



MGE

**FRAMEWORK FOR
THE UPSTREAM EXCELLENCE
MANAGEMENT MODEL**

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MESSAGE FROM THE UPSTREAM MANAGING DIRECTOR (UMD)



We have designed and implemented a robust and efficient framework to manage **Excellence in Upstream**, which positions Pan American Energy as a leading company in the industry, not only because of what we do, but because of what we believe. **The result of these efforts is reflected in improved operational practices which protect our human capital and add value to our assets.**

The challenging objective we have before us is to take the best decisions possible and implement them with optimum levels of effectiveness and efficiency, ensuring the safety of the people, the environment, and respect for all interested parties.

We need to strengthen our culture, values and sense of leadership as operators, safeguarding the quality of our strategic, tactical and operational decisions, which are based on sound criteria and analysis.

To this end, we need to reinforce our mission-critical processes and do so in an agile, flexible and effective way by using excellence as the basis to manage our projects.

Another motivating cultural process that drives our success is the way we manage knowledge to capture and maximize the valuable lessons we have gained through experience in an organized, systematic and comprehensive way.

I trust in your renewed commitment and effort to comply with, share and constantly improve our **Excellent Management Model (MGE)**.

All those of us from the Upstream area are the key people responsible for holding Excellence in the highest regard and for the outstanding results of our operations.

FAUSTO CARETTA
Upstream Managing Director

1. INTRODUCTION

Our Excellence Management Model (MGE) provides the systematic and comprehensive framework that is necessary **for achieving high levels of effectiveness, efficiency and quality in all aspects of the Company.**

It is based on the idea that excellence does not happen randomly. On the contrary, excellence is the direct result of implementing challenging and ambitious management practices, where **transparent communication and the commitment of all** members of the organization play an essential role.

The Excellence Management Model (MGE) consists of a set of Elements, which define the Expectations that all Upstream areas should meet. These Expectations shape the way in which we conduct business and make up **our culture** at Pan American Energy (PAE).

The MGE is in line with our corporate Policies and current laws applicable to the areas where we operate.



1. INTRODUCTION

→ THE ROLE OF THE MGE

All MGE Elements internalize **our commitment to Excellence at PAE**. We find support to fulfill this commitment in ongoing improvement, innovation and technology, leadership, organization, and mainly from all the people who belong to our company. In this respect, the MGE:

- **Translates our commitment**, values, and strategic goals into a set of Expectations that help us manage our operations in a sustained, consistent, and integrated way.
- **It fosters equality, inclusion, diversity, and a sense of belonging** benefiting people and acting as a guide to promote their personal and professional development.
- **Channels the development of Management Systems**, ensuring that our changing business needs are met.
- Helps **identify areas for improvement** and provides a framework to manage them systematically to able to promote a more efficient use of resources, operate in a reliable and sustainable way, minimize environmental impacts, and manage risks.
- **Coordinates all the areas** in the Organization by aligning efforts to achieve the strategic goals and reinforce our development.
- **Promotes change** as a driver of Excellence by naturalizing continuous improvement cycles.

→ MGE-RELATED RESPONSIBILITIES

To meet the MGE goals, the Company expects:

- **Employees at all levels of the Organization** to understand the spirit of the MGE, meet the relevant Expectations and participate in the Continuous Improvement cycle.

- **Middle Managers** to promote through leadership, guide and supervise such compliance within their respective departments.

- **Senior Management** at each area to develop, enforce and improve its processes based on self-assessment results.

- The **MGE Governance Department** to evaluate the Performance of the MGE and strive to improve it.

→ THE CHALLENGE OF ACHIEVING EXCELLENCE

At PAE, **Excellence** means a high-performance standard under which all actions are consistent with the Company's strategic goals, and we are all expected to act ethically and professionally and be accountable for our own actions.

It embodies our challenge, because **Excellence** has to do with **cultivating our talent**; it is a commitment we make that **encourages us to work hard every single day and that motivates us** to fulfill our **personal and professional dreams**.

The pursuit of Excellence requires a **clear understanding of the Organization's values** and business objectives and entails ongoing efforts to meet the **Expectations** defined and continuously further the practice of **Continuous Improvement**. We assess our performance in accordance with the MGE and develop actions to bridge any spotted gaps looking to maintain high standards of compliance and adherence.

Thus, **Excellence** is emphasized in Our Culture as a characteristic through which we promote values, behaviors, and standards, encourage our leaders to be proactive and lead by example, and seek to continuously improve individual and collective skills with the purpose of maximize their commitment and its impact on the Organization's value chain.

2. CONCEPTUAL BASIS

→ WHAT IS A MANAGEMENT SYSTEM?

A Management System (MS) is a set of inter-related Elements in an organization or Elements which interact in line with corporate policies to define objectives and processes.

