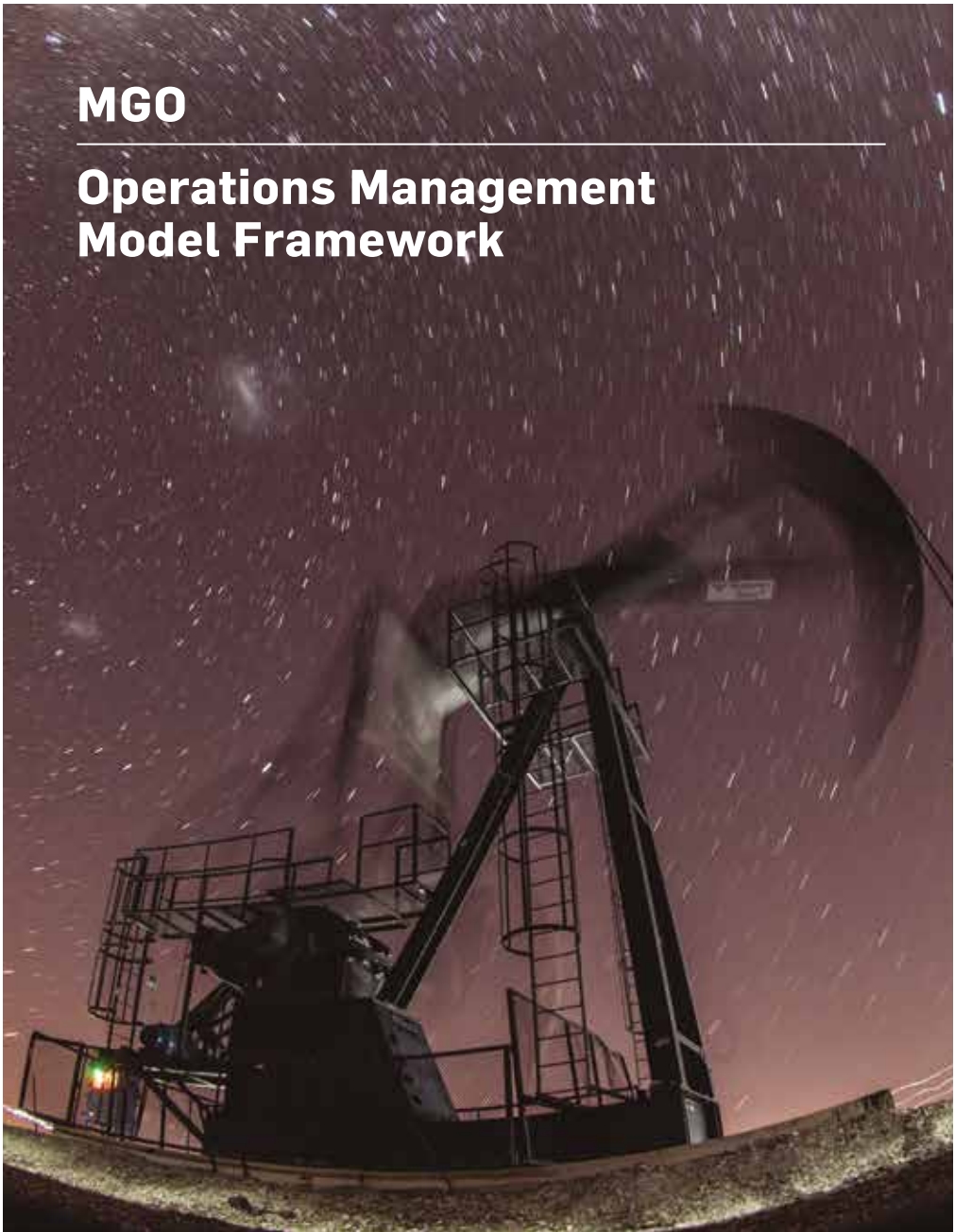


MGO

Operations Management Model Framework



Message from the UMD



Pan American Energy is a company admired and respected for its values and principles, committed to operational excellence and quality while respecting the highest standards in terms of health and safety of people and the environment, and the integrity of our assets.

Our strategic vision for growth is based on continuous improvement, innovation, evolution and sustainability, which are inherent to our identity as an organization and define us as a company that is reliable and socially responsible in its relations with clients, government, partners and the communities where we operate.

This Operations Management Model (MGO) is a set of related policies, processes and requirements which leverages a common and standardized language to guide our operations systematically and efficiently.

Those of us who work in or are related to Upstream operations are responsible for complying with it.

The MGO helps us channel the passion that unites us to transform our leadership and capacity into energy to guide society to grow.

A stylized, handwritten signature in black ink, consisting of several loops and a horizontal line at the bottom.

