



RIFT ENERGY CORP.

ANTI-CORRUPTION POLICY (the Policy)

1 PURPOSE & SCOPE

- (a) **Purpose.** Rift and its subsidiaries are committed to strict compliance with all applicable anti-Corruption legislation and to maintaining the highest ethical standards in their business dealings and in their relationships with Public Officials.

In this Policy, any reference to "you" means any person/entity subject to this Policy.

This Policy is intended to provide you with basic knowledge and concepts relating to Bribery and Corruption. This Policy cannot and will not provide definitive answers to every Bribery related question. Instead, this Policy aims to provide you with the tools to identify Bribery and Corruption issues. When these issues arise, immediately contact the Compliance Officer for further guidance.

- (b) **Scope.** This Policy extends across all of Rift's business dealings and in all countries and territories in which Rift operates. This Policy applies to all employees (whether permanent or temporary), officers, directors, managers and Agents of Rift and to Associated Entities who act on behalf of Rift. Each of the above are expected, as part of their normal duties, to become familiar with and strictly comply with this Policy.

Exceptions to this Policy may be granted only with the written approval of Rift's Board of Directors.

Effective as of March 6, 2013

Non-compliance with this Policy may result in severe criminal or civil penalties which will vary according to the offence and could include imprisonment. Anyone acting in contravention of this Policy may also face immediate disciplinary action up to and including termination for cause.

2 INTERPRETATION/DEFINITIONS

Agent means a person or entity retained by Rift to represent its business interests and/or to represent Rift with Public Officials.

Associated Entities includes, but is not limited to, intermediaries, consultants, representatives, distributors, business partners, contractors and suppliers, consortia, consultants, joint venture partners, farm-in counterparties or any other outside parties acting on behalf of Rift (individuals or organizations).

Bribe means a payment or other action that constitutes an act of Bribery.

Bribery has the meaning set out in Section 3 of this Policy.

Compliance Officer means the Chief Financial Officer of Rift.

Corruption involves the misuse of power by someone to whom it has been entrusted, for personal gain.

Foreign Jurisdiction means any jurisdiction other than Canada and the United States.

Government means any national, central, supranational, provincial, territorial, regional, state, municipal or local government and includes any other political subdivision of a Government, securities and exchange commissions and quasi-governmental entities.

Kickback means, for purposes of this Policy, the payment, promise to pay, or the authorization of the payment of part of a contract's value to: (i) a person employed by or associated with another contracting party or (ii) a Public Official. Kickback payments include, without limitation, the improper use of purchase orders, sub-contracts or other agreements to funnel Kickback payments to the persons described above or their relatives or close associates.

Public Official, for purposes of this Policy, should be interpreted broadly and includes:

- (a) an official, officer, agent, employee or person otherwise acting in an official capacity for or on behalf of a Government, or department, agency, body, board, commission, court, department, minister, tribunal, authority or organization of such Government or a public international organization (such as the United Nations);
- (b) a person who holds a legislative, administrative or judicial position in a Government;
- (c) elected officials, candidates for political office, political parties, party officials (including officers, employees and representatives of political parties);
- (d) an official, officer, agent, employee or person otherwise acting in an official capacity for or on behalf of an instrumentality of a Government (such as a state oil company or other Government-owned or Government-controlled corporation);
- (e) a person who performs public duties or functions for a Government, including a person employed by a board, commission, corporation or other body or authority that is established to perform a duty or function on behalf of the Government, or is performing such a duty or function; and
- (f) a relative or close associate of the persons referred to above.

Rift means Rift Energy Corp. and its subsidiaries.

3 STATEMENT OF POLICY

- (a) **Prohibition of Improper Payments.** Bribery is strictly prohibited. Rift has a zero tolerance approach toward Bribery. You must comply with the Organization for Economic Co-operation and Development's Guidelines for Multinational Enterprises relating to Bribery, all Canadian/United States anti-Corruption laws and all other applicable anti-Corruption laws. Although a particular action may be lawful under Canadian or U.S. law, it might not be lawful under the local laws and regulations of a particular foreign country, and *vice versa*.

You shall not, either directly or indirectly through an intermediary, pay, attempt or promise to pay, authorize, solicit or accept a Bribe or Kickback.

