

Parex Resources Inc.
HSE and Reserves Committee Mandate

1. Overall Purpose & Objectives

A standing committee of the Board of Directors (the "**Board**") of Parex Resources Inc. (the "**Corporation**") consisting of members of the Board is hereby appointed by the Board from amongst its members and complying with all other legislation, regulations, agreements, articles and policies to which the Corporation and its business is subject is hereby established and designated the HSE and Reserves Committee (the "**Reserves Committee**" or the "**Committee**").

In addition to any other duties and responsibilities specifically delegated to it by the Board, the Committee has the general responsibility for maintaining compliance with stock exchange and legal requirements and guidelines for reserves and resources reporting and disclosure within the Corporation.

The Committee will assist the Board in fulfilling its oversight responsibilities related to:

- National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (as amended or replaced from time to time) ("**NI 51-101**") of the Canadian Securities Administrators with respect to the oil and natural gas reserves evaluation process and public disclosure requirements;
- performance of the Corporation's oil and gas exploration, production and development activities in respect of the Corporation's oil and gas reserves; and
- the health, safety and environmental practices and compliance with the applicable regulations of the Corporation.

The Reserves Committee should have a clear understanding with the independent qualified reserves evaluator(s) that the independent qualified reserves evaluator(s) must maintain an open and transparent relationship with the Reserves Committee and the Board, and that the ultimate accountability of the evaluator is to the Reserves Committee and the Board.

As the Corporation is a reporting issuer under applicable securities laws the Board adopts this Mandate for the Committee which reflects, among other things, compliance with stock exchange and legal requirements and guidelines for health, safety, and environmental and reserves practice and disclosure within the Corporation.

2. Composition

- (a) The Committee shall be composed of at least three individuals appointed by the Board from amongst its members. The Board shall appoint one member of the Committee as Chair of the Committee (the "**Chair**").
- (b) All members of the Committee shall be Board members who are not members of management of the Corporation ("**Management**"). Subject to certain exemptions that may be available under applicable securities legislation, all members of the Committee must be "independent", as defined in National Instrument 52-110 – *Audit Committees* (as amended or replaced from time to time) of the Canadian Securities Administrators, and NI 51-101.
- (c) Members of the Committee should have or obtain sufficient knowledge of oil and natural gas exploration and production operations and associated regulations and practices, as well as

reserves evaluation, to assist in providing advice and counsel on operations and reserves issues.

- (d) A member shall cease to be a member of the Committee upon ceasing to be a director of the Corporation or upon ceasing to be "independent".

3. Meetings

- (a) The Reserves Committee shall meet as deemed appropriate by the Chair. Timing of these meetings shall be scheduled to permit timely review of the annual (and if applicable, interim) independent qualified reserves evaluator(s) reports on the Corporation's reserves data, the Statement of Reserves Data and Other Oil and Gas Information and public disclosure in respect thereof, review of the annual capital and operating budget, and mid-year review of operations performance.
- (b) A quorum shall be a majority of the members of the Committee.
- (c) Effective agendas, with input from Management, shall be circulated to Committee members and relevant Management personnel along with background information on a timely basis prior to Committee meetings.
- (d) Minutes of each meeting shall be prepared.
- (e) The meetings and proceedings of the Reserves Committee shall be governed by the provisions of the by-laws of the Corporation that regulate meetings and proceedings of the Board.
- (f) The Reserves Committee may invite the Chief Executive Officer or his or her designate(s), such directors, officers or employees of the Corporation, the Corporation's independent qualified reserves evaluator(s) and any other independent external advisors or consultants as it may see fit, from time to time, to attend at its meetings and take part in the discussion and consideration of the matters being considered by the Committee.

4. Reporting/Authority

- (a) Following each meeting, the Chair will report to the Board and provide a summary of the meeting.
- (b) Copies of the minutes from all meetings, as well as information and supporting schedules reviewed and discussed by the Reserves Committee at any meeting shall be retained and made available for examination by the Board or any director upon request to the Chair.
- (c) The Committee shall have the authority to investigate any activity of the Corporation falling within the terms of this Mandate, and may request any employee of the Corporation to cooperate with any request made by the Committee.
- (d) The Committee may retain external persons having special expertise and obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation and approve the terms of retainer and the fees payable to such parties.

5. Duties & Responsibilities

(a) Reserves

Review annually:

- (i) the selection of an independent qualified reserves evaluator(s) to be appointed or re-appointed by Management and, in the case of any proposed change to the independent qualified reserves evaluator, determine the reason therefor and whether there have been any disputes with Management;
- (ii) the Corporation's procedures for providing information to the independent qualified reserves evaluator(s) for the purposes of its report on reserves data, contingent resources data or prospective resources data of the Corporation under NI 51-101, including any changes to the requests for information made by the evaluator(s);
- (iii) the Corporation's procedures relating to disclosure of information with respect to the operational and reserves aspects of the oil and gas activities of the Corporation, including its procedures for complying with the disclosure requirements and restrictions of NI 51-101;
- (iv) the reserves data and the report of the independent qualified reserves evaluator(s) thereon;
- (v) before approving the filing of reserves data, contingent resources data or prospective resources data and report of the independent qualified reserves evaluator(s), meet with Management and each of the independent reserves evaluator(s) including a meeting with the evaluator(s) "in camera" without Management present to:
 - (A) determine whether any restrictions affect the ability of the independent qualified reserves evaluator(s) to report on the reserves data, contingent resources data or prospective resources data of the Corporation without reservation; and
 - (B) review the reserves data, contingent resources data or prospective resources data and the report of the independent qualified reserves evaluator(s) or auditors thereon;
- (vi) any public disclosure or regulatory filings with respect to any reserves evaluation and related oil and gas activities, including annual filings and material change reports, and if appropriate make recommendations to the Board as to their approval for the release or filing thereof, including:
 - (A) the content and filing with the appropriate securities regulatory authorities of the "reserves data" and other information specified in Form 51-101F1 of NI 51-101;
 - (B) the filing of the report of the independent qualified reserves evaluator(s) in accordance with Form 51-101F2 of NI 51-101;
 - (C) the content and filing of the report of Management and directors of the Corporation in accordance with Form 51-101F3 of NI 51-101; and