Danny Massacese
Upstream Managing Director

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Introduction

THE MGO MODEL COMPREHENDS THE FOLLOWING MAIN DOCUMENTS

- 1. The Company's Sustainable Operation and Quality and Compliance Policies.**
- 2. The MGO Framework** (this document), which introduces the key concepts of the MGO, as well as its elements, principles, expectations and governance.
- 3. The MGO Implementation Manual,** which contains guidelines for the implementation, improvement and governance of the MGO.

The MGO sets out Requirements applicable to the Company's Management Systems (MS), which which regulate the operations of each Vice Presidency and, especially, their development.

THE MGO AND THE MS HELPS TO:

- Promote the integration of all the areas of the Organization sharing a common goal.
- Minimize risks incurred by staff during operations.
- Minimize environmental impact.
- Protect asset integrity.
- Increase the reliability of operations.
- Optimize the use of resources.
- Achieve credibility, reliability and acceptance of PAE and its projects on the part of local communities and society in general.

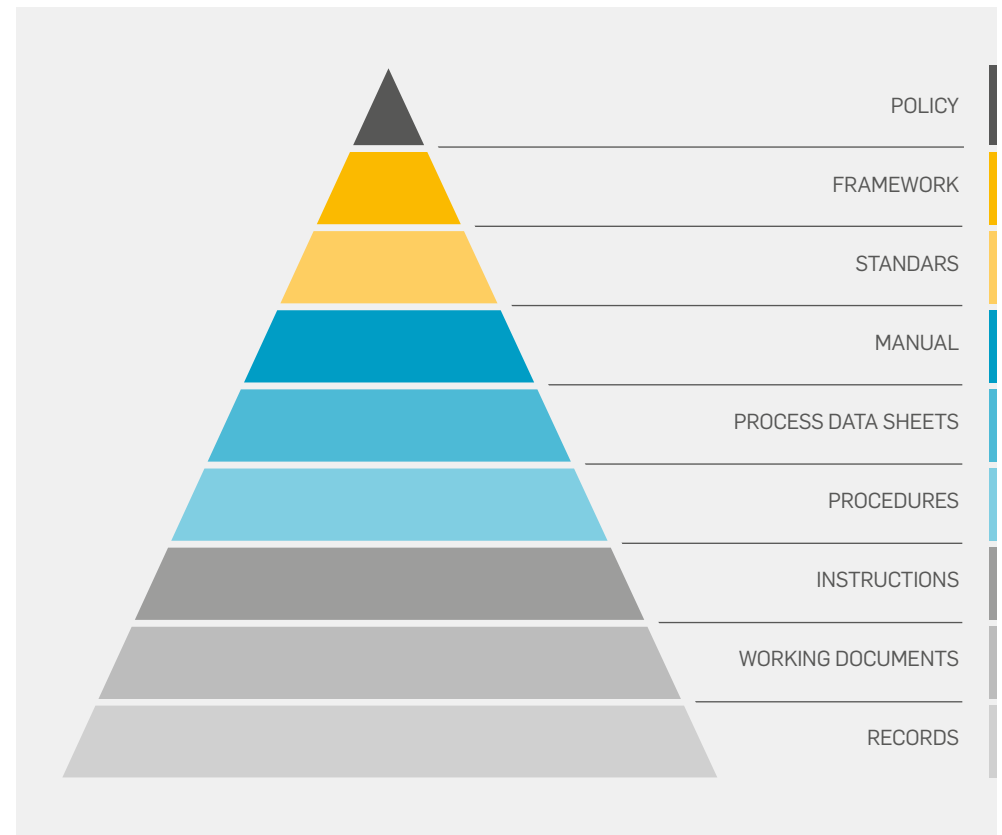
IN ORDER TO MEET THESE GOALS, THE COMPANY EXPECTS:

- Employees at all levels of the Organization to understand the spirit of the MGO and comply with it, as well as with their corresponding MSs.
- Middle-managers to promote, guide and supervise such compliance within their respective departments.
- Each area's VP to develop, enforce and enhance their MSs.
- The Governing Body of the MGO should assess the MGO performance and promote its improvement.

The figure below depicts the hierarchy of all the documents that comprise the MGO.

It is worth noting that the MGO Requirements are included not only in this document, but also in the rest of the documents that make it up.

The MGO is supplementary to the applicable legal Requirements.



Our Operation Management Model (MGO) is an articulated set of essential policies, processes and Requirements that guide our onshore and offshore hydrocarbon exploration, development and production operations.

MAIN CONCEPTS

Operational Excellence The Challenge

PAE defines Operational Excellence (OE) as a high standard of performance that requires all efforts to be aligned with our strategies, and the Organization's employees to demonstrate an operational behavior that maximizes the Company's value.

The main goal of the MGO is that each person within the Organization develops his/her activities in search of the Operational Excellence.

Operational behavior means **carrying out their tasks in a deliberately correct manner, each and every single time, always.**

The effort to achieve OE is a long-term journey that starts off by complying with the Requirements and goes on indefinitely towards continuous improvement. And continuous improvement can only be achieved if cultural factors are given the appropriate attention.