MS Elements refers to organizational structure, roles, responsibilities, planning and operation, and performance assessment and improvement. These systems can be variable in scope. They may include one or several areas in the Organization, as well as specific and identified roles in certain areas.

The Excellence Management Model (MGE) defines the Expectations that are to be met through the implementation of Management Systems. Consequently, the performance of the strategic goals (SGs) will also be evaluated according to the degree of compliance with the MGE Expectations. Based on to the gaps found, adjustments should be made to ensure the completion of the Continuous Improvement cycle.

→ RISK-BASED MANAGEMENT

The treatment of risks and opportunities is the basis to increase MS efficiency and proper operation to attain positive results. Risk-based Management determines the factors that could cause processes and Management Systems to stray from the expected goals.

Moreover, it can be applied, at any time, at all levels of the Organization, including projects, processes, and specific roles.

To address ongoing evolution and the complexity of risks, the following actions should be taken at the same time:

- **Updates:** Develop skills to assess **complex emerging risks**, including cyber security and ESG technologies and risks, to ensure a holistic risk measurement and monitoring approach is taken.

- **Technology:** Leverage the use of technology to consolidate data, develop advanced monitoring systems, and increase automation.

- **Centralization and Agile Structure:** Centralize to improve risk governance, while adopting agile structures that can **leverage internal** and external **experience** and **make the right decisions**.

→ PROCESS-BASED MANAGEMENT

Process-based Management conceives the Organization as a set of interrelated and managed processes to achieve Excellence. By identifying and understanding the processes and their interactions, all areas of the Organization can focus their efforts on the achievement of goals.

The value of implementing a Process-based Approach:

1. It formalizes activities and makes them more transparent, supporting decision-making and fostering better management.
2. It makes process assessment easier in terms of added value for the business.
3. It defines responsibilities and thus encourages people to participate.
4. It facilitates process understanding and integration so that they are consistent with the achievement of strategic goals and Expectations.

2. CONCEPTUAL BASIS

→ CONTINUOUS IMPROVEMENT

Continuous Improvement is a work philosophy whereby efforts are maintained in a sustained and orderly fashion to optimize resources and ensure sustainable performance.

To understand the **Continuous Improvement** cycles, we have to focus on three characteristics:

- **They are flexible:** Both the cycle time and the resources used are adjusted to the opportunities identified. They can be used to address small initiatives that result in greater benefits or big initiatives that result in considerable progress.
- **They are iterative:** They propose successive actions, with each action reinforcing the next one. This recurrence should leverage the lessons learned from previous cycles and foster further learning.
- **They are collaborative:** They feed on empowerment at all levels of the Organization to challenge existing ways of working, implement new solutions and improve our competitiveness, safety, and efficiency.

The implementation of the Continuous Improvement cycle to pursue Excellence is intended to guide efforts looking to promote better adherence to MGE Expectations, help manage it and ensure its relevance with respect to the company's strategic objectives. Each area of the Organization is expected to apply the Continuous Improvement cycle.

To align these efforts and develop synergy between them, the MGE requires the application of an improvement cycle comprised of the following steps:



1. Assessment: Identifying opportunities for improvement and potential gaps between operations and expectations, setting priorities and defining the actions required to bridge such gaps.

2. Planning: Arranging the implementation of the actions defined and the applicable control mechanisms.

3. Implementation: Conducting the actions defined according to the plans developed.

4. Control: Determining the level of effectiveness of the actions implemented and the level of compliance with the plans previously developed.

5. Review: Senior Management is responsible for making regular reviews with the purpose of analyze process performance and identify opportunities for improvement.

3. MGE ORGANIZATION

The MGE consists of **73 Expectations** that are organized in groups of **10 Elements**, each of which is described by a specific **Principle**.

→ MGE STRUCTURE

The MGE is built around the concept of Excellence as a challenge to meet, surrounded by two layers of Elements. Each Element represents a particularly important aspect for business development. The scope of each Element is captured in the associated Principles, which are a non-comprehensive summary of the Expectations included in each Element. In the absence of specific Expectations, the Principles can support decision-making processes.

- **Driving Elements (3):** These are the drivers of Excellence, which serve as the basis to develop the remaining Elements. They include People, Leadership and Organization.
- **Facilitating Elements (7):** These are the key elements that pave the way for Excellence.

The definition of layers, Driving and Facilitating Elements, helps prioritize Elements. Each Element is an independent, non-relational area of relevance. The cross-cutting nature of the Elements means that they apply to different areas of the Organization.

The Expectations describe the MGE Requirements and reflect the Vision and needs of PAE's Upstream business.

