



**CIMARRON ENERGY INC.**

**ANTI-CORRUPTION COMPLIANCE POLICY MANUAL**

*First adopted by Cimarron Energy Inc. as of May 27, 2021.*

The Board of Directors of Cimarron Energy Inc. has mandated the preparation and implementation of this Anti-Corruption Compliance Policy Manual, and in so doing has issued the following *policy* statement:

*We are aware that Cimarron Energy Inc. and its subsidiaries (collectively “Company”) operate in a global marketplace. Our customers operate in many of the most challenging commercial environments in the world—environments where the Company needs to be able to deliver in order to grow our Company and meet our customers’ demands.*

*The Company’s transactions with international customers may trigger the application of special requirements under U.S. law. These requirements may restrict the countries or the companies to which we can sell our products. These laws also require that the Company avoid paying inducements to foreign officials, either directly or through third party sales representatives or consultants. In addition, activities in foreign jurisdictions will expose the Company to the application of foreign laws, and these laws will apply additional legal standards to the Company’s activities.*

*As our business and our prospects continue to expand, it is imperative that all the Company’s personnel understand the importance of remaining in full compliance with these legal requirements. The penalties for compliance failures can be severe, not just for the Company, but for those personnel involved, and no sales or business opportunity is worth creating risks of compliance failures.*

*As a part of the Company’s compliance effort, the Board has adopted this Anti-Corruption Compliance Policy Manual (the “Policy Manual”). Company personnel involved in any overseas business activities must learn the requirements of these procedures and follow both the letter and the spirit of these requirements. It is imperative that the Company maintain a culture of compliance in order for the Company to succeed as a business—and in order for an employee to succeed within*

*the Company, careful compliance with these procedures is not a goal, but a requirement.*

*It will be particularly important to ensure that this culture of compliance is maintained in our work with our overseas contract partners. Our relationships with foreign sales representatives and joint venture partners offer very attractive opportunities to the Company, but no opportunity is worth the risk of a compliance failure that could result in substantial civil and criminal penalties for the Company and for individual employees. Therefore, Company personnel working with our foreign contract partners must project into that relationship the seriousness of our commitment to compliance and must be diligent about ensuring that this commitment is shared by our partners and representatives. Again, this is not simply a goal of our business, but a requirement.*

*Senior managers of the Company will be working to ensure that our culture of compliance is transmitted to and shared by Company employees and contract partners.*

*Finally, it is important to recognize that small compliance issues tend to grow into bigger problems if they are not identified and resolved as soon as they emerge. Prompt attention to any potential issue will be required from all of us. Every Company employee is required to bring any questions or concerns they have regarding compliance matters to the Chief Compliance Officer (the “CCO” who shall, unless otherwise designated, be the head of Cimarron’s Finance department), or if necessary, directly to the Company’s Chief Executive Officer and President (the “CEO”). Failure to report known problems jeopardizes our entire Company, and therefore will be treated with the seriousness it deserves.*

*We appreciate the commitment of Company personal with the Company’s compliance efforts, and we thank you for your continuing contribution to our Company’s growth and success.*

*The Board of Directors,  
Cimarron Energy Inc.*

**I. OBJECTIVE OF THE ANTI-CORRUPTION COMPLIANCE POLICY**

This Policy Manual sets out procedures and guidance for the employees and contract personnel of Cimarron Energy Inc. and its subsidiaries and/or affiliated entities majority-owned or controlled by Cimarron Energy Inc. (collectively referred to as “Company”) to ensure compliance with the US Foreign Corrupt Practices Act (“FCPA”), the UK Bribery Act, the Brazilian Anti-Bribery Law (Law No. 12,846/2013) and similar laws in the states and countries in which the Company operates. These laws prohibit bribery of commercial contract parties, and of government officials and employees of state-owned companies.

Company policies prohibit all forms of bribery, including the offering or acceptance of bribes from any Company vendor or customer. As a practical matter, however, the risks and penalties attendant to the bribery of government officials requires particular focus, effort, and diligence by the Company's Compliance Team (the "Compliance Team") as identified in Section III and, indeed, all operational personnel. For purposes of this Policy Manual, the term "government official" is broadly defined to include:

- Any official or employee of any government entity, department, or agency;
- Any employee of a state or government-owned business, school, hospital, or utility (such as a port official or an employee of a state-owned oil company);
- Any political party or official thereof;
- Any candidate for political office;
- A public international organization (e.g., the United Nations or the World Bank);
- Any person acting in an official capacity on behalf of a governmental entity; and
- Immediate family members of anyone described above.

*It is important for Company personnel to recognize that an employee of a private business operating under a public concession could be considered to be a government employee if that person is engaging in a governmental function.* For example, if in a particular country certain customs inspection processes or port entry functions are delegated to a private contractor, bribery of an employee of the contractor could be prosecuted as a bribe paid to a public official.

## **II. SCOPE OF APPLICATION OF THE ANTI-CORRUPTION COMPLIANCE POLICY**

This Policy Manual applies to all employees, including contract personnel, of the Company, personnel of any entity majority-owned by the Company, and to any Company agents who are authorized to act on behalf of the Company, wherever located.

Foreign sales representatives and other third-parties under contract to the Company, though not strictly subject directly to the requirements of this Policy Manual as Company employees, are also required to act in accordance with the policies set forth herein, as set forth in detail in Article VI below.

## **III. ADMINISTRATION OF THE ANTI-CORRUPTION COMPLIANCE POLICY**

The Board of Directors of the Company has specifically directed the issuance and implementation of this Policy Manual and retains ultimate responsibility for ensuring that the Company meets its obligations under all applicable laws. The Board has delegated responsibilities for its administration of this Policy Manual to Company Legal and Compliance personnel.

Company employees are individually responsible for ensuring compliance with applicable anti-corruption laws, and this Policy Manual is established to assist them in doing so.

For questions regarding this Policy Manual or any particular transaction, please contact any member of the Compliance Team:

- CEO and President
- CCO
- Managing Director – Aereon Europe
- Vice President of International Sales
- Vice President of Human Resources
- Sr. Director, Materials and Planning
- Treasury Manager

#### **IV. RESPONSIBILITIES OF COMPANY PERSONNEL**

**4.1 Full Compliance:** Company personnel should be aware that adherence to the Company's compliance procedures will be necessary to preserve and advance their careers at the Company.

Company personnel should also be aware that the laws with which this Anti-Corruption Compliance Policy is concerned apply directly to any employee, regardless of where the relevant conduct takes place. Further, in the event that a Company employee becomes the target of a legal investigation for possible compliance failures, the Company may not be able to supply such personnel with legal representation or assistance, and indeed the Company will likely cooperate with the investigation.

Each employee has the obligation to:

- Affirm his/her receipt and understanding of the Policy Manual.
- Confirm his/her commitment to honor the spirit and the letter of the Anti-Corruption Compliance Policy.
- Maintain familiarity with the Policy Manual elements and procedures.
- Seek guidance from the CCO or from the employee's manager when questions arise as to the application of the Anti-Corruption Compliance Policy to particular circumstances.
- Promptly report to the CCO any concerns as to policy compliance.
- Keep detailed and truthful records with respect to transactions subject to the Anti-Corruption Compliance Policy.
- Participate in periodic reviews and audits of Company performance under the Anti-Corruption Compliance Policy.
- Participate fully, truthfully, candidly, and in good faith in any investigations of compliance concerns.

**4.2 Understanding and Training:** The CCO shall ensure that Company personnel involved in international sales are familiar with this Anti-Corruption Compliance Policy. Company personnel are responsible for knowing and understanding the elements of this Anti-Corruption Compliance Policy. If at any time any Company employee involved in international sales desires additional training, or if the employee should have a question as to the application of this Anti-Corruption Compliance Policy regarding a specific Company activity, the employee has an

obligation to so advise the CCO.

**4.3 Reporting of Concerns:** Company personnel involved in making international sales are required to report to the CCO or directly to the CEO any concerns they have with respect to compliance with this Anti-Corruption Compliance Policy. A “concern” is any instance of known or suspected improper conduct with respect to this Anti-Corruption Compliance Policy, including any potential concerns regarding the actions of third parties with whom the Company is doing business. A concern as to compliance with this Anti-Corruption Compliance Policy need not involve or implicate any suspected violation of the law.

Concerns may also mean questions regarding the application of the Anti-Corruption Compliance Policy to specific problematic circumstances not explicitly addressed in this Policy Manual. Indeed, the intent of the Anti-Corruption Compliance Policy is that all such matters should be clarified in advance so that actions are not taken that lead to problems later. Reports should be made to the CCO or the CEO in person or by phone.

Any Company employee turning a blind eye to issues that could result in compliance lapses does a grave disservice to the Company. Therefore, employees are not just encouraged, but required, to raise credible concerns in accordance the procedures set forth herein. Failure to raise known concerns will be taken into account in employee evaluation processes.

No Company employee will be punished for bringing to light compliance concerns, though such concerns should always be raised in a professional manner in accordance with the procedures set forth in this Policy Manual. Employees should understand that it may often happen that a certain activity may appear to present a compliance concern only because one has inaccurate or incomplete information about the activity in question. Therefore, though it is important that concerns always be raised, prudence and care are required as to the manner in which concerns are raised. If, for example, unfounded accusations are broadcast concerning the activities of another employee—accusations that would not have been made had the accuser known more about the circumstances in question—then needless harm to the fellow employee and to the Company could result.

Company personnel are further cautioned that a failure to adhere to Company compliance procedures does not necessarily mean that any law has been violated. For example, Company’s compliance procedures forbid employees from making contributions to foreign political campaigns. This does not mean, however, that any employee making such a contribution has necessarily caused any violation of the law, because exceptions and defenses could apply to the specific case. Therefore, in raising concerns regarding adherence to the Company’s compliance policy, Company employees should simply raise the facts at hand, and should refrain from speculating about the legal consequences attendant to such facts.

Additional information and guidelines regarding obligations, procedures, and objectives with respect to the handling of reported compliance concerns are set out at **Annex A** to this Policy Manual.

Guidelines for the handling of employee compliance failures, including the failure to report known concerns, are set out at **Annex B**.

**4.4 Submission of Annual Compliance Certifications.** Company employees and officers engaged in international transactions will provide annual certification and/or report of compliance with the Company’s Anti-Corruption Compliance Policy. Regional and departmental managers may also be asked to provide an additional certification pertaining to compliance by the units under their direction. Sample certification templates are attached hereto as **Annex C**. In certain cases, such as when a relevant law or policy has changed, certifications at other dates may be required. Any employee from whom such a certification is required under this Policy or else is requested by the CCO shall promptly, carefully, and truthfully provide such certification and/or report. Any questions regarding the certification and/or report should be raised with the CCO for clarification. The Compliance Team will be responsible for ensuring that all certifications and/or reports are obtained and reviewed, and that any issues identified in such annual certifications and/or reports are investigated. The Compliance Team will keep records of all certifications and reports.

## **V. SUMMARY OF APPLICABLE REGULATORY OBLIGATIONS**

### **5.1 The U.S. Foreign Corrupt Practices Act (“FCPA”)**

The FCPA prohibits the direct or indirect payment or offering of inducements to officials and employees of foreign governments, political parties, state-owned companies, and international organizations (such as the World Bank or U.N agencies).

The FCPA presents four key compliance challenges to the Company:

***First, the prohibitions set out in the statute itself are very broad and demanding.*** For example:

- The statute does not provide any *de minimis* exception, but prohibits the giving of “*anything* of value” to a foreign government official.
- Foreign officials within the scope of the FCPA’s prohibition include every single employee of a state-owned company—which means that merely buying a nice dinner for a junior employee of a state-owned oil company could have FCPA implications.

***Second, many of the Company’s customers operate in markets that are high-risk from a compliance perspective.*** All companies operating in the oilfield equipment and refining sectors understand that our international marketplace is one in which government customers play a significant role. In this respect, the FCPA presents a much more significant compliance burden for the Company and our competitors than it does for companies selling kites or neckties. Moreover, a significant number of the key foreign markets for our services are in countries in which bribery is common, and sometimes even expected.

***Third, even payments made by third parties, such as Company consultants or sales reps, can produce liability for the Company.*** The FCPA forbids the making of any payment or offer to any person, knowing that some of that payment or offer will go toward an illegal inducement. Under the FCPA’s definition of “knowing,” however, it is sufficient to cause a violation if the Company was aware that there was a high probability that a bribe might be paid. Thus, the

Company must be extremely cautious in its dealings with all third parties, particularly in difficult markets, as the Company may be liable for any bribe paid by the third party in connection with Company business, even if the Company specifically instructed such third party not to engage in any illicit activity.

***Fourth, the penalties for violating the FCPA can be very severe.*** Each violation of the FCPA can produce a fine of up to \$2 million, and one unreliable employee or foreign agent may pay five bribes just to make one sale. The fines that may be generated from FCPA violations, and the legal fees that a company may incur in defending against an investigation or prosecution for violations, could be catastrophic for the Company.

In short, the compliance risks are very significant. Therefore, the Company has adopted a number of procedures designed to ensure strict compliance with the applicable legal standards.

Some employees may be aware that there are a number of exceptions to the FCPA; however, these are construed very narrowly by those at the Department of Justice who enforce the statute. For example, “grease” payments needed in order to induce a foreign government official to do what he is legally obligated to do—such as payment of a \$10 bill paid to get one’s passport back from a customs agent at an airport, or a payment to an employee from a state-owned telephone company needed to turn on phone service in a foreign office—are allowed, but only to the extent that no preferential treatment is provided. In the minds of the regulators, it is one thing to get your passport back or the phones turned on, and quite another thing to be moved to the front of the line in the process. Similarly, the FCPA does allow for the payment of bona fide business expenses—for example, the payment of a foreign official’s travel expenses to a Company meeting—but again, the exception is construed very narrowly. In the minds of the regulators, it is one thing to pay for a government official to fly to a meeting in London; it is quite something else to put him up in a lavish hotel for a week.

Because these exceptions are so narrowly construed by those who enforce the statute, the Anti-Corruption Compliance Policy requires review and approval of Company expenditures falling within the scope of the FCPA.

