



**ANTI-CORRUPTION AND ANTI-BRIBERY POLICY**  
**Guidelines for Compliance with Canada's Corruption**  
**of Foreign Public Officials Act and US Foreign Corrupt Practices**  
**Act,**

**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-Corruption and Anti-Bribery Policy (the "**Policy**"), which is intended to provide guidance and procedures for compliance with Canada's *Corruption of Foreign Public Officials Act* ("**CFPOA**") and the US Foreign Corrupt Practices Act, the Guyana Anti-money Laundering and countering the financing of terrorism Act 2009 and other related anti-corruption laws, rules and regulations including but not limited to the Canadian Extractive Sector Transparency Measures Act ("**ESTMA**").

There are laws throughout the world combating bribery and corruption, particularly with respect to government officials, including laws that apply to CGX's international activities. Three such laws are the CFPOA, FCPA and UKBA. Although the CFPOA and FCPA are laws of Canada and the United States respectively, such laws can apply to CGX anywhere in the world. Additionally, CGX's international activities may be subject to local anti-bribery and anti-corruption laws including the Guyana Anti-money Laundering and countering the financing of terrorism Act 2009 and any applicable amendments

CGX is committed to compliance with anti-bribery and anti-corruption laws. The Compliance with Anti-Corruption and Anti Bribery laws is intended to ensure that that CGX and all of its subsidiaries (collectively "**CGX**" or the "**Company**") does not seek or receive any improper advantage in the course of its business dealings and to ensure that all payments an expenses are properly recorded in our books and records.

**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 to. 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 Chief Financial Officer (the "**CFO**"), or any of the officers of the Company. Suspected violations of this Policy may be reported to CGX's CFO or CEO OR Executive Chairman or Audit Committee Chair.



### **3. BRIBERY AND CORRUPTION**

#### ***What is bribery and corruption?***

Corruption is the misuse of power by government officials or other parties for illegitimate private gain. Bribery is the offer, promise or provision, directly or indirectly, of a loan, reward, advantage or benefit of any kind to a person in a position of power to influence that person's conduct to obtain or retain an improper advantage.

Offers or agreements to pay a bribe are sufficient to constitute a violation of the CFPOA, even if the bribe is not accepted, it is never actually received, or the objective of the bribe is not achieved.

Bribery and corruption can take many forms, including the provision or acceptance of:

- cash payments;
- jobs or "consulting" relationships for the official or his or her family or friend
- stock options;
- commissions or kickbacks;
- investment opportunities;
- excessive gifts, entertainment or hospitality;
- payment of non-business-related or lavish travel expenses; or
- personal favours to the official or his or her family or friends.

There is no minimum value under the CFPOA, and even things of modest value can trigger a violation.

Corruption and bribery are never acceptable business practices. Employees and Agents are prohibited from offering, paying, promising or authorizing any bribe to any government official, either directly or indirectly.

#### ***Who are Government Officials?***

The CFPOA defines government officials ("foreign public officials" in the statute) broadly to include any appointed, elected, or honorary official or any employee of a government, of a government-owned or controlled company, or of a public international organization. The definition encompasses officials in all branches and at all levels of government: federal, state or local. A person does not cease to be a government official by purporting to act in a private capacity, or because he or she serves without compensation.



Government officials relevant to CGX's business include the following:

- government ministers and their staff members;
- judges;
- ambassadors;
- officials or employees of government departments and agencies including customs, immigration, environment, mines and other regulatory agencies;
- military and police personnel; and
- mayors, councilors or other members of local government.
- Politically Exposed Person generally defined as "Persons who are or have been entrusted with a prominent function by a state owned enterprise or an international organisation".

If you are not sure whether a person is a government official, please contact the CFO for further guidance.

Because benefits to close relatives, including spouses, children, parents or siblings, of a government official may be deemed by enforcement authorities as indirect benefits to a government official, any gift or entertainment provided to a close relative of a government official must comply with Sections 5 and 6 of this Policy. You must also consult with the CFO or CEO OR Executive Chairman before entering into any contract or transaction with a close relative of a government official or a company owned or controlled by a close relative of a government official.

#### **4. FACILITATION PAYMENTS**

A "Facilitation Payment" is a payment of minimal value made solely to expedite or secure the performance of a routine government action such as the issuance of a permit, license or other document to qualify a person to do business or the processing of official documents, such as visas and work permits. Under this Policy, even Facilitation Payments are prohibited.

#### **5. GIFTS TO GOVERNMENT OFFICIALS**

A reasonable gift may be provided to a government official in appropriate circumstances, but only if:

- there is a direct connection to a legitimate business or promotional activity or the performance of an existing contract;
- it is consistent with normal social or business customs in the official's country and with CGX's own business practices;
- it is provided in a transparent and open manner;



- the cost is reasonable; and
- it does not create a sense of obligation on the part of the recipient.

The provision to a government official of gifts or other benefits that do not meet those tests is prohibited, as are all gifts in the form of cash, stock or other negotiable instruments.

Any gift to a government official must be accurately accounted for and described in CGX records. The description should identify the nature of the gift, its value, the date it was given, and the identity of the recipient.

