

## Anti-Bribery and Anti-Corruption Policy

### Objective

The objective of the Anti-Bribery and Anti-Corruption Policy (the “**Policy**”) is to communicate TAG Oil Ltd.’s (the “**Company**”) policy of compliance with all laws relating to the prevention of bribery and corruption and that the Company is committed to acting ethically and with integrity in all its business dealings and relationships. Additionally, to implement and enforce effective systems and controls to ensure bribery and corruption is not taking place anywhere within its business.

The Company is committed to conducting its business in an ethical manner and with honesty, integrity, and professionalism, and it expects all persons working for or with the Company to maintain these high standards in line with the Company’s policies and procedures. This commitment is enshrined within the Code of Business Conduct & Ethics.

This Policy concerns compliance with all laws and regulations of the jurisdictions in which the Company may operate that relate to the detection and prevention of bribery and corruption.

The Company has a zero-tolerance for bribery and corruption, regardless of the identity or position of the originator or recipient of the bribe or corrupt activity.

Failure to comply with this Policy can expose the Company to reputational damage and loss of business, as well as civil and criminal fines and penalties. Accordingly, under no circumstances may any business transactions be conducted in a manner contrary to this Policy.

### Scope and Application

This Policy applies to all of the Company’s employees, consultants, officers, and directors (collectively “**Employees**”). It also applies to individuals, companies, associations, partnerships, or other entities retained to act on behalf of or for the benefit of the Company (“**Third Parties**”).

The Company will only engage Third Parties who uphold the Company’s values and the principles of this Policy and where such Third Party does not have its own policy concerning the detection and prevention of bribery and corruption then it shall be an expectation that the Third Party will adhere to the principles of this Policy.

### Principles

#### Policy Prohibiting any Form of Bribery or Corruption

The engagement in and tolerance of all forms of bribery and/or corruption by Employees or Third Parties is strictly prohibited.

All persons to whom this Policy is applicable must be familiar with and must comply with all applicable anti-bribery and anti-corruption laws, which include ensuring the integrity of the Company’s books and records and financial reporting. Some examples of applicable anti-bribery and anti-corruption laws include Canada’s Corruption of Foreign Public Officials Act, the UK’s Bribery Act 2010 and the US’s Foreign Corrupt Practices Act 1977 (each as may be amended from time to time).

All persons to whom this Policy is applicable must act at all times with honesty and integrity and in accordance with ethical business practices.

Where local laws or regulations have stricter requirements, those laws supersede the requirements of this Policy.

### ***Bribery and Corruption***

“Bribery” is where a person, either directly or indirectly, promises, offers, gives, receives, agrees to receive, requests, or solicits anything of value to induce, influence or reward the actions of a person in government or in business for the improper performance of a function or activity or in order to obtain or retain business or obtain or retain an advantage in the conduct of business and knowing or believing that accepting or requesting the thing of value would be improper. Bribery includes facilitation or “grease” payments.

“Corruption” is typically defined as “the abuse of entrusted power for private gain” and may be grand, petty, active, or passive. It is typically illegal and includes bribery, theft, fraud, embezzlement, extortion, kick-backs, favoritism, abuse of discretion, clientelism, exploiting conflicts of interest, and improper political contributions or charitable donations.

The section below (Definitions), defines some of the important terms in these definitions of “bribery” and “corruption”.

### ***Definitions***

The following definitions are relevant to the definitions of “bribery” and “corruption” in the section above (Bribery and Corruption) and to this Policy:

“Anything of value” includes anything tangible or intangible, financial or not financial which provides a benefit or advantage to the recipient including but not limited to:

- Cash or cash equivalents
- Purchase of property or services at inflated or discounted prices
- Gifts (including jewellery, home improvements, etc.)
- Entertainment
- Hospitality (such as meals, hotel, tickets to sporting or cultural events)
- Travel (including an unnecessary layover), accommodation and local transportation costs
- Per diems
- Political contributions
- Charitable contributions
- Free use of company services, facilities or property
- Favours that are of value to the recipient (for example offering a job to a member of the person’s family)

“Books and records” include all data, digital or on paper that is used for or part of the bookkeeping and financial accounting and reporting of the Company.

