

COMPLIANCE WITH ANTI-CORRUPTION LAWS

Policy Regarding Payments to Government Officials

This Compliance with Anti-Corruption Laws Policy (“**Policy**”) is intended to ensure that Arrow Exploration Corp. and all of its subsidiaries (collectively, “**Arrow**” or the “**Company**”) does not seek or receive any improper advantage in the course of its business dealings and to ensure that all payments and expenses are properly recorded in our books and records. The Company is subject to many different anti-bribery laws in all of the different jurisdictions where we do business. This Policy is designed to ensure Arrow remains compliant at all times with all applicable laws. It applies to all Arrow entities and all employees of each Arrow entity conducting business in any location. All agents, suppliers, consultants and other providers of goods and/or services (collectively, “**Contractors**”) entering into agreements or arrangements with Arrow entities are also required to comply with this Policy as if they were Arrow employees in the course of their provision of goods and/or services to Arrow or, at Arrow’s discretion, to have and comply with their own policy, which shall be appropriate in the circumstances.

Summary of Key Provisions

COR11-2017 Summary of Policy

No Arrow entity or employee shall offer or pay money or anything of value (including any favour or benefit of any kind), directly or indirectly, to any Government Official in order to secure or retain business or to receive favourable treatment of any type from any government or Government Official.

Gifts and Entertainment Expenses

No Arrow entity or employee shall provide any gift (other than a gift of nominal value that includes the Company’s logo) to any Government Official unless such gift is consistent with customary business practice **AND** approval to give such gift is received, in advance, from the Company’s Compliance Officer. Further, no Arrow entity or employee shall pay for entertainment or hospitality of any sort for a Government Official except to the extent permissible pursuant to section 4 of this Policy.

Reporting of Violations

Any employee who believes in good faith that a violation of this Policy has occurred shall report such actual or suspected violation immediately. The employee may do so: (1) by reporting the actual or suspected violation to his or her supervisor; or (2) by reporting such actual or suspected violation to the Company’s Compliance Officer (by email at: jmcfarlane@arrowexploration.ca or by telephone at 403-237-5700). Any supervisor receiving such a report from an employee must immediately inform the Company’s Compliance Officer of the report.

Although the above summary sets forth the key provisions of this Policy, all Arrow employees and Contractors are responsible for being familiar with the Policy in its entirety and for complying with it in all respects.

The Anti-Corruption Laws

Arrow Exploration Corp. is incorporated in Alberta. Therefore, it and all Arrow entities are subject to Canadian laws as well as the laws of all other countries in which they do business. This Policy has been designed so that compliance with this Policy will result in compliance with the U.S. Foreign Corrupt Practices Act (“**FCPA**”), Canada’s Corruption of Foreign Public Officials Act and the equivalent laws in all other countries in which we do business. This Policy will refer to all such laws as “**Anti-Corruption Laws**”.

Anti-Corruption Laws prohibit Arrow entities, employees and Contractors, no matter where in the world they are located, from

- Offering, promising or giving money or anything of value to a Government Official, either directly or indirectly through a third party, for the purpose of obtaining or retaining business or receiving favourable treatment in the course of business.
- Offering, promising or giving money or anything of value to a Government Official, either directly or indirectly through a third party, for the purpose of obtaining or retaining favourable legislation or regulation or other preferential treatment (for example, relief from import duties).
- Offering, promising or giving money or anything of value to any third party (such as a Contractor) while knowing that some or all of the payment will be given or offered to a Government Official in order to obtain or retain business or favourable treatment. A person is considered to be acting knowingly if he or she is aware that such a payment will occur or is substantially certain or highly probable to occur.
- Falsifying a company’s books and accounting records, mischaracterizing the true nature or purpose of a payment or knowingly circumventing or failing to implement accounting controls which, in reasonable detail, accurately and fairly reflect transactions.

