **16. Questions**

Please contact a Compliance Officer or your superior if you have any doubts or questions as to whether conduct is permissible under this policy or if you have any questions concerning this policy or its application to any particular set of facts. Further, any exception to this policy, including with respect to payments arrangements, must be approved in advance by a Compliance Officer.

**PAREX RESOURCES INC.**

**Anti-Bribery and Anti-Corruption Policy Certification for Directors, Officers and Employees**

I acknowledge that I have reviewed the Anti-Bribery and Anti-Corruption Policy of Parex Resources Inc. (the "**Corporation**") and understand that, as **[a director][an officer][an employee][a consultant]** of the Corporation, I have an obligation to fully adhere to these policies and principles.

In particular, I acknowledge and affirm that in carrying out my responsibilities as **[a director][an officer][an employee][a consultant]** of the Corporation, I have not, and will not, and will ensure that no person acting on my behalf or at my direction will, offer, promise, pay, or give, or authorize the offer, promise, payment, or giving of, any financial or other advantage, including money or anything of value, whether by direct or indirect means, to any person for the purpose of obtaining or retaining business, inducing that person or any other person to act, rewarding him/her for acting, or securing an improper advantage.

I certify that I have no knowledge that I or anyone acting on my behalf or at my direction has engaged or is engaging in such activities.

I understand that I will be subject to sanctions, including potential termination of my relationship and/or employment with the Corporation related to this Certification, if I fail to follow the requirements listed in this Certification or in my employment agreement. Examples of actions or omissions that will subject me to discipline on this basis include, but are not limited to, the following:

1. a breach of the requirements contained in the Corporation's Anti-Bribery and Anti-Corruption Policy and this Certification;
2. failure to report a suspected or actual violation of the requirements contained in the Corporation's Anti-Bribery and Anti-Corruption Policy or this Certification;
3. failure to make, or falsification of, this or any future Certification; and
4. lack of attention or diligence concerning any employees or permitted sub-agents for whom I am responsible that directly or indirectly leads to a violation of the requirements contained in the Corporation's Anti-Bribery and Anti-Corruption Policy or this Certification or in my employment agreement.

Per: \_\_\_\_\_  
Name:  
Date: