



## **ANTI-MONEY LAUNDERING POLICY**

### **1. OBJECTIVE OF THE POLICY**

CGX Energy Inc. (the "Company" or "CGX") is committed to conducting its business in accordance with applicable law and the highest ethical standards. That commitment is reflected in our Code of Business Conduct and Ethics and in this Anti-Money Laundering Policy (the "Policy"), which is intended to provide guidance and procedures for compliance with Canada's Proceeds of Crime (Money Laundering) and Terrorist Financing Act ("PCMLTFA"), and the US Money Laundering Control Act as well as the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA Patriot Act").

There are laws throughout the world combating asset laundering and terrorist financing, including laws that apply to CGX's international activities. There are criminal as well as civil penalties for violations. Operational, legal and reputational risks can affect the competitiveness, productivity and sustainability of the Company. Therefore, it is necessary for the Company to adopt and implement appropriate measures to prevent its exposure to such risks. CGX is committed to compliance with anti-money laundering and terrorist financing laws.

This Policy provides guidelines applicable to operations of the Company in all jurisdictions where the Company has assets or operations, but in no way supersedes or replaces the legal and other requirements of the jurisdictions in which the Company operates. Currently, the Company operates in Canada, Guyana and the United States of America, and, where applicable, has established specific local compliance processes and systems (the "Local Systems") to prevent Asset Laundering and Terrorist Financing. In case of a conflict between this Policy and the Local Systems, within the jurisdictions of such Local Systems, the Local Systems shall prevail.

### **2. COMPLIANCE AND REPORTING**

This Policy applies to every CGX employee, including but not limited to senior executive and financial officers, and to members of the Board of Directors and reflects the standards to which CGX expects all people and entities providing work or services for CGX to adhere. All Agents, suppliers, consultants and other providers of goods and/or services (collectively, "Contractors") entering into agreements or arrangements with CGX entities are also required to comply with this policy as if they were CGX's employees in the course of their provision of goods and/or services to CGX or at CGX's discretion, to have and comply with their policy, which shall be appropriate in the circumstances.

Employees and Contractors are required to take all responsible steps to prevent a violation of this Policy, to identify and raise potential issues as soon as reasonably practicable, and to seek additional guidance when necessary. CGX Personnel who have any questions about this Policy are asked to contact CGX's AML Compliance Officer or senior management of the Company.



### **3. DEFINITIONS**

For the purposes of this Policy:

“Asset Laundering” consists of any act for, or attempt to channel (in almost any manner or through any means, including through sending, delivery, transfer, alteration, elimination, use, etc.) money or other assets for legitimate financial and economic circulation, or any property or product, that originates from criminal activities (such as bribery, trafficking of drugs and terrorism), with the intent of concealing or transforming the property or product.

“AML Compliance Officer” or “AMLCO” means the designated officer within the Company charged with ensuring that the Company conducts its business in full compliance with all national and international regulations pertaining to Company business. The AML Compliance Officer is responsible for implementing this Policy to mitigate the risk of Asset Laundering and Terrorist Financing.

“Terrorist Financing” is the act of channelling currency or monetary instruments, or providing or collecting goods, with the purpose of carrying out or facilitating terrorist activities, such as causing death or serious bodily harm by the use of violence, putting the life of an individual at risk, causing serious risk to the health or safety of the public, causing substantial property damage or causing serious disruption to essential services, facilities or systems.

### **4. COMPANY’S RESPONSIBILITIES AND BEST PRACTICES**

4.1. Company will maintain internal control systems and procedures designed to identify, evaluate and manage Asset Laundering and Terrorist Financing risks with an aim to prevent, deter and detect the risk of Asset Laundering and Terrorist Financing, and will appoint an Anti-Money Laundering Compliance Officer (AMLCO) responsible therefor.

4.2. The Company has implemented best practices in matters related to preventing Asset Laundering and Terrorist Financing, such as the following:

- 4.2.1. Establishing counterparty verification requirements.
- 4.2.2. Implementing transaction and property reporting requirements for certain ‘high risk’ transactions.
- 4.2.3. Maintaining detailed and accurate financial records of all transactions.
- 4.2.4. Performing special screenings for politically exposed persons and heads of international organizations.
- 4.2.5. Ensuring that all Personnel are well trained and able to effectively implement all elements of this Policy.



4.3. Company shall, when studying the possibility of establishing itself in a new market or offering a new product or service, identify all situations that can generate risks of Asset Laundering and Terrorist Financing and shall provide a report on such risks to senior management or the AMLCO, as appropriate, for their consideration.