Finally, the FCPA imposes a set of record-keeping obligations on companies issuing stock under the Securities Act of 1933. The Company is not a public company; however, the Board of Directors has decided that, in order to ensure that the Company’s compliance policy is robust, and in order to be able successfully to audit the Company’s compliance, careful records must be kept of all transactions with FCPA implications. The thrust of the applicable FCPA regulations requires that Company expenditures be tracked and characterized appropriately, and that payments are made in accordance with appropriate Company authorizations. The statute provides:

*Every issuer . . . shall--*

*(A) make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer; and*

*(B) devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that--*

*(i) transactions are executed in accordance with management's general or specific authorization;*

*(ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles . . . and to maintain accountability for assets;*

*(iii) access to assets is permitted only in accordance with management's general or specific authorization; and*

*(iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.*

## **5.2 U.S. Sanctions**

Sanctions imposed by the U.S. government against foreign countries are administered by the Treasury Department's Office of Foreign Assets Control ("OFAC"). A list of U.S. sanctions against foreign countries and persons can be found on the U.S. Department of the Treasury website at <https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx> (Sanctions Programs and Country Information).

The purpose and scope of the U.S. sanctions vary considerably. Consequently, any transaction in any foreign country sanctioned by the U.S. will require special compliance attention.

Without prior written approval from the CEO of the Company, Company personnel may not sell any products to a customer in any U.S. sanctioned country, *or to any other person if there is reason to suspect that such products may be intended for use in U.S. sanctioned countries.*

## **5.3 Anti-Boycott Regulations**

To comply with their Arab League commitments, many Arab governments have adopted laws requiring their businesses to refrain from doing business with Israeli companies, or with companies trading with Israel. To comply with these regulations, the Company's Middle Eastern customers may attempt to solicit from the Company information or representations concerning the nationality or religious affiliation of the Company's owners, management, or concerning the Company's business relations with Israel.

In this regard, there are two sets of U.S. regulations that require attention by the Company. The first is administered by the Treasury Department, and these regulations require the Company to file with the IRS annually on Form 5713 certain information regarding the Company's "operations relating to" boycotting countries. The second set of regulations is administered by the Commerce Department, which provides extensive guidelines as to the applicable prohibitions and reporting requirements. Under both these laws, *it is illegal for any U.S. person to provide information or representations to any business party which information or representations are responsive to a foreign government's effort to enforce the boycott of Israel. **The regulations also place on the Company an affirmative duty to report all requests for such information to the regulators.***



Those countries that, according to the Treasury Department, still seek to cooperate with the Arab League's boycott of Israel include:

- Iraq.
- Kuwait.
- Lebanon.
- Libya.
- Qatar.
- Saudi Arabia.
- Syria.
- Yemen

Any contract or tender or communication from a potential customer in one of these countries must be scrutinized to ensure that it does not contain any offensive terms. Often, the inquiries of concern are not obvious. Examples of reportable inquiries or contract terms include:

*“Prior to commencing performance of the contract, the Seller shall provide to the Buyer information regarding the nationalities of its owners, directors and managers, and its business contracts in the Middle East region, in order to ensure compliance with Omani law.”*

*“Seller warrants that no supplier or manufacturer of any part of the product is precluded from doing business with Saudi Arabia under Saudi law.”*

Company personnel contracting or corresponding with customers and potential customers in any one of the above-listed countries must be careful to spot and promptly report to the CCO any potentially problematic language.

#### **5.4 Prohibitions on Sales to Specified Entities**

Various U.S. regulations prohibit U.S. businesses from doing business with certain persons or companies who are forbidden from benefiting from trade with the United States. Various U.S. agencies maintain the following lists of prohibited customers:

- **Denied Persons List:** Individuals and entities that have been denied U.S. export privileges (maintained by the Bureau of Industry and Security, or “BIS,” at the Commerce Department)
- **Unverified List:** Parties involved in prior transactions where BIS could not verify the end use of the U.S. products (maintained by BIS)
- **Entity List:** Parties who are subject to specific export restrictions by the Department of Commerce (maintained by BIS)
- **Specially Designated Nationals List:** Parties thought to be involved in terrorism, drug trafficking, money laundering, and certain other illegal activity (maintained by the Office of Foreign Assets Control at the Treasury Department, or “OFAC”) (*see* Specially Designated Nationals and Blocked Persons List (SDN) Human Readable Lists and Other OFAC Sanctions Lists at <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>)

- **Debarred List:** A group of individuals and entities barred by the State Department from participating in export transactions (maintained by the Directorate of Defense Trade Controls at the State Department)

Company personnel are forbidden from selling Company products to, or otherwise doing business with, any company or person identified on one of these lists. Therefore, customer identification checks are required as specified in Article VI of this Anti-Corruption Compliance Policy.

### **5.5 Compliance with Local Laws**

Company sells its products in many different jurisdictions. It is the policy of Company to comply with the letter and spirit of all laws applicable to its activities in any jurisdiction to the extent such laws do not violate any applicable U.S. or international law applicable to the Company's activities in such jurisdictions.

The purpose of this compliance policy is to set a floor for Company conduct, not a ceiling. The requirements specifically set forth herein must be augmented by requirements arising under the laws in which our employees operate, which will often expand the obligations set forth herein. For example, the United Kingdom's Bribery Act sets out tougher standards than those contained in the FCPA. Similarly, even state laws in the US may extend the anti-bribery provisions of the FCPA to prohibit bribery of non-governmental, commercial contacts as well.

Company employees are expected to know the basic requirements of the commercial laws applicable to their conduct in the territories in which we operate, even if they are only present in another jurisdiction temporarily. It is the policy of the Company to provide to the extent reasonably able each employee with appropriate additional training where such employee is in need of and notifies the Company of such need for additional training with respect to any regulatory matter relevant to such employee's job duties and/or performance.

## **VI. SPECIFIC, REQUIRED COMPLIANCE PROCEDURES**

### **6.1 Procedural Requirements for Foreign Sales Contracts**

As discussed above, a key compliance objective for any U.S. exporter is to ensure that its products are not diverted to prohibited destinations or prohibited end users. Because most Company products are engineered for use at a specific site, diversion risk is low for most of our exports. Sales of off-the-shelf products and spares, however, present an added degree of risk, and therefore require an additional level of diligence.

Certain Company contracts with foreign customers may require specified Company review procedures. The contracts for which review is required are described below.

***Approval of Sales Contracts.*** Company sales contracts, tenders, bids, and price quotes with foreign parties shall be subject to compliance review if any one of the following elements is present:

- The sales contract calls for sales to a government-owned entity.
- The sales contract calls for delivery to a customer unknown to Company.

- The sales contract calls for delivery to a country participating in the boycott of Israel, and the contract terms were drafted by the buyer rather than Company.
- The sales contract calls for shipment to a new destination where Company has not done business before.
- There are unusual contract terms that indicate a diversion of the goods may occur, e.g., strange payment or delivery terms, or payment to or from a third party.
- It is known or suspected that Company's foreign customer will re-export or re-sell the products to a government-owned entity.

All sales contracts or customers requiring compliance review shall require advance approval by the Vice President of International or the CEO.

In addition, all contracts for sales of spares shall require that Company obtain an end-user certificate such as that set out at **Annex D** if the customer is unwilling or unable to provide a satisfactory end-user certificate, the sale must be approved in advance by the Vice President of International or the CEO.

## **6.2 Relationships with Sales Representatives, Consultants, Joint Venture Partners, or Other Local Contract Counterparties and Service Providers**

Any inducement paid by a Company contractor to a foreign official could generate liability for the Company if made in connection with Company business, even if the Company knew nothing about the payment and forbade the counterparty from making any such payment on behalf of the Company. If such a problem arises, it will never be sufficient for Company personnel to say, "We didn't know about any of that stuff," or "We told the agent not to make any of those sorts of payments." Rather, the Company is responsible for ensuring that it has undertaken sufficient diligence to be confident that our business partners are not engaging in any such activity.

In forming and managing its third-party relationships, the Company's diligence and compliance efforts must be focused on the areas of greatest risk. The due diligence and contract approval procedures set out below and in the appendices are intended to ensure that attention and care is focused on those relationships that are most likely to present compliance challenges.

It will always be the case that the best way for the Company to avoid problems with its business partners is to ensure that it has done the proper due diligence in advance in order to avoid forming any risky relationships. According to the US Justice Department, prudent due diligence may require investigating whether potential foreign representatives and joint venture partners:

- *are in fact qualified for the position;*
- *have personal or professional ties to government officials;*
- *have a sufficient number of clients with a good reputation for compliance; and/or*
- *have a good reputation with the U.S. Embassy or Consulate and with local bankers, customers, and other business contacts.*

In addition, in forming and managing the relationships with such parties, the Company should be careful to identify what the Justice Department calls "red flags," and these include:

- *unusual payment patterns or financial arrangements;*

- *a history of corruption in the country;*
- *a refusal by the foreign joint venture partner or representative to provide a certification that it will not take any action in furtherance of an unlawful offer, promise, or payment to a foreign public official and not take any act that would cause the U.S. firm to be in violation of the FCPA;*
- *unwarranted or unusually high commissions;*
- *lack of transparency in expenses and accounting records;*
- *apparent lack of qualifications or resources on the part of the joint venture partner or representative to perform the services offered;*
- *whether the joint venture partner or representative has been recommended by an official of the potential governmental customer;*
- *relationships between the third party and government officials;*
- *refusal by the third party to disclose relationships or its ownership; and*
- *reluctance or refusal by the third party to properly document all aspects of the transaction.*

Additional information about these “red flags” is included in **Annex E**.

### **6.3 Contract Terms**

All deals with foreign consultants, representatives, agents, joint venture partners, and marketing services providers must be documented in a written contract. Further, the Company has approved a set of contract terms for inclusion in all contracts with foreign sales reps, agents, consultants, JV partners, and other similar foreign contract parties. Company contracts with any such party, if the party will be dealing with customers of Company, or dealing with government officials on behalf of Cimarron, must include this language, with allowances for stylistic editorial revisions that do not change the substance of the representations and obligations required from the foreign party. These contract terms may be found at **Annex F**. **Note that these requirements will also apply to contracts with a U.S. third party where the services provided by such third party pertain to a foreign market. For example, if the Company engages a U.S. consultant to help the Company develop opportunities in Mexico, that relationship is strictly subject to this Anti-Corruption Compliance Policy.**

The Company has also approved a standard Sales Representative Agreement template for all foreign sales reps. **This template must be used as the baseline agreement between any foreign sales rep and the Company or any of its affiliates. The standard Sales Representative Agreement template may be found at Annex G.**

### **6.4 Due Diligence and Approval Requirements for Contracts**

Company recognizes that merely imposing contract terms on contact counterparties does not guarantee that they will honor those terms. Therefore, the Company has also adopted a risk-based assessment and approval process set forth in **Annex H**. If the Company is going to contract with any service provider in any jurisdiction, and that contract counterparty will be engaging with Company customers or government officials in connection with Company business, then prior to contracting with that party, and prior to paying any invoice for services rendered by that party, a risk analysis must be performed by the Compliance Team, and this risk analysis will determine the level of prior due diligence required, and the level of Company approval needed to authorize Company’s entering into a relationship with the business partner.

## **6.5 Review and Audit of Relationships and Payments to Local Partners**

### ***Annual Review and Certification***

A significant source of compliance risk can arise from stale business relationships that have persisted over the course of several years with no ongoing diligence review. All relationships with non-U.S. consultants, sales representatives, JV partners, and similar contract parties must be reviewed by the Company Compliance Team no less than annually to verify that the relationship has not raised any red flags. The Compliance Team must also obtain annual certifications from the contract party that no violation of the Company's compliance requirements have occurred in the relationship over the prior year. A template for such certifications is attached at **Annex I**.

### ***Payment and Expense Audit***

In the Company's compliance efforts to ensure that no inappropriate payments are made in violation of the Company's ethics policies, there is no tool more powerful than monitoring of payments and expenses. The Company's general requirements for accounting and funds transfers are sufficient for most purposes in this regard; however, additional scrutiny must be given by the Company's Compliance Team to payments made to third parties who are not providing operational goods or services to the Company. That is, payments to local consultants, representatives, JV partners, and business service providers must be monitored and subject to occasional audits, with the frequency of audits determined by the level of risk associated with the third party.

In this regard, the Company Compliance Team must require operating units to report such payments to the Compliance Team on a timely basis. All such payments must be supported by contracts that contain required compliance language, and evidence reasonable value received the Company in exchange for the payment. Any unsupported or anomalous payments raising red flags should be audited promptly for verification that the payments were legitimate. Any material concerns regarding any potentially problematic payments must be promptly reported to the Company's CCO.

## **6.6 Facilitating Payments Prohibited**

Except as otherwise provided in Section 6.7 below, no facilitating payments (i.e., "grease") to foreign government officials or employees shall be allowed in connection with any Company business. In general, a facilitating payment is one that is made to a low-level government official in order to induce such officials to do what they are required to do by law. These are typically small payments made to government officials to expedite or facilitate non-discretionary actions or services, such as obtaining an ordinary license or business permit, processing government papers, providing police protection, providing telephone or power service, or processing shipments through customs.

In addition, no payments may be made to any third party, no matter what their relationship with Company, when the Company employee making the payment knows that there is a material risk that the third party will forward some portion of the payment to a government official or employee in connection with Company business.

## **6.7 "Extorted" Payments**

Notwithstanding the general prohibition on facilitating payments, it is permissible for

Company personnel to make a payment necessary to avoid imminent harm to any Company employee or any other person, or material harm to Company property. An example would be a situation where a customs official has illegally threatened to seize and destroy Company goods, or where a Company employee is threatened with imprisonment or is unable to leave a foreign destination because a border official has confiscated his passport. Payments made in response to mere commercial duress (*e.g.*, a potential significant tax liability) are not typically considered extortion, and are not allowed without prior written authorization from the Compliance Team.

If any Company employee is confronted with a situation in which the employee believes that there is an imminent threat, the employee must use his or her best judgment in determining whether to make an extorted payment. In most cases, however, the government official attempting to extort a payment should be made to understand that it is the Company's policy to report such actions to relevant government officials of the interested governments, and Company may also report foreign officials found to be acting in violation of law.

If the employee, acting reasonably, elects to make the payment in such situations of duress, the employee will not be subject to discipline under this Policy, but ***those payments must be reported to the Compliance Team as soon as possible***. The Compliance Team must keep records of all extorted payments, including information regarding the Company employees involved, the foreign government officials involved, and the amounts of any payments made

#### **6.8 Gifts, Meals, and Entertainment**

It is permissible to provide modest gifts, restaurant meals, or other business-related entertainment to a government official or a customer as a social amenity or a modest token of esteem. The timing and context surrounding such gift or entertainment must be weighed in order to assess whether any particular gift or entertainment could be perceived to be a bribe.