Therefore, we promote values, behaviors and standards in line with this goal. We encourage our leaders to be proactive and to lead by example, thus emphasizing their commitment to OE. Moreover, we seek to continuously improve our employees' skills in order to ensure that their commitment translates into individual and collective value.

While the search for OE reaches all aspects of operations, its adequate orientation allows a faster improvement in those areas that are key to the business and to the communities where it is developed.

With this in mind, PAE has defined 5 (five) OE Focus Areas, represented in the figure below:

PAE's **five OE Focus Areas** provide a guideline for setting priorities relating to complying with Requirements and seizing opportunities for improvement.



Continuous Improvement

The continuous improvement consists of making positive changes through sustained individual and collective efforts, rather than through specific actions.

In order to align these individual and collective efforts and develop synergy between them, the MGO 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: Carrying out 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 in order to analyze process performance and identify opportunities for improvement.

Every area in the Organization should include the cycle of continuous improvement into their operations in order to comply with the Requirements and move towards OE.



In order to promote continuous improvement and the sustainable development of our operations, PAE has adopted a Risk-Based Thinking and Management-By-Process approach.

By applying risk-based thinking, risk becomes an essential part of the process, and results in a proactive approach to determining the factors that could make processes or MS deviate from planned objectives, minimizing negative impact and making the most out of the opportunities that arise.

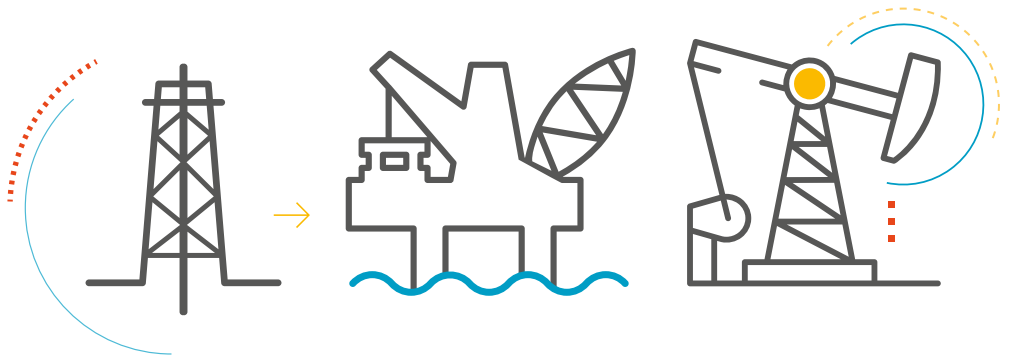
THE CHARACTERISTICS THAT DEFINE THE MANAGEMENT-BY-PROCESS APPROACH ARE AS FOLLOWS:

- Identification of key operational processes.
- Clearly identified input and output, and well-defined indicators for every process.
- Responsible person appointed for every project.
- Identification and assessment of risks and opportunities, approaching them in a way that increases the efficiency and effectiveness of the MSs to achieve better results and prevent negative impact.
- Systematic application of the continuous improvement cycle to processes and the interdependencies between processes.
- End-to-end improvement of the system as a result of individual process improvement.

Elements, Principles and Expectations

Expectations translate into essential and highly challenging corporate Requirements, and are classified into **15 interdependent elements**.

Each element represents one highly significant operational aspect and is related to a principle that defines its purpose. In the absence of specific Requirements, the principles underlying the element may be used to support the decision-making process.



**EXCELLENCE
OPERATIONAL**

Our Challenge

**People's
Safety and Health**

**Environmental
Performance**

Process Safety

Asset Integrity

**Reliability and
Efficiency**

Areas of Focus

9. Safe Work

11. Incident Investigation

13. Legal Compliance

**14. Relation with the Community
and Other Interest Groups**

5. Design and Construction

6. Operation

8. Risk Management

7. Maintenance and Serviceability

10. Change Management

**12. Management of Incidents,
Business Continuity and Crisis**

4. Management of Contractors and Suppliers

**15. Results, Lessons Learned and
Continuous Improvement**

Elements

3. Staff Competencies

2. Organization

1. Leadership

| | |
|------------|--|
| ELEMENT 01 | Leadership |
| ELEMENT 02 | Organizationn |
| ELEMENT 03 | Staff Competencies |
| ELEMENT 04 | Management of Contractors and Suppliers |
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| ELEMENT 12 | Management of Incidents, Business Continuity and Crises |
| ELEMENT 13 | Legal Compliance |
| ELEMENT 14 | Relations with the Community and Other Relevant Stakeholders |
| ELEMENT 15 | Results, Lessons Learned and Continuous Improvement |

ELEMENT 1

Leadership

PRINCIPLE. Inspire, guide and promote teamwork while training professional and result-oriented employees focused on providing direction, unleashing potential, building bridges and encouraging continuous improvement and innovation.