→ THE MODEL'S DNA

- The MGE should be **flexible to meet our business needs**, and these needs will be adjusted to the changing context in which it is implemented. The MGE structure provides an agile framework so that Elements can be redefined without rebuilding the model.
- The MGE structure shows **the cross-cutting nature** of key business aspects, recognizing that Excellence calls for the joint effort of all the areas of the Organization.
- It provides guidance to **channel the efforts**, focusing first on the Driving Elements, which will reinforce the development actions defined by the Facilitating Elements.
- The Expectations are aimed at being **functional** to guide the **Continuous Improvement and Self-Assessment** process. They are clearly defined to be able to quantify the level of compliance.
- All the Elements reflect **Our Values and Culture**, how we operate, our commitments and the way in which challenges are addressed.

3. MGE ORGANIZATION

PEOPLE

Attract and retain talent, i.e., people with the required individual and collective competencies, by providing an inclusive, safe, and respectful work environment that promotes employee performance excellence and personal and professional growth.

LEADERSHIP

Inspire, embody, convey, and promote our Culture, ultimately encouraging collaborators and teams to commit to the proactive and systematic search for Excellence.

ORGANIZATION

Define the organizational structure and the processes with the potential to promote the achievement of the strategic goals and the optimal management of financial resources, materials, information, and human capital.

TECHNOLOGY, INNOVATION AND CONTINUOUS IMPROVEMENT

Promoting a work culture where technology, innovation, and continuous improvement facilitates updating and turning the value chain into more profitable, sustainable, and efficient business models, ensuring the dissemination of good practices.

SUSTAINABILITY

Promote a culture of sustainable activities and operations planning and execution in the framework of active interaction with the interested parties, through responsible interaction with the environment and people, the efficient use of resources and the strict observance of applicable standards and laws in all our business areas.

RISKS

Identify hazards, assess, prioritize, and manage risks that could affect operations and workspaces as a mechanism to safeguard people, the environment, information, assets, and corporate reputation, by means of established processes that protect the company in the event of a crisis or an interruption of business.

SAFETY

Promote a safe and healthy work environment for the Staff by minimizing risks that could affect the Organization's people, production processes, and physical and digital assets.

ASSETS

Ensure the appropriate management of assets during their life cycle, in accordance with the required quality, safety, integrity, reliability and efficiency standards, minimizing risks and ensuring the identification of opportunities for improvement.

CONTRACTORS AND SUPPLIERS

Ensure value chain continuity through the selection, assessment, monitoring and development of contractors and suppliers.

INTERNAL AND EXTERNAL PROCESSES

Identify, assess, and implement actions to improve the experience for all organizational areas and external users, meet all the agreed requirements, and ensure effective communication and the compliance of the relevant parties, based on reliable information about their needs, expectations and degree of satisfaction.

4. MGE GOVERNANCE

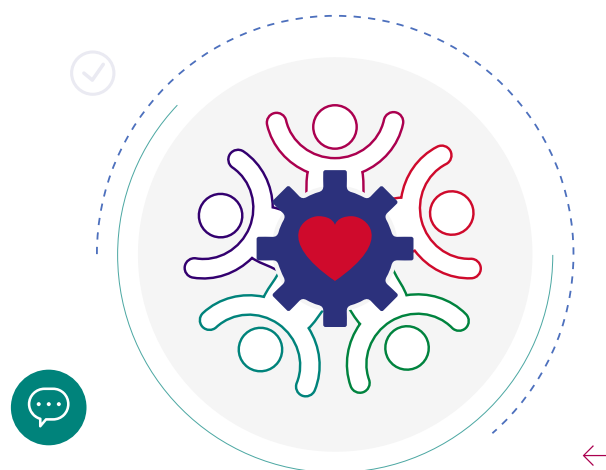
The MGE Governance Department, whose members are appointed by the UMD, assesses performance, and promotes the improvement of the MGE. **The MGE Governance Department's main responsibilities are as follows:**

- Ensure the compatibility between the MGE and the Company's Vision, policies, and strategic goals.
- Evaluate the performance of every area vis-à-vis the MGE, requesting reports or conducting audits.
- Promote the communication, understanding and compliance of MGE Expectations by using multimedia and providing advice.
- Identify and request adjustments to meet MGE Expectations, standardize management processes and operational practices, or develop links between different processes.
- Ensure access to the Organization's resources for successful MGE implementation.
- Suggest improvements, keep MGE documents updated and communicate any changes.
- Regulate the implementation, assessment, and improvement of the MGE.

5. MGE ELEMENTS AND EXPECTATIONS

- **Element 1** People
- **Element 2** Leadership
- **Element 3** Organization
- **Element 4** Technology, Innovation and Continuous Improvement
- **Element 5** Sustainability
- **Element 6** Risks
- **Element 7** Safety
- **Element 8** Assets
- **Element 9** Contractors and Suppliers
- **Element 10** Internal and External Processes

PRINCIPLE. Attract and retain talent, i.e., people with the required individual and collective competencies, by providing an inclusive, safe, and respectful work environment that promotes employee performance excellence and personal and professional growth.