(b) **Definition of Bribery.** For purposes of this Policy, "Bribery" is defined in reference to the *Corruption of Public Officials Act* (Canada) (**CFPOA**) and the *Foreign Corrupt Practices Act* (United States) (**FCPA**), as:

- (i) a payment, offer, promise or authorization of the payment of anything of value;
- (ii) given directly or indirectly to (a) a Public Official, (b) to any person for the benefit of a Public Official; or (c) to any person knowing that all or a portion of such thing of value will be offered, given or promised, directly or indirectly, to any Public Official;
- (iii) for the purpose of (or as consideration for):
 - (A) influencing any act, omission or decision of such official in connection with his or her duties or functions;
 - (B) inducing such official to do or omit to do any act in violation of the lawful duty of such official;
 - (C) securing any improper advantage; or
 - (D) inducing such official to use his or her position to influence any acts or decisions of the foreign state, public international organization or other organization for which the official performs duties or functions;
- (iv) in order to obtain or retain an advantage in the course of business.

(c) **Explanation of Bribery Definition.** The following subsections describe the above elements of the definition of Bribery in detail.

- (i) *Payment, Offer, Promise or Authorization of the Payment of Anything of Value.* An offer or promise can constitute a Bribe, even if the Public Official (or intended recipient) does not actually receive the payment. Likewise, an offer or promise can be a Bribe, regardless of whether or not the official accepts or agrees to the payment. "Anything of value" should be interpreted broadly to include anything (whether monetary or non-monetary) that provides a benefit to the Public Official. It may include Kickbacks, favours, loans and loan guarantees, the use of property, job offers, political contributions or the payment of expenses or debts.
- (ii) *Given Directly or Indirectly.* This definition of Bribery covers Bribes given directly to a Public Official or indirectly through third parties (e.g. Agents) or other means (e.g. share offerings). In particular, It is a violation of this Policy to make any corrupt payments through Agents or Associated Entities or to make any payment to a third party where there is any reason to believe that all or a portion of the payment will go towards a Bribe.
- (iii) *Public official, Person for the Benefit of a Public official, or Knowing that Thing of Value will be offered to Public Official.* Public Official is defined in Section 2 of this Policy. It is key to understand that "Public Official" should be interpreted broadly to include all manner of persons acting for and related to Governments and public international organizations, including low-ranking employees of a Government and consultants who hold Government positions. It is often difficult to determine whether a person (or entity) is a Public Official. You should contact the Compliance Officer if you are unsure whether a particular person is a Public Official.

It is also important to understand that many Governments operate through Government-owned and Government controlled entities (particularly in industries such as energy,

banking, finance and healthcare). This Policy addresses this reality by including employees (including low-ranking employees), officers, agents and other persons acting on behalf of so-called Government "instrumentalities" within the definition of Public Official. The term "instrumentality" should be interpreted broadly and can include Government-owned and Government-controlled entities. Determining whether or not an entity is an "instrumentality" requires a fact specific analysis of an entity's ownership, control, status and function. It is important to note that an entity can be a Government instrumentality even if a Government does not own or control a majority of its shares. It can be difficult to determine whether an entity is a Government "instrumentality". You should contact the Compliance Officer if you are unsure whether a particular entity is a Government "instrumentality".

The definition of Bribery also covers the situation where a Public Official might not receive the benefit himself or herself, but instead directs that the benefit be given to a family member, to a political party association, or to any other person for the benefit of the official. Bribes paid to relatives and close associates of Public Officials are treated as though they were payments made to a Public Official and are therefore prohibited. Likewise, the definition of Bribery covers the situation where a payment of anything of value is made to a third party and the person making the payment knows, believes, suspects, is aware or has information that would indicate that any part of such payment will be offered, given or promised, directly or indirectly, to a Public Official.

