

PETROTAL CORP.

**ANTI BRIBERY, ANTI
CORRUPTION AND SANCTIONS
COMPLIANCE POLICY**

Amended May 30, 2018.

PETROTAL CORP.

1. Policy Statement

- 1.1 PetroTal Corp. (the “**Corporation**”) and its subsidiaries (collectively, “**PetroTal**”) are opposed to bribery and corruption in whatever form they may take. PetroTal takes a zero tolerance approach to bribery and corruption and PetroTal is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships wherever PetroTal may operate.
- 1.2 PetroTal is committed to complying with sanctions laws and regulations of the jurisdictions in which it operates. In particular, PetroTal will comply with the sanctions laws and regulations of Canada, the United States, the European Union, the United Kingdom and the United Nations, as applicable.
- 1.3 PetroTal will only conduct business in compliance with the law. This means that PetroTal will not (whether directly or through a third party) authorise, pay, promise or offer to give anything to anyone (including any corporation or any government official):
 - (a) who is present on any of the Sanctions Lists (as defined herein); or
 - (b) in order to improperly influence that individual or organisation to act favourably towards PetroTal.
- 1.4 The Board acknowledges its overall responsibility for compliance and management of risks associated with sanctions and/or financial crime.

2. Scope and Purpose

- 2.1 This policy (the “**Policy**”) provides a coherent and consistent framework to enable PetroTal Personnel (as defined herein) to understand and implement arrangements enabling compliance. This Policy is to be read in conjunction with related policies and key documents of PetroTal.
- 2.2 This Policy sets the minimum standards that all PetroTal Personnel must observe. This Policy must be followed at all times and in all of the jurisdictions in which PetroTal operates without exceptions.
- 2.3 To the extent that this Policy conflicts with local legal requirements, the VP Operations (as defined herein) may approve a policy deviation in consultation with the Chief Executive Officer (as defined herein) of the Corporation.
- 2.4 Within PetroTal, the responsibility to control the risks of unethical business practices occurring resides at all levels of the organisation. In furtherance of this Policy, supervisors and managers will promote a working environment consistent with this Policy and assist PetroTal Personnel within their supervision to understand and comply with this Policy.
- 2.5 Appropriate corrective disciplinary action shall be immediately taken against any PetroTal Personnel found to be in violation of this Policy, including, where appropriate, dismissal or termination of contract.

3. Guidance and Standards

- 3.1 PetroTal Personnel are prohibited from committing or using corporate funds, facilities or assets directly or indirectly for any illegal or improper purposes, including but not limited to Bribes (as defined herein), Kickbacks (as defined herein) or diversion to separate funds (or companies) for personal use or for the purpose of disguising such payments.
- 3.2 PetroTal Personnel shall comply with all the laws and regulations of jurisdictions where PetroTal does business concerning sanctions and corruption of Public Officials (as defined herein) or other third parties, including, as applicable, the Relevant Laws of: (i) the Canadian government; (ii) the United States government; (iii) Peru; (iv) the United Nations Security Council; (v) the European Union; (vi) the United Kingdom; or (vii) the respective governmental institutions, departments and agencies of any of the foregoing.

4. Definitions

“Agent” means any person, company or other entity retained by PetroTal: (a) to represent or act on behalf of the Corporation before or with a Public Official; or (b) who may reasonably be expected to have contact, directly or indirectly, with Public Officials in connection with representing PetroTal’s business interests or acting on its behalf.

“Board” means the Board of Directors of the Corporation.

“Bribe” means any payment, promise to pay or authorisation of the payment of any money, gift, reward, advantage or benefit of any kind, that has been given or offered either directly or through an intermediary, in order to influence the making or not making or implementation of a decision or act by the receiving party (whether in the public/ government or private/ business sector) and also means all attempts to make such payments.

“Chief Executive Officer” means the Chief Executive Officer of the Corporation.