EXPECTATIONS

LEADERS ARE EXPECTED TO:

1.1. Update and communicate the Company's Vision, with the purpose of achieving continuous risk reduction and performance improvement; the strategy that will lead the company in the direction set by the vision and the policies that guide the decision-making process and implementation initiatives.

1.2. Promote a Organizational Culture based on Corporate Values, our commitment to operation sustainability and compliance with Requirements. Leaders should promote these objectives by setting an example, fostering mutual trust.

1.3. Encourage an open and fluid communication, thus prompting contributors to ask questions and receive appropriate answers, particularly those

related to operation safety and environmental responsibility, as well as compliance with the Requirements.

1.4. Promote respect for other people and their rights, and diversity, as a way to enrich the debate on ideas and contributions from different points of view.

1.5. Promote operational behavior that allows employees at all levels of the organization to guide their actions toward excellence, in a deliberate and structured manner.

1.6. Evaluate the Organization's Corporate Culture and identify opportunities for improvement.

1.7. Prioritize opportunities for risk reduction and Performance improvement, identified through the corresponding processes, and develop and communicate the Annual Plan, which sets out the goals and the teams and members in charge of



them; the most important actions; the key responsibilities; the main human, material and financial resources; control mechanisms; the implementation and control program, and other relevant aspects.

1.8. Manage the implementation and control of the Annual Plan and adjust it to context changes.

1.9. Guide, coordinate and monitor Staff development, results and activities; verify that they have all the information that they need to do their job; encourage their active and creative participation; and help develop their collective and individual skills.

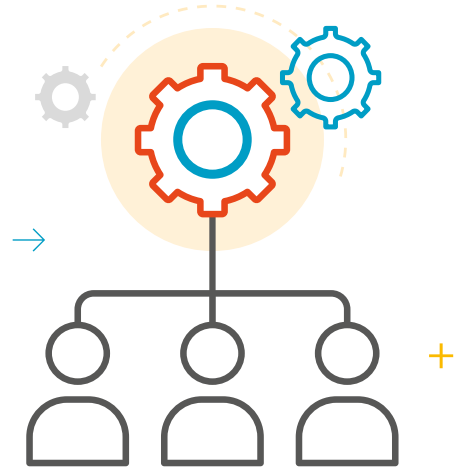
1.10. Promote and guide the delegation of tasks that may be necessary or convenient to meet objectives or Requirements.

1.11. Get feedback on their performance and on their Staff and the areas under their leadership; analyze the assessment reports and opinions and identify opportunities for improvement.

1.12. Work jointly with the MGO Governing Body and the different areas of the Organization to obtain and maintain a Social License to Operate and develop safe, reliable and Requirement-compliant operations.

Organization

PRINCIPLE. Define the organizational structure and the systems with the potential to promote the achievement of the strategic goals and the optimal management of human, financial and material resources.



EXPECTATIONS

BASED ON CONTEXTUAL CONSIDERATIONS, ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

- 2.1.** Continuously adjust their organizational structure to goal achievement, taking into consideration risks and opportunities for operation improvement.
- 2.2.** Implement Management Systems (MSs) that are consistent with the MGO.
- 2.3.** Communicate the functions, responsibilities, abilities and Competencies required for each position.
- 2.4.** Define a strategy for recruiting staff that strive to achieve the operational goals, strengthening the commitment and retention of key staff, including specific plans for professional development, career advancement and eventual replacement.

- 2.5.** Provide the goods and services required for the operations in a timely manner.
- 2.6.** Implement Quality Assurance and Control programs to goods and services required for effective operational Performance.
- 2.7.** Maintain the stock levels required for operations. Identify, protect from damage and regularly inspect stored goods, particularly those that are critical for safety or production.
- 2.8.** Deploy 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.

Staff Competencies

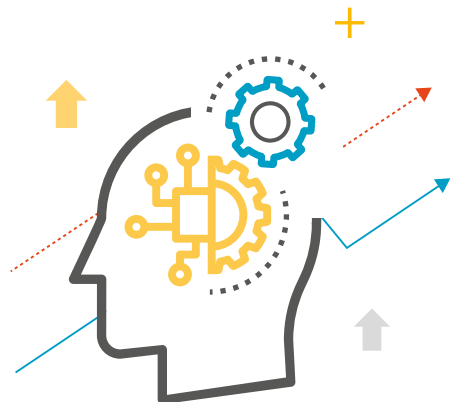
PRINCIPLE. Develop teams with the individual and collective competencies required to conduct safe, reliable, environmentally responsible, result-oriented and Requirement-compliant operations.

EXPECTATIONS

ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

- 3.1.** Appoint staff with the expected individual and collective competencies required for their relevant position within the Organization.
- 3.2.** Assess Staff Competencies and Performance, including their understanding of and compliance with the Requirements.
- 3.3.** Identify needs for Staff development plans in order to improve individual and collective performance and define the relevant actions.
- 3.4.** Prioritize, plan and implement actions to improve performance and assess their effectiveness.

