



COMPLIANCE POLICY MANUAL

Vendor Code of Conduct

January 2020

Vendor Code of Conduct

I. INTRODUCTION

Talos Energy Inc. (Talos or the Company) is committed to operating in accordance with the highest ethical and professional standards, consistent with its Code of Business Conduct and Ethics. The long-term success of the Company depends on our ability to explore and optimize offshore oil and gas opportunities, while being responsible corporate citizens. Accordingly, Talos requires its vendors, as well as their employees, agents and subcontractors, to embrace this commitment to integrity by complying with this Talos Vendor Code of Conduct (the “Code”).

II. LEGAL AND REGULATORY COMPLIANCE PRACTICES

Vendors must conduct business in full compliance with laws and regulations applicable to their business. Nothing in this Code grants additional rights or expectations to a Vendor or alters the Company’s contractual or legal rights. Talos reserves the right to modify this Code at any time in its sole discretion, without prior notice.

IV. CONFIDENTIALITY AND DATA PROTECTION

You may be entrusted with proprietary and personal information. Vendors should uphold all legal obligations and otherwise ensure protection of all sensitive information, including confidential, proprietary, and personal information. Information should not be used for any purpose beyond the scope of the business arrangement with the Company without prior authorization. Vendors must ensure the confidentiality of this information and return all confidential information and personal data after their relationship with Talos ends.

As a Vendor, you might be granted access and permitted to use Talos’ computer network which may include access to a variety of proprietary and licensed applications. Talos reserves the right to monitor the use of and/or examine or search company property provided to Vendors.

Vendors must also ensure information remains private by maintaining adequate cyber security and complying with all laws and regulations to mitigate the risk and consequences of a data breach.

V. INSIDER TRADING

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Vendors must not use or share insider information concerning Talos for the purpose of trading in Talos or other securities. Insider information includes material nonpublic information about matters such as significant contracts, claims, liabilities, mergers or acquisitions, development plans, earnings, forecasts and budgets.

VI. HUMAN RIGHTS AND LABOR STANDARDS

We expect our Vendors to treat people with respect and dignity, encourage diversity, promote equal opportunity for all, and help create an inclusive and ethical culture.

- **Wages and Benefits:** Vendors must comply with all applicable wage and compensation requirements under applicable labor laws for regular work, overtime, maximum hours, piece rates, and other elements of compensation and employee benefits. The Company encourages Vendors to work toward improving standards of living and quality of life for their employees and communities.
- **Freedom of Association:** Talos believes its employees are its most important asset and values employee engagement. The Company expects its Vendors to adhere to applicable laws regarding the right of their employees to affiliate with lawful organizations, including unions, without interference.
- **Nondiscrimination:** The Company believes that employment should be based solely on a person's ability and not personal characteristics. Vendors shall maintain a workplace free of unlawful discrimination, which includes race, gender, marital status, age, color, religion, national origin, disability, veteran status, sexual orientation, or any other characteristic or status protected by law. Employees shall not be subject to verbal, physical, sexual or psychological abuse, harassment, and shall be treated with respect and dignity.
- **Federal Contracting Clauses.** Talos is a federal contractor. Consequently, our Vendors must comply with the requirements of:
 - (1) Equal Opportunity Clause (41 CFR §60-1.4);
 - (2) Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, Recently Separated Veterans, and Other Protected Veterans clause (41 CFR §60-250.5(a));
 - (3) Equal Opportunity for Workers with Disabilities clause (41 CFR §60-741.5(a))
 - (4) Equal Opportunity Clause under the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (41 CFR 60-300.5(a))

Further, Vendor agrees to timely file all Equal Employment Opportunity reports required under 41 CFR §60-1.7 and to develop and maintain a current written affirmative action

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compliance program(s) for each of its establishments in accordance with and where required by 41 CFR §§60-1.40, 60-741.1, 60-300.1 and the regulations of the Secretary of Labor promulgated under Executive Order No. 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, respectively.

Vendor certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained.

- **Prevention of Underage Labor:** Vendors must comply with all applicable minimum age labor laws and not use child labor. Workers must be no younger than the minimum age for employment under applicable law.
- **Human Trafficking:** Vendors must not engage in the recruiting, transporting, or use of forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery, or trafficking of persons.
- **Working Hours:** Vendor's employee working hours must be in compliance with all applicable laws and regulations. Vendors should encourage employees to receive days off in compliance with all applicable laws.