Generally, modest gifts, meals, and entertainment are permissible, provided that:

- Hospitality offered on behalf of Cimarron must be related to the marketing or sale of the Company's products or services;
- Hospitality in all cases must be reasonable in amount, must be offered in good faith only in connection with the promotion of Company products or services, or the performance of a contract, and must be lawful under applicable local law;
- There is no expectation that the gift, meal, or entertainment is given in exchange for any return favor or business advantage from the recipient (*i.e.*, no quid pro quo);
- The gift, meal, or entertainment is infrequent, reasonable, and proportionate in amount under the circumstances; and
- The gift, meal, or entertainment is lawful under the applicable law where rendered.

Unless otherwise approved by the Compliance Team in writing, expenses for hospitality meals involving a government official should not substantially exceed \$150 per attendee.

Other requirements include the following:

- Frequency of hospitality must be carefully monitored, as the cumulative effect of frequent hospitality may give rise to the appearance of impropriety or an outright legal violation; hospitality for any government official should not exceed twelve events in any calendar year. If additional hospitality is anticipated, prior written approval must be obtained from the Compliance Team.
- Cash gifts to government officials are not permitted under any circumstances. Per diem expense payments to government officials are also prohibited.
- One-time promotional items or gifts of nominal value not exceeding \$200 are permitted.

In all cases in which entertainment, gifts, or travel expenses are allowed or approved, the expenses must be reported to the Compliance Team, and supported by receipts and accurately recorded in the Company's books.

#### **6.9 Payments to Government Officials for Necessary Services or Expenses**

The Company may pay for legitimate services provided to the Company by a foreign government entity or government official, such as paying a government-owned utility company for electricity, so long as the payments are made in accordance with local law and in the ordinary course.

The Company may also pay for legitimate expenses incurred by an official on the Company's behalf, or expenses of a foreign official arising in connection with attending business meetings or a demonstration or testing of any Company product or service. For example, it is permissible to pay for an official's legitimate travel expenses incurred in connection with a visit to a Company facility or demonstration. In any circumstance where the Company is responsible for the airfare or lodging expenses of a government official, however, itineraries and any other supporting documentation must be approved in advance by the Compliance Team and maintained throughout the trip. Further, payment or reimbursement must not be made directly to the government official incurring the expense, and any such payment or reimbursement must be made directly to the service provider (*e.g.*, the airline or the hotel) or the foreign government agency involved. Expenses beyond those reasonably necessary for the business purpose, such as lavish accommodations or expenses for spouses and children, will not be approved.

#### **6.10 Charitable Donations**

Donations made to foreign-based charities with the personal funds of an employee are permitted but should not be made in connection with any Company activity.

Any donation to any charity made with any Company funds must be approved in advance in writing by the Compliance Team, and any such contribution must be documented and transparent. In general, any donations to civic or community organizations should be made only as an act of good corporate citizenship and goodwill; donations may not be approved if made to benefit or curry favor with any government official.

### **6.11 Political Contributions to Foreign Political Parties**

Contributions by Company employees to foreign political parties or committees or to individual politicians may not be made using any Company funds and may only be made with the prior written consent of the Compliance Team. In particular, Company employees shall not make any personal contributions without the prior written consent of the Compliance Team to any foreign political parties or committees or to individual politicians under circumstances where the employee, as part of his job duties for the Company, is involved in any way with a Company contract (or a contract being negotiated by the Company) that is governed by, specifically benefits, or is performed, in whole or in part, in the country of such foreign political parties or committees or individual politicians who have a direct or indirect influence upon the authorization or performance of such contract.

Such contributions may not be made in connection with Company business and shall not be made as a means of obtaining any commercial advantage for Cimarron with the official or party involved.

### **6.12 Acquisition of a Foreign Company or a US Company with Foreign Business**

The Department of Justice has taken the position that an acquirer of a business must conduct thorough due diligence on the business's past FCPA compliance in order to avoid inheriting liability for any compliance failures by the acquired company. The amount of FCPA due diligence that can be performed in the context of a merger or acquisition is subject to negotiation between the buyer and the seller, is often conducted under intense time constraints, and may vary depending upon the business terms of the transaction (for example, whether special indemnifications for FCPA liability are being negotiated). Thus, the type and amount of FCPA due diligence that will be allowed or necessary in any acquisition will necessarily depend upon the circumstances of each transaction. Nevertheless, it is the policy of the Company that in all transactions by which the Company may acquire FCPA liability, a thorough FCPA due diligence review shall be conducted at the direction of qualified legal counsel.

### **6.13 Record Keeping**

Just as compliance with applicable laws is an essential requirement for the Company's success, so it is essential that the Company be able to demonstrate its compliance by keeping accurate records of its foreign transactions.

Many companies that have suffered the consequences of a federal investigation—and merely dealing with the investigation itself can often generate significant legal fees that far exceed any resulting fines—have found that the company's problems were greatly magnified by the mischaracterization of payments. For example, in the course of FCPA investigations, even when actions are taken that are completely legal under the FCPA, such as giving a modest corporate gift that would not qualify as an inducement under the law, mischaracterizing the expenses associated with such actions as “office supplies” will create significant problems for the Company. Any time a payment is described as something other than what it is, an investigator will tend to assume that a company is making payments that it believes are illegal and is mischaracterizing the payments in an attempt to avoid detection.

All foreign transactions must be accurately recorded, and the records kept for a period of



five years. This does not require maintaining every stray email or Post-It Note remotely related to the transaction, but it does require that the nature of the transaction itself and all key details about the transaction, the parties, and the underlying exchange of value be properly reflected by records that are easily retrieved and easily understood.

The following financial and accounting directives have been implemented by the Company:

- All cash, bank accounts, payments, and assets of the Company must always be recorded accurately on the official books of the Company.
- The Company's Accounting Department will periodically review the Company's books, records, and controls to ensure their compliance with the requirements of this Policy.
- No employee shall falsify any accounting or other business record, and all employees shall respond truthfully and fully to any questions from the Company's internal or independent auditors.
- Bank accounts should be opened or closed in accordance with the Company's by-laws and only upon the prior written approval of the CEO.
- Payments may not be made into anonymous bank accounts or other accounts not in the name of the payee (or another valid entity known to be controlled by the payee).
- No cash payments shall be made, except for regular, approved payroll payments or normal disbursements from petty cash supported by signed receipts or other appropriate documentation.
- Fictitious invoices, over-invoices, or other misleading documentation may not be used.
- Fictitious entities, sales, purchases, services, loans, or financial arrangements may not be used.
- All expenses must be supported by receipts or other reasonable written documentation.
- Payments for any services rendered to the Company by a government official (including an officer of a foreign government-owned commercial enterprise), including honorarium payments and reimbursement of expenses, will be made solely to the foreign government agency or instrumentality employing the individual. Such payments will be made by check directly to the foreign government agency or instrumentality or by wire to its named bank account within the foreign government agency's or instrumentality's country, or by wire through its duly authorized correspondent bank within the United States.
- Funds received, whether in cash or checks, will be deposited promptly in a bank account of the Company.

- Any employee who suspects the possibility that a bribe, kickback, or over-invoice is associated with a particular receipt or that an understanding exists that all or a portion of a receipt will be rebated, refunded, or otherwise paid in contravention of applicable Anti-Corruption Laws or this Anti-Corruption Compliance Policy, must immediately report that suspicion in accordance with the procedures set out in the Cimarron Code of Business Conduct, “Reporting of Compliance Concerns and Possible Policy Violations.”
- No Company employee may use personal funds to accomplish what is otherwise prohibited by this Policy.

*It is the mandatory policy of the Company to engage in no illegal activity, and thus to have nothing to hide. Therefore, strict compliance with the recordkeeping requirements will be required of Company personnel.*

#### **6.14 Compliance Reviews**

In addition to the third-party expense audits discussed in Section 6.5, the Compliance Team must conduct an annual (or more frequent if circumstances dictate) audit of all expenses paid in connection with contacts with customers or government officials in order to ensure they meet the standards set forth in this Policy Manual and that they do not manifest a pattern of excess contributions to any particular customer, government official, or agency.

In addition, the Compliance Team will audit all payments to local sales representatives, consultants, and other contract parties that may be engaged in promoting Company business or dealing with third parties on behalf of Company. The frequency of such audits shall be determined based upon the level of compliance risk associated with the relevant market and the relationship. For example, payments of commissions or expense reimbursements to a sales representative in a high-risk market will be scrutinized more frequently and more carefully than payments to a freight forwarding company assisting in Norway.

The Compliance Team must also work with the Finance Department to monitor accounts in high-risk jurisdictions to ensure all funds used locally are supported with appropriate documentation and adequately recorded in a transparent manner.

#### **6.15 Training**

The Compliance Team shall work with Human Resources to ensure applicable employees receive training on the procedures contained in this Policy Manual. In addition, the Compliance Team must ensure that applicable employees receive refresher training at regular intervals. The frequency and substance of the training should be targeted based on the risk level of the associated Company location. (For example, training will be more frequent for Company employees operating in locations presenting higher compliance risks, and less frequent in some other locations.) The Compliance Team will ensure that a record of each training is maintained by Human Resources, with mention of the date, subjects covered and attendance sheets.

#### **6.16 Violations Reporting and Investigation**

Any employee who suspects an export or sanctions violation, or a material deviation from the procedures in this Policy Manual, must immediately notify the Company in accordance with the policy on reporting of compliance concerns set forth in Section 4.3.

# **ANNEX A**

## Annex A

### **Guidelines for Handling Company Compliance Concerns**

#### **I. Role of the Chief Compliance Officer in Handling Concerns**

The CCO is responsible for performing the following functions:

- Serving as a listening board for employees with ideas or concerns about compliance.
- Gathering facts and assessing issues brought to the CCO's attention, including, where appropriate, conducting limited initial inquiries, interviews, and consultation with Company legal counsel.
- Determining whether remedial action may be required, and reporting the CCO's opinion in that regard to the CEO.
- Determining the urgency with which a concern must be addressed.
- Immediately reporting to the CEO: (a) any significant, material violations of the Anti-Corruption Compliance Policy that appear to have occurred, or (b) instances in which an initial preliminary review has been unable to dismiss an allegation that a significant, material violation of the Anti-Corruption Compliance Policy may have occurred.

The CCO is *not* responsible for:

- Generating policy decisions as to the implementation of the Anti-Corruption Compliance Policy.
- Policing the activities of co-workers.
- Reminding employees of the Anti-Corruption Compliance Policy's requirements that employees are responsible to learn and follow.
- Generating conclusions about the attitudes of employees (as opposed to observable behaviors); acting as a judge, rather than as a fact-finder.
- Reprimanding employees for compliance failures.

#### **II. Guidelines for the Initial Response to Reported Concerns**

In handling concerns brought to the attention of the CCO, the CCO should endeavor to:

1. Obtain as many of the relevant facts, and identify reliable sources for those facts, as quickly as possible. Clarify with the employee what is known, what is not known, and what can be done to obtain more information.
2. Avoid leading the person raising the concern toward any particular conclusion. Avoid asking leading questions. Engage in fact-gathering, rather than encouraging speculation.
3. Avoid offering hasty opinions as to the seriousness of the concerns raised by the employee. Avoid speculating as to the legal or internal consequences of any reported activities.

### **III. Guidelines for Investigating Concerns**

In conducting any inquiry the CCO shall:

1. Maintain strict confidentiality and encourage the relevant employees to do so as well. Assure the relevant employees that all concerns will be treated promptly, professionally, and courteously.
2. Avoid raising issues with employees who are not involved in the investigation, whose responsibilities or conduct are not within the scope of the investigation, and who are not in leadership positions with respect to areas in the Company where the concern arose.

### **IV. Role of Employees in Participating in Investigations**

It is the responsibility of Company employees to participate conscientiously, truthfully, candidly, and in good faith in any investigative process undertaken by the CCO.

Employees should be aware that truthful and candid responses to inquiries are not only demanded by the Company but may also be a requirement of applicable law. Employees should understand that the information they provide in the context of an internal investigation may be included in a voluntary disclosure made by the Company to relevant legal authorities. An employee knowingly providing false information, or withholding relevant information, in such a context could face exposure to criminal prosecution for obstruction of justice.

### **V. Guidelines for Corrective Action**

Confirmed allegations of improper conduct violating Company policy are to result in some visible action. In some cases, the improper conduct may be an isolated incident and corrective action will apply to the particular situation. In other cases, the reported concern may have broader implications and corrective action will apply across the Company.

One of the most important elements of the Anti-Corruption Compliance Policy is an open and trusting environment in which employees are encouraged to, and are comfortable with, raising concerns about behavior inconsistent with Company policies. Retaliation against an employee for reporting a concern or cooperating in an investigation is strictly prohibited. If managers or employees retaliate against another employee, even if the retaliation is very subtle, they shall be subject to severe discipline, which may include termination of their employment with the Company.

Equally serious is the raising of any concern based on malicious intent and inaccurate information. Any employee intentionally raising untrue allegations against another employee, whether a current or a former employee, will subject Company to considerable risk, will damage the work community within the Company, and will be subject to severe discipline, with may include termination of their employment with the Company.

## **VI. Creation of a Compliance Incident Report**

All concerns raised with the CCO shall result in the creation of a Compliance Incident Report containing the information set forth below. In the event that the CCO believes that legal concerns are raised by the incident in question, consultation with Company counsel is appropriate prior to final preparation of the report.

1. Describe the general nature of the concern, and the portion of the Anti-Corruption Compliance Policy with respect to which the concern is related (e.g., anti-boycott, sanctions, FCPA).
2. Describe who raised the concern, unless the reporting employee has requested to remain anonymous, and any other Company employees relevant to the matter.
3. Record when the concern occurred, all facts known about the transaction or circumstances, and whether the concern appears to have been a one-off occurrence or part of a pattern or series of actions by the person(s) involved.
4. Identify what documents were reviewed and which employees were interviewed in the course of investigating the concern; identify any documents or employees unavailable for inquiry, and whether additional steps may be warranted to gather relevant information.
5. Describe any corrective action taken thus far.
6. Describe the level of cooperation and candor demonstrated by Company personnel during the CCO's fact-gathering.
7. Sign and date the report.

The retention and periodic evaluation of Compliance Incident Reports is an important part of the ongoing evaluation and review of the adequacy of the Anti-Corruption Compliance Policy and the level of compliance therewith. All Compliance Incidence Reports should be reported by the CCO directly to the CEO as they are completed.

