
ESG Committee Terms of Reference

1. Constitution and Purpose

The ESG (Environmental, Social & Governance) Committee (the “Committee”) has been established by resolution of the Board of Directors (the “Board”) of Canacol Energy Ltd. (“Canacol” or the “Corporation”) for the purpose of assisting the Board in fulfilling its oversight responsibilities with respect to the Corporation’s social responsibility and sustainability management. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, Canacol’s policies, procedures, and practices at all levels. The Committee’s primary roles and responsibilities are to:

- Serve as an independent and objective party to monitor the integrity and quality of Canacol’s ESG strategy.
- Ensure that Canacol’s ESG strategy is integrated into its business plan, corporate values and objectives and serves to foster a culture of responsibility and transparency.
- Review and approve Canacol’s annual Sustainability Report.
- Review and approve the qualifications, independence, engagement, compensation and performance of the external party chosen to provide assurance on Canacol’s annual Sustainability Report.

2. Composition

The Committee shall be composed of at least three individuals appointed by the Board from amongst its members, the majority of which will be independent. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed or ceases to be a member of the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all their powers so long as a quorum remains in office.

The Board shall appoint a chair for the Committee from its members (the “Chair”). If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.

No Director who serves as board member of any other company shall be eligible to serve as a member of the Committee unless the Board has determined that such simultaneous service would not impair the ability of such member to effectively serve on the Committee. Determinations as to whether a particular Director satisfies the requirements for membership on the Committee shall be made by the Committee.

3. Meetings

The Committee shall meet at least twice per year and/or as deemed appropriate by the Committee Chair. The Chair of the Committee, any member of the Committee, the Chairman of the Board or the Chief Executive Officer (“CEO”) may call a meeting of the Committee by notifying the Corporation’s Corporate Secretary, who will notify the members of the Committee.

A quorum at meetings of the Committee shall be its Chair and at least two of its other members or the Chairman of the Board. The Committee may hold its meetings, and members of the Committee may attend meetings, by means of teleconference.

The Committee may invite any officer or employee of the Corporation, legal counsel, the Corporation's governance or compensation advisors and any other persons to attend meetings and give presentations with respect to their area of responsibility, as considered necessary by the Committee.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Committee members with copies to the Board, the CEO, the CFO or such other officers acting in those capacities.

The Chair of the Committee shall be available at the annual general meeting of the Corporation to respond to any shareholder questions on the activities and responsibilities of the Committee.

4. Authority

The Committee is authorized by the Board to:

- a. Investigate any matter within its Terms of Reference
- b. Have direct communication with the Corporation's external party providing assurance on ESG.
- c. Seek any information it requires from any employee of the Corporation.
- d. Retain, at its discretion, outside legal or other advisors, at the expense of the Corporation, to obtain advice and assistance in respect of any matters relating to its duties.

5. Roles and Responsibilities

The ESG Committee shall have the roles and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations.

1. Assist the Board in establishing and monitoring the Corporation's ESG policies and practices.
2. Propose changes as necessary from time to time to respond to ESG recommendations or guidelines from authorities or investors as well as changes in the Corporation's business environment.
3. Assist the Board with an annual review of the Board and Committee structure.
4. Ensure that the Corporation has in effect adequate policies and procedures to identify and manage the principal ESG risks of the Corporation's business.
5. Review the main challenges the Corporation faces in ESG.
6. Review and approve material ESG disclosure.
7. Review and approve the external party assurance process and report.

6. Committee Effectiveness Procedures

The Committee shall review its Terms of Reference on an annual basis, or more often as required, to ensure that they remain adequate and relevant, and incorporate any material changes in statutory and regulatory requirements and the Corporation's business environment. The procedures outlined in these

Terms of Reference are meant to serve as guidelines, and the Committee may adopt such different or additional procedures as it deems necessary from time to time.

In setting the agenda for the meeting, the Chair shall encourage the Committee members, management and other members of the Board to provide input in order to address emerging issues.

Any written material provided to the Committee shall be relevant and concise and shall be distributed in advance of the respective meeting with sufficient time to allow Committee members to review and understand the information.

The Committee shall conduct an annual self-assessment of its performance and these Terms of Reference and shall make recommendations to the Corporate Governance and Nominating Committee with respect thereto.

Committee members shall be provided with an orientation program to educate them on the Corporation's ESG policies and practices.