## **6. ENTERTAINMENT OF GOVERNMENT OFFICIALS**

The provision, directly or indirectly, of meals, entertainment, hospitality or any other benefit of any kind to a government official on a scale that might be perceived as creating an obligation on that official is prohibited.

In appropriate circumstances, reasonable meals, entertainment or other normal business hospitality may be provided to a government official, but only if:

- there is a direct connection to a legitimate business or promotional activity or the performance of an existing contract;
- it is consistent with normal social or business customs in the official's country and with CGX's own business practices;
- it is provided in a transparent and open manner;
- the cost is reasonable; and
- it does not create a sense of obligation on the part of the recipient.

When considering the reasonableness of the expense, consider the frequency with which such expenses are incurred for an official. Modest costs frequently incurred can, when aggregated, amount to lavish and potentially improper payments.

The provision of any meal, entertainment or other hospitality for a government official must be accurately accounted for and described in CGX's records. It must be accounted for in a separate expense report which identifies its value, the date it was provided, and the identity of the recipient.

## **7. POLITICAL CONTRIBUTIONS OR CHARITABLE CONTRIBUTIONS**

CGX's assets (including money, property or other things of value) may not be contributed or otherwise made available to any political candidate, party or committee.



CGX may, from time to time, make charitable contributions with the prior approval of the CFO or CEO OR Executive Chairman. All charitable contributions by or on behalf of CGX must be accounted for with supporting documentation, including a receipt or written acknowledgment of the donation from the recipient.

CGX, its Employees and Agents are prohibited from making contributions to any charity owned or controlled by a government official.

Employees and Agents may otherwise make contributions to charity with their own funds, but no such contributions will be reimbursed by CGX.

## **8. AVOIDING BRIBERY OF NON-GOVERNMENT PERSONNEL**

While the focus of this Policy is on avoiding bribery and corruption relating to government officials, bribery of non-government personnel is also illegal. Employees and Agents are prohibited from offering, paying, promising or authorizing any bribe to anyone else, including but not limited to non-government organizations, union officials, indigenous peoples, suppliers, off-takers or community leaders, whether directly or indirectly.

This Policy is not intended to discourage a reasonable expense incurred for building a relationship with non-government personnel, so long as:

- it is consistent with normal business customs in the host and recipient's country;
- it is provided in a transparent and open manner;
- the cost is reasonable;
- it is for a legitimate CGX business reason; and
- it does not create a sense of obligation on the part of the recipient.

All gifts in the form of cash, stock or other negotiable instruments are prohibited.

## **9. WHAT TO DO IN THE EVENT OF A REQUEST OR DEMAND FOR, OR OFFER OF, A BRIBE**

If anyone requests, demands or offers a bribe, you must decline, noting that CGX does not engage in bribery, and make a record of the request, demand or offer as soon as possible. The record should be marked "confidential" and promptly provided to the CFO or CEO OR Executive Chairman so that the CFO or CEO OR Executive Chairman can advise regarding the appropriate next steps.

## **10. AGENTS**

Association with an Agent who acts disreputably or illegally may cause CGX significant harm.



### ***Due Diligence on Agents***

Prior to entering into a business relationship with an Agent, a CGX employee (the “**Employee**”) must report the potential engagement in writing to the CFO or CEO OR Executive Chairman. No Agent may be engaged without the pre- approval of the CFO or CEO OR Executive Chairman.

The CFO or CEO OR Executive Chairman will direct due diligence on the Agent that addresses:

- the qualifications of the Agent;
- the services the Agent will provide;
- the compensation CGX will provide and the basis for believing that compensation is reasonable, given the Agent’s experience, the country where the services are to be performed, the expected results and the amount and difficulty of the work to be performed;
- information regarding the Agent's character, reputation and history of conducting business in an ethical and legal manner;
- the business and government affiliations of the Agent and his or her family and close associates;
- if the Agent is not an individual, its directors, officers and shareholders; and
- the propriety of the potential engagement under local law.

The process and extent of due diligence to be performed depends on the circumstances and will be determined by the CFO or Executive Chairman/CEO OR EXECUTIVE CHAIRMAN. After completing due diligence as appropriate, a written summary of the due diligence findings should be recorded. At a minimum, documentation obtained through due diligence should be preserved.

### ***Contracts with Agents***

CGX will only retain an Agent using a written agreement that defines the scope of the relationship and the compensation terms. All agreements with Agents will provide, among other things, that:

- the Agent represents that neither he, she or it, nor any of his, her or its owners, directors, principals or close relatives is a government official, and that he, she or it will promptly advise CGX of any change in that regard;
- the Agent commits to abide by this Policy and all applicable anti-corruption and anti-bribery laws as if he, she or it were an Employee;
- CGX has grounds to terminate the agreement if it has reasonable cause to believe that the Agent is violating or has violated any applicable anti-corruption or anti-bribery law; and
- CGX has the right to audit the Agent’s compliance with the agreement.



### **Managing Agents**

CGX will maintain a record of the names and contract terms for all Agents.

