

**Parex Resources Inc.**  
**Human Resources & Compensation 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 as the Human Resources and Compensation Committee (the "**Committee**").

In addition to any other duties and responsibilities specifically delegated to it by the Board, the Committee has the general responsibility for developing the Corporation's approach to matters concerning human resources and compensation and, from to time, will review and make recommendations to the Board as to such matters consistent with applicable regulatory requirements and guidelines.

The Committee will assist the Board in fulfilling its oversight responsibilities, by:

- monitoring, assessing and making recommendations regarding compensation, benefits, short and long-term incentive programs and employee retention programs to ensure the Corporation's compensation programs are competitive and that the Corporation is in a position to attract, motivate and retain the quality of personnel required to meet its business objectives;
- encouraging alignment between the tactical performance of the officers and the Corporation and the strategic objectives and goals of the Corporation; and
- establishing a process for identifying, recruiting and appointing officers of the Corporation.

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 disclosure of compensation practices.

**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.
- (c) Members of the Committee should have or obtain sufficient knowledge of the Corporation's business, operations, and risks as well as the objectives and goals as detailed in the Corporation's strategic plan as well as the Corporation's human resource policies, procedures and guidelines, including but not limited to benefit plans to assist in providing advice and counsel on human resource 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 Committee shall meet as deemed appropriate by the Chair, but in any event, no less than semi-annually. Special meetings may be convened as required upon the request of the Committee or the officers of the Corporation.
- (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 the Committee meetings.
- (d) Minutes of each meeting shall be prepared.
- (e) The meetings and proceedings of the Committee shall be governed by the provisions of the by-laws of the Corporation that regulate meetings and proceedings of the Board.
- (f) The Committee may invite such officers, directors and employees of the Corporation, any external advisors or consultants as it may see fit, from time to time, to attend 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 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, at the Corporation's expense, engage third parties retained by Management who possess special expertise necessary to fulfill its responsibilities. The Committee may also approve the terms of engagement and associated fees for such parties.

### **5. Duties and Responsibilities**

#### **(a) Executive Appointments and Compensation**

- (i) Review and, after having received input from the appropriate members of Management, recommend to the Board:
  - (A) appointments of the officers of the Corporation, including through internal promotions and new hires;

- (B) the approval of termination of the employment of, and severance arrangements for, officers;
  - (C) the approval of executives' (other than the Chief Executive Officer ("CEO")) annual compensation and benefits package and related terms of employment based on the executives' annual performance evaluations and any changes thereto, as well as competitive market data from third party sources for compensation of executives;
  - (D) the approval of annual compensation and benefits packages for the employees of the Corporation, employment contracts, and other related terms of employment, including the forms of incentive compensation payable; and
  - (E) overall budget salary increases for the Corporation's employees (including executives, other than the CEO), including cash compensation consisting of salary and bonuses, and any grants of securities under the Incentive Plans (as defined below) and the corporate performance goals and objectives relevant to such compensation.
- (ii) Review and recommend to the Board:
- (A) the approval of the CEO's annual compensation and benefits package and related terms of employment based on the CEO's annual performance evaluations and any changes thereto, as well as competitive compensation market data from third party sources;
  - (B) corporate performance goals and objectives relevant to the CEO's compensation;
- (iii) Review competitive market data from third party sources for compensation of directors and annually review the adequacy and form of directors' compensation and make recommendations relating to the director's compensation.
- (iv) Recommend to the Board the approval of incentive compensation to be paid under previously approved compensation policies, plan and programs.
- (v) Support compliance with regulatory requirements relating to Canadian labour and employment law, and other employment-related matters.
- (vi) Consider with Management and, if thought fit, endorse the engagement by the Corporation, from time to time, of an independent compensation consultant to advise Management and the Committee (either directly or indirectly via Management) on such human resources and compensation matters as determined by Management and the Committee, which may include:
- (A) executive compensation best practices and benchmarking;
  - (B) executive compensation program design and the elements of such program;

- (C) development of peer group recommendations;
- (D) regulatory changes in respect of executive compensation;
- (E) proxy advisory services in respect of executive compensation;
- (F) the Corporation's disclosure of executive compensation required pursuant to and in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* (as amended or replaced from time to time); and
- (G) director compensation benchmarking and best practices.

(vii) As required by the Board from time to time, review with Management succession planning for executives.

**(b) Human Resources**

- (i) Review human resource policies and procedures including recruitment, performance management, compensation, benefit programs, resignations/terminations, employee relations, corporate culture, diversity and inclusion, training and development, human rights best practices and organizational planning and design, and, as deemed appropriate by the Committee, work with Management with respect to the foregoing.
- (ii) Be responsible for ensuring that management builds the necessary capacity to train and develop its staff in support of the business strategy. Be responsible for having objectives in place against which the performance of the officers of the Corporation can be measured and assessed.

**(c) Incentive Plans**

- (i) Recommend to the Board:
  - (A) the approval of the terms of the Corporation's long and short-term incentive plans (collectively, "**Incentive Plans**") and any amendments thereto;
  - (B) approval of grants to be awarded under the Incentive Plans;
  - (C) the approval of corporate performance goals, objectives, measures and targets used to calculate annual bonus payments under the annual bonus plan; and
  - (D) the approval of the Payout Multiplier to be applied at the time of vesting of "performance" for applicable Incentive Plans.
- (ii) Review annually, the potential future liability and/or dilution to the Corporation of the outstanding grants under the Incentive Plans.

**(d) Disclosure**

- (i) Annually review, and recommend to the Board for approval, the Corporation's disclosure of executive compensation required pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* (as amended or replaced from time to time) and be responsible for overseeing the preparation of such documents to determine that they comply with applicable laws and regulation, including, without limitation, making sure that the Compensation Discussion and Analysis in the Corporation's annual management proxy circular includes, as applicable, disclosure relating to:
  - (A) the Committee's consideration of the risks associated with the Corporation's compensation policies and practices; and
  - (B) the name of and a summary of the mandate provided to any consultant engaged to assist the Committee in determining compensation for any of the Corporation's officers.

(e) **Performance Assessment**

- (i) Oversee the annual evaluation of the performance of Management as a whole, including its processes and effectiveness.
- (ii) Review annually with the CEO of the Corporation, the performance of the officers of the Corporation.

**6. Enterprise Risk Management ("ERM")**

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

**7. Other Duties and Responsibilities**

- (a) The responsibilities, practices and duties of the Committee outlined herein are not intended to be comprehensive. The Board may, from time to time, charge the Committee with the responsibility of reviewing items of a compensation disclosure, human resources, or executive development in nature.
- (b) The Committee shall periodically report to the Board the results of reviews undertaken and any associated recommendations.

**8. 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 verify that the Committee is achieving its purpose.

**Authorization**

This Committee Mandate is hereby approved on behalf of the Board this 30th day of October, 2009 as amended on November 9, 2011, November 13, 2013, November 2, 2015, October 4, 2017, February 7, 2019, February 4, 2021, August 3, 2022 and July 29, 2025.