- 3.5.** Manage internally and externally-developed knowledge and best practices to make them available for the entire company and for future generations of employees, to minimize risks and improve Performance.



Management of Contractors and Suppliers

PRINCIPLE. Manage contractors and suppliers to ensure that supplies comply with the necessary Requirements.

EXPECTATIONS

ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

4.1. Evaluate and select Contractors and Suppliers based on their experience, organizational structure, financial capacity, performance in terms of HSE (Health, Safety and Environment) and the staff's capability taking into account operational risks and quality standards.

4.2. Contractually set the scope of Supply, the relevant boundary conditions, the responsibility of appointing competent Staff, and the Requirements of SHE and property security¹, as well as others that may be applicable.

4.3. Define the roles and responsibilities within the Organization, Contractor or Supplier, and third parties involved, in order to manage the relation between them in accordance with the applicable procedures.

4.4. Regularly conduct monitoring activities, before and during the execution of projects, in order to verify the understanding of and the level of progress and compliance with the scope of procurement and all applicable Requirements; identify the need to supplement, adjust or redefine Requirements; and disseminate the expected results.



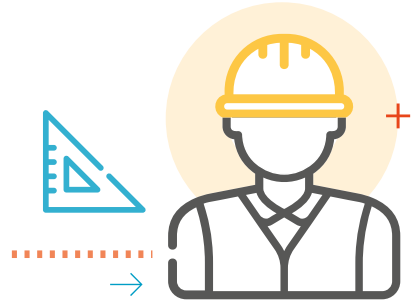
4.5. Verify that the employees, equipment and infrastructure of the Contractor and the Suppliers appointed to areas under the operational control of the Company comply with all of the company's internal Requirements.

4.6. Place special emphasis on verifying the adequate supervision of Contractors' and Suppliers' seasonal, short-term or higher-ranking employees involved in Company operations.

4.7. Promote quality meetings at pre-determined regular intervals to monitor and assess Contractors' and Suppliers' Performance, resolve the identified deficiencies and instances of non-compliance, and promote feedback as the basis for continuous improvement.

Design and Construction

PRINCIPLE. Apply reliable and effective technologies to the design and construction of facilities, in order to prevent incidents and achieve high standards in terms of performance, environment, integrity and operating efficiency.



EXPECTATIONS

ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

5.1. Implement a project MS which establishes the required processes and documents, including risk management, Quality Assurance and Control, and lessons learned for future projects.

5.2. Engage staff with design, operation, maintenance, service, construction, and HSE and Asset Security competencies throughout the project.

5.3. Develop projects designed with respect for and sensitivity toward the relevant communities at all stages.

5.4. Implement processes to verify that project design complies with the Requirements and takes into consideration all operational instances

and modalities, including the determination of safe operation limits.

5.5. Implement processes to verify that contracting, purchasing, construction, commissioning and start-up are conducted in accordance with the design, reducing the operational risk to the lowest level possible.

5.6. Verify that project changes are implemented only after having been approved by the relevant project managers appointed and that the reasons for change are adequately documented.

5.7. Carry out pre-implementation reviews at all new and modified facilities, as well as in those facilities previously out of order, to verify that they are safe, that staff is properly trained and that Requirements are complied with.

Operation

PRINCIPLE. Optimize production delivery by operating the assets within the risk limits at a level as low as reasonably practicable.

EXPECTATIONS

ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

6.1. Carry out operations with systems, facilities, equipment and devices within the lowest possible risk limits and in accordance with applicable manuals and procedures.

6.2. Identify and analyze deviations from normal operating conditions and manage all actions required to avoid repeating them.

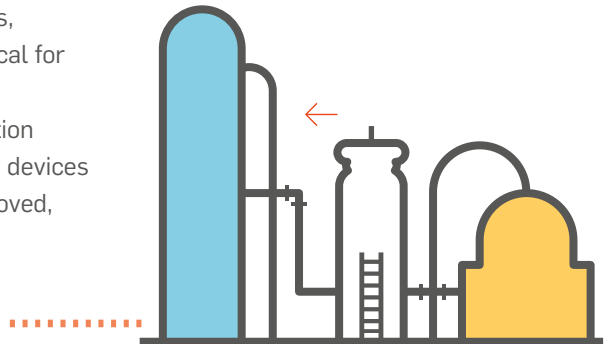
6.3. Define the systems, structures, equipment or devices that are critical for safety or production.

6.4. Implement alternative protection mechanisms every time protection devices or systems are deactivated or removed, either temporarily or permanently.

6.5. Implement processes for production follow-up, control and optimization.

6.6. Optimize the Production System by applying multidisciplinary processes in order to identify potential changes to be made and thus improve Performance.