Payments made to any Agent must be appropriate remuneration for the legitimate services rendered, and must not:

- exceed the amount specified in the written agreement with the Agent;
- be paid in cash;
- be payable to any party other than the Agent at its normal place of business;
- be paid to a bank account different from the one specified in contractual documents; or
- reimburse the Agent for inappropriate or inappropriately documented expenses.

Employees responsible for engaging or working with Agents must regularly monitor the Agents' performance and conduct.

Contracts with Agents must not be extended or renewed without the approval of the CFO or Executive Chairman CEO OR EXECUTIVE CHAIRMAN and in compliance with the Company's Procurement Policy.

## **11. INTERNAL CONTROLS**

Management of CGX and each subsidiary will maintain a system of internal controls to facilitate compliance with this Policy, foster a culture of integrity and maintain high ethical standards throughout CGX.

## **12. BOOKS AND RECORDS**

CGX will maintain books and records that accurately reflect all transactions, use and disposition of assets, and other similar information. All Employees and Agents must ensure that:

- all gifts, hospitality, and other expenses are properly reported and recorded;
- any payment made on behalf of CGX is supported by appropriate documentation; and
- no Employees and Agents will create or help create any documents for concealing any improper activity.

In reviewing and approving expenses, or in the review of any books and records, any question which may arise in connection with this Policy is to be brought to the attention of the CFO or CEO OR EXECUTIVE CHAIRMAN or Executive Chairman.

## **13. COMMUNICATION OF THIS POLICY**

All Employees and Agents will be informed of this Policy. Copies of this Policy will be provided to



Employees and Agents directly and will also be posted, in English and Spanish, on CGX's website at [www.bluestonerresources.ca](http://www.bluestonerresources.ca). All Employees and Agents will be advised whenever significant changes are made to this Policy.

To ensure that Employees and Agents are aware of this Policy, a copy of this Policy will be distributed to all Employees and Agents who will be required to annually sign an acknowledgement that they have received, read, and will abide by the Policy. All Employees and Agents will be informed whenever significant changes have been made to this Policy. All new Employees and Agents will be provided with a copy of this Policy together with the *Code of Ethics* and advised of its importance. Any other stakeholders can refer to the Company website page for updated information on this Policy.

#### **14. TRAINING, CERTIFICATION AND POLICY UPDATES**

The CFO or CEO OR Executive Chairman will establish and conduct a suitable training program for all appropriate new or existing Employees and Agents on the compliance goals and requirements of this Policy and will maintain records documenting the date and content of the training and the names of those trained.

All directors and officers of CGX together with any Employees and Agents specified by the Audit Committee of the Board must provide annual certification of compliance with this Policy.

The CFO or CEO OR Executive Chairman will review this Policy and report to the Audit Committee on its effectiveness at least annually and will recommend updates of the Policy to the Board as necessary.

#### **15. REPORTING VIOLATIONS**

CGX expects all Employees and Agents to take steps to prevent a violation of this Policy, including identifying and raising potential issues before they lead to problems, and seeking additional guidance when necessary.

Employees and Agents who become aware of an actual or potential violation of this Policy must promptly report the matter to his supervisor, the CFO or CEO OR Executive Chairman or the Chair of the Audit Committee.

Employees and Agents may submit their concerns confidentially and, if desired, anonymously, in writing marked "Private and Confidential" to CGX Energy Inc, 333 Bay Street, Toronto, ON, Canada M5H.

Employees and Agents who raise concerns will not be subject to retaliation or disciplinary action. Retaliation by anyone for the making of a good faith report of a possible violation of the law or this Policy is prohibited and will result in disciplinary action, up to and including termination.

If Employees and Agent report the matter to a supervisor, that supervisor will immediately communicate the information to the CFO or CEO OR Executive Chairman. The CFO or CEO OR Executive Chairman, in turn,



will report all violations or potential violations of this Policy or applicable anti-corruption laws to the Audit Committee Chair, and the Audit Committee in consultation with the CFO or CEO OR Executive Chairman will determine the most appropriate method to investigate the substance of the claims and resolve the matter.

## 16. CONSEQUENCES OF VIOLATION

Acts by Employees and Agents in violation of this Policy or applicable laws relating to bribery and corruption, including the CFPOA, may damage CGX reputation and jeopardize its future business opportunities, expose CGX to scrutiny by regulatory bodies and make CGX complicit in any illegal acts.

Bribery and corruption are very serious offences, and corrupt behaviour by Employees and Agents could expose CGX and its Employees and Agents to criminal liability including significant fines and, in the case of individuals, imprisonment for up to 14 years.

Breaches of this Policy will be regarded by CGX as serious misconduct, which may lead to disciplinary action, up to and including termination of the employment or engagement of the Employee or Agent.

## 17. QUESTIONS

Any questions regarding this Policy should be directed by email to the CFO at [tmaraj@cgxenergy.com](mailto:tmaraj@cgxenergy.com)

Original approval date: October 8<sup>th</sup>, 2018

Approved by:

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Suresh Narine  
Executive Chairman  
CGX Energy Inc.

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

Erik Lyngberg  
Director  
CGX Energy Inc.