→ EXPECTATIONS

All areas of the Organization are expected to:

1.1. Define, document, and regularly update the descriptions of roles and responsibilities, including the required competencies according to the Organization's context to enforce them where applicable.

1.2. Assess staff competencies and performance, including their understanding of and compliance with the Expectations, and identify strengths and development opportunities.

1.3. Plan and manage the implementation of the required actions to bridge any identified gaps, while proposing a development plan for the next period based on the Organization's needs and the employees' potential skills to perform such actions.

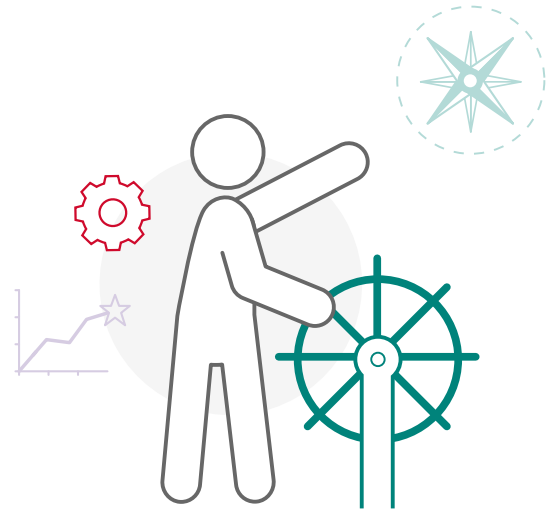
1.4. Manage and document all the actions formally defined that will allow employees to self-manage their own development, so that they have a positive impact on business evolution and continuity.

1.5. Define and implement recruitment programs to ensure the attraction, onboarding, loyalty, and commitment of the required talent in order to meet the Organization's strategic goals, while allowing the company to gain positive brand positioning as an employer in the energy sector.

1.6. Promote the consolidation of diverse and inclusive work groups that encourage equal opportunities and respect for everyone's decisions, helping improve the Organization's work environment.

LEADERSHIP

PRINCIPLE. Inspire, embody, convey, and promote our Culture, ultimately encouraging collaborators and teams to commit to the proactive and systematic search for Excellence.



→ EXPECTATIONS

Leaders are expected to:

2.1. Develop, communicate, manage, and conduct a follow-up assessment of an annual strategic plan that is in line with the Organization's vision, considering:

- Main goals and actions
- Definition and assignment of roles and responsibilities
- Main human, material, and financial resources
- Control and monitoring mechanisms
- Other relevant aspects

2.2. Promote a work environment that is based on respect for people's rights, inclusion, diversity and equity for all, which encourages smooth and multi-directional communication and feedback, so that people can propose ideas, point out opportunities for improvement or express their concerns with the confidence that they will be listened to.

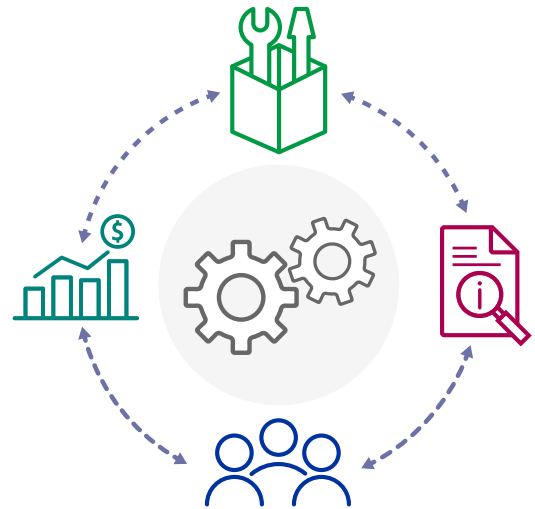
2.3. Manage and strengthen the comprehensive performance of teams, internal contributors, and contractors, verifying that the required information and tools are available to them and promoting the development of collective and individual skills.

2.4. Request feedback on the performance of employees and contractors under their leadership, analyze the assessments and opinions, and identify opportunities for improvement.

2.5. Promote delegation processes looking to build more autonomous teams that will facilitate agile and secure decision-making.

ORGANIZATION

PRINCIPLE. Define the organizational structure and the processes with the potential to promote the achievement of the strategic goals and the optimal management of financial resources, materials, information, and human capital.



→ EXPECTATIONS

Based on contextual considerations, all areas of the Organization are expected to:

3.1. Design a flexible Organizational Structure that is compatible with present or future strategic goals, considering the risks, opportunities for improvement and innovation and understanding of the internal and external context where the company operates.

3.2. Ensure that Management Systems (MSs) are effectively communicated and developed considering the interrelation of key processes across every area of the Organization.

3.3. Promote processes to identify management of improvement, innovation, and technology initiatives by adopting organizational models, roles and teams that facilitate their agile assessment, prioritization, and eventual implementation.