The definition of “**Government Official**” includes any officer or employee of a government or governmental department, agency or instrumentality; anyone acting in an official capacity on behalf of a governmental entity; any employee of a government-owned corporation; any employee of an international organization such as the United Nations or the World Health Organization; and any elected official, political party, party official or candidate for public office. “Government Official” also includes employees of state-owned or state-controlled companies and employees of boards, commissions and agencies with whom we may interact at

local, municipal, state or federal government levels and anyone who carries out any public function on behalf of these entities. Further, for the purposes of this Policy, all governors, leaders and council members of indigenous councils and organizations are considered to be Government Officials. "Government Official" shall also include any spouse, child, parent or other close relative of a Government Official.

Arrow's Standard of Conduct

As set forth in our Code of Business Conduct and Ethics, Arrow is committed to maintaining the highest standards of business conduct and ethics. In furtherance of that commitment, it is critical that all our employees comply fully with the Anti-Corruption Laws. In order to ensure such compliance, the Company has adopted the following policies:

1. Compliance with Anti-Corruption Laws

All Arrow entities, and their respective employees and Contractors (during their provision of goods and/or services to Arrow entities) shall comply at all times with the Anti-Corruption Laws. No Arrow entity or employee shall, directly or indirectly through another person (including a Contractor), offer or pay money or anything of value (including any favour or benefit) to any Government Official in order to secure or retain business or to receive favourable treatment of any type from any government or Government Official. Favourable treatment by a government or a Government Official may include a wide range of conduct, including, for example, the granting of permits or approvals, the waiver or reduction of import duties or other government charges, and actions intended to support favourable legislation or regulation or to block unfavourable legislation or regulation.

If any person, including any Government Official (or any person acting on behalf of a government entity) asks, directly or indirectly, that any Arrow employee offer or pay money or anything of value to the Government Official in order to secure favourable treatment from such Government Official, the Arrow employee shall promptly report that fact in accordance with section 8 of this Policy.

2. Facilitating Payments

Certain payments to Government Officials that relate to the facilitation of routine governmental actions, such as the provision of mail service or the processing of official papers, are permissible under the FCPA but are illegal under the laws of other countries in which we operate. Therefore, no Arrow employee or Contractor shall make any such payment.

3. Gifts

It may be customary and appropriate in certain circumstances to provide Government Officials gifts of nominal value but we must be mindful that in certain circumstances, gifts can be misconstrued as bribes. This Policy does not limit the ability of Arrow employees to periodically provide Government Officials gifts of nominal value that contain the Company's logo (and are, therefore, clearly promotional in nature and

incapable of being misinterpreted as bribes). No Arrow entity or employee shall provide any other gifts to any Government Official unless such gifts are consistent with customary business practice AND prior approval to give such gifts is received from the Company's Compliance Officer. For certainty, gifts of cash and cash equivalents are never permitted nor are gifts that are given with the intention of seeking an improper advantage from a Government Official. All gifts must be fully and accurately recorded in the Company's books and records.

4. Entertainment and Hospitality Expenses

The exchange of meals and/or entertainment of reasonable value is a normal business courtesy meant to create goodwill and foster positive working relationships but in certain circumstances may be misconstrued as bribes. No Arrow entity or employee shall pay for entertainment or hospitality of any sort for a Government Official except if such hospitality is infrequent, consistent with customary business practice and otherwise in compliance with Section 7 of the Company's Code of Business Conduct and Ethics. Entertainment or hospitality that is of a greater monetary value may be permitted in certain limited circumstances, but requires the prior express authorization from the Company's Compliance Officer. All entertainment and hospitality expenses must be fully and accurately recorded in the Company's books and records.

5. Payment of Reasonable and Bona Fide Expenses

Arrow may pay bona fide and reasonable expenditures (including travel and lodging) incurred by or on behalf of a Government Official if the payments are directly related to either (1) expenditures required in order to comply with the terms of a contract with a government or agency thereof or applicable laws or regulations; or (2) expenditures made at the discretion of Arrow related to the promotion, demonstration or explanation of products, services, operations or technical capabilities of Arrow. However, before any such expenses are incurred, approval must be obtained from the President of the applicable Arrow business unit with respect to such required expenditures and from Company's Compliance Officer with respect to such discretionary expenditures.