# **ANNEX B**

## **Annex B**

### **Guidelines for Employee Discipline in Connection with Failures to Comply with the Anti-Corruption Compliance Policy**

It is understood that instances where any Company employee would knowingly or recklessly violate Company policy will be very rare. Company is very fortunate to have a highly talented, dedicated, responsible, and responsive team of men and women committed to the success of the Company.

Nevertheless, all businesses find that when instances of improper conduct are not addressed promptly, such conduct will have a way of repeating itself until more serious problems require more drastic corrective action. Therefore, it is important for the Company to articulate the consequences of employees engaging in improper conduct that violates Company policies.

Company personnel should expect that failures to adhere to the Company's Anti-Corruption Compliance Policy will produce some form of disciplinary action, which may range from a mild written reprimand to termination of employment, depending on a variety of factors. Improper conduct can also negatively affect an employee's evaluation.

Prior to any decisions regarding discipline, an employee will be told of the specific suspected improper conduct and given an opportunity to present, within five business days, additional information to clarify the matter, either by means of a personal debriefing with the CCO, or by submitting a written report, at the employee's option.

Before any decision or action is taken regarding discipline, the supervisor(s) of the employee shall give careful consideration to the matter with input from the CCO. This group will evaluate the conduct and the range of potentially appropriate disciplinary actions based upon the guidelines set out below. If the employee in question is a member of senior management such as the CEO or a Vice-President, the evaluation shall also require the involvement of a member of the Board of Directors other than the CEO.

#### **Factors Relevant to Discipline Decisions**

The following key factors are ordinarily considered in the determination of appropriate discipline:

- the level and nature of the actor's intent;
- whether the actions were taken in good faith;
- whether the actions were taken with recklessness or with willful disregard for Company policies;
- whether the actions were taken for personal gain;
- whether the actor made a self-disclosure of the activity;
- the level of the employee's cooperation with the Company's investigation of the matter;
- the actor's position and level of responsibility within the organization;
- whether the action was an isolated incident or was taken repeatedly; and



- the complexity of the transaction, situation, or policy at issue.

These factors will typically apply in the following manner.

Intent is a significant factor in almost all circumstances when evaluating an employee's conduct. One who acts recklessly, or deliberately ignores a problem, is considered to have acted intentionally. For example, an employee who knowingly submits or directs others to submit inappropriate expense reports will receive more severe discipline than one who inadvertently records an incorrect amount on an expense report.

Self-disclosure of improper conduct by an employee is a significant mitigating factor. Timely voluntary disclosure by an employee is expected. If the employee promptly self-discloses and cooperates fully with any resulting Company investigation, such actions are considered as an indication of present compliance with Company policies and procedures.

All personnel can expect that complete cooperation will result in an attenuation of the discipline that may result from violations of Company policy. Cooperation requires full disclosure of relevant facts and strict observance of the confidentiality requirement regarding investigations into concerns. Non-cooperation, interference, or breach of confidentiality is improper conduct subject to discipline.

A person's level within the organization may influence the level of discipline chosen. For example, the more senior a manager is, the greater the scope of responsibility for improper conduct. Managers are evaluated on their personal involvement in or awareness of specific improper conduct, and whether they have promoted an atmosphere conducive to ethical business conduct and compliance, and managed and led their employees in a manner designed to promote ethical business conduct. Managers may be responsible for the actions or failures and inactions of the employees they manage. Isolated, insignificant improper conduct will ordinarily not be attributed to the manager; however, widespread inattentiveness to compliance objectives, and repeated improper conduct that results from failure to take corrective action, typically reflects a lack of adequate compliance oversight and leadership, and can be the basis for disciplinary action against managers.

Personal gain is a serious aggravating factor. Direct personal gain is usually an indicator of a serious compliance failure in the performance of responsibilities. Personal gain can include a desire for advancement or promotion within the Company, or to meet or exceed operational targets or measurements.

Repeated improper conduct will usually result in more severe disciplinary measures than those rendered after a first offense. Certain improper conduct is serious enough to warrant termination for a first offense. Even as to conduct with less severe impact on the Company's overall compliance objectives, repeated improper conduct is a significant indicator of insensitivity to the Company's policies and will warrant a stringent response, typically termination.

The complexity of a transaction or a situation is considered when analyzing an apparent compliance concern. Whenever employees are confronted with a proposed decision for which they are

uncertain of the applicable compliance requirements, they are expected to seek advice from more senior Company personnel or from the CCO. An employee who consults with appropriate Company personnel and follows the advice received in good faith will normally not be disciplined for following that advice.

When the improper conduct occurs with respect to a matter of Company policy concerning which adequate training and guidance was made available, then ignorance or misunderstanding of the Company policy will not excuse the compliance lapse. When, however, the relevant policies or procedures are ambiguous, or where their application to the specific circumstances are difficult to determine, employees acting in good faith and seeking appropriate guidance will not be disciplined.

# ANNEX C

**Annex C**

**ANTI-CORRUPTION STATEMENT OF COMPLIANCE FOR OFFICERS AND EMPLOYEES**

I hereby confirm:

- (i) that I have read, and that I understand and accept responsibility for complying with, the Cimarron Energy Inc. (“Cimarron”) Anti-Corruption Compliance Policy;
- (ii) that I understand the requirements and restrictions imposed by anti-corruption laws, including but not limited to the US Foreign Corrupt Practices Act, United Kingdom Anti-Bribery law, and local laws applicable in the locations in which I work for Cimarron and/or its affiliates (collectively, “Anti-Corruption Laws”); and

I further represent and certify that I have not offered, or caused to be offered, any money or other thing of any material value to any customer or prospective customer of Cimarron or its affiliates, or to any foreign government official as defined by the Cimarron Anti-Corruption Compliance Policy, or to any other party while knowing or having reason to know that there is a substantial chance that such party has offered or may offer any of that money or other thing of value to a foreign government official.

I further confirm that I have not violated, or caused Cimarron or any of its affiliates, joint venture companies, employees, officers or directors to violate, any Anti-Corruption Law.

I further confirm that I am not aware or any other Cimarron or Cimarron affiliate employee or contractor violating the Cimarron Anti-Corruption Compliance Policy or any Anti-Corruption Law.

I further confirm that I do not know or have reason to believe that any business partners, including suppliers, manufacturers, contractors, joint venture partners, sales representatives, distributors, consultants, and any other third-parties retained in connection with Cimarron’s and/or its affiliates’ business, have violated, or caused Cimarron and/or its affiliates to violate, any Anti-Corruption Law.

I further confirm that should I learn of or have reason to know of any violations of any Anti-Corruption Law or the Cimarron Anti-Corruption Compliance Policy, I shall immediately inform my supervisor or legal or Chief Compliance Officer.

Finally, I confirm that if I have had any questions, reservations, caveats, or exceptions to the representations set forth in this statement, I have raised them with the Cimarron’s Legal Department.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## **MANAGER'S CONFIRMATION OF COMPLIANCE**

### **Personal Commitment**

As a member of senior management at Cimarron Energy Inc. and/or one of its affiliates (the "Company"), and acknowledging that the Company will be acting in legal reliance upon the affirmations set forth herein, I, the undersigned manager, hereby confirm that I am committed to upholding and supporting the Company's Code of Business Ethics and Anti-Corruption Compliance Policy, and I acknowledge my role in establishing a strong culture of compliance within the Company.

Initials: \_\_\_\_\_

I have read, understand, and have complied with the Company's Code of Business Conduct and Anti-Corruption Compliance Policy.

Initials: \_\_\_\_\_

I will continue to ensure that Company employees under my managerial control understand that it is a Company priority that Company personnel conduct business in an ethical and legal manner.

Initials: \_\_\_\_\_

Any material gifts, hospitality, or entertainment incurred or received by my staff over \$150 (or equivalent in local currency) have been approved in advance by management and accepted only in accordance with the Company's Anti-Corruption Compliance Policy.

Initials: \_\_\_\_\_

Any gifts, hospitality, or entertainment provided to third parties by members of my staff have been legal under local law and have been made in accordance with the requirements of the Company's Anti-Corruption Compliance Policy.

Initials: \_\_\_\_\_

Any charitable or sponsorship donations made on the Company's behalf by staff under my direction have been considered and approved in light of the Company's Anti-Corruption Compliance Policy. We have made no political contributions on the Company's behalf, or in connection with Company business.

Initials: \_\_\_\_\_

### **Conflicts of Interest**

I understand the issues surrounding actual, perceived, or potential conflicts of interest, and I confirm that a process has been implemented within my business unit to ensure that situations that might give rise to a material conflict of interest are disclosed to the Company's appropriate compliance personnel.

Initials: \_\_\_\_\_

**Reporting of Compliance Concerns**

I confirm that I have reported any instance of fraud, corruption, collusion or any other information I may have relating to any possible violation of the Company's Code of Business Conduct or Anti-Corruption Compliance Policy by other Company personnel (whether within or outside my business unit) or any business partner to the compliance department.

Initials: \_\_\_\_\_

I and my staff have cooperated, and will cooperate, with all applicable Company internal audit processes.

Initials: \_\_\_\_\_

*I have made the necessary enquiries in order to complete this assessment on behalf of my division/office/business unit.*

Signed: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

# ANNEX D

**Annex D**

**END-USE CERTIFICATE FOR EXPORTS OF SPARES**

**END USE CERTIFICATE**

**1. Purchaser name and address:**

**2. Purchaser's contact person (name and title):**

**3. Contact phone number, fax number and email address:**

**4. Purchaser physical location (which may differ from postal address):**

**5. Ultimate shipment destination (if different from purchaser's location):**

**6. Ultimate consignee name and physical location (if different from Purchaser):**

**7. Purchase order number/description of goods to be shipped:**

**8. Intended use of the goods:**

**Certification by Purchaser:**

I hereby certify, on behalf of the Purchaser identified above, that: (1) Purchaser has accepted Cimarron's and its affiliates' Terms and Conditions regarding compliance with US export regulations; (2) Purchaser certifies that all of the information provided on this End Use Certificate is true and complete; and (3) Purchaser shall not transfer or re-export the Goods to another destination or another party other than the Ultimate Consignee identified above unless Purchaser has first obtained the prior written approval of Cimarron and/or its applicable affiliate, or has verified that any such transfer or re-export is authorized under US law.

**Signed:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_



# ANNEX E

## **Annex E**

### **ANTI-CORRUPTION RED FLAGS**

In evaluating third parties as candidates for a business relationship with the Company, and throughout the course of any dealings with them, Company employees must identify and be attentive to any “red flags” that may be present or arise, and upon discovering any such circumstances, must report them to the CCO.

A “red flag” is a fact or circumstance that serves as an indication that a contract party may engage in corruption or otherwise violate the Company’s policy. It is the responsibility of Company employees to be attentive to these issues when engaging in any business with a local sales rep or other business counterparty, and to refer any such issues to the CCO.

According to anti-corruption guidance issued by the US Justice Department, Company personnel should be attentive to any of the following circumstances as “Red Flags” indicating that a party may be unsuitable as a business partner:

- Industry reputation or rumors regarding unethical or suspicious conduct by the contract party.
- Requests from the contract party to do business through unnecessary intermediaries or offshore shell companies, or suggestions by a customer (particularly a government procurement officer) to use a particular intermediary in order to win business.
- Requests for payments to be made to a third party rather than directly to the contracted party.
- Requests for payments to be made in a country other than the country where the third party resides or performed the services.
- Requests for a portion of a payment to be delivered in cash.
- Requests for unusually large commissions or other payments, or payments that appear excessive in comparison to the services rendered.
- Requests for reimbursement of expenses that are poorly explained or documented.
- A lack of professional and technical background on the part of the third party, so that the party’s only value-added is the provision of “access” to a customer or a government official.
- Incomplete, inaccurate, or confusing information provided by the third party in required disclosures.

Refusal to certify compliance with applicable law, and with the Company’s anti-corruption policies

# ANNEX F

## **Annex F**

### **INDICATIVE ANTI-CORRUPTION COMPLIANCE LANGUAGE FOR USE WITH LOCAL REPRESENTATIVES AND BUSINESS PARTNERS**

#### **Legal Compliance.**

**1. Acknowledgments and Representations.** Counterparty acknowledges that Cimarron has adopted policies applicable to all of its business activities with the Counterparty, and that the Counterparty has been informed by Cimarron that Cimarron, in carrying out its activities under this Agreement, is subject to certain laws regulating its international business activities (including laws that regulate dealings between Cimarron and its business partners and third-party intermediaries) which laws forbid the direct or indirect payment of inducements to customers or to foreign government officials in connection with Cimarron's business activities. The Counterparty represents that: (i) Counterparty has implemented policies and procedures to assist Cimarron in complying with these anticorruption laws; and that (ii) the Counterparty has adopted policies and procedures to ensure that the Counterparty is in full compliance with all laws applicable to the Counterparty that are relevant to the Counterparty's activities in connection with this Agreement. The Counterparty shall remain in compliance with all policies notified to it by Cimarron, which policies were adopted as part of Cimarron's effort to comply with applicable laws.

Cimarron acknowledges that: (i) the Counterparty has adopted policies applicable to all of its business activities with Cimarron; and that (ii) Cimarron has been informed by the Counterparty that the Counterparty is subject to certain laws regulating the business activities of companies in the Territory, including laws forbidding the payment of inducements to government officials in connection with business activities in the Territory. Cimarron represents that: (i) it has implemented policies and procedures to assist the Counterparty in complying with these local laws; and that (ii) Cimarron has adopted policies and procedures to ensure that it is in compliance with all local laws applicable to its activities in connection with this Agreement.

**2. Status.** The Counterparty represents and warrants that no owner, employee, or agent of the Counterparty, nor any immediate family member thereof, is an employee or official of any government, government agency, government-owned entity, or political party in the Territory. In the event that any employee or agent of the Counterparty, or any member of the immediate family thereof, accepts employment or a position with a government, government agency, government-owned company, or political party in the Territory, the Counterparty shall notify Cimarron as promptly as possible.

**3. Prohibition on Payment of Inducements.** Throughout the term of this Agreement, in connection with all activities under the Agreement, each party shall comply with all applicable laws in the Territory, and with Cimarron policies designed to ensure compliance by Cimarron with US laws. In connection with its activities under this Agreement, neither party shall, directly or indirectly, give or promise to give any payment, gift, or other thing of any material value to any official or employee of any government, government agency, state-owned company, or political party, or any employee of a customer or potential customer of Cimarron, in connection with the promotion or conduct of Cimarron's business or otherwise for any improper purpose in connection with the Counterparty's activities under this Agreement.