6.7. Manage scheduled decommissioning and its impact, as the last stage in the life cycle of assets involved.



Maintenance and Serviceability

PRINCIPLE. Ensure the required availability and levels of efficiency by means of the appropriate structures, equipment and materials.

EXPECTATIONS

ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

7.1. Employ a maintenance and serviceability strategy, according to the risks identified, in order to preserve the required availability of assets.

7.2. Identify damaged mechanisms and factors related to construction materials with respect to the conditions they will be used in.

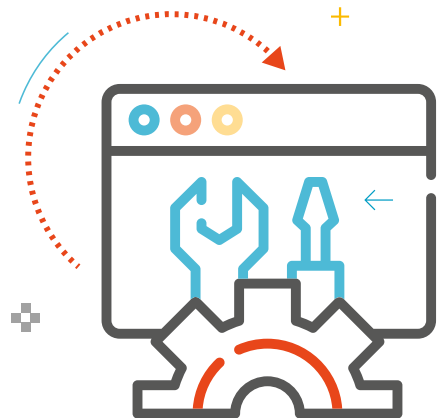
7.3. Implement and maintain documented inspection, evaluation, testing, monitoring, mitigation and maintenance programs to ensure that systems, structures, equipment and devices which are critical for safety and production are kept in good condition.

7.4. Adapt programs based on the results achieved and the identified opportunities for improvement.

7.5. Systematically investigate and correct identified mistakes and deviations.

7.6. Plan, prioritize and schedule activities, and record results.

7.7. Verify the serviceability of structures and equipment which are out of order but intended to be reused.



Risk Management

PRINCIPLE. Assess, prioritize and manage risks that could affect operations as the primary mechanism to protect people, the environment, the assets and corporate reputation at a level as low as reasonably practicable.



EXPECTATIONS

ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

8.1. Implement processes that help identify hazards, categorize risks, measure their projected magnitude in terms of their nature, and apply the necessary prevention and mitigation measures

8.2. Verify that risk assessment is conducted by qualified staff capable of being objective; that it takes into consideration the relevant context, the human and organizational factors, and the lessons learned both internally and externally; and that it employs pre-defined methods, criteria and tools.

8.3. Document instances of 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.

8.4. Update risk records at pre-defined regular intervals, including hazards identified, their likelihood, their severity, the level of associated risks, and their associated prevention and mitigation measures.

8.5. Prioritize, according to the risks involved, the implementation of pre-defined prevention and mitigation measures and include them in the Annual Plan.

8.6. Manage the design, implementation and control of prevention and mitigation measures.

8.7. Manage non-operational risks which could potentially affect operations.

8.8. Listen to concerns about potential operational risks that the staff, neighbors from nearby communities, visitors and others may wish to raise; agree on the need to take specific actions as a response to such queries.

Safe Work

PRINCIPLE. Perform tasks in a safe, efficient and environmentally responsible manner, in compliance with the necessary Requirements, methods and controls.

EXPECTATIONS

ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

9.1. Provide HSE instructions to new staff and visitors.

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

9.3. Establish occupational health protection and prevention programs to determine, assess and control the potential damage to individual health and the health of the affected communities as a result from Company operations.

9.4. Determine people's psychological and physical aptitude for specific tasks, in order to protect them as well as other people, the environment and the assets.

9.5. Implement programs to prevent Staff from consuming alcohol or taking drugs, both inside and outside the work environment.

9.6. Apply management processes to tasks performed in PAE's operational areas, with specific provisions for particularly hazardous tasks, applying the Golden Rules.

9.7. Caution Staff about negative impacts on people, the environment and assets when not meeting the Requirements in the work environment.



9.8. Identify Staff behaviors that could compromise safety, and take appropriate actions.

9.9. Implement management processes for the safe sea, air and road transportation of people and goods, employing qualified drivers and establishing appropriate Requirements

for drivers and means of transport, including provisions for specific prevention and contingency plans.

9.10. Develop Security plans to protect people and assets in the work environment against intimidation, unauthorized access, sabotage, violence and other criminal activities.

Change Management

PRINCIPLE. All changes which could affect people's safety or health, the environment or the reliability of operations must be managed appropriately.



EXPECTATIONS

ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

10.1. Determine which changes need to be managed, including permanent or temporary changes to the Organization, people, processes, facilities, materials, substances, services or Requirements.

10.2. Implement a change management process that includes the following stages: request for change, preliminary analysis, definition, review and approval, documentation update, communication and training of the people involved, follow-up and validation of change implementation, and conclusion.

10.3. The process for determining whether a change is necessary or not

should include an assessment of alternatives and the selected choice, a description of the proposed change, the identification of hazards, assessment of risks and the definition of prevention and mitigation measures, management of the necessary permits, development of a change implementation plan and the related measures.

10.4. Develop activities relating to change management with qualified Staff, subject to specific review and approval procedures based on the magnitude of the identified risks.