6. Others Contracting with Arrow

Arrow regularly contracts with Contractors for goods and/or services. The integrity of such third parties is of critical importance to Arrow because in certain circumstances Arrow and its employees may be held responsible for the conduct of such third parties under the Anti-Corruption Laws even if unaware of such conduct. Accordingly, before Arrow may enter into any agreement or arrangement with such a third party, the third party must agree in writing to be bound by this Policy just as if it were an employee of Arrow or, at the discretion of Arrow, to comply with all applicable Anti-Corruption Laws and its own policy, which shall be appropriate in the circumstances.

Any proposed contracts with third party Contractors to aid the Company in developing, securing or obtaining new business opportunities or to aid it in enhancing, maintaining or enlarging existing business, government or stakeholder relationships require the prior written approval of the Company's Compliance Officer (by email at:

jmcfarlane@arrowexploration.ca or by telephone at 403-237-5700) and require the written agreement of such third party to comply with this Policy. Prior to engaging such a third party, the Company shall ensure that proper due diligence, checks and research are carried out on the reputation, background and past performance of the prospective third party, as appropriate.

7. Accurate Recording of All Related Transactions

It is the responsibility of all Arrow entities and employees to ensure that the Company's books and records accurately and fairly reflect the transactions in which the Company participates. Accordingly, any Arrow employee that participates in any transaction covered by this Policy shall take reasonable measures to ensure that the nature and amount of the transaction are accurately and fairly reflected in the Company's books and records.

8. Reporting of Actual or Suspected Violations of this Policy

Any employee who believes in good faith that a violation of this Policy has occurred shall report such actual or suspected violation immediately. The employee may do so: (1) by reporting the actual or suspected violation to his or her supervisor; or (2) by reporting such actual or suspected violation to the Company's Compliance Officer (by email at: jmcfarlane@arrowexploration.ca or by telephone at 403-237-5700).

If a report of an actual or suspected violation is made to an employee's supervisor, that supervisor shall report such information to the Company's Compliance Officer.

It is Arrow's policy that no retaliation, adverse employment or other punitive action will be taken against anyone who makes a good faith report of an actual or suspected violation of this Policy.

Consequences of Non-Compliance

Any employee who fails to comply with the requirements of this Policy will be subject to disciplinary action, up to and including termination. Similarly, persons or entities who provide goods and/or services to Arrow as Contractors should expect to have their contracts terminated for cause if they violate this Policy or any applicable Anti-Corruption Laws.

Red Flags

It is the responsibility of all Arrow employees to ensure not just their own but also the Company's compliance with this Policy. Certain situations arise which may indicate a potential violation of the Anti-Corruption Laws or this Policy that should act as a warning or red flag to our employees. Below is a list of some, but not all, potential red flags:

- payments to persons outside the normal scope of business;
- payment requests lacking standard invoices;

- checks made out to “cash;”
- unusual credits granted to new customers; or
- payments to or on behalf of a Government Official that are not recorded in the Company’s books and records in a way that accurately reflects the nature of the payment.

As discussed above, third parties contracting with Arrow to provide goods and/or services are also required to comply with this Policy. Potential red flags relating to the conduct of such third parties include:

- The third party requests the payment of exorbitant travel or entertainment expenses;
- A Government Official requests or requires that we engage a specific contractor or service provider;
- The third party requests fees or commissions higher than market rates;
- The third party claims to have a special relationship with Government Officials; or
- The third party requests that his or her agreement with Arrow be kept secret.

Arrow will provide periodic training on this Policy to its employees as appropriate to aid in their understanding of this Policy. However, if you have any questions or concerns regarding this Policy, please contact the Company’s Compliance Officer (by email at: jmcfarlane@arrowexploration.ca or by telephone at 403-237-5700).