

Parex Resources Inc.
Environmental, Social and Governance Management Steering Committee Mandate

1. Overall Purpose & Objectives

A committee of Parex Resources Inc. (the "**Corporation**") consisting of officers and employees is hereby established and designated the Environmental, Social and Governance Management Steering Committee (the "**Committee**").

2. Composition

- (a) The Corporate Governance and Nominating Committee of the Corporation (the "**CG&N Committee**") shall determine, from time to time, the officers and employees who will be members of the Committee. The Committee shall initially be composed of: the President & Chief Executive Officer; the Senior Vice President, Capital Markets & Corporate Planning; the Chief Operating Officer; the Chief Financial Officer; the Vice President, Corporate Services; the Controller; and a Senior Sustainability Advisor.
- (b) The CG&N Committee shall appoint one member of the Committee as Chair of the Committee (the "**Chair**"). The Chair shall initially be the President and Chief Executive Officer of the Corporation.
- (c) A member shall cease to be a member of the Committee upon such determination by the CG&N Committee or upon ceasing to be an officer or employee of the Corporation.

3. Meetings

- (a) The Committee shall meet no less frequently than four times per year, such meetings to be scheduled on or about the same time as each quarterly meeting of the board of directors of the Corporation (the "**Board**").

4. Duties & Responsibilities

The Committee shall have the following duties and responsibilities:

- (a) Assisting and supporting the Board with its identification, management, measurement and assessment of risks and opportunities related to climate change, environmental and social factors relevant to the Corporation and the conduct of its business in a safe, socially responsible, ethical and transparent manner for the benefit of all stakeholders and the communities in which it operates, including physical and transition climate related risks, plausible future climate related macro scenarios, land and water use, human capital management, employee engagement, diversity and inclusion and health and safety; as well as governance factors relevant to such matters (collectively, "**ESG**").
- (b) Further to the above, the Committee shall assist the Board, Board committees and management with:
 - (i) undertaking materiality assessments to identify material ESG factors that present the most significant risk and opportunities to the Corporation over the short,

medium and long terms, in particular those ESG factors most likely to impact the Corporation's value and investor decision making;

- (ii) preparing, reviewing and providing oversight over the Corporation's processes and practices used to identify, assess, manage and monitor ESG risks and opportunities and to report on the Corporation's performance in meeting its ESG goals, benchmarks and milestones, including the use of reporting frameworks and standards; and
 - (iii) identifying, assessing and managing emerging ESG related risks, including physical and transition climate related risks, and the consideration of plausible future climate related macro scenarios.
- (c) Regularly review and report to the Board on:
- (i) the Corporation's initiatives and opportunities to optimize its ESG performance including processes to reduce greenhouse gas emissions and waste, reduce or substitute energy and water use and minimize land disturbance;
 - (ii) the identification of applicable external ESG standards, requirements, best practices and topics and investor preferred ESG disclosure standards and frameworks, as well as ESG trends in public debate, public policy, regulation and legislation, that impact, or may impact in the future, the Corporation's business, strategy and risk management practices;
 - (iii) the Corporation's performance as against the Corporation's established ESG targets, goals and milestones from time to time; and
 - (iv) the Corporation's position in relevant independent ranking systems applicable to ESG matters;
- (d) Assist with the development, implementation and monitoring of programs and processes for community and government relations, community investment and partnership, communication and engagement with key government and community stakeholders;
- (e) Assist with preparing, reviewing and providing oversight over the Corporation's ESG disclosures and disclosure practices, including benchmarking the Corporation's disclosures and practices against peer group companies, best practices and topics and indicators within investor preferred ESG disclosure standards and frameworks.
- (f) Communication with regulatory agencies and external consultants in respect of ESG matters.
- (g) To the extent requested by the Board or any Board committee, assist with the development of applicable ESG metrics, targets, benchmarks and goals for the Corporation.
- (h) Have primary responsibility for preparing the Corporation's annual ESG report and work with management, the Board and Board committees to finalize same.

- (i) Form the Corporation's Sustainability Working Group as a cross-function team to be led by the Corporation's Colombia Country Manager and comprised of employees of the Corporation in both Colombia and Canada from each of the operations, regulatory, health, safety and environment, human resources and corporate affairs (community engagement) departments of the Corporation. Direct and supervise the Sustainability Working Group in furtherance of carrying out the Committee's duties and responsibilities hereunder.

5. Mandate Review

Parex' Corporate Governance and Nominating Committee shall review this Mandate every other year, or more frequently as may be determined necessary by the Corporate Governance and Nominating Committee to ensure the Committee is achieving its purpose.

6. Authorization

This Committee Mandate is hereby approved by the Board on this 4th day of February, 2021 as amended on August 3, 2022.

Wayne Foo
Chair of the Board of Directors
Parex Resources Inc.