“Chief Financial Officer” means the Chief Financial Officer of the Corporation.

“Contractor” means any person, company or other entity retained to supply labour or services to PetroTal or who works on behalf of PetroTal through the outsourcing of services or business activity.

“Corporate Governance and Compensation Committee” means the Corporate Governance and Compensation Committee of the Corporation.

“Employee” means any contract staff member or person employed (whether permanently or temporarily) by PetroTal.

“Facilitating Payment” means a payment, promise to pay or authorisation of a payment made solely to expedite or secure the performance of routine government actions which would otherwise be lawful and proper, including by not limited to:

- (a) obtaining licenses, permits and other official documents to qualify to do business in a foreign country;
- (b) processing governmental papers, such as visas and work permits;

- (c) providing or obtaining police protection, telephone service, utilities and mail services;
- (d) loading or unloading cargo, inspection of goods and protecting perishable goods from deteriorating; or
- (e) actions of a similar nature.

“Improper Payment” means a Bribe, Kickback, Facilitating Payment or payment to or from a person on any of the Sanctions Lists.

“Joint Venture” means a commercial undertaking entered into by two or more parties (one being PetroTal), by setting up a separate company or entity in which all partners generally have equal shares.

“JVP” means a Joint Venture partner of PetroTal.

“Kickback” means the payment, promise to pay or the authorisation of the payment of a portion of contract consideration to a person employed by or associated with another contracting party. This includes the improper utilisation of subcontracts, purchase orders, consulting agreements or gifts to channel payments to principals, employees or other representatives of another contracting party or to their relatives or business associates.

“Public Official” means any person who is or has, at any time in the preceding year, been:

- (a) employed or appointed by a government, state, province, municipality or public international organisation;
- (b) the owner, director, officer or employee of an organisation that performs a governmental function;
- (c) employed or appointed by an agency, department, corporate body, board, commission or enterprise that is controlled by a government, state, province, municipality or public international organisation;
- (d) acting in an official capacity for or acting for or on behalf of:
 - (i) a government, state, province, municipality or public international organisation; or
 - (ii) an agency, department, corporate body, board, commission or enterprise that is owned, in whole or in part or controlled by a government, state, province, municipality or public international organisation; or
- (e) an elected official, candidate for public office or any political party and an officer, employee, representative or agent of any political party.

“Relevant Laws” means Canada’s *Corruption of Foreign Public Officials Act*, the United States’ *Foreign Corrupt Practices Act*, the United Kingdom’s *Bribery Act 2010*, the European Commission’s 1997 *Commission on fighting corruption involving officials of the European Union or officials of Member states* and the 2003 *Framework Decision on combating corruption in the private section*, Peru’s *Criminal Code, Law 30424* and *Legislative Decree 1352*, and the United Nations’ *Convention Against Corruption* and *Inter-American*

Convention against Corruption, all requirements surrounding the Sanctions Lists, and all other laws and regulations of the jurisdictions in which PetroTal operates, each as amended from time to time.

“**PetroTal Personnel**” means all members of the boards of directors, officers, Employees, Contractors, consultants and Agents of PetroTal.

“**VP Operations**” means the Vice President, Operations of the Corporation.

5. Compliance and Policy Review

- 5.1 The Corporate Governance and Compensation Committee shall annually review compliance with this Policy.
- 5.2 The VP Operations shall oversee this Policy and shall report directly to the Chief Executive Officer, Corporate Governance and Compensation Committee and Board. If required, the VP Operations of PetroTal shall issue policy statements, guidelines and procedures to implement and monitor standards described in this Policy.
- 5.3 The Chief Financial Officer shall ensure that adequate controls are in place to prevent Improper Payments, transactions with persons on Sanctions Lists and to manage the standards set out in this Policy.