**4. Compliance Records.** Each party shall maintain complete and accurate accounting records, in accordance with sound accounting practices, to support and document their respective activities in connection with this Agreement. Such records shall be retained for a period of at least five years after the transactions reflected in such records. Upon written request from the other party, each party shall, upon reasonable notice and during normal business hours, provide access to such records for the purpose of ensuring compliance with this Section. Specifically, each party shall document all expenses and third-party payments made in the course of performing this Agreement.

**5. Certification of Compliance.** Upon request, each party shall execute and deliver to the other a certificate of compliance with the terms of this Section.

**6. Failure to Comply.** Any breach of the terms of this Section shall be deemed to be a material violation of the Agreement, and shall, notwithstanding any other terms of the Agreement, give the non-breaching party the right to terminate the Agreement immediately by notice to the breaching party. In the case of a termination of the Agreement by Cimarron as a result of a breach of this Section by the Counterparty, the Counterparty shall have no claims against Cimarron under this Agreement for early termination, and the Counterparty hereby waives and releases any and all claims against Cimarron arising from such a termination under this Section. Upon a termination under this Section, no additional payments or reimbursements shall be advanced by Cimarron to the Counterparty, for unpaid compensation or otherwise, unless in the reasonable determination of Cimarron it would threaten no violation of law to make such a payment. Notwithstanding any other provision of this Agreement, Counterparty shall indemnify Cimarron and all Cimarron affiliates and personnel against any claims or losses caused by the Counterparty's breach of this Section or by Counterparty's failure to comply with all relevant laws in the Territory in performing the services described in this Agreement.

**7. Reporting to Government Officials.** Notwithstanding any other provision of this Agreement, each party reserves the right to report violations or reasonable allegations of violations of the terms of this Section or applicable law enforcement officials, and to cooperate in government investigations as may be deemed appropriate by such party. Each party acknowledges that such disclosures are a necessary and proper component of compliance with each party's anti-bribery policies, and each party consents to any such disclosures that the other party may make.

# ANNEX G

[insert appropriate Company logo / letterhead]

## **SALES REPRESENTATIVE AGREEMENT**

This Sales Representative Agreement (“Agreement”) is entered into effective as of / / 2020 by and between [insert appropriate corporate legal entity] and its Affiliates (hereinafter “Company”) and \_\_\_\_\_, (hereinafter “the Representative”).

### **IT IS AGREED AS FOLLOWS:**

:

#### **Article 1**

##### **Appointment, Territory, and Products**

1.1 Company appoints the Representative, who accepts the appointment, as Company's independent commercial representative to promote, develop, and sustain a market for Company's Products in the Territory defined on Annex 1 through Representative's marketing and sales solicitation efforts, in accordance with the terms and conditions herein. The Representative's rights hereunder are only exclusive, if explicitly provided in Annex 1.

1.2 In certain circumstances, and if expressly set out on Annex 1, the Representative may also act as a reseller of the Products when acting in strict accordance with the provisions of Article 9 below.

#### **Article 2**

##### **Representative's Functions**

2.1 The Representative hereby represents that it is registered and licensed to sell, distribute, or represent certain domestic oilfield services products into the Territory, or import foreign products into the Territory if applicable. The parties further agree that Representative shall act in that capacity in connection with Product sales made under this Agreement. The Representative shall keep all necessary or appropriate import licenses and/or registrations current throughout the Term hereof.

2.2 The Representative agrees to use its best efforts to promote the sale of the Products in the Territory in accordance with Company's instructions and shall protect Company's interests with the diligence of a responsible businessman. Toward that end, the Representative shall use Representative's best efforts to (1) pre-qualify Company's Products with appropriate customers in the Territory; and (2) close orders for the sale of Company's Products in the Territory, and (3) support Company's efforts to execute sales orders in the Territory, including sales quoted directly by Company.

2.3 The Representative shall determine, with due diligence, the solvency of customers whose orders it transmits to Company. Representative shall not transmit orders from customers that Representative knows or ought to know are in a critical financial position or that have poor payment history for any reason, without informing Company in advance of such facts.

2.4 The Representative has no authority to make contracts on behalf of, or in any way to bind, Company towards third parties but instead may only offer Products in strict accordance with the terms and conditions of the Company contract of sale. The Representative shall only: (1) solicit orders from customers for Company in accordance with the terms of this Agreement or (2) act as a purchaser/reseller in accordance with the terms of Article 9.

2.5 The Representative is not entitled to receive payments on Company's behalf without prior written authorization from Company. If the Representative has been so authorized, the Representative shall hold such payments separately on deposit for Company's behalf and transmit the full payment to Company as soon as possible.

2.6 The Representative has no authority to make any allowances or adjustments to accounts nor authorize returns of Products to Company without Company's prior approval.

#### **Article 3**

##### **Acceptance of Orders by Company**

Company may accept or reject any individual order transmitted by the Representative at its sole discretion,

#### **Article 4**

##### **Sales Organization and Promotion**

4.1 The Representative shall provide an adequate

organization for sales and after-sale service (if so authorized), including the provision of spares, with all necessary means and personnel, to ensure the fulfillment of its obligations throughout the Territory under this Agreement. Toward that end, the Representative shall, within thirty days of the Effective Date, submit to Company a field technical resources plan detailing the Representative's plans to develop the necessary resources to accomplish the parties' agreed objectives in the Territory.

4.2 The parties shall agree on the advertising to be jointly made in the Territory. The content of any advertising must be approved in advance by Company. The cost of advertising carried out by the Representative shall be borne by the Representative except as agreed in advance by Company.

4.3 The parties shall agree on their participation in trade fairs or exhibitions within the Territory. The cost of the Representative's participation in such fairs and exhibitions shall be borne by the Representative except as may be agreed in advance by Company.

4.4 It shall be the responsibility of the Representative to ensure that its sales personnel are sufficiently trained regarding the Products and the Product technology to successfully promote Product sales. Company shall cooperate in the Representative's training.

4.5 Company shall provide the Representative with all necessary written information relating to the Products (such as price lists, brochures, etc.) as well as with the information needed by the Representative for carrying out its obligations under this Agreement

#### **Article 5**

##### **Representative to Keep Company Informed**

5.1 The Representative shall keep Company informed about: (i) market conditions and the state of competition within the territory; (ii) any complaints or observations received by Customers regarding the Products (and shall cooperate with Company in the handling of same); (iii) adverse customer credit information; (iv) the laws and regulations that are to apply in the Territory to which the Products must conform (e.g. import regulations, labeling, technical specifications, safety requirements, etc.), (v) the laws and regulations concerning the Representative's activity, to the extent that such laws are relevant for Company or the Representative's ability to perform the obligations in this Agreement.

5.2 Failure by the Representative to provide information as required by this Article 5 when reasonably required by Company shall be considered a material breach of this Agreement by the Representative.

5.3 Documentation of sales efforts is required to ensure compensation. Representative is responsible for translating specifications, correspondence, purchase orders, letters of intent or any other documentation into English.

#### **Article 6**

##### **Company's Trademarks and Symbols**

The Representative shall be allowed to use Company's trademarks, trade names, or any other symbols during this agreement, but solely for the purpose of identifying and advertising the Products, within the scope of this Agreement and in Company's sole interest.

#### **Article 7**

##### **Representative's Commission**

The Representative shall be entitled to the commission(s) as described in Annex 1 for Product sales that comply with the terms of this Agreement subject to the terms and conditions of Article 8.

#### **Article 8**

##### **Method of Calculating Commission and Payment**

8.1 Commission shall be calculated on the net amount of the invoices, i.e. on the effective sales price (any discount other than cash discounts being deducted) clear of any additional charges (such as packing, transportation, insurance) and clear of all tariffs or taxes (including value added tax) of any kind (not including any income tax applicable to Company).

8.2 The Representative shall acquire the right to commission only after Company receives payment from customer.

8.3 The commission owed with respect to any sale shall be paid by Company within thirty (30) days of receipt by Company of payment from the customer on the underlying sale. Should any governmental authorization be necessary for Company to make payment to the Representative, then the payment shall be due within thirty (30) days after such authorization has been given. Company shall take all necessary steps for obtaining the above authorizations.

8.4 If Company receives a partial payment for an order exceeding \$200,000.00, Representative will be



entitled to the corresponding partial commission within thirty (30) days.

8.5 Except as otherwise agreed, the commission shall be calculated in the currency of the sales contract in respect of which the commission is due.

8.6 Any taxes imposed on the Representative's commission in the Territory or elsewhere are for the Representative's account.

8.7 Add on and/or Change Orders to an existing contract will be treated as increases to the original contract; they will not be considered new or separate contracts for commission purposes. Change Orders for Freight are not eligible for commission payments.

8.8 Multiple systems and orders taken at the same time will be treated as a single order if they result from a single Request for Quotation ("RFQ") or sales effort.

8.9 A reduced commission may be agreed in advance between Company and Representative in highly competitive situations or in circumstances where a customer is to be granted terms or conditions that are more favorable than Company's standard conditions.

8.10 No commission shall be paid if Representative's actions or services are deemed illegal or prohibited under any applicable law.

8.11 In the event any order is terminated or canceled, commission will equal the appropriate percentage of the amount that is recovered from the customer.

8.12 Unless otherwise agreed in writing, the commission covers any expenses incurred by the Representative in fulfilling its obligations under this Agreement.

8.13 Company is entitled to deal directly, without the Representative's intervention, with customers outside the Territory for delivery of Products into the Territory. By way of example, Company can make sales to its traditional customers in the United States for delivery of Products into the Territory. On any such sales, the Representative shall not be entitled to a commission unless explicitly agreed by the parties in writing on a case-by-case basis.

8.14 No commission shall be due with respect to any sales that are returned to Company or otherwise

refunded by Company; if Company has already paid a commission to the Representative with respect to such a sale, the Representative shall return the commission to Company, or Company may, at its sole discretion, net the commission that was already paid against any future amounts that may be payable from Company to the Representative.

8.15 Orders that are transmitted by the Representative before the expiration or termination of this Agreement and that result in the conclusion of a contract of sale not more than six months after such expiration, shall entitle the Representative to commission.

8.16 No commission is due to the Representative for contracts of sale made on the basis of orders received after the expiration or termination of this Agreement, unless (i) such transaction is mainly attributable to the Representative's efforts during the period covered by this Agreement; (ii) the contract was entered into within a reasonable period after the expiration or termination of this Agreement; and (iii) Representative informed Company in writing, before the expiration or termination of this Agreement, of the pending negotiations that would give rise to commission under this paragraph.

## **Article 9**

### **Representative Acting as Reseller/Distributor**

9.1 If explicitly allowed in Annex 1, and subject to the provisions of this Agreement except as modified in this Article 9, the parties agree that, on a case-by-case basis when approved in advance by Company in writing, in its sole discretion, the Representative may act as a purchaser/reseller of the Products in the Territory.

9.2 In order to assist Company with its compliance obligations under U.S. law, the Representative will identify to Company, in writing, any customer to whom the Representative wishes to resell the Products and the price at which the Products are to be resold by the Representative.

9.3 All orders from the Representative for Products shall be evidenced by Representative's firm purchase orders and shall be subject the provisions of Company's terms and conditions of sale in effect at the time of order acceptance. Further, any resale made by the Representative shall be subject to certain customer terms imposed by Company (including, for example, limitations on liability and license terms, and compliance obligations as to legal sanctions, re-

exports, license conditions, and similar requirements which shall be evidenced by a separate agreement if necessary.)

9.4 The prices to be paid by the Representative for Products purchased for resale hereunder shall be Company's standard prices in effect at the time of shipment, less a commercially reasonable distributor's discount to reflect the Representative's profit and the costs and overhead reasonably attributed to the sale.

#### **Article 10**

##### **Termination, Non-Compete, and Non-Solicit**

10.1 The term of this Agreement shall be twenty-four (24) months and may be renewed upon agreement between the parties for subsequent two (2) year periods.

10.2 Either party may terminate this Agreement during the initial or subsequent terms by giving the other party thirty (30) days written notice.

10.3 This Agreement may also be terminated by Company at any time due to a change of control, ownership, and/or management of Company or the Representative.

10.4 Neither party shall be entitled to recover its consequential, indirect, or special damages resulting from termination of this Agreement.

10.5 Representative shall not represent, manufacture, or distribute any products that are in competition with the Products, for the entire term of this Agreement.

10.6 Upon termination of this Agreement for any reason, Representative shall not engage in the practice of directly or indirectly soliciting orders / selling and/or promoting the sale of any products that compete with Company's Products covered by this Agreement for a period of 180 days.

10.7 Upon termination of this Agreement for any reason, Representative shall not induce any former or potential customers of Company in the Territory to purchase products that are competitive with Company's Products covered by this Agreement for a period of 180 days.

#### **Article 11**

##### **Legal Compliance**

11.1 Acknowledgments and Representations. The Representative acknowledges that Company has adopted policies applicable to all of its business

activities with the Representative, and that the Representative has been informed by Company that Company, in carrying out its activities under this Agreement, is subject to certain laws regulating the international business activities businesses (including laws that regulate dealings between companies and their foreign representatives and resellers), which laws forbid the direct or indirect payment of inducements to foreign government employees, or employees of state-owned companies, or employees of potential customers in connection with Company's business activities. The Representative represents that: (i) the Representative has implemented policies and procedures to assist Company in complying with these laws; and that (ii) the Representative has adopted policies and procedures to ensure that the Representative is in full compliance with all laws applicable to the Representative (including the laws of in any jurisdiction in which the Representative is chartered, registered, or operating and the laws of the Territory), which laws are relevant to the Representative's activities in connection with this Agreement. The Representative shall remain in compliance with all reasonable policies notified to it by Company, which policies were adopted as part of Company's effort to comply with applicable laws.

Company acknowledges that: (i) the Representative has adopted policies applicable to all its business activities with Company; and that (ii) Company has been informed by the Representative that the Representative is subject to certain laws regulating the business activities of companies in the Territory, including laws forbidding the payment of inducements to government officials or employees in connection with business activities in the territory. Company represents that: (i) Company has implemented policies and procedures to assist the Representative in complying with these local laws; and that (ii) Company has adopted policies and procedures to ensure that it follows all laws applicable to its activities in connection with the Agreement.