“Cash or cash equivalents” means payment in currency or anything that is directly convertible to currency, including cheques, gift cards, vouchers, gold coins, equities, or other securities.

“Facilitation payment” or “grease payment” is a payment of money or money’s worth to secure, facilitate or speed-up a routine, non-discretionary government action (such as obtaining visas, permits, inspections, customs authorizations, supply of utilities, etc.). To avoid any misunderstanding, a facilitation or grease payment is bribery and is therefore prohibited by this Policy.

“Gift” may include (other than entertainment) something of value or not, such as merchandise, free goods, wine, spirits, food, vacations, trips.

An “Intermediary” is, for the purpose of this Policy, described as any person or entity (for example but without limitation, agents, consultants, representatives, brokers, or lobbyists) who is put in contact with or in between the Company and a commercial counterparty for business activities or is understood to be, or who may be seen by other as, representing the Company or acting as a conduit between the Company and a commercial counterparty for business activities. Reference to “commercial counterparties” in the proceedings sentence includes suppliers of goods and services to the Company as well as purchasers of the Company services or potential counterparties to the Company in a transaction.

“Kick-back” is typically a payment made in return for a business favour or advantage and can include cash or cash equivalents, including discounts or other types of cash incentives.

“Public Official” or “Public Officials” includes elected or appointed officials, national, local or municipal government employees (includes anyone holding a legislative, administrative or judicial position of any kind), anyone acting in an official capacity or exercising a public function for or on behalf of any government or its instrumentality, royalty and members of the royal family, political parties or their officials or candidates for public office, employees or public international organizations (such as the UN or the World Bank), anyone working for state or nationally owned or controlled companies (including national oil companies) which includes employees of private companies that are state owned or state-controlled, or anyone else categorized as a government official under local law.

A “state-owned enterprise” is any organ or instrumentality of the government. If the government exercises substantial control over a company, the company must be considered an instrumentality even if some portion of the company’s shares are owned by other entities or are publicly owned.

“Travel” includes flights, train journeys, car rental, travel by boat or ship (but does not necessarily include the purchase of a local bus ticket or short taxi ride), and “accommodation” include lodging of any kind including hotels, bed and breakfast establishments, and private homes.

### **Accepting or Providing Gifts and Hospitality**

There may be occasions where the acceptance and the provision of gifts and hospitality is recognized as an appropriate way of developing business relationships and promoting the Company or simply as a common business courtesy. However, the offering and/or receipt of gifts and hospitality must not be improper or give rise to even an appearance of impropriety.

Considering that it may sometimes be difficult to distinguish between authentic gifts and hospitality, and gifts and hospitality made with the objective to influence its beneficially the Company requires its Employees to apply the following general principles.

Gifts and hospitality may be accepted or offered if:

- It is permitted by the laws, rules, regulations and policies applicable to the non-Company person(s) (i.e. a person who is not an Employee or Third Party) offering or receiving the gift or hospitality; and
- It does not violate any anti-bribery laws, other applicable laws, or the policies of the Company; and
- It does not constitute, and cannot reasonably be perceived as constituting, an improper inducement, improper benefit, or advantage; and
- It does not compromise, and cannot reasonably be perceived as compromising, the receiver's judgment, integrity, or impartiality; and
- The giving of: (i) a gift or hospitality to a third party; or (ii) a gift or hospitality of any value to a Public Official is approved in advance and in writing by the Company's Chief Executive Officer ("CEO"); and
- The receipt of any gift or hospitality is approved by the relevant line manager prior to acceptance and, in the case of the CEO, Chief Financial Officer ("CFO"), and Executive Chairman ("Chair"), the following approvals are required:
  - Chair - approval by the CFO and CEO;
  - CEO - approval by the Chair; and
  - CFO - approval by the CEO.

### **Sponsorships or Charitable Donations**

Employees wishing to:

- Sponsor events or activities organized or attended by any Third Parties or potential business prospects; or
- Make a charitable donation to a charity connected with any Third Party or potential business prospects;

must follow the same general principles and approval procedures as set out above in respect of accepting or providing gifts or hospitality.