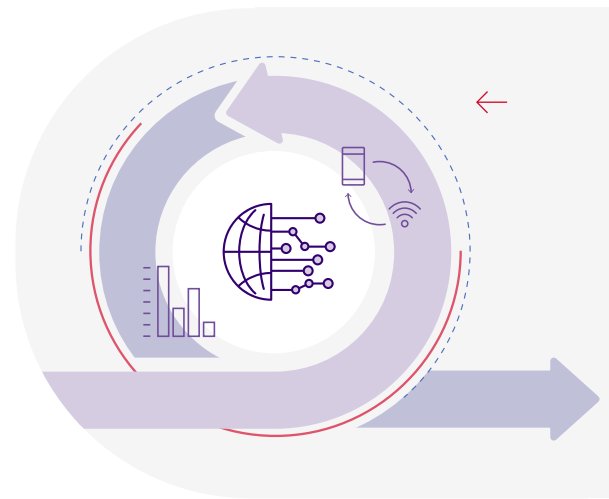
3.4. Manage the resources required to achieve the strategic goals efficiently, addressing any associated risks and opportunities.

3.5. Set up a document management mechanism and apply processes to keep all documents required for operations accessible and updated, including the necessary actions to preserve their confidentiality and prevent unauthorized access, tampering, and improper use and/or disclosure.

3.6. Promote processes, work methodologies and environments to facilitate the development, access and dissemination of lessons learned and best practices attained by the Organization, both internally and externally, by fostering the exchange of ideas and recognizing the value of individual and collective knowledge.

TECHNOLOGY, INNOVATION AND CONTINUOUS IMPROVEMENT

PRINCIPLE. Promote an organizational culture where technology, innovation, and continuous improvement facilitate updates and turn the value chain into more profitable, sustainable, and efficient business models, ensuring the dissemination of good practices.



→ EXPECTATIONS

All areas of the Organization are expected to:

- 4.1.** Encourage participation in innovation and technology ecosystems in order to gain access to new insights and industry trends and facilitate the transfer of knowledge to the Organization.
- 4.2.** Define a portfolio of innovation and technology initiatives, ensuring they are compatible with the Organization's strategy, and describe opportunities, types of innovations and resources involved.
- 4.3.** Promote a participation and experimentation driven Culture by developing mechanisms for capturing and following up on ideas in order to simplify activities and/or meet any identified needs.
- 4.4.** Define criteria and deploy follow-up and monitoring mechanisms for the implementation of ideas and technology, and measure efficiency and outcomes.

4.5. Identify, evaluate, and document any potential gaps between current MGE performance and expectations, prioritize them according to risk, necessary resources, and potential value, and define any required actions to address such gaps.

4.6. Set up assessment programs, internal and/or external audits, proactive participation, claim or feedback channels, and reviews by the management in order to evaluate the degree of compliance with management systems, recording issues and opportunities for improvement.

4.7. Plan and implement the required actions based on the gaps identified with the MGE, assessments, audits, and management reviews, and monitor their effectiveness, results, and progress.

4.8. Set out relevant performance indicators for their specific action area, including objective, description, calculation formula (if applicable), benchmark values, measurement frequency, execution roles and responsibilities.

SUSTAINABILITY

PRINCIPLE. Promote a culture of sustainable activities and operations planning and execution in the framework of active interaction with the interested parties, through responsible interaction with the environment and people, the efficient use of resources and the strict observance of applicable standards and laws in all our business areas.

→ EXPECTATIONS

All areas of the Organization are expected to:

5.1. Define, execute, and monitor action plans regarding energy efficiency and responsible use of energy, in order to improve energy performance.

5.2. Identify and document the applicable regulatory and legal requirements and communicate them to those in charge of their enforcement.

5.3. Monitor legal compliance in all activities of the Organization and report such compliance to the appropriate levels.

5.4. Promote the understanding of and adherence to ethics, code of conduct and integrity models and standards, providing all the Staff with the necessary tools and competencies for the transparent and responsible execution of processes and tasks.

5.5. Manage the environmental performance of operations by means of actions or programs that include rational use of natural resources and control of greenhouse gas emissions, investigating any incident which could impact the Organization's environmental performance and/or the safety of the relevant communities and other stakeholders.

5.6. Manage the preventive monitoring of the main environmental and social variables, as well as their interaction with the Company's operations.

5.7. Promote cultural, historical, religious, archaeological and/or environmental heritage preservation actions by avoiding and/or minimizing the potential impact of the Organization's operations on its environment, educating, and training the Staff on prevention and plan of action in the event of public interest conflicts that could affect the Company's reputation and Social License to operate.

5.8. Define, plan, execute, monitor, and report to the appropriate authorities the progress of the activities required to maintain the relationship with the Interested Parties who are or could be affected by the Organization's operations.