10.5. At pre-determined regular intervals, check that the scope, characteristics and duration of temporary changes are only modified once these have been reviewed and approved.

Incident Investigation

PRINCIPLE. Develop mechanisms to learn from incidents and continuously improve management systems, in order to create a safe and environmentally responsible work atmosphere.

EXPECTATIONS

ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

11.1. Develop a commitment to reporting every incident, investigating those that will yield the best lessons to be learned, and communicate results internally

11.2. Conduct investigations with qualified Staff which consider human factors, determine the causes, assess the real and potential impact, recommend preventive and corrective measures as well as the deadline for their implementation, and deploy specific review and approval procedures based on the classification of incidents.

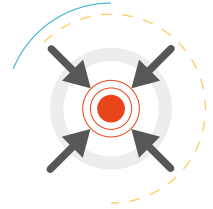
11.3. Determine and analyze trends associated with incidents and define additional actions to be taken.

11.4. Manage the implementation and control of preventive and corrective measures resulting from incident investigation and trend analysis.



Management of Incidents, Business Continuity and Crises

PRINCIPLE. Respond in a safe, effective and organized manner to incidents, crises or business shutdowns, protecting people, the environment, the assets and corporate reputation.



EXPECTATIONS

ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

12.1. Have well-documented response and business continuity and crisis management plans. Regularly update such plans, ensuring they are compatible with anticipated scenarios, communicate them and ensure they are easy to access

12.2. Verify that these plans include the description of high-impact scenarios; the organizational structure, roles and responsibilities; communication protocols; critical information management procedures; response procedures including rescue, evacuation and temporary on-site sheltering; the identification of and access to required resources; and the interaction with emergency organizations.

12.3. Ensure that qualified Staff are available to perform the required tasks, and that the necessary external resources can be accessed.

12.4. Ensure that the facilities and equipment required for implementing response plans are accessible and operational.

12.5. Train members of the response teams and instruct new staff to handle incidents.

12.6. Comply with an annual training program including all response levels to verify plan effectiveness.

12.7. Review the plans at pre-defined, regular intervals, including lessons learned and industry best practices.

Legal Compliance

PRINCIPLE. Identify, understand and comply with applicable legal requirements.

EXPECTATIONS

ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

13.1. Identify, record and update applicable legal requirements and, based on these, establish specific Requirements, document them and communicate them to the people responsible for their compliance

13.2. Identify and implement the activities required to comply with applicable legal requirements. Check on the progress of these activities until their completion and report progress to the appropriate levels of the Organization.

13.3. Systematically verify compliance with applicable legal requirements.



Relations with the Community and Other Relevant Stakeholders

PRINCIPLE. Promote lasting and harmonious relationships with the community, our clients and other relevant stakeholders to ensure project success and the continuity of operations.

EXPECTATIONS

ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

- 14.1.** Systematically identify areas, communities and other relevant stakeholders that could be affected by the Company's operations.
- 14.2.** Identify the social impacts and risks derived from all key projects for Company development.
- 14.3.** Manage relations and, specially, communication with clients, communities and other relevant stakeholders identified in terms of the strategies, policies and processes to be applied to projects and other activities.

- 14.4.** Engage clients, communities, indigenous peoples and other stakeholders in relevant discussions and take their expectations and concerns into consideration.
- 14.5.** Conduct the activities required to maintain relations with clients, communities and other relevant stakeholders. Check on the progress of such activities until their completion and report progress to the appropriate levels of the Organization.
- 14.6.** Plan actions that are sustainable over time, aimed at improving the quality of life and the development of the communities where company operations are performed.



14.7. Monitor the degree of satisfaction of the communities and other relevant stakeholders regarding projects and operations, including the actions aimed at improving their quality of life and their development, in order to better manage relations.

14.8. Develop a mechanism for dealing with the complaints of the local communities, in accordance with the relevant best practices.

Results, Learning and Continuous Improvement

PRINCIPLE. Develop, implement and maintain mechanisms to obtain favorable results by analyzing indicators, their trends and the performance of MSs, promoting the systematic identification of potential lessons to be learned and opportunities for improvement.

EXPECTATIONS

ALL AREAS OF THE ORGANIZATION ARE EXPECTED TO:

15.1. Identify and assess potential gaps between the operations and the expectations of the MGO. If necessary, determine the levels of associated risks and define the actions required to bridge such gaps.

15.2. Monitor process efficiency and the level of compliance with operational goals through an integrated analysis of proactive and reactive indicators.

15.3. Comply with assessment, audit and management review programs to verify the compliance with and effectiveness of MSs.

15.4. Consolidate and comprehensively examine the results provided by indicators and other forms of analysis and assessment, audits and Management Reviews, in order to identify emerging risks, trends and opportunities for improvement.