4.4. Company shall ensure that management of the risk of Asset Laundering and Terrorist Financing shall always have precedence over the achievement of commercial goals for any risk classified by Company as being at a "high level" with regard to probability or impact.

4.5. Company shall not enter into contractual relationships with any party registered with any sanctions and terrorists lists in the jurisdictions where Company operates. Additionally, being included on the list of Specially Designated Nationals and Blocked Persons regularly published by the US Office of Foreign Assets Control, or the Canadian list published in the Regulations Establishing a List of Entities issued under the Criminal Code, or any other existing governmental list (which shall include reputable and generally available public information) related to Asset Laundering and Terrorist Financing, shall be a basis for rejecting or terminating a contractual relationship with any such party.

4.6. Company shall establish a process to identify those transactions that, due to their amount, characteristics or other elements could be classified as suspicious and report such activity to the AMLCO. In such cases, Company is not required to be certain that these suspicious transactions constitute criminal activity, nor to identify the specific violation that has occurred, or that the resources involved originate from Asset Laundering and Terrorist Financing activities.

4.7. In accordance with the nature of Company's operations and businesses and sale of products, Company shall not receive cash from its counterparties. It shall also only use cash as necessary for the execution of administrative work in the amounts and with the controls established by internal policies, through fixed funds.

4.8. Company shall keep confidential all information it collects from counterparties and shall only release it as a consequence of requests made in writing and specifically by competent authorities, and as authorized and required by applicable law.

4.9. Personnel shall keep confidential all information regarding requests, requirements and judicial inspections carried out by competent authorities. Personnel shall keep confidential any report made to appropriate authorities. Personnel shall not advise any counterparty that it has been reported. Failing to keep such requests confidential may constitute "tipping" under applicable Asset Laundering and Terrorist Financing laws and generate administrative and criminal sanctions for Personnel and the Company.

## **5. PERSONNEL RESPONSIBILITIES**

5.1. All Personnel must read, understand and comply with this Policy and any training or other information on the prevention of the risk of Asset Laundering and Terrorist Financing provided by Company.

5.2. All Personnel are responsible for the prevention, detection, and reporting of unusual, suspicious or attempted operations related to the risk of Asset Laundering and Terrorist Financing.



5.3. It is expected that Personnel shall apply professional judgement to determine what is reasonable and what is suspicious or abnormal under normal commercial circumstances.

5.4. All Personnel must: (i) not participate in activities they know or ought to know are related to the risk of Asset Laundering and Terrorist Financing; (ii) carry out a proper review based on risk and due diligence of all third parties related to the Corporation; (iii) not associate (directly or indirectly) with persons known to be involved in such schemes; and (iv) report immediately any illegal, suspicious or abnormal activity that may be related to Asset Laundering and Terrorist Financing.

5.5. If there is reason to believe or suspect that a breach of this Policy has occurred or has been attempted, or is likely to occur in the future, Personnel must promptly notify the AMLCO or senior management of the Company.

5.6. Company will ensure that no one suffers any retaliation (e.g., discrimination or unjust treatment, dismissal or other disciplinary action) as a result of refusing to participate in schemes related to the risk of Asset Laundering or Terrorist Financing, or because they reported a concern (in good faith) relating to potential acts of Asset Laundering or Terrorist Financing.

## **6. REPORTING**

6.1. If you believe that there has been a violation of this Policy or the Local Systems, or if you suspect any illegal, suspicious or abnormal activity that may be related to, or result in, Asset Laundering and Terrorist Financing, you must inform the AMLCO or senior management immediately.

## **7. PENALTIES**

7.1. The consequences of violating Anti-Asset Laundering and Terrorist Financing laws in any jurisdiction may be extremely serious, both for Company as well as for the individuals involved. Individuals may be personally liable for their violations and the potential consequences could include, but not be limited to, imprisonment, the imposition of significant fines, termination of employment, or denial of entry into certain countries. For Company, violations could result in significant fines, heightened regulatory scrutiny, being barred from operating in a jurisdiction, and serious damage to reputation.

7.2. All Personnel who violate this Policy shall be subject to disciplinary action up to and including termination of employment, in addition to other consequences under applicable laws.

7.3. Failure of any Contractor to comply with this Policy may result in the termination of the commercial and/or contractual relationship with the Contractor.



Approved on October 8<sup>th</sup>, 2018 by:

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Suresh Narine  
Executive Chairman  
CGX Energy Inc.

A handwritten signature in blue ink, appearing to read "Dennis Mills", written over a horizontal line.

Dennis Mills  
Director  
CGX Energy Inc.

A handwritten signature in black ink, appearing to read "Erik Lyngberg", written over a horizontal line.

Erik Lyngberg  
Director  
CGX Energy Inc.