- (iv) *For the Purpose of Inducing/Influencing an Act or Omission by the Official or Use of the Official's Influence.* This element addresses the "quid pro quo" aspect of acts of Bribery (i.e. the payment or promise made in exchange for some sort of action or inaction - or promised action or inaction). It is key to note that the FCPA and CFPOA prohibit payments made directly or indirectly to Public Officials for virtually any improper purpose.
 - (v) *Advantage in the Course of Business.* An "advantage in the course business" should also be interpreted broadly to cover Bribes intended to secure or retain business or any improper advantages in the course of business.
- (d) **Requests for Bribes.** If you are asked by a Public Official or any individual to provide something of value in return for influencing an official act, inducing a decision to obtain, retain or direct business from or to any person or securing any improper advantage, you must:
- (i) decline or state that it is not within your authority to accommodate the Public Official or individual; and
 - (ii) immediately report the incident to the Compliance Officer (in writing), who may consult with the Chair of the Audit Committee, the Corporate Secretary and other such directors and advisors, as deemed appropriate, to determine the appropriate action to be taken.

If you become concerned that a Public Official is not operating within the scope of his or her duties, report it to the Compliance Officer. Protect yourself in any further dealings from allegations that you have offered improper consideration by bringing a witness to subsequent conversations.

4 **FACILITATION PAYMENTS ARE PROHIBITED**

- (a) **Facilitation Payments are Prohibited.** Facilitation payments are typically small, unofficial payments made to secure or expedite a routine action or service to which an individual or company is routinely and otherwise legally entitled. Such payments generally do not involve discretionary decisions by Public Officials and are made to expedite actions that should be

performed in any event. Rift policy makes no distinction between Bribes and facilitation payments, and therefore, facilitation payments are prohibited.

- (b) **Demands for Facilitation Payments.** If you encounter demands for facilitation payments or other similar payments you should immediately report the incident (in writing) to the Compliance Officer, who may consult with the Chair of the Audit Committee, the Corporate Secretary and such other directors and advisors as deemed appropriate.

5 PAYMENTS TO PROTECT YOUR SAFETY ARE PERMITTED

- (a) When you face extortion demands that involve explicit or implicit threats to your personal safety, you may make payments which would otherwise be prohibited. In such circumstances, these payments must be:
 - (i) recorded in Rift's books and records accurately as extortion payments made to preserve personal safety; and
 - (ii) reported as quickly as reasonably practicable to the Compliance Officer, who will immediately consult with the Chair of the Audit Committee, the Corporate Secretary and other such directors and advisors, as deemed appropriate, to determine the appropriate action to be taken.

6 GIFTS, MEALS & ENTERTAINMENT

- (a) **Gifts, Meals & Entertainment Provided to Public Officials.** Gifts, meals and entertainment provided to Public Officials can constitute Bribes. Such gifts or benefits will be considered to be Bribes where it appears the gift or benefit was intended to influence the recipient in order to obtain or retain an advantage in the course of business. Therefore, gifts, meals, and entertainment must not be given to Public Officials as a reward or encouragement for preferential treatment or provided, directly or indirectly, with the intention or effect of improperly obtaining, retaining or directing business from or to any person or securing any improper advantage.
- (b) **Gifts, Meals & Entertainment may be Provided in Limited Circumstances.** In certain limited circumstances, customary gifts and reasonable expenses for meals and entertainment may be provided to Public Officials; however a pattern of providing frequent gifts, meals or entertainment to a Public Official is problematic. Any such gifts or benefits should be modest and reasonably related to the nature of the business relationship. Good judgment is required when making such gifts and paying such expenses, taking into account all relevant factors, including local custom and context and the appearance and character of the gift, meal or entertainment. You should not provide gifts, meals or entertainment to Public Officials unless it is legal and customary in the relevant country and unless such gift, meal or entertainment is reasonable and not excessive in amount or frequency. In no case may you provide gifts or benefits in money or cash equivalents.
- (c) **Approval and Reporting.** All gifts, meals and entertainment provided to Public Officials must be reported to the Compliance Officer and must be properly documented in Rift's books and records. If the value of the gift, meal or entertainment exceeds US\$100, you must obtain prior approval from the Compliance Officer (in writing) before giving such gift or benefit.