11.2 Status. The Representative represents and warrants that no owner, employee, or agent of the Representative, or any immediate family member thereof, is an employee or official of any government, government agency, government-owned entity, or political party. In the event that any employee or agent of the Representative, or any member of the immediate family thereof, accepts employment or a position with a government, government agency, government-owned company, or political party, the Representative shall notify Company as promptly as possible, and

Company shall have the option to terminate this Agreement at its discretion, if continuing the Agreement could, in Company's estimation, negatively affect Company's ability to comply with its policies and with applicable law.

11.3 Prohibition on Payment of Inducements.

*11.3.1 Activities of the Representative.* Throughout the term of this Agreement, in connection with all the Representative's activities under the Agreement, the Representative shall comply with all applicable laws in the Territory, and with Company policies designed to ensure compliance by Company with all U.S. or foreign laws applicable to Company.

In connection with its activities under this Agreement, the Representative shall not, directly or indirectly, give or promise to give any payment, gift, or other thing of value to any official or employee of any government, government agency, state-owned company, or political party, or to any employee of a customer or potential customer of Company, in connection with the promotion of Company's business or otherwise for any improper purpose in connection with the Representative activities under this Agreement. This prohibition shall not, however, forbid the giving of small promotional gifts of nominal value solely in connection with the promotion of Company's products generally.

Failure by the Representative to comply with this prohibition shall, notwithstanding anything to the contrary in this Agreement, give Company the right to terminate this Agreement immediately upon notice to the Representative, and, in such event, the Representative shall not be entitled to receive any fees or compensation whatsoever after the date of such termination, including any compensation or commissions that may be owing for the period prior to the termination, if by making such payment Company could reasonably be determined to be violating applicable law.

*11.3.2 Activities of Company.* Throughout the term of this Agreement, in connection with all of Company's activities in the Territory under the Agreement, Company shall comply with all applicable laws in the Territory and in the United States.

In connection with its activities related to this Agreement, Company shall not, directly or indirectly, give or promise to give any payment, gift, or other thing or value to any official or employee of any government, government agency, state-owned

company, or political party, or any employee of a customer or potential customer of Company, in connection with the promotion of Company's business or otherwise for any improper purpose. This prohibition shall not, however, forbid the giving of small promotional gifts of nominal value solely in connection with the promotion of Company's products generally.

Failure by Company to comply with this prohibition shall, notwithstanding anything to the contrary in this Agreement, give the Representative the right to terminate the Representation Agreement immediately upon notice to Company.

11.4 Certification of Compliance. Upon request, each party shall execute and deliver to the other a certificate of compliance with the terms of this Article 11.

11.5 Certain Re-Exports Prohibited. The Representative acknowledges that Company and its products are subject to laws of the United States and other countries that forbid the export or re-export of Company products to certain customers and certain destinations. The Representative agrees that it shall not ship any Company product to any destination outside the Territory without the prior written authorization of Company.

11.6 Records. Each party shall maintain complete and accurate accounting records, in accordance with sound accounting practices, to support and document their respective activities in connection with this Agreement. Such records shall be retained for a period of at least five years after the transactions reflected in such records. Upon written request from the other party, each party shall, upon reasonable notice and during normal business hours, provide access to such records to ensure compliance with this Article 11.

11.7 Failure to Comply. Any breach of the terms of this Article 11 shall be deemed to be a material violation of the Agreement, and shall, notwithstanding any other terms of the Agreement, give the non-breaching party the right to terminate the Agreement immediately by notice to the breaching party. In the case of a termination of the Agreement by Company because of a breach of this Article 11 by the Representative, the Representative shall have no further claims against Company under this Agreement, and the Representative hereby waives any and all claims against Company for termination resulting from violations of the terms of this Article 11, whether for

compensation or commission, or otherwise.

11.8. Reporting to Authorities. Notwithstanding any other provision of this Agreement, each party reserves the right to report violations of applicable law by the other party to responsible government officials, and to cooperate in government investigations as may be deemed appropriate by such party. Each party acknowledges that such disclosures are a necessary and proper component of compliance with each party's anti-bribery policies, and each party consents to any such disclosures that the other party may make.

**Article 12**  
**Confidentiality; Return of Documents and Samples**

12.1 During the term hereof and for a period of five years after the expiration of this Agreement, each party shall keep confidential all information disclosed by the other party that is not shared by the disclosing party generally with customers and other third parties ("Confidential Information"). Confidential Information shall not include information that (1) is developed or obtained by the receiving party from another source that is not subject to any confidentiality restriction, (2) becomes generally available to third parties through no fault of the receiving party, (3) is independently developed by the receiving party without use of or reliance upon the disclosing party's Confidential Information, or (4) is required to be disclosed by the receiving party by law or by a governmental authority.

12.2 Upon the expiration of this Agreement, each party shall return or destroy (at the disclosing party's direction) all Confidential Information in its possession. In addition, the Representative shall return to Company all Product inventory and all advertising material and other documents and samples that have been supplied to him by Company and are in the Representative's possession.

**Article 13**  
**Previous Agreements and Modifications**

13.1 This Agreement replaces any other preceding agreement between the parties on the subject.

13.2 This Agreement, including the attached Annex(es) shall constitute the entire Agreement between the parties.

13.3 No addition or modification to this Agreement shall be valid unless made in a binding writing bearing the handwritten signatures of the

parties hereto.

13.4 Should any clause of this Agreement be held to be invalid, the other provisions of the Agreement shall still be enforceable.

13.4 This Agreement may be executed by the parties on separate signature pages as if it were a single document.

**Article 14**  
**Prohibition of Assignment; No Third Parties**

14.1 The present Agreement cannot be assigned without prior written agreement between the two parties.

14.2 This Agreement is not intended to be for the benefit of any party other than the signatories hereto, and there is no third party that shall have any rights to enforce any of the terms hereof, except as may be specified in a further writing agreed by the parties.

**Article 15**  
**Authentic Text in English Only**

This Agreement has been executed only in the English language, which version of this Agreement shall be controlling regardless of whether any translations of this Agreement have been prepared or exchanged. Representative acknowledges and represents that the Representative has carefully reviewed this Agreement with the involvement and assistance of its employees, advisors, and/or legal counsel fluent in the English language, that Representative has consulted with legal counsel competent to render advice with respect to transactions governed by the law applicable to this Agreement, with the understanding that the Representative alone shall bear the risk of any misunderstandings that may arise as a result of such translation. All correspondence and communications hereunder shall be in the English language.

**Article 16**  
**Dispute Resolution and Applicable Law**

The parties shall first, in good faith, attempt to resolve any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, through negotiation of senior management. The complaining party must give written notice to the other party and request a senior-level meeting. Should the dispute, controversy or claim not be resolved within thirty (30) days of date of notice, the dispute, controversy or claim shall be settled by arbitration in accordance with the

UNCITRAL Arbitration Rules as at present in force, except as provided below. The appointing authority, should one be necessary, shall be the American Arbitration Association, which shall otherwise have no role in the arbitration. The place of arbitration shall be Houston, Texas. The language to be used in the arbitral proceedings shall be English. Each party shall bear its own costs and fees, splitting the arbitral tribunal fees. Any award rendered by the arbitral tribunal shall be binding and enforceable immediately when rendered, and judgment upon the award may be rendered by any court of competent jurisdiction. Notwithstanding the foregoing, Company may apply to any relevant government agency or any court of competent jurisdiction to preserve its intellectual property and proprietary rights under this Agreement and to obtain any injunctive or preliminary relief to which it may be entitled; provided, however, that no such administrative or judicial authority shall have the right or power to render a judgment or award (or to enjoin the rendering of an arbitral award) for damages that may be due under this Agreement, which right and

power shall be reserved exclusively to an arbitration tribunal proceeding in accordance herewith. This Agreement shall be governed by, in order, (i) legal rules in common between the State of Texas and the Territory, and if there is a discrepancy or lack of clarity in the application of such common rules, then by (ii) general principles of international commercial law, as reflected in the UNIDRIOT Principles of International Commercial Contracts; notwithstanding the foregoing, however, the tribunal shall in any case consider such mandatory provisions of the law of the Territory that apply by virtue of the fact that certain acts of contract performance take place within the Territory, and shall be mindful of the extent to which such mandatory provisions must be taken into account and/or applied to the dispute in order to render the award enforceable against the representative in the Territory, provided that the tribunal shall interpret and apply such provisions in a manner that is to the maximum extent possible consistent with recognized rules of international commercial law.

IN WITNESS WHEREOF this Agreement has been executed as of the last date of signature below by the duly authorized representatives of the parties.

Company:

Representative:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ANNEX 1**

1. Company products included within the scope of this Agreement:
  - (i) XX
2. Company products excluded from the scope of this Agreement, unless specifically agreed on a case-by-case basis and in advanced writing by Company:
  - (i) XX
  - (ii)
3. Territory: XX
4. Exclusivity: \_\_ Yes \_\_ No If Yes, during the term of this Agreement Company shall not grant any other person or entity within the Territory the right to represent or sell the Products.
5. Term: This Agreement shall expire on the 2<sup>nd</sup> year anniversary after the effective date, on / /2020, unless extended for one year prior thereto by agreement of the parties.
6. Subject to the terms and conditions of Articles 7 and 8, commission shall be calculated as follows based on the net amount of the invoice:

\$0.00 - \$500,000.00	4%
\$500,001.00 - \$1,000,000.00	2%
\$1,000,000.00 - \$3,000,000.00	1.5%
Greater than \$3,000,001.00	To be negotiated between Representative and Company prior to finalizing sale

**Shared Commission:** If an order is received in which more than one Representative or the Company and the Representative have exerted an influence on the sale, fair and equitable commissions will be determined solely by the Company based on the following guidelines:

For sales lead credit (based on a firm Request for Proposal)	20% of commission percentage
For order influence (may be apportioned between more than one Representative when necessary)	60% of commission percentage
For equipment destination credit where active involvement of Representative is evident	20% of commission percentage

6. Industry products currently manufactured/sold/distributed by Representative: XX

*To be completed by Representative or Reseller*

**[Insert Corporate Entity Name] (“COMPANY”): CONTRACTING INFORMATION  
FOR  
SALES REPRESENTATIVE OR RESELLER**

**1. Sales representative contact details:**

Full legal name: \_\_\_\_\_

Other trade/company names: \_\_\_\_\_

Business address for headquarters: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Other relevant contact information: \_\_\_\_\_

**2. Sales representative ownership and management information:**

- (a) Legal status of the sales representative (e.g., sole proprietorship, partnership, or limited liability entity):
- (b) Who are the partners, the members of the board of directors or managing board, the controlling shareholders and/or beneficial owners of the representative?
- (c) Who are the principals of the sales representative—that is, the partners, directors, officers, or other personnel who may be providing substantial services to Company?
- (d) Does any person or entity or agency not listed above have any management or other interest in the sales representative’s business? If so, what forms the basis of such interest?

**Please attach a copy of a résumé or CV of each principal, partner, controlling shareholder, director, officer and/or significant employee who will provide substantial services to Company including education and business experience.**

**3. Formation and registration of sales representative:**

- (a) Date of incorporation or formation: \_\_\_\_\_.  
**(Please attach certificate of incorporation or formation if the sales representative has one.)**
- (b) Commercial Registration or License Number (if applicable) and date of issuance:  
\_\_\_\_\_:

**4. Names and addresses of any companies affiliated with the sales representative (parent companies, subsidiaries, or companies under common ownership with the sales representative):**

**5. Number of employees:**

Sales/management/technical: \_\_\_\_\_  
Administrative: \_\_\_\_\_

**6. Business history:**

- (a) Length of time the sales representative has been active in its current business:
- (b) Other types of business engaged in by the sales representative and the length of time the sales representative has been active in each and geographic areas of activity:

**7. Please provide a brief description of the sales representative's offices and any other facilities:**

**8. Please briefly describe past experience in providing sales representative services for other clients:**



**REFERENCES:**

**9. Bank and/or professional references (e.g., legal or accounting):**

	<b>Name of Bank or Professional</b>	<b>Address</b>	<b>Name of Contact</b>	<b>Phone No.</b>	<b>Email</b>
1					
2					
3					

**10. Personal references knowledgeable about the business reputation and abilities of the sales representative:**

	<b>Name</b>	<b>Address</b>	<b>Name of Contact</b>	<b>Phone No.</b>	<b>Email</b>
1					
2					
3					

**11. Business references: Companies represented presently and in the last five years:**

	<b>Company</b>	<b>Address</b>	<b>Ph No</b>	<b>Email</b>	<b>Contact Name</b>	<b>Products</b>
1						
2						
3						

**12. Other public references (e.g., listing in trade journals, memberships in chambers of commerce, professional certifications):**

**13. Additional information:**

- (a) Are any of your employees, officers, directors, controlling shareholders or owners, currently, or have they ever been, “Public Officials” (as defined below)?

Yes or No: \_\_\_\_\_

- (b) Do any of your employees, officers, directors, controlling shareholders or owners, have currently, or have they ever had in the past, close family, business, or personal ties with “Public Officials” (as defined below)?

Yes or No: \_\_\_\_\_

The term “Public Official” means:

- (i) Any officer or employee of a government (including all officers or employees of government-owned or controlled companies), or any department, agency or instrumentality thereof, or of a Public International Organization (such as the United Nations or the World Bank);

- (ii) Any political party, any employee or other representative of a political party, or any candidate for political office;
- (iii) Any uncompensated honorary government officials or representatives whose duties are ceremonial if such officials have actual influence in the award of business;
- (iv) Any member of a ruling or reigning royal family; or
- (v) Any other person acting in an official capacity or on behalf of: a government or any department, agency or instrumentality thereof; a Public International Organization; a political party; or a ruling or reigning royal family.