5.9. Measure, assess and report the degree of satisfaction of the community and other stakeholders regarding the activities that are directly related to the operations, as well as those intended to improve the quality of life and the development of the social context, using formal communication channels and feedback mechanisms to build and strengthen transparent and long-term relationships for mutual benefit.

5.10. Assess, measure, and report the Organization's performance regarding sustainability to disseminate its actions, commitment, and contribution to sustainable development.



PRINCIPLE. Identify hazards, and assess, prioritize, and manage risks that could affect operations and workspaces as a mechanism to safeguard people, the environment, information, assets, and corporate reputation by means of protection processes in the event of crises and business shutdowns.

→ EXPECTATIONS

All areas of the Organization are expected to:

6.1. Strengthen the Change Management culture, in terms of design, asset operation, organization, staff, information and processes, before implementation to identify new hazards and manage any associated risks.

6.2. Implement processes to identify hazards, assess operational and non-operational risks considering damage to people and communities, the environment, information, assets, and the Company's reputation, and manage any prevention and mitigation actions.

6.3. Conduct risk assessments with qualified staff, considering the impact, severity, probability, human and organizational factors, and the lessons learned, both internally and externally, using previously defined methodologies, criteria, and tools.

6.4. Document relating to risk assessment as well as prevention and mitigation measures, subject to specific review and approval procedures according to the magnitude of residual risks and convey the results to relevant stakeholders.

6.5. Conduct incident investigation with qualified staff according to a defined model, and ensure the dissemination of incident reports, lessons learned and agreed upon actions to the appropriate levels.

6.6. Conduct trend and opportunity analyses using previously defined preventive observation and inspection tools as the basis of investigation. Manage the implementation and control of any associated actions.

6.7. Develop and regularly update the documented plans for emergency preparedness and response and business continuity, including the description of high-impact scenarios; the organizational structure; roles and responsibilities; communication protocols; critical information management procedures; response procedures including rescue and evacuation; the identification of and access to required resources; and the interaction with emergency response organizations.

6.8. Conduct previous planning of possible emergency scenarios and comply with an annual drill program to trigger the emergency response procedures at various levels in order to verify plan effectiveness and Staff competencies.

6.9. Keep equipment and facilities in good working conditions to ensure quick emergency response capacity and access to anticipated external resources.

6.10. Keep qualified Staff available to perform the defined roles, train members of the response teams and instruct new Staff to handle incidents.



SAFETY & SECURITY

PRINCIPLE. Promote a safe and healthy work environment for the Staff by minimizing risks that could affect the Organization's people, production processes, and physical and digital assets.



→ EXPECTATIONS

All areas of the Organization are expected to:

7.1. Implement programs designed to stop all activities that any staff member claims to be unsafe for people, the environment, or the assets.

7.2. Set out training, sensitization and awareness raising activities for occupational health prevention and protection to promote and maintain the physical, mental, and social well-being of all the Staff.

7.3. Determine the Staff's physical and psychological fitness for duty and any activities requiring such test.

7.4. Ensure that the Staff are skilled and provided with the necessary tools to assess the safety and health hazards in the place where they perform the activities and become aware of the adverse effects that could result in non-performance.

7.5. Identify, survey, and communicate the operational behaviors that could be recognized and shared as good practices and those that could affect the safety of people, the environment, and physical and digital assets, including the resulting implementation of mitigation and/or prevention actions.

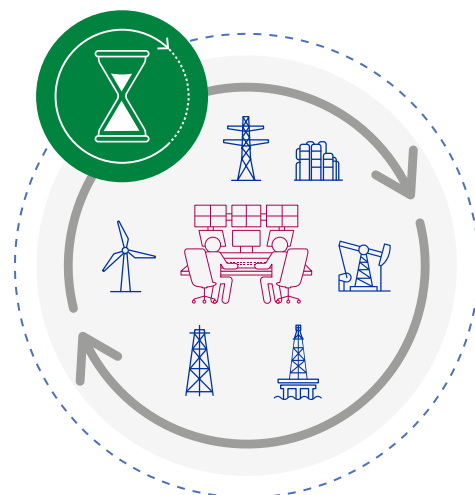
7.6. Implement management processes for projects with specific provisions in line with the Golden Rules.

7.7. Manage authorizations and access control measures for physical and digital assets according to the specific roles and responsibilities of the designated staff.

7.8. Develop safe transportation plans and programs, focused on safe, dynamic, and efficient transportation of Staff and physical assets. These plans should include the management of sea, air and road transportation as set out by the Organization, considering the 5 pillars of safe transportation (management, context, means of transport, users, emergency preparedness and response).

7.9. Design and deploy Asset Safety and Security plans to provide good conditions where people can conduct their usual tasks, without jeopardizing their physical safety, and protecting operations and physical and digital assets against intimidation, unauthorized access, sabotage, violence, or any other criminal behavior.