7 BONA FIDE BUSINESS EXPENDITURES

Payment of reasonable and *bona fide* business expenditures to or on behalf of Public Officials is permitted in certain circumstances. These expenditures must be for a *bona fide* and legitimate business purpose and directly relate to (i) the legitimate promotion, demonstration or explanation of Rift's business products or services or (ii) the execution or performance of a contract with a foreign Government. Such payments must be reasonable and appropriate under the circumstances, incurred in good faith, based on

industry norms, in compliance with applicable laws and transparent. When such payments are made, Rift prefers to make the payment directly to the service provider or relevant Government. The payment of such expenses directly to the Public Official is generally not in line with Rift's policy and should rarely (if ever) be approved.

Any such expenses (including travel) in excess of US\$1,000 must be pre-approved by the Compliance Officer (in writing) and accurately recorded in Rift's books and records. Rift managers may authorize the payment of reasonable and *bona fide* business expenditures to or on behalf of Public Officials without the prior approval of the Compliance Officer where:

- (a) the amount of such expense is US\$1000 or less;
- (b) the payment is made directly to the service provider or relevant Government and not directly to the Public Official;
- (c) the payment is reasonable, *bona fide*, based on industry norms, in compliance with applicable law and directly related to (i) the legitimate promotion, demonstration or explanation of Rift's business products or services or (ii) the execution or performance of a contract with a foreign Government;
- (d) the manager reports the payment to the Compliance Officer (in writing) and certifies (in writing) that the payment was reasonable, *bona fide*, in compliance with applicable law and directly related to (i) the legitimate promotion, demonstration or explanation of Rift's business products or services, or (ii) the execution or performance of a contract with a foreign Government; and
- (e) the payment is properly recorded in Rift's books and records.

8 POLITICAL INVOLVEMENT AND CHARITABLE DONATIONS

Rift does not participate in party politics and does not make contributions to political parties or politicians. Persons subject to this Policy may not, in any manner, participate in politics on behalf of Rift. Of course, Rift does not restrict or prohibit you from participating in the political process as an individual citizen.

Rift's policy is not to make charitable donations or sponsorships that might be construed or characterized as a Bribe. Sponsorships must be transparent and documented in an agreement with the relevant organization and must be accurately recorded in Rift's books and records.

9 DUE DILIGENCE

- (a) **Transactions.** Standard business risk assessments will be conducted periodically to determine the level of controls necessary for a particular aspect of Rift's operations, including in relation to procurement and tender processes. Specific policies and procedures will be adapted and implemented to proportionately address risks as they arise. Rift will conduct appropriate due diligence to inform risk assessments and ensure compliance with this Policy.

In the early stages of any potential merger or acquisition, the Compliance Officer will review and assess the appropriate level of due diligence requirements in order to ensure anti-Corruption compliance is adequately considered and addressed in due diligence and integration efforts.

- (b) **Agents/Associated Entities.** Prior to Rift retaining, or entering an agreement with, an Agent (operating anywhere in the world) or an Associated Entity (including without limitation joint venture partners and other business partners) in, or who will operate in, a Foreign Jurisdiction, Rift's management shall conduct (or cause third parties to conduct) appropriate risk-based due diligence on such Agent or Associated Entity, including (without limitation), researching and documenting in writing the reputation, background and past performance of the prospective Agent or Associated Entity, as appropriate, in the following areas: (i) management information, (ii)

ownership information, (iii) affiliations, (iv) qualifications, (v) financial information, (vi) reputation, (vii) references, (viii) compliance with local law and (ix) compensation.