If the answer to either of the question (a) or (b) above is yes, please provide the following information for both the representative's person and the Public Official with whom he has the relationship, as appropriate:

(A) Name and address of person:

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(B) Position in or relationship to the sales representative:

---

(C) Percentage of ownership or voting power in the sales representative:

---

(D) Scope of the person's authority to contract for, or to execute documents, agreements, or instruments on behalf of, the sales representative:

---

(E) Positions held in a Public International Organization; government, government ministry, department, or agency; state-owned entity; or political party:

---

(F) Time periods during which such positions were held in a Public International Organization; government, government ministry, department, or agency; state- owned entity; or political party:

---

(G) Description of duties of such person when in the service of a Public International Organization; government, government ministry, department, or agency; state- owned entity; or political party:

---

(H) Relationship, if any, to the petroleum, refining, or chemical sector ministries, agencies, instrumentalities, state-owned entities, or departments of the contemplated Territory, or to the petroleum business sector:

\_\_\_\_\_

(I) Whether the Public International Organization; government, government ministry, department, or agency; state-owned entity; or political party in which such person was an official, had or has any authority to provide an advantage or to prevent or approve Company's business of supplying products in the contemplated Territory:

\_\_\_\_\_

(J) If the subject person has close family, business or other ties with a Public Official, state the nature of those ties:

\_\_\_\_\_

\_\_\_\_\_

**14. Has the representative or any of its employees previously been accused of violating any law pertaining to the payment or offer of improper inducements to Public Officials?**

Yes \_\_\_\_\_ No \_\_\_\_\_

If Yes, describe (include names and explanation):

**The person whose signature appears below is authorized to certify on behalf of the sales representative that the information provided in response to this questionnaire is true and accurate. The information provided is, to the best of my knowledge and belief, accurate, current, and complete. I agree to notify Company promptly of any material changes to the information provided.**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**DOCUMENTS TO BE PROVIDED TO COMPANY:**

**1. Copy of a resume or biographical/professional synopsis of any person listed in Question 3, including such information as education or business experience.**

2. Certificate of Incorporation, if applicable.
3. Registration Certificate, if applicable.
4. Any additional documentation needed to answer other questions.

*To be completed by Cimarron Company Contact and Attorney / Due Diligence Agent*

**[INSERT CORPORATE ENTITY] (“COMPANY”)**

**COMPLIANCE PROGRAM FOR INTERNATIONAL SALES:**

**FOREIGN SALES REPRESENTATIVE BACKGROUND REPORT  
AND RISK ASSESSMENT**

**[Sales Rep Name]**  
**(Territory: \_\_\_\_\_)**

1. Sales Representative’s contact information:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-Mail: \_\_\_\_\_

2. Overall risk assessment of the representative and the relationship: \_\_\_\_\_

Transparency Int’l Corruption Index ranking of sales representative’s market: \_\_\_\_\_

**SUMMARY:**

Reviewed by:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

3. Confirmation that the sales representative is not listed as a Specially Designated National, and is not subject to other sanctions or prohibitions imposed by the US government.

**Confirmed as of** \_\_\_\_\_, 20\_\_.

**By:**

4. Confirmation that the home jurisdiction of the sales representative is not on the US Treasury Department’s “List of Countries Requiring Cooperation with an International Boycott.”

**If the sales rep is located in a boycott country, special notice and diligence must be provided to rep regarding rep’s determination to honor its obligations under the Anti-Boycott Regulations.**

5. Review of publicly available information regarding the reputation and business practices of the sales representative:

[After extensive Internet searches, no negative reports could be found regarding \_\_\_\_\_.]

6. Outcome of interview with knowledgeable representatives and/or principals of the sales representative:

[\_\_\_\_\_ has worked with \_\_\_\_\_ in the past and has always found them to be professional and reliable, providing good technical assistance, while also understanding the importance of compliance.]

7. Other due diligence undertaken (e.g., was an International Company Profile Report obtained from the US Commercial Service?):

[Reference to background check, TRACE report, Commerce Department check, etc.]

[No additional outside investigation or reporting was deemed necessary at this time.]

8. Ownership and management information regarding the sales representative—list the owners and senior executives that may work on matters for the Company:

Owner(s): \_\_\_\_\_

Executives expected to assist on Company matters include:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Background research was undertaken on all of these individuals, and did not turn up any

issues of concern. There are no officials at \_\_\_\_\_ who hold or have held relevant government positions. The team is experienced and professional.]

9. Formation information, registration number and date, and details regarding registration and affiliates of the sales representative:

[The company was registered more than \_\_\_\_ years ago and has a number of affiliated entities, all of which are similarly named. Background research on these companies did not raise any issues of concern.]

10. Description of the sales representative's offices, business resources, technical and commercial capabilities, business history, and experience:

Number of employees:

Sales/management/technical: \_\_\_\_\_

Administrative: \_\_\_\_\_

11. Sales representative's experience with other reputable international clients, and and/or references from third parties regarding the representative's integrity and capabilities:

**Report Prepared by:**

Date: \_\_\_\_\_, 20\_\_\_\_



# **ANNEX H**

## **Annex H**

### **DILIGENCE AND APPROVAL PROCEDURES FOR CONTRACTING WITH SERVICE PROVIDERS ACTING ON BEHALF OF CIMARRON ENERGY INC. WITH CUSTOMERS AND GOVERNMENT OFFICIALS**

Every proposed Company relationship with a contract partner that will be acting on behalf of the Company to promote Company sales to customers, or acting on behalf of the Company with government officials, will be assigned two risk factors that will determine the level of diligence and Company approval that are required before entering into the relationship. Not all relationships will fit easily into the matrix described below, so allowances must always be made to adjust the vetting procedures to the nature and timing of any particular relationship; nonetheless, the goals of the vetting process and the substance of diligence effort must be carefully considered and applied for all of these relationships on an ongoing basis.

This first risk factor, referred to herein as the “Party Risk Factor,” will focus on the nature of the relationship and on the market in which that contract partner will be operating. A relationship with a “facilitator” in Nigeria will generate a higher Party Risk Factor than an engagement of a logistics company in the Netherlands. The Party Risk Factor will determine what level of due diligence must be undertaken by the Company prior to entering into the proposed relationship.

The second risk factor, the “Terms Risk Factor,” will consider the business terms offered to the foreign party, as explained below. The Terms Risk Factor will combine with the Party Risk Factor to determine what level of Company approval is required for the Company to enter into the proposed transaction.

#### **Party Risk Factor Analysis**

For the Party Risk Factor analysis, a letter ranking of either A, B, or C will be assigned by the CCO, with input from the regional Vice President, depending upon the risks posed by the business relationship under consideration, and the risks posed by the target market. The assignment of a Party Risk Factor will guide the determination as to what level of due diligence will be appropriate regarding the foreign contract party.

- Category A relationships are high-risk relationships that are subject to the highest level of diligence.
- Category B relationships are moderate risk relationships are subject to a standard diligence process.
- Category C relationships are low-risk relationships that are subject to minimal diligence requirements.

The risk level assigned to the relevant market will be evaluated by reference to the most recent publication of Transparency International’s Corruption Perceptions Index ranking of the relevant market (see <https://www.transparency.org/en/cpi>), with 1 being the market with the least amount of corruption. For example, in the following matrix, references to TI Index 1-20 would refer to any country listed in the top twenty least corrupt countries according to Transparency International’s index.

***Party Risk Factor Matrix:***

<b>Relationship</b>	<b>Party Risk Factor A</b> Highest risk, Highest level of diligence	<b>Party Risk Factor B</b> Moderate risk, Moderate level of diligence	<b>Party Risk Factor C</b> Low risk, Modest level of diligence
Sales Rep/Consultant	TI Index 56+	TI Index 25-55	TI Index 1-24
Logistics/Import Services Provider	TI Index 46+	TI Index 25-45	TI Index 1-24
Agent (e.g., with power or attorney)	TI Index 36+	TI Index 21-35	TI Index 1-20
JV Partner	TI Index 31+	TI Index 16-30	TI Index 1-15
Facilitator/Introducer	TI Index 23+	TI Index 16-22	TI Index 1-15

Due diligence requirements for Category A high-risk relationships:

- Background check with local contacts: US Commercial Service, legal advisors, etc.
- Background check by third party service provider, such as TRACE International
- Obtain completed Due Diligence Questionnaire (**Appendix J**)
- Verify qualifications/experience in the energy sector
- Verify satisfactory work and references with other reputable companies
- Verify absence of government contacts:
  - Verify ownership of prospective partner
  - Confirm absence of family/government relationships
- Confirm absence of red flags
- Memorandum prepared by the Company’s regional business personnel setting forth the rationale for the selection of the potential contract party, knowledge of Cimarron personnel as to the reputation and experience of the party, and how potential risks may be mitigated (e.g., existing relationship, use by other US multinationals, etc.). This memorandum must be reviewed and signed by the regional Vice President.

Due diligence requirements for Category B moderate-risk relationships:

- Obtain completed Due Diligence Questionnaire (**Appendix J**)
- Verify qualifications/experience in the energy sector
- Verify satisfactory work with other reputable companies
- Verify absence of government contacts:
  - Verify ownership of prospective partner
  - Confirm absence of family/government relationships
- Confirm absence of red flags

Due diligence requirements for Category C relationships:

- Confirm absence of red flags

The required due diligence information must be gathered and reviewed by the Compliance Team prior to entering into any contract with a foreign sales rep, consultant, agent, or other party.

*Any diligence investigation that produces any red flags, or is incomplete, will move any proposed business arrangement, regardless of business terms proposed for the arrangement, into the Risk Level 1, high-risk category for the purposes of the Terms Risk Factor Matrix described below.*

**Terms Risk Factor Analysis**

The Terms Risk Factor Analysis will combine with the Party Risk Factor Analysis to determine what level of compliance approval is required by the Company before entering into the relationship. The Terms Risk Factor will focus on the business terms to be offered to the foreign contract partner. This Terms Risk Factor will be assigned a number from 1 to 3, with 1 representing an elevated level of risk, and 3 representing a low level of risk. The relevant considerations are applied as indicated in the chart on the following page.

***Terms Risk Factor Matrix***

	<b>Terms Risk Factor 1 (High Risk)</b>	<b>Terms Risk Factor 2 (Moderate Risk)</b>	<b>Terms Risk Factor 3 (Low Risk)</b>
<b>Sales Rep or Consultant</b>	Commission > 10%	Commission 10% or less	Fixed fee
<b>Freight Forwarder</b>	Odd contract terms or payment provisions outside typical norm	Elevated service/shipping fees beyond expected range	Standard service/shipping fees within expected range
<b>Agent</b>	Commission above 10%	Commission 10% or less, non-contingent fee	N/A
<b>JV Partner</b>	Any terms	N/A	N/A
<b>Facilitator/ Introducer</b>	Any commission	Moderate, non-contingent fee	N/A

Combining the two risk factors, the Relationship Factor and the Terms Factor, determines what level of Company compliance approval is needed. In all cases, the lower level of approvals are also required in addition to the higher-level approvals—e.g., for relationships in the highest risk category, A-1, the approval of both the CCO and the CEO will be required.

***Combined Approval Matrix: Compliance Approvals Required***

	<b>Party Risk Factor A (High Risk)</b>	<b>Party Risk Factor B (Moderate Risk)</b>	<b>Party Risk Factor C (Low risk)</b>
<b>Terms Risk Factor 1 (High Risk)</b>	CEO and CCO Approval w/ Annual Assessment	CCO	CCO
<b>Terms Risk Factor 2 (Moderate Risk)</b>	CCO	CCO	None Required
<b>Terms Risk Factor 3 (Low Risk)</b>	CCO	None Required	None Required

**Examples:**

<u>Proposed Contract</u>	<u>Factors Applied</u>	<u>Approval Required</u>
Sales Rep in Nigeria with complete, positive diligence report, 10% commission	(Nigeria TI rank 151) Party Risk Factor A Terms Risk Factor 2	CCO
Sales Agent in Denmark with complete, positive due diligence report, 10% commission.	(Denmark TI rank 1) Party Risk Factor C Terms Risk Factor 2	None
JV partner in Brazil with complete, positive diligence report	(Brazil TI rank 105) Party Risk Factor A Terms Risk Factor 1	Chief Operating Officer
JV Partner in Chile with complete, positive diligence report	(Chile TI rank 27) Party Risk Factor B Terms Risk Factor 1	CCO
Sales consultant in Norway with 5% commission, no due diligence report	(Norway TI rank 7) Party Risk Factor C Terms Risk Factor 1	CCO
Sales consultant in Norway with 10% commission, satisfactory due diligence report	(Norway TI rank 7) Party Risk Factor C Terms Risk Factor 2	None

# ANNEX I

**Annex I**

**CERTIFICATION FOR PARTIES CONTRACTING WITH  
CIMARRON ENERGY INC.**

I, \_\_\_\_\_, an authorized representative of \_\_\_\_\_ [business partner name] (the "Company"), confirm that the Company and all parties retained by the Company to assist in the supply of goods or services to Cimarron Energy Inc. and its affiliates ("Cimarron"), (i) understand and accept responsibility for complying with all laws applicable to activities connected with doing business with Cimarron, including laws regarding anti-corruption, competition, and conflicts of interest; (ii) understand specifically the requirements and restrictions imposed by anti-corruption laws applicable to Cimarron and those doing business with Cimarron, including but not limited to the US Foreign Corrupt Practices Act, the United Kingdom Bribery Act, and applicable local law (collectively, "Anti-Corruption Laws"). I confirm that since the date of the Company's last certification, the Company and everyone retained by the Company in connection with business with Cimarron have not violated, or caused Cimarron, any joint venture company of Cimarron, or any officer, director or employee of Cimarron, to violate any Cimarron business ethics policy or any applicable law, including any Anti-Corruption Law.

Further, I confirm that neither I nor my company is a governmental entity or political party in the country in which I work with Cimarron, and that no officer, director, stockholder, employee, or agent of the Company is a "Government Official" as that term is defined below. "Government Official" is defined as:

- (i) Any official or employee of any government, department, or agency;
- (ii) Any employee of a state or government-owned business, school, hospital, or utility (such as a port official or an employee of a state-owned oil company);
- (iii) Any political party or official thereof;
- (iv) Any candidate for political office;
- (v) A public international organization;
- (vi) Any person acting in an official capacity on behalf of a governmental entity; and
- (vii) Immediate family members of anyone described above.

I hereby affirm the Company's obligation and agreement to comply with the Anti-Corruption Laws and other laws that may be applicable to the Company and the Cimarron Anti-Corruption Compliance Policy. I further confirm that if I or anyone else working for or on behalf of the Company should learn of information regarding any improper payment or offer, or any other violation of the Anti-Corruption Laws or the Cimarron Anti-Corruption Compliance Policy in connection with our work for Cimarron, we will immediately advise Cimarron.

Name of Business Partner: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# APPENDIX J



## Appendix J

### ANTI-CORRUPTION COMPLIANCE DUE DILIGENCE QUESTIONNAIRE

(To be completed by Business Partner)

Cimarron Energy Inc. and its worldwide subsidiaries and affiliates (the “Company”), in all operations throughout the world, is committed to conducting business ethically and with the utmost integrity, which includes compliance with all applicable laws and regulations against bribery and corruption, such as the US Foreign Corrupt Practices Act (“FCPA”) and other applicable anti-bribery statutes and implementing rules and regulations.