PRINCIPLE. Ensure the appropriate management of assets during their life cycle, in accordance with the required quality, safety, integrity, reliability and efficiency standards, minimizing risks and ensuring the identification of opportunities for improvement.



→ EXPECTATIONS

All areas of the Organization are expected to:

8.1. Apply an asset management system comprising all aspects related to development, design, building, start-up, operation, maintenance, and decommissioning of assets, ensuring asset integrity, safety, reliability, and availability during their entire life cycle, while also complying with technical and quality specifications and applicable regulations, and leveraging the lessons learned for future projects.

8.2. Ensure that operational activities are executed according to the procedures in place by identifying mechanisms and damage factors for equipment and materials, making sure asset operation is performed within risk limits, and handling all resources efficiently.

8.3. Design, plan, execute, monitor, and document inspection and maintenance plans, according to risk-based maintenance management, which allows for the identification of systems, structures, as well as physical and digital equipment or devices that are critical to operations safety and continuity.

8.4. Promote the use of real-time monitoring systems to process and assess data associated to asset integrity, which helps make an efficient and agile evaluation of asset adequacy for service.

8.5. Anticipate and ensure that provisioning processes are duly and properly followed for materials and services that are critical to the execution of activities, and that they are available as required.

8.6. Promote Excellence as a cultural aspect, ensuring the dissemination and learning of the processes, rules and operational criteria in place and raising awareness about the consequences of their actions.

8.7. Design and implement processes to manage measurements, ensuring assets are fit for service according to the identified processes and risks, and compliance with any applicable regulations.

8.8. Monitor, control and optimize operations by engaging multidisciplinary resources for easy identification of potential adjustments for performance improvement.

8.9. Identify and manage any necessary decommissioning and/or shutdown and the resulting impacts, as the last stage in the life cycle of an asset, in line with applicable regulations and best practices.

CONTRACTORS AND SUPPLIERS

PRINCIPLE. Ensure continuity of the value chain through the selection, assessment, monitoring and development of contractors and suppliers.



→ EXPECTATIONS

All areas of the Organization are expected to:

9.1. Select, evaluate, and reevaluate the contractors and suppliers who take part in the value chain on a regular basis, and keep the relevant information documented, considering technical, safety, economic and financial aspects, staff competencies, and the organizational and production structure.

9.2. Sign agreements to determine the scope of procurement, the requirements to be met, the general purchase and contracting terms and conditions, the compliance with any applicable legal requirements, the appointment of responsible individuals within the organization based on the tasks to be performed or the service/product to be provided.

9.3. Regularly conduct monitoring activities and audits, before and during the execution of temporal and long-term projects, according to the criticality of the goods and services provided, in order to verify the understanding of requirements, the level of progress and compliance with the scope of procurement, legal and labor-related obligations and Safety and environmental requirements, and identify the need to supplement, adjust or redefine requirements or disseminate the expected results.

9.4. Ensure that Contractors and Suppliers have the technical skills required to properly perform the activity they are responsible for regarding the provision of goods and/or services, and that they are aware of the importance to comply with general policies and commit to the MGE.

9.5. Plan and ensure that quality-related meetings are held with a predefined frequency and while the contracted goods and services are provided, to monitor and assess Contractor and Supplier Performance, manage any non-conformities to the requirements defined, and provide feedback as a basis for continuous improvement.

9.6. Follow through the development of key Contractors and Suppliers to ensure business continuity, by building sustainable business relationships in order to strengthen the value chain between the parties involved.

INTERNAL AND EXTERNAL PROCESSES

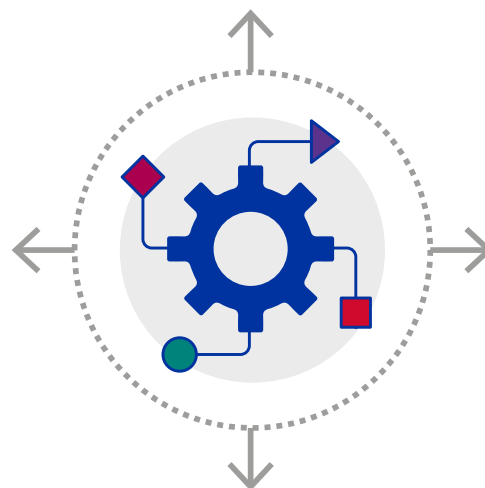
PRINCIPLE. Identify, assess, and implement actions to improve the experience for all organizational areas and external users, meet the agreed requirements, ensure effective communication and the compliance of the relevant parties, based on reliable information about their needs, expectations and degree of satisfaction.

→ EXPECTATIONS

All areas of the Organization are expected to:

10.1. Identify, document, and communicate process interfaces; make sure that those responsible for their execution understand the input, output, expectations, and requirements to ensure response capacity and quality as well as and compliance.