6. Responsibilities of the VP Operations

- 6.1 The VP Operations shall be responsible for:
 - (a) establishing as well as maintaining the practices and procedures necessary to implement this Policy and prevent any violation of its provisions;
 - (b) disseminating this Policy to all PetroTal Personnel; and
 - (c) implementing and overseeing an appropriate training program on the substance of this Policy for all PetroTal Personnel.

7. Improper Payments

- 7.1 PetroTal and PetroTal Personnel shall not, either directly or through any intermediary:
 - (a) demand, solicit or accept an Improper Payment; or
 - (b) promise, offer or pay, or authorise the promise, payment or making of an offer to pay an Improper Payment.
- 7.2 In particular, PetroTal and PetroTal Personnel shall not, either directly or through an intermediary pay or offer anything of value to a Public Official, in order to influence any act within the recipient’s official capacity or to induce the recipient to violate its, his or her lawful duty or to induce the recipient to use its, his or her influence with any level of government to affect or influence any act or decision of such government for the purpose of obtaining, retaining or directing business or any undue advantage.

8. Facilitating Payments

- 8.1 Facilitating Payments of any kind are not permitted or tolerated under this Policy.
- 8.2 In the event that PetroTal Personnel are approached to pay any kind of Facilitating Payment PetroTal Personnel should:
- (a) not make any payment or promise to pay; and
 - (b) report the events to the VP Operations immediately.

9. Screening

- 9.1 PetroTal shall comply with the following, which are not exhaustive:
- (a) Canada's Office of the Superintendent of Financial Institutions: (i) designated persons listings and sanction laws (available at <http://www.osfi-bsif.gc.ca/eng/fi-if/amlc-clrpc/atf-fat/Pages/default.aspx>); and (ii) Canadian sanctions imposed under the United Nations Act and/or Special Economic Measures Act, Sanctions and related measures (available at <http://www.international.gc.ca/sanctions/countries-pays/index.aspx?lang=eng>);
 - (b) United States of America's consolidated Specifically Designated Nationals and Blocked Persons List (available at <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>);
 - (c) European Commission's consolidated list of persons, groups and entities under sanction (available at <http://data.europa.eu/euodp/en/data/dataset/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions>) and the European Union's consolidated list of sanctions (available at https://eeas.europa.eu/headquarters/headquarters-homepage_en/8442/Consolidated%20list%20of%20sanctions);
 - (d) United Kingdom Treasury's Financial Sanctions Consolidated List of Targets (available at <https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>); and
 - (e) United Nations Security Council's consolidated sanctions list (available at <https://scsanctions.un.org/consolidated/>),
- together the "**Sanctions Lists**" each as amended, modified or replaced.
- 9.2 Although the Sanctions Lists are found in the regulations setting out country-specific sanctions, these prohibitions apply to PetroTal regardless of the location of the listed person(s) or whether a sanctioned country is involved in the transaction.
- 9.3 An important component of fulfilling this Policy is the screening of all transactions and transfers. Before engaging in any transaction, relevant PetroTal Personnel must query whether the transaction involves:
- (a) a country or parties from a country subject to sanction or trade controls pursuant to the Sanctions Lists;

- (b) a transfer of assets from or to a person or country set out in any of the Sanctions Lists; or
- (c) the export or transfer of controlled goods or technology from or to any jurisdiction subject to sanctions.

9.4 If the answer to any one of paragraph 9.3(a), (b) or (c) is “**yes**”, the proposed transaction may not proceed without the review and approval of the VP Operations.

9.5 PetroTal will, to the greatest extent allowable by law, terminate or limit transactions with persons or countries set out within the Sanctions Lists.

10. Due diligence

10.1 Agents:

Prior to PetroTal retaining an Agent, the Chief Executive Officer and/ or VP Operations shall oversee research and written documentation of the reputation, background and past performance of the prospective Agent, as considered appropriate taking into account the screening procedure set forth in paragraph 9.3.