15.5. Define, prioritize according to risk, implement and verify the effectiveness of measures required to resolve issues identified during assessment, audits, Management Reviews and supplementary examinations.



15.6. Promote a culture of permanent search for new technologies, methodologies and processes that lead to continuous for improvement and innovation, evaluate them based on risks and select the ones that best fit to the needs and objectives of operations

15.7. Improve the environmental Performance of operations, including the rational use of natural resources such as water and soil, monitoring emission rates and energy efficiency, the preservation of biodiversity, the optimal use of supplies and responsible waste management.

MGO Governance

The MGO Governing Body, whose members are appointed by the UMD, assesses performance and promotes the improvement of the MGO.

THE MGO GOVERNING BODY'S MAIN RESPONSIBILITIES ARE AS FOLLOWS:

- Ensure the compatibility between the MGO and the Company's vision, strategy and policies
- Ensure the effectiveness, efficiency, quality and transfer of good practices.
- Regulate the implementation, assessment and improvement of the MGO.
- Assess and approve the use of MSs in different areas of the Organization.
- Assess/ and approve implementation plans and monitor their progress.
- Evaluate the performance of operations regarding the MGO, requesting reports or conducting audits.
- Identify and request adjustments to the MSs in order to comply with MGO Requirements, standardize management processes and operational practices, or develop links between different MSs.
- Report to the UMD the performance of operations regarding to the MGO.
- Recommend improvements to the MGO to Senior Management.
- Keep the Sustainable Operation policy and the MGO Framework, Manual and procedures updated, and communicate modifications to all interested parties
- Identify the need to develop or modify corporate standards, managing the Required actions and approving such standards.
- Promote the understanding of MGO Requirements and provide guidelines and advice to ensure compliance.



| ROLES | FUNCTIONS | MAIN ACTIVITIES |
|--------------------|---|---|
| Sponsor | Upstream Managing Director | Ensure the Company's resources for the successful implementation of the MGO. |
| Members | VP Operations VP Safety & Environment VP Drilling & Completion VP Procurement & Supply Chain Management VP Facilities | Review the MGO's operation with an established periodicity in order to identify opportunities for improvement. |
| Advisors | VP Human Resources VP Exploration VP Reserves Development | Provide knowledge and experience in your specific area for the implementation of the MGO in all areas of the Company. |
| Responsible | Upstream Quality Operations Management | Ensure the implementation and compliance of the initiatives identified and prioritized by the members. |

Glossary

Annual Plan: Annual Plan: a set of annual projections aimed at achieving the Company's objectives.

Company: Pan American Energy LC.

Competencies: underlying characteristics that are causally related to a criterion referenced as effective and/or higher performance at work or in a specific situation.

Underlying characteristics means that a competency is a relatively inherent and profound aspect of an individual's personality and can predict such individual's behavior when facing a wide variety of situations or tasks at work.

Causally related means that a competency causes or predicts behavior or performance.

Criterion referenced means that a competency can truly predict who does something right or wrong, as measured according to a specific criterion or standard.

Contractors: individuals or legal entities that have been contracted to execute construction works or provide services for the Company. The term also includes subcontractors involved in such works or services.

Corporate culture: a set of values, beliefs, behaviors and standards affecting the operations.

Corporate values: a set of concepts that inspire and guide the way that people think and behave in the Organization.

Incident: an unplanned event that either affects or could potentially affect people's health or physical well-being, facilities or the environment. Incidents are further subcategorized as:

Accident: an incident with consequences (impact on people, the environment, facilities, the Company's corporate image) that will have a 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.

Innovation: those changes that help improve our operations and which are, by nature or origin, unproven or difficult to implement and which must, therefore, be part of a work methodology that can be tested quickly and easily, mitigating risks and impact.

Leaders: people who hold middle-management positions or who are part of the Organization's management teams.

Management: a person or a group of people who run and control one or more areas of an Organization.

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.

Management System (MS): a process or a set of interrelated processes aimed at running and controlling one or more areas of the Organization.

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

Performance: the measurement of an operational variable or area of focus regarding health, safety, environmental care, asset integrity and reliability, efficiency, and the relationship with the clients, communities and other relevant stakeholders.

Production System: a set of facilities and systems used for onshore and offshore hydrocarbon exploration, development and production operations.

Quality Assurance: an area of quality management aimed at establishing reliability on the compliance with quality requirements.

Quality Control: a component of quality management aimed at ensuring compliance with quality requirements.

Requirements: legal, technical, procedural, administrative or other requirements, whether internally or externally mandated, which are applicable to operations.

Security: a set of rules aimed at protecting assets and people involved in the operations against intimidation unauthorized access, sabotage, violence, or other criminal activities

Senior Management: a person or a group of people who run and control the highest 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.

Suppliers: individuals or legal entities from whom the Company purchases physical assets required for its operations.

Supply/Supplies: goods and services required by the Company for its operations.

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



FIRST REVISION 2020