10.2. Monitor and assess the extent to which the needs and expectations of all the organization's areas and external users are met, to identify opportunities for improvement and ensure that non-conforming requirements are identified and addressed.



10.3. Implement the actions resulting from the evaluation phase to quickly manage non-conforming requirements and improve the degree of satisfaction of all the organization's areas and external users.

10.4. Maintain effective communication with partners by building a bond of trust that is in line with the Organization's strategic goals.

APPENDIX 1: GLOSSARY

Asset Security: A set of rules aimed at protecting people and assets against unauthorized access, intimidation, sabotage, violence, or other criminal activities.

Clients: Individuals or organizations that use or purchase products or services provided by another company.

Company: Pan American Energy SL, Argentina Branch, its branch, and subsidiaries.

Competencies: A person's skills, knowledge, attitudes, and behaviors that allow him/her to be effective and efficient at work.

Contracted: A worker who has been contracted by a company to perform a specific job, but who is not a direct employee of such company.

Contractors/Suppliers: Individuals or legal entities that have been contracted by a company to perform work, supply materials, or provide services. They may include subcontractors.

Corporate Culture: A set of values, beliefs, behaviors, and standards that are inherent to a company and affect its operations and relationships with clients and employees.

Corporate Values: A set of principles that inspire and guide the way that people think and behave in the Organization.

Development Plan: Staff education and training program to provide career building opportunities within the Company.

Energy Efficiency: Relationship between the performance of an activity or process and the amount of energy used to do it.

Environmental Social Governance (ESG): Environmental, social, and corporate governance factors that are relevant to assess a company's sustainability.

Golden Rules: List of essential principles to work in a safe and environmentally responsible way in all areas of the Organization.

Incident: An unexpected event that affects or has the potential to affect the health or physical integrity of people, facilities or the environment. Incidents can be:

- **Accidents:** An incident with consequences (impact on people, the environment, facilities, business, the Company's corporate image) that will have concrete "real severity."
- **Quasi-accident:** An incident without consequences which, under slightly different circumstances, might have resulted in injuries, environmental damage and/or property, business, or corporate image losses. It is only potentially severe.

APPENDIX 1: GLOSSARY

Innovation: Any changes (ideas, processes, approaches) which, due to their nature/origin, entail a high degree of uncertainty in order to create or increase the value of the Company's processes.

Interested parties: People or organizations with a legitimate interest in or a relationship with the Company, who can be affected by its operations. Interested parties can include clients, suppliers, contractors, local communities, regulatory authorities, etc.

Key Performance Indicators (KPIs): Quantifiable measures that can be created from one or more characteristics that summarize the performance of activities.

Leaders: People who are responsible for guiding, motivating and leading work teams in order to achieve the Company's objectives and goals.

Management Model: A reference framework for the comprehensive management of the Company, including the definition of objectives, strategies, processes, roles and responsibilities, performance indicators and follow-up and assessment tools.

Management Review: A review of each area's Management System (MS) performed by the relevant Management team at pre-determined intervals to ensure ongoing serviceability, adequacy, and effectiveness. This review includes an assessment of both opportunities for improvement and the need to modify the MS.

Organization: A structure comprised of people and processes interacting to achieve the Company's objectives.

Performance: The measurement of how an activity or process performs regarding efficiency, quality, safety, reliability, environmental care and satisfaction of clients and other relevant stakeholders.

Process: A set of interrelated or interacting tasks that turn input into output.

Quality Control: A set of planned and systematic activities aimed at ensuring a company's products or services compliance with all established quality requirements.

Requirements: Legal, technical, procedural, administrative, or other requirements, whether internally or externally mandated, which are applicable to the Organization.

Risk: Result of uncertainty that may affect the Company's objectives.

Senior Management: A group of people who run and control the highest hierarchical level of an organization.

Social License to Operate: An acceptance of the Company and its projects by local communities that are either affected or potentially affected by such projects.

Staff: Company employees, as well as its contractors and subcontractors.

APPENDIX 1: GLOSSARY

Stakeholders: People or organizations with an interest in or a relationship with a company, who can be affected by its decisions or activities.

Strategic Goal: A specific and ambitious goal to help the Company come closer to management excellence. Strategic goals must be in line with the Company's vision, mission, and values, and be consistent with its context and environment.

Supply/Supplies: Goods and services required for Company operations.

Sustainable Development: Development approach intended to balance economic, social, and environmental needs to ensure a sustainable future for current and future generations.

Sustainable (and Durable) Development: The process to meet our society's needs without undermining the capacity of future generations to meet their own needs.

Vision: The desirable future status of the Organization, as defined by Senior Management.



“The result of these efforts is reflected in improved operational practices which protect our human capital and add value to our assets”.