### **Dealings with Public Officials**

Gifts, hospitality, or sponsorships to Public Officials should only be offered in very limited circumstances and only where:

- It is permitted by the laws, rules, regulations, and policies applicable to the relevant Public Official(s); and

- It does not violate any anti-bribery laws, other applicable laws, or the policies of the Company and must follow the approval procedures as set out above in respect of accepting or providing gifts or hospitality; and
- It does not constitute, and cannot reasonably be perceived as constituting, an improper inducement, improper benefit, or advantage; and
- It does not compromise, and cannot reasonably be perceived as compromising, the receiver's judgment, integrity, or impartiality.

### **Provision of Political Contributions, Donations, or Sponsorships**

The Company does not permit political contributions by, through or on behalf of the Company, either directly or indirectly (including via a charitable donation or a sponsorship), or in cash or cash equivalents, which includes anything of value such as, for example, use of an office meeting room or other Company facilities or Company vehicles. This is primarily to ensure the Company retains its independence but is also designed to avoid allegations of improper political contributions being directed against the Company.

Nothing in this Policy prevents Employees from making political contributions or engaging in political activity in a personal capacity.

### **Intermediaries and Third Parties**

An Intermediary, Third Party or any other person engaged to represent or provide a service to the Company is not permitted to do anything that the Company, or any other person to whom this Policy applies, is not permitted to do themselves. Accordingly, an Intermediary or Third Party is prohibited from engaging in any bribery, corruption, or improper conduct on behalf of, in relation to, in connection with, or arising out of its relationship with the Company.

To protect and uphold the Company's reputation, where an Intermediary, Third Party, supplier, partner, client, or customer is found to have, or there is credible evidence or belief that such person has, been engaged in or associated with bribery, corruption or improper conduct, whether in relation to any the Company or non-Company activities, the Company shall take appropriate actions to suspend immediately or terminate all arrangements with that person.

### **Engaging with Intermediaries**

Engaging an Intermediary should be by exception only, after appropriate due diligence and confirmation of the Intermediary's commitment to comply with all applicable anti-bribery and anti-corruption laws, after a scope of work and an Intermediary monitoring and management program has been prepared, and only following prior approval of the Company's board of directors (the "**Board of Directors**").

Engaging with an Intermediary retained by a potential or actual commercial counterparty should be with caution and only after appropriate engagement directly with the proposed or actual commercial counterparty has clarified the nature and purpose of the Intermediary's arrangement.

### **Financial and Accounting Books and Records**

To prevent the Company's books, records, and accounts from being used in furtherance of bribery or corruption, or concealing such bribery or corruption:

- Books, records, and accounts must be kept in reasonable detail to reflect transactions and dispositions of assets accurately and fairly, irrespective of the amount, and made available to external auditors; and
- A system of internal accounting controls must be maintained to provide reasonable assurances that:
  - Transactions are executed in accordance with management's general or specific authorization;
  - Transactions are recorded as necessary, to permit preparation of financial statements in conformity with generally accepted accounting principles of other analogous criteria applicable to such statements, and to maintain accountability for assets;
  - Access to assets is permitted only in accordance with managements' general or specific authorization; and
  - The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

### **Breach of this Policy**

Breaches of this Policy will not be tolerated. The Company may conduct audits and investigations of its operations, Employees, and Third Parties to ensure its business is being conducted in compliance with applicable law and regulations.

Failure to comply with the laws and regulations concerning the detection and prevention of bribery and corruption could result in severe penalties for the Company, including financial penalties, negative publicity, loss of business, and legal action.

Employees who fail to comply with this Policy may be subject to disciplinary actions, including immediate dismissal. Third Parties may be subject to immediate contract termination and claims for damages and recovery of any associated costs, expenses, fines, or penalties.

Alongside disciplinary actions, Employees and Third Parties who fail to comply with this Policy may be subject to criminal prosecution or civil litigation. If criminal activity is identified the Company may contact and assist relevant law enforcement authorities.

### **Review of Policy**

This Policy has been reviewed and approved by the Board of Directors and may be reviewed and updated periodically by the Board of Directors. Any amendments to this Policy shall be subject to approval by the Board of Directors.

### **Contact**

Any person who has a question or concern regarding bribery and corruption should discuss the matter with the CEO or by sending an email to [speakup@tagoil.com](mailto:speakup@tagoil.com).

### **Related Policies**

- Code of Business Conduct and Ethics