To comply with its obligations under these laws and regulations, the Company requests that certain prospective business partners, such as agents, consultants, advisors, representatives, distributors, and suppliers with whom the Company transacts business (“Business Partners”), provide information for the Company’s review prior to entering into any engagement/agreement. Accordingly, Company requests that you answer all the questions below as fully and accurately as possible. Please then sign the Data Privacy Statement and Affirmation verifying the accuracy of the information provided (on the final page of this questionnaire).

For any answers requiring additional space, please attach the complete answers on a separate sheet of paper or supplemental electronic document. If a certain question is not applicable, or if you do not know the answer, please so indicate in your response (along with a short explanation). Note that incomplete or vague responses will result in delays in the due diligence review process because additional communications and information-gathering may be necessary.

Once you have completed the form, please submit it to [please insert the name and email address of the responsible person at Cimarron]. If you have any questions about this form, please contact [please insert the name and email address of the responsible person at Cimarron].

#### **Definitions**

“**Anti-Corruption Laws**” mean any applicable foreign or domestic anti-bribery and anti-corruption laws, along with their implementing rules and regulations, as amended from time to time, including, but not limited to, the FCPA.

The term “**Government Official**” means:

- i Any officer or employee, appointed or elected, of a local, state, regional, or federal government, or any department, agency, ministry, or instrumentality of a government;
- ii Any individual who, although temporarily or without payment, holds a public position, employment, or function;
- iii Any officer or employee of a public international organization, such as the United Nations or the World Bank;
- iv Any individual acting in an official capacity for or on behalf of a government department, agency, ministry, instrumentality, or public international organization;
- v A political party official, officer, or employee, or any candidate for political office;
- vi Any officer or employee of an entity owned or controlled by a government, as well as entities that perform a government function (e.g., air or sea transport, utility, energy, water, or power); or

- vii A member of a royal family, including one who may lack formal authority, but could otherwise be influential in advancing the Company's business interests.

**“Government Entity”** means: (i) any agency, instrumentality, subdivision or other body of any national, regional, local or other government; (ii) any commercial or similar entities owned or controlled by such government, including any state-owned and state-operated companies; (iii) any political party; or (iv) any public international organization.

Please Note: Family members of any of the individuals listed above may also qualify as Government Officials if interactions with them are intended or have the effect of conferring anything of value on a Government Official.  
Mr

**1. General Information**

- a. Name of Company or Entity:

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- b. Name and Title of Person Submitting this Questionnaire:

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- c. Business Address (including street address and mailing address):

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- d. Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

- e. Business website: \_\_\_\_\_

- f. Type of Business:

<input type="checkbox"/> Proprietorship	<input type="checkbox"/> Corporation	
<input type="checkbox"/> Partnership	<input type="checkbox"/> Individual	<input type="checkbox"/> Other

- g. Tax ID No.: \_\_\_\_\_

- h. Identity of Bank, Currency of Account, and Address of Bank to which payment for goods or services under this engagement will be made:

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- i. Who is the main point of contact at your company or entity in the event that the Company needs to clarify any answers in this questionnaire (name, position, telephone, email address)?

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- j. Do you currently, or have you previously, provided products or services to the Company or otherwise engaged in a business arrangement with the Company? If yes, please explain.

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- k. Will your company or entity partner with any third party (e.g., subcontractor, supplier, distributor) to satisfy your obligations under the proposed agreement with the Company?

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If “yes”, please provide the name of the third party individuals or entities, their principal places of business, and in which countries they will be used to assist with this engagement.

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**2. Business Information**

- a. If you are completing this questionnaire on behalf of a corporate entity or other organization, please provide a copy of your commercial registration and charter documents for the country in which you are incorporated and the country of intended activity, if that is different from the country in which you are incorporated.

- b. The nature and history of your business, as well as your principal line(s) of business, including your current products or services being offered or provided:

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- c. List all places (including city, country) where your company or entity operates; alternatively, please provide a company website or other online source that contains this information, updated to the present time:

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- d. Approximate average annual revenue over the last five years (check as appropriate):

<input type="checkbox"/> Less than US \$1 million	<input type="checkbox"/> US \$1 to 10 million
<input type="checkbox"/> US \$10 to 50 million	<input type="checkbox"/> Over US \$50 million

- e. For which products or services does your company or entity wish to act as a Business Partner (e.g., agent, consultant, advisor, representative, distributor, supplier) with the Company?

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- f. In which country (or countries) would your company or entity represent, promote, distribute, sell, or supply the Company products or services (if applicable to this engagement)?

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**3. Ownership and Management**

- a. If a company, are you publicly held?  Yes  No

- b. If “yes”, please attach a copy of your most recent public filing showing the company’s shareholders, partners, or owners. If this filing does not list major (>5%) shareholders, please provide the full name of each major shareholder (public and non-public) with their current nationality.

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- c. If not publicly held, please provide the full name and nationality of each of your **direct and indirect** owners and partners. (Ownership percentages must total 100 percent.) Indirect owners include

persons who do not own shares of the company directly, but benefit from another party's ownership of the shares, including for example: (i) one party holding shares in the name of, or on account of, another party; or (ii) one party holding the shares but promising to include the other party (an indirect owner) in the proceeds upon selling the shares.

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- d. Please list all parent companies (up to and including the ultimate parent) and the location of each (city, country); alternatively, please provide a company website or other online source that contains this information, updated to the present time.

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- e. Please list all subsidiaries and other affiliated companies and the location of each (city, country); alternatively, please provide a company website or other online source that contains this information, updated to the present time.

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- f. Please provide the full name, nationality, and location of each member of your board of directors, if applicable.

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- g. Please provide the full name, nationality, location, and, whenever possible, a curriculum vitae of all corporate or entity officers.

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h. Please provide the full name, nationality, location, and, whenever possible, a curriculum vitae, for all managers and/or employees who will engage with the Company under the proposed engagement.

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i. Do any of the persons listed above hold director, officer, or other management positions with other companies or entities?  Yes  No

If “yes”, please provide the name of each person, his or her other company or entity, and the title of the relevant position.

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j. Is any owner, shareholder, director, officer, employee, or agent of your company or entity a current or former employee of the Company? If “yes”, provide details.

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k. Is any owner, shareholder, director, officer, employee, or agent of your company or entity a family member\* of any the Company employee? If “yes”, provide details.

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\*For purposes of this questionnaire, “**family member**” means a parent, spouse, child, sibling, or in-law.

4. **Government Relationships**

a. Are any persons identified in response to question 3, above (or their family members):

(i) Current officials, employees, or representatives of any government, including any government ministry, agency, or government-owned or -controlled entity?

Yes  No

(ii) Current officials, employees, or representatives of any public international organization (such as United Nations, World Bank, or International Monetary Fund)?

Yes  No

(iii) Current officials, employees, or representatives of any political party, or a candidate for any political office?

Yes  No

(iv) Past officials of any of the above-described government bodies, enterprises, political parties, or public international organizations?

Yes  No

(v) Involved in any business relationship, including acting as an agent or consultant for, or holding common ownership of any business enterprise or partnership with, any current official (or close family member) of the government, including any government ministry, agency, or government-owned or -controlled entity (such as a government-owned utility)?

Yes  No

(vi) In a position (formally or informally, directly or indirectly) to exercise influence over the purchasing decisions of any government-owned or -controlled entity (such as a government-owned airline), including by virtue of holding a leadership position in a political party?

Yes  No

(vii) Members of any Royal Family?

Yes  No

b. If the answer to any of 4a(i) through 4a(vi), above, is “yes”, provide details for each individual, including:

(i) The name of the relevant individual, and the full name of the government body, entity, political party or Royal Family:

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(ii) A description of the individual’s official responsibilities:

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(iii) The individual's dates of service (past or current):

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c. For each individual answering "yes" to any of questions 4a(i) through 4a(vi), above, please indicate whether such individual is able under local law to perform services on behalf of the Company (in the country where the individual resides and the country or countries where such services are to be performed).

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d. Will your company or entity use any third party (e.g., subcontractor, supplier, distributor) to interact with the government for or on behalf of the Company? If yes, please explain, including the name of the third-party individuals or entities, their principal places of business, and in which country or countries they will be used to assist with this engagement.

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e. Please provide a list of all business or economic relationship or dealings between any government/Royal Family/Government Entity and your company, directly or indirectly, over the past five years, including a description of such relationships or dealings and copies of any contracts (including copies of subcontracts to supply services to Government contractors), including relationships or dealings relating to:

- sales;
- procurement;
- joint venture arrangements;
- strategic partnerships;
- privatizations;
- issuing concessions, grants or authorizations; or
- supplier/vendor relationships.

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f. Please provide a list of all Government Officials with whom your company has had any business or economic relationship or dealings, directly or indirectly, over the past 5 (five) years, including a description of such relationships or dealings, including:

- consulting arrangements;
  - joint venture agreements;
  - strategic partnerships; and
  - suppliers/vendors.
- 
- 

g. Please identify each government or Government Entity with which your company has interacted over the last 5 (five) years in connection with obtaining any license, permit, authorization or any other right or privilege related to its operations or any past or future business transaction, including but not limited to, the following matters: (i) licenses, permits, authorizations or any other right or privilege; (ii) service, infrastructure or facility inspections; (iii) regulatory compliance; and (iv) tax audits, tax disputes, VAT refunds or other VAT issues.

(i) Please indicate whether your company interacted directly with each Government Entity or whether a third party was involved (e.g., attorneys, accountants, consultants, or agents)? If any third parties were involved, please provide their name and the nature of the services rendered.

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(ii) Does your company make payments to expedite any government service or action? If so, how are such payments controlled and reported (if at all)?

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(iii) With respect to any license, permit, authorization or any other right or privilege that may be required to proceed with the contemplated transaction, is issuance automatic or does it require an exercise of discretion by a Government Official?

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(iv) Have any payments or things of value been provided to Government Officials or any third parties in connection with such matters? If so, please describe.

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**5. Compliance with Applicable Laws**

a. In the last five (5) years, has your company or entity been involved in any government audit, investigation, enforcement action, or filed any disclosure of an actual or potential violation of any

of the following areas: (i) the FCPA or any other national or local anti-corruption laws; (ii) the criminal laws of the US or any other relevant national or local criminal laws; or (iii) the export controls and/or sanctions regulations applicable to the US or any other relevant national or local export controls and/or sanctions regulations?

Yes  No

If “yes”, describe the action and how it was resolved? (fines, settlement, etc.)

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b. Is your company or entity aware of any actual or potential violation by its employees or personnel, or any of its affiliates, of any of the areas listed above in question 5a?

Yes  No

If “yes”, please explain.

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c. Have you, your company or entity, or any of the principal directors, officers, or shareholders ever been investigated or charged with any offense, including bribery, kickbacks, corruption, money laundering, or conflicts of interest?

Yes  No

If so, provide details.

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d. Does your company or entity maintain a code of conduct, anti-corruption compliance program, system of internal accounting controls, and/or any other compliance-related policies and procedures, whether formal or informal, that are applicable to your business and your employees?

Yes  No

If “yes”, please provide copies of any anti-corruption compliance policy and business code of conduct currently in force.

e. Does the code of conduct, the anti-corruption compliance policies or procedures, and/or the company or entity compliance program apply to all employees who will work on this potential engagement?

Yes  No

f. Does your company or entity provide training to its employees on detection and prevention of corruption and/or business ethics?

Yes  No

g. Please provide information regarding the approval process for payments, gifts and hospitality for both Government Officials and commercial persons.

h. \_\_\_\_\_  
Has your company or any of its shareholders, directors or employees made, directly or indirectly, any charitable or political contributions? If so, please provide details regarding the contributions and provide information on the approval process for contributions and donations.  
\_\_\_\_\_

## 6. **Review of the Company Policies; Acknowledgement and Certification**

Please review the Company's **Code of Business Conduct** and forward a copy to all personnel who may work with the Company on this engagement.

## 7. **Data Privacy Statement and Affirmation**

### **Data Privacy Statement**

This Questionnaire is provided because Business Partner is under consideration for a business relationship with the Company. Submission of this Questionnaire to the Company is only one step in the review process, and such submission does not affirm the existence of a business relationship between the Company and Business Partner.

The information you provide in this Questionnaire will be used by the Company to help achieve compliance with anti-corruption laws of the United States and other jurisdictions. The questions have been tailored to seek only information that is relevant to the Company's compliance efforts. The Company will obtain further information about you and your company from the references and other parties identified in your responses and will use such information for the purposes described above. The information collected through the Questionnaire, and from your references and other parties, will not be used, transmitted, or processed for any other purposes, except as may be required by applicable law.

The information obtained in connection with this Questionnaire may be transmitted to the Company employees or agents, the Company external legal counsel, and/or regulatory or other authorities in the United States or other countries outside your country of residence/business, whose laws protecting personal information may not be equivalent to those in your own country. The Company will store this information as long as necessary in connection with the purposes described above in accordance with the Company policies and procedures. You may have rights to access or, where incorrect, amend or delete, information that the Company holds pertaining to you. Completion of the Questionnaire is voluntary; however, failure to complete the Questionnaire may preclude the Company from doing business with you. If you have any

questions or concerns about the above, please consult with your the Company business contact.

**Affirmation**

By signing below, I affirm: (a) that the information submitted on the Questionnaire and in any attachments is accurate and complete; (b) that I have read and understood the above Data Privacy Statement and expressly consent to the collection, use, processing, storage, and transfer of data, including personally identifiable information and data about my company and related persons that I identify in the Questionnaire, to the United States and other jurisdictions, in the manner and for the purposes described in the Questionnaire and in the above Data Privacy Statement; (c) that I agree to provide any and all notices and obtain any and all consents from individuals that I identify in the Questionnaire for the sharing of their information with the Company for the purposes described in the Questionnaire and the Data Privacy Statement; and (d) that I expressly consent to the transfer of the data, including my personally identifiable information, to a jurisdiction that may not provide equivalent protection to the laws in my home country. I authorize you to take such steps as you may require to verify the data. I understand that the provision of false or misleading information can result in the termination of any relationship that may develop in the future between Business Partner and the Company and that the Company reserves such other remedies as may be appropriate if such a termination occurs. I acknowledge that I have the authority to sign this document.

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Name of Company or Entity (completing this form)

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Name and Title of Company or Entity Representative (responsible for completing this form)

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Signature

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Date