- (c) **Employees.** The employment or retention of individuals related to, dependent on, recommended by or requested by Public Officials, Agents or other Associated Entities can lead to a violation of this Policy and anti-Corruption/conflict of interest laws. Rift will take reasonable steps within its power to ensure that it, its Agents and Associated Entities acting on its behalf, do not hire or retain such employees and candidates without sufficient due diligence being conducted on such employees and candidates.
- (d) **Records.** Records and documentation must be kept of due diligence and each risk assessment as part of the system of internal controls and record keeping.
- (e) **Red Flags/Warning Signs.** While the list is not exhaustive, and warning signs will vary by the nature of the transaction, expense/payment request, geographical market or business line, common warning signs that should be considered as part of any due diligence include:
 - (i) that an Agent or Associated Entity has current business, family or some other close personal relationship with a Public Official, has recently been a Public Official or is qualified only on the basis of his influence over a Public Official;
 - (ii) a Public Official recommends or insists on the use of a certain business partner, Agent or Associated Entity;
 - (iii) an Agent or Associated Entity refuses to agree to anti-Corruption contractual terms, uses a shell company or other unorthodox corporate structure, insists on unusual or suspicious contracting procedures, refuses to divulge the identity of its owners, or requests that its agreement be backdated or altered in some way to falsify information;
 - (iv) an Agent or Associated Entity has a poor reputation or has faced allegations of Bribes, Kickbacks, fraud or other wrongdoing or has poor or non-existent third-party references;
 - (v) an Agent or Associated Entity does not have an office, staff or qualifications adequate to perform the required services; or
 - (vi) an expense/payment request by an Agent or Associated Entity is unusual, is not supported by adequate documentation, is unusually large or disproportionate to products to be acquired, does not match the terms of a governing agreement, involves the use of cash or an off-the-books account, is in a jurisdiction outside the country in which services are provided or to be provided, or is in a form not in accordance with local laws.

10 AGENTS AND ASSOCIATED ENTITIES

- (a) **Agreements with Agents and Associated Entities.** Relationships with Agents and Associated Entities must be fully and appropriately documented in written agreements using terms and conditions approved by the Compliance Officer, which terms must include the requirement to comply with applicable anti-Corruption legislation. In particular, the prior approval of the Compliance Officer is required if an agreement with an Agent or Associated Entity includes a bonus or success fee. Without limiting the generality of the foregoing, Rift may only:
 - (i) retain an Agent (operating anywhere in the world) or an Associated Entity in, or who will operate in, a Foreign Jurisdiction using a written agreement approved by the Compliance Officer that includes the provisions set out in Exhibit C (or provisions substantially similar thereto) that are appropriate given the nature of the role and degree of risk of presented by the Agent or Associated Entity (note that this clause does not apply to counterparties

in joint ventures, partnerships, farm-ins and similar arrangements as such counterparties are addressed below); and/or

- (ii) enter into a joint venture, partnership, farm-in or similar arrangement using a written agreement approved by the Compliance Officer, which agreement shall include the provisions listed in Exhibit D (or substantially similar thereto) as deemed appropriate by the Compliance Officer given the location, nature of the arrangement and degree of risk.

- (b) **Monitoring & Managing Agents and Associated Entities.** Rift should in all instances (1) inform Agents and Associated Entities of its commitment to complying with anti-Corruption laws and this Policy, (2) take reasonable, risk-based measures within its power to ensure that its Agents and Associated Entities comply with applicable anti-Corruption laws and practices, and (3) seek reciprocal compliance commitments from its Agents and Associated Entities. Any violation by such Agents, Associated Entities or their representatives related to services performed for Rift or assets in which Rift has an interest must be immediately reported to the Compliance Officer (in writing), who will consult with the Chair of the Audit Committee, the Corporate Secretary and other such directors and advisors, as deemed appropriate, to determine the appropriate action to be taken.

In particular, Rift will take reasonable measures (given the nature of the role and degree of risk presented by the Agent or Associated Entity) within its power to ensure that:

- (i) any payment made to an Agent or Associated Entity represents no more than the amount outlined in the written agreement with the Agent or Associated Entity and is an appropriate remuneration for legitimate services rendered by such Agent or Associated Entity;
- (ii) no part of any such payment is passed on by the Agent or Associated Entity as a Bribe, Kickback or is otherwise in contravention of applicable laws or this Policy;
- (iii) where required, Agents and Associated Entities annually (from the date they were engaged) complete the applicable compliance certificate (whether substantially in the form Exhibit B or otherwise);
- (iv) each invoice from an Agent or Associated Entity includes a detailed description of the services performed; and
- (v) the activities of Agents and Associated Entities are monitored to ensure that there is no breach of applicable laws or this Policy.