(D) the content and filing of Form 51-101F4 of NI 51-101; and

(vii) at each scheduled meeting of the Committee, request a report from Management as to the Corporation's compliance with NI 51-101, including the Corporation's compliance with Part 5 and Part 6 of NI 51-101 entitled "Requirements Applicable to all Disclosure" and "Material Change Disclosure and Ceasing to Engage in Oil and Gas Activities", respectively.

(b) Operations

(i) Generally, act as the steward of the Corporation's operational performance, including the review of performance criteria and the making of recommendations to the Board with respect to performance matters. This shall include a quarterly review of production results, producing asset performance, capital development programs and operating costs.

(ii) Review annually, the Corporation's reclamation provisions in order to be satisfied that adequate funding will be available for the future abandonment and reclamation of all wells, plants and facilities, in conjunction with the annual reserves review.

(iii) Annually assess the technical and operating competence of the organization.

(c) Major Project Review

(i) Be satisfied that the Corporation has in place an adequate process to review all material major projects and capital investments in order to assess where value has been created and improve future decisions. Complete a quarterly review of such major projects as appropriate.

(d) Health, Safety & Environment ("HS&E")

Review, monitor and be satisfied of:

(i) the adequacy of the Corporation's HS&E policies and plans, including their content, implementation and performance monitoring;

(ii) the adequacy of the resources dedicated by Management to the training and supervision of employees, consultants and contractors;

(iii) the adequacy of procedures for reporting HS&E information associated with oil and gas exploration and production activities; and

(iv) the adequacy of the Corporation's Emergency Response Plan and state of readiness to respond to crisis situations, including its Crisis Communications Plan.

Review and monitor:

(i) any legal issues related to HS&E matters of the Corporation, in conjunction with legal counsel;

(ii) any reports and recommendations issued by Management or any external safety advisor relating to health and safety issues and compliance together with Management's response thereto;

- (iii) any reports and recommendations issued by Management or any external environmental consultant or contractor relating to environmental issues and compliance; together with Management's response thereto;
 - (iv) management's summaries, at least quarterly of the following:
 - (A) compliance with regulatory requirements and applicable legislation;
 - (B) HS&E performance of operations, physical sales and employee health and wellness at all Corporation locations;
 - (v) notices from Management and review any civil or criminal occupational health and safety or environmental proceedings, claims, orders, actions or government investigation contemplated or threatened against the Corporation;
 - (vi) notices from Management and review circumstances involving any Major Emergency, as defined in the Emergency Response Plan, reported by the Corporation.
- (e) **Environmental, Social and Governance ("ESG")**
- (i) Review, monitor and be satisfied with the Corporation's ESG related disclosures as they relate to the Corporation's production, reserves and exploration and development activities.
 - (ii) Review and monitor emerging trends, issues and regulations with respect to both workforce safety and environmental protection.
 - (iii) In collaboration with the Environmental, Social and Governance Management Steering Committee:
 - (A) identify and assess ESG related issues, trends and opportunities relevant to the Corporation's production, reserves and exploration and development activities; and
 - (B) identify and calculate key ESG related goals and targets for the Corporation relative to the Corporation's production, reserves and exploration and development activities.
 - (iv) Review the Corporation's annual ESG report in furtherance of executing on the Committee's duties and responsibilities set forth in this Mandate.

6. Reserves Committee Evaluation

Periodically, in conjunction with the Corporate Governance and Nominating Committee:

- (a) assess individual Reserves Committee member and Chair performance and evaluate the performance of the Committee as a whole, including its processes and effectiveness; and
- (b) develop and approve Reserves Committee member eligibility criteria, identify directors qualified to become Committee members and recommend appointments to and removals from the Reserves Committee.

7. Enterprise Risk Management ("ERM")

- (a) Review and assess the identification and management of ERM matters pertaining to the Reserves Committee.

8. Other Duties and Responsibilities

- (a) The Reserves Committee shall be available to meet with any member of Management or any employee of the Corporation who wishes to raise any concern with respect to conflicts of interest and ethical issues.
- (b) The responsibilities, practices and duties of the Reserves Committee outlined herein are not intended to be comprehensive. The Board may, from time to time, charge the Reserves Committee with the responsibility of reviewing items of an operational, reserves, resources, development, acquisition, divestment, or HS&E nature.
- (c) The Reserves Committee shall periodically report to the Board the results of reviews undertaken and any associated recommendations.
- (d) The Reserves Committee shall take the steps necessary to address and resolve all complaints reported to the Corporation and/or the Committee, as delegated by the Board of Directors, and in accordance with the Corporation's Whistleblower Policy.

9. 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.

10. Authorization

This Reserves Committee Mandate is hereby approved on behalf of the Board on this 25th day of August, 2010 as amended on November 9, 2011, November 13, 2013, November 2, 2015, October 4, 2017, February 7, 2019, February 4, 2021, and November 3, 2022.

Bob MacDougall
Chair of the HS&E and Reserves Committee
Parex Resources Inc.

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