VII. HEALTH AND SAFETY

Vendors shall incorporate health and safety management practices into all aspects of their business. Vendors must fully comply with all applicable safety and health laws, including in the areas of occupational safety, emergency preparedness, occupational injury and illness, industrial hygiene, physically demanding work, machine safeguarding, sanitation, food, and housing. Vendors shall minimize employee and visitor exposure to potential safety hazards by appropriately identifying, assessing and minimizing risks.

Talos prohibits the possession of firearms, guns, explosives and any other weapons while on Talos premises.

Vendors are expected to be free from the influence of alcohol, drugs and improperly used prescription medicine while conducting Talos' business, whether on or off Talos' premises.

VIII. ENVIRONMENT

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Talos is committed to an environmentally sustainable future and expects that its Vendors comply with applicable environmental laws, including regarding hazardous materials, air emissions, waste, and wastewater discharges. Vendors must know and understand the environmental issues associated with the production of goods and services they provide, and must take precautions to protect the environment and the health and safety of their employees.

Requests to violate established environmental, health, and safety procedures in connection with Talos related activities must never be acted on and must always be reported. In addition, each Vendor has the obligation to stop work activities that may represent a threat to safety or the environment.

Vendors are encouraged to reduce their carbon footprint and undertake sustainability initiatives to meet our objectives of protecting the planet while lowering operating costs and improving the efficiency of our portfolio.

IX. ANTI-CORRUPTION, FAIR COMPETITION AND BUSINESS PRACTICES

- **Anti-Bribery and Anti-Corruption:** Vendors shall not engage in any form of corrupt practices including, without limitation, extortion, fraud, impersonation, false declarations, bribery, money laundering, supporting or involvement with terrorist or organized crime organizations or activities. Vendors shall not offer gifts, bribes or kickbacks to any government official or third party with the intention of obtaining or retaining a business advantage.
- **Antitrust:** Vendors must comply with applicable antitrust and fair competition laws. Unethical business practices such as improper exchange of competitive information, price fixing, bid rigging, or improper market allocation are prohibited.
- **Conflicts of Interest and Fair Dealing:** Vendors must avoid offering gifts, favors or benefits that are intended (or could appear) to influence Talos employees to act in their personal interest ahead of Talos' best interest. Talos employees are required to report all Vendor gifts and entertainment. Suppliers must not take unfair advantage of anyone through manipulation, abuse of confidential information, misrepresentation, fraudulent behavior or any other unfair practice.
- **Licensing/Permits:** Vendors must obtain all required licenses and permits to conduct business in applicable jurisdictions.
- **Trade Laws.** Vendors must comply with applicable trade controls.

X. FINANCIAL RESPONSIBILITY/ACCURATE RECORDS

Vendors must accurately record, maintain, and report business records, including financial account, quality reports, time records, expense reports, and any submission to regulatory authorities.

XI. REPORTING

Vendors must allow employees to raise issues or concerns without fear of retaliation.

XII. CODES OF CONDUCT AND SUB-TIER VENDORS

Vendors must have management systems in place to support compliance with laws, regulations, and this Code. We encourage our Vendors to implement their own written code of conduct.

XIII. COMPLIANCE, AUDITS, AND REPORTING A CONCERN

The Code may not cover every situation a Vendor may face. When in doubt, or when there are questions or concerns about a violation of the Code, Vendors can seek guidance from the Talos legal department or from the Talos hotline at 844-283-9315.

Talos may conduct annual compliance surveys and audits to confirm compliance with this Vendor Code of Conduct. However, Talos expects that suppliers will actively audit and monitor their day-to-day management process with respect to the Talos Code of Conduct and provide evidence of compliance to Talos upon request. If a Vendor is noncompliant, the Company reserves the right to take appropriate actions, including contract termination. The Company may require removal from the Talos account of any Vendor personnel who behaves in manner that is unlawful or incompatible with this Code.

To report questionable behavior or a possible violation of this Vendor Code of Conduct, please call 844-283-9315. Talos will not tolerate any retaliatory acts against any individual for reporting known or suspected misconduct.

Adopted and approved February 4, 2020.