10.2 Joint Venture Participants

Prior to PetroTal entering into any Joint Venture, the Company shall conduct the due diligence considered appropriate by the Chief Executive Officer and/or VP Operations regarding the prospective JVP(s) taking into account the screening procedure set out at paragraph 9.3.

10.3 Contractors:

Prior to PetroTal retaining a Contractor, the Chief Executive Officer and/or VP Operations shall oversee research and written documentation of the reputation, background and past performance of the prospective Contractor, as considered appropriate taking into account the screening procedure set out at paragraph 9.3.

11. Contracts with Third Parties

11.1 Policy Compliant Terms:

Commercially reasonable efforts shall be used by PetroTal to ensure that the principles set out in this Policy are incorporated into agreements made with Agents, Contractors and JVP(s). Such agreements may contain the following provisions, as applicable:

- (a) A precise definition of the scope of the Agent’s, Contractor’s or JVP’s duties, the territory in which the duties will be performed and the compensation/ consideration to be paid to the Agent, Contractor or JVP;
- (b) Acknowledgment by the Agent, Contractor or JVP that it, he or she has been provided with and understands the provisions of this Policy and agrees to comply with the terms of this Policy and the Relevant Laws;
- (c) Representations and warranties by the Agent, Contractor or JVP that neither it, nor any of its owners, directors, officers, principals or key employees are

Public Officials and that it will promptly inform PetroTal of any changes in that regard; and

- (d) Provision for automatic termination without compensation if an Agent, Contractor or JVP has made, attempted to make, makes or proposes to make, an Improper Payment.

11.2 Monitoring contracts with Agents and Contractors:

PetroTal shall take measures reasonably within its power to ensure that:

- (a) any payment made to any Agent or Contractor is appropriate remuneration for legitimate services rendered;
- (b) no part of any such payment is passed on by the Agent or Contractor as an Improper Payment or otherwise in contravention of the Relevant Laws or this Policy;
- (c) it maintains a record of the names and contract terms for all Agents and Contractors who are retained by it in connection with transactions with Public Officials; and
- (d) the activities of any Agent or Contractor are monitored to ensure that there is no breach of Relevant Laws or this Policy.

12. Gifts and Entertainment

12.1 Employees should not accept gifts, money or hospitality from third party organisations or individuals, where these might reasonably be considered likely to influence business transactions.

12.2 Gifts or hospitality may only be offered to a third party if they are consistent with usual business practice in the relevant territory, are modest in value, it is appropriate in the circumstances, cannot be interpreted as a form of inducement and are given at an appropriate time.

12.3 PetroTal and PetroTal Personnel shall not, either directly or through an intermediary, offer or provide gifts, hospitality or reimbursement of travel or other expenses to a Public Official, except with the prior approval of the VP Operations.

13. Political Contributions

PetroTal does not, directly or indirectly participate in party politics. PetroTal does not provide financial support to political parties.

14. Charitable Contributions

All charitable contributions must be approved by the VP Operations.

15. Employment of Public Officials

15.1 No Public Official shall be employed by PetroTal, unless the VP Operations has determined that:

- (a) such employment is lawful in the country concerned; and
- (b) the services to be rendered to PetroTal do not conflict in any manner with the governmental duties of such person.

16. Violations

- 16.1 PetroTal Personnel who become aware of a violation of this Policy must promptly report the matter to the VP Operations, who in turn shall investigate and report any violation of this Policy to the Chief Executive Officer and Corporate Governance and Compensation Committee.
- 16.2 A determination of whether a particular past or proposed payment or action is in violation of this Policy shall be made by the VP Operations, in consultation with the Chief Executive Officer and/or the chair of the Corporate Governance and Compensation Committee.
- 16.3 The Corporation has a whistleblowing policy in place (the "**Whistleblowing Policy**"). The aim of the Whistleblowing Policy is to ensure that employees and other parties connected with PetroTal have the opportunity to confidentially report breaches of PetroTal's business conduct policies, including this Policy, without fear of retribution.