11 OVERSIGHT, TRAINING & CERTIFICATIONS

- (a) **Board of Directors.** The Board of Directors of Rift is committed to this Policy and will provide the necessary leadership, resources and active support for management's implementation of this Policy.
- (b) **Audit Committee.** The Audit Committee is responsible for reviewing the adequacy of this Policy and regularly reporting on its implementation and matters arising thereunder to the Board of Directors of Rift taking into account relevant developments and evolving international laws and industry standards. The Audit Committee will oversee the development, maintenance and testing of Rift's anti-Corruption standards and procedures designed to evaluate and improve their effectiveness.
- (c) **Compliance Officer.** The Compliance Officer is responsible for the implementation and oversight of this Policy, ensuring it is carried out consistently with clear lines of authority. In

particular, the Compliance Officer is responsible for (i) establishing the practices and controls necessary to implement this Policy, (ii) disseminating this Policy to Rift personnel, Agents and Associated Entities (as appropriate), (iii) implementing the training program described below, (iv) procuring certificates of compliance from Rift personnel, Agents and Associated Entities, as applicable, and (v) ensuring there is a functioning mechanism for reporting violations of this Policy. The Compliance Officer shall regularly report to Audit Committee and the Board of Directors concerning the implementation and effectiveness of this Policy.

- (d) **Training.** Rift will provide periodic anti-Corruption training to Rift personnel, Agents and Associated Entities (where appropriate) on this Policy and its associated anti-Corruption standards, procedures and preventative measures as it determines is necessary. The nature and frequency of the training will vary depending on the role of the individual (or Agent/Associated Entity) and the likelihood that such person or entity will confront Corruption issues. The nature and frequency of such training will be established by the Compliance Officer, in consultation with the Audit Committee and Board of Directors from time to time.
- (e) **Certifications.** All employees, officers and directors of Rift shall be required to annually complete the certification attached to this Policy as Exhibit A.

12 REPORTING & ESCALATION

- (a) **Responsibility to Report.** When you become aware of or suspect that Bribery or a breach of this Policy has taken place (or is merely being contemplated or discussed), you must immediately report that information (in writing) to the Compliance Officer. Reports of non-compliance with this Policy must be escalated by the Compliance Officer to the Chair of the Audit Committee and Rift's Board of Directors.
- (b) **Confidentiality and Non-Retaliation.** All reports will be treated in confidence and fully investigated with legal counsel. Every effort will be made to provide anonymity if it is requested, subject to legal requirements to report to appropriate legal authorities or comply with investigations. You will not suffer demotion, penalty or other adverse consequences for refusing to pay Bribes even if such refusal may result in Rift losing business. You are entitled to raise concerns about the violations or potential violations of this Policy in confidence and without risk of reprisal. Retaliation by anyone as a consequence of Rift personnel, Agents or Associated Entities making a good faith report of a possible violation of the law or this Policy is strictly prohibited.

13 INTERNAL CONTROLS AND RECORD KEEPING

- (a) **Internal Controls.** Rift will maintain an effective system of internal controls to counter violations of this Policy, including financial and organizational checks and balances over Rift's accounting practices and other business processes. All transactions must be executed in accordance with management's general or specific authorizations. In addition, the internal controls must ensure that access to assets is permitted only in accordance with management's general or specific authorization and that recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

To ensure the effectiveness of internal controls, business and finance personnel of Rift will review transactions and expense/payment requests for warning signs that signal an inadequate commercial basis or present excessive risks. To the extent possible, all business partners of Rift should have in place internal controls and procedures that fit these criteria and enhance compliance with this Policy, and Rift should encourage these practices.

- (b) **Record Keeping.** Rift must make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect and/or document: (i) the transactions and dispositions of Rift's

assets, (ii) all of Rift's financial transactions and (iii) all of Rift's risk assessments and due diligence. Transactions must be recorded as necessary to permit preparation of financial statements in conformity with International Financial Reporting Standards and to maintain accountability for assets.

The use of false documents and invoices is prohibited, as is the making of inadequate, ambiguous or deceptive bookkeeping entries and any other accounting procedure, technique or device that would hide or otherwise disguise illegal payments. Specifically, there must be no (i) off-the-books or secret accounts, (ii) transactions that are not recorded (or are inadequately recorded) in Rift's books and records, (iii) recording of non-existent expenditures or entering of liabilities with incorrect identifications in Rift's books and records, or (iv) intentional destruction of accounting books and